

Procedure file

Basic information		
INI - Own-initiative procedure	2010/2156(INI)	Procedure completed
Unlocking the potential of cultural and creative industries		
Subject		
3.45 Enterprise policy, inter-company cooperation		
3.50.04 Innovation		
4.45 Common cultural area, cultural diversity		
4.45.08 Cultural and artistic activities, books and reading, arts		
5.03 Global economy and globalisation		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	CULT Culture and Education		01/06/2010
		PPE SANCHEZ-SCHMID Marie-Thérèse	
		Shadow rapporteur	
		S&D COSTA Silvia	
		ALDE MĂNESCU Ramona Nicole	
		Verts/ALE BENARAB-ATTOU Malika	
		ECR MCCLARKIN Emma	
		GUE/NGL TAVARES Rui	
	Committee for opinion	Rapporteur for opinion	Appointed
	INTA International Trade		06/10/2010
		EFD (THE EARL OF) DARTMOUTH William	
	EMPL Employment and Social Affairs		19/05/2010
		Verts/ALE DELLI Karima	
ITRE Industry, Research and Energy		20/10/2010	
	PPE BELET Ivo		
IMCO Internal Market and Consumer Protection	The committee decided not to give an opinion.		
REGI Regional Development		28/09/2010	
	ECR VLASÁK Oldřich		
JURI Legal Affairs		20/09/2010	
	ALDE WIKSTRÖM Cecilia		
European Commission	Commission DG Education, Youth, Sport and Culture	Commissioner VASSILIOU Androulla	

Key events			
27/04/2010	Non-legislative basic document published	COM(2010)0183	Summary

09/09/2010	Committee referral announced in Parliament, 1st reading/single reading		
17/03/2011	Vote in committee, 1st reading/single reading		Summary
13/04/2011	Committee report tabled for plenary, single reading	A7-0143/2011	
12/05/2011	Results of vote in Parliament		
12/05/2011	Debate in Parliament		
12/05/2011	Decision by Parliament, 1st reading/single reading	T7-0240/2011	Summary
12/05/2011	End of procedure in Parliament		

Technical information

Procedure reference	2010/2156(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 052
Modified legal basis	Rules of Procedure EP 150
Stage reached in procedure	Procedure completed
Committee dossier	CULT/7/03643

Documentation gateway

Non-legislative basic document		COM(2010)0183	27/04/2010	EC	Summary
Committee opinion	EMPL	PE448.926	08/12/2010	EP	
Committee draft report		PE454.692	05/01/2011	EP	
Committee opinion	INTA	PE452.826	26/01/2011	EP	
Committee opinion	ITRE	PE454.435	10/02/2011	EP	
Amendments tabled in committee		PE454.693	11/02/2011	EP	
Committee opinion	JURI	PE454.701	01/03/2011	EP	
Committee opinion	REGI	PE456.617	03/03/2011	EP	
Document attached to the procedure		SEC(2011)0399	24/03/2011	EC	
Committee report tabled for plenary, single reading		A7-0143/2011	13/04/2011	EP	
Text adopted by Parliament, single reading		T7-0240/2011	12/05/2011	EP	Summary
Commission response to text adopted in plenary		SP(2011)6333	19/09/2011		

2010/2156(INI) - 27/04/2010 Non-legislative basic document

PURPOSE: to present a Green Paper on unlocking the potential of cultural and creative industries.

CONTENT: this paper begins by noting the untapped potential in the cultural and creative industries to create growth and jobs. Europe must identify and invest in new sources of smart, sustainable and inclusive growth drivers. Much of our future prosperity will depend on how we use

our resources, knowledge and creative talent to spur innovation. Europe's cultural and creative industries offer a real potential to respond to these challenges thereby contributing to the Europe 2020 strategy and some of its flagship initiatives such as the Innovation Union, the Digital Agenda, tackling climate change, the Agenda for new skills and new jobs or an industrial policy for the globalisation era. Many recent studies have shown that the cultural and creative industries ("CCIs") represent highly innovative companies with a great economic potential and are one of Europe's most dynamic sectors, contributing around 2.6 % to the EU GDP, with a high growth potential, and providing quality jobs to around 5 million people across EU-27.

Furthermore, cultural contents play a crucial role in the deployment of the information society, fuelling investments in broadband infrastructures and services, in digital technologies, as well as in new consumer electronics and telecommunication devices. Beyond their direct contribution to GDP, CCIs are also important drivers of economic and social innovation in many other sectors. For CCIs to be able to make the most of the opportunities offered by cultural diversity, globalization and digitization, which are the key drivers for the further development of these industries, the challenge is:

- to put the right enablers in place by increasing the capacity to experiment, innovate and succeed as entrepreneurs, and providing easier access to funding and the right mix of skills;
- to help CCIs develop in their local and regional environment as a launch pad for a stronger global presence, including through increased exchange and mobility;
- to move towards a creative economy by catalyzing the spill-over effects of CCIs on a wide range of economic and social contexts.

At a time when some of our international partners already largely tap into the multifaceted resources of CCIs, the EU still has to develop a strategic approach to make its strong and attractive cultural assets the basis of a powerful creative economy and a cohesive society. CCIs need an increased capacity for experimenting and innovating, access to the right mix of skills and access to funding. In this context, the Green paper discusses the following issues:

New spaces for experimentation, innovation and entrepreneurship in the cultural and creative sector: the paper asks how to create more spaces and better support for experimentation, innovation and entrepreneurship in the CCIs. More particularly, it asks how to increase access to ICT services in/for cultural and creative activities and improve the use of their cultural content, and how ICTs could become a driver of new business models for some CCIs.

Better matching the skills needs of CCIs: at the crossroads of creativity and entrepreneurship, it remains difficult for companies in the CCIs, in particular SMEs, to find staff with the right mix of skills. Ensuring a better match between the supply of skills and the demands of the labour market is crucial in the medium and long run to boosting the sector's competitive potential. The paper asks how to foster art and design schools/business partnerships as a way to promote incubation, start-ups and entrepreneurship, as well as e-skills development, and how peer-coaching in the CCIs could be encouraged at the level of the European Union.

Access to funding: this is a core barrier to growth for many businesses within the sector. Many cultural and creative entrepreneurs are SMEs and enterprises consisting of one to two people represent the overwhelming majority of the companies of the sector and encompass this new type of "entrepreneurial individuals" or "entrepreneurial cultural workers", who no longer fit into previously typical patterns of full time professions. CCIs face specific challenges in achieving investment readiness for various reasons; lack of information and understanding about relevant sources of finance, difficulty in developing and presenting a business plan in a convincing way, or reliance on a failing business model. Furthermore, these businesses are ? for the greater part ? prototype or project-based, heavily dependent on their "star products" or services and largely depend on individual talent and risk taking. CCIs access to financial support is limited as many businesses suffer from chronic undercapitalization and face serious problems in obtaining adequate valuation of their immaterial, e.g. copyright assets (such as artists signed to record labels, writers signed to publishing houses or catalogues of musical or cinematographic works) when raising finance. Contrary to businesses in technological fields, the immaterial assets of CCIs have no recognised value in balance sheets and their investments in developing new talents and creative ideas are not in line with the standard concept of "research and development". Against this background, , innovative financial instruments, such as venture capital and guarantees and other risk sharing instruments that are delivered through market players can play an important role in facilitating access to finance by SMEs. Such instruments are being implemented in the context of market-oriented EU expenditure programmes (such as the Competitiveness and Innovation Programme). They have proven to be effective in helping SMEs to access finance, but have been targeting a wide range of SMEs with no specific focus on companies from the CCI.

More specifically targeting CCIs, interesting new financial models have emerged at national or regional level. Some of these ease access to loans by pooling cross-sectoral expertise to evaluate companies and their projects. Others bring together investors and companies in need of venture capital for growth, including through so-called crowdfunding. The Commission also explores the possibility to set up a Production Guarantee Fund for the audiovisual sector in the context of the implementation of the MEDIA programme.

The Green Paper goes on to note that CCIs develop at the local and regional levels, where networking and clustering function. Promoting the mobility of artists and cultural practitioners is a way to help our CCIs make the leap from local to global, and ensure a European presence worldwide. The paper asks how to strengthen the integration of CCIs into strategic regional/local development, and which tools and which partnerships are needed for an integrated approach.

Lastly, the paper discusses the spillover effects: the cultural sector and CCIs can make a fundamental contribution to responding to major challenges such as the fight against global warming and transition to a green economy and a new sustainable model of development. Art and culture have a unique capacity to create green jobs, to raise awareness, challenge social habits and promote behavioural shifts in our societies, including our general attitude to nature. The key question here is how to accelerate the positive spill-over effects that culture and CCIs can produce on the wider economy and society.

This Green Paper aims to spark a debate on the requirements of a truly stimulating creative environment for the EU's CCIs. It includes multiple perspectives, from that of the business environment to the need to open up a common European space for culture, from capacity building to skills development and promotion of European creators on the world stage.

2010/2156(INI) - 17/03/2011 Vote in committee, 1st reading/single reading

The Committee on Culture and Education adopted the own-initiative report by Marie-Thérèse Sanchez-Schmid (EPP, FR) on unlocking the potential of cultural and creative industries (CCI) in response to the Green Paper on the subject. It notes that the CCI, which account for 5 million jobs and 2.6% of EU GDP, are one of the main drivers for growth in the EU, creating new jobs, playing key roles in global value chains,

spurring innovation, providing added value as a factor for social cohesion and serving as an efficient tool in the fight against the current recession. These industries are a driving force for economies in the digital age, making a significant contribution to innovation and the development of new ICT.

Cultural and creative industries as a driving force in the EU: the committee calls on the Commission to pursue its efforts to produce a better definition of CCI with a view to analysing in depth their impact on long-term growth and international competitiveness. It calls on Member States to be strongly committed to protecting and supporting their own cultural heritage, recognising that for CCI to develop requires a dual economy where public and private investment coexists.

The Commission is asked to:

- foster a more elaborate system of cooperation among Member States and EU institutions, based on sharing experience of good practice, and also include local and regional authorities in the follow-up process to the Green Paper;
- draw up a White Paper, in view of the ever increasing importance of CCI as well as the objective of strengthening this sector, which is of strategic importance for the achievement of the Europe 2020 goals.

Education, training and awareness-raising: the report encourages the promotion of artistic and cultural education (with particular emphasis on creativity) among all age groups, and the development of creators' entrepreneurial skills. It reminds the Commission and Member States of the urgent need to recognise vocational qualifications in the CCI, to promote student and lecturer mobility and further develop training-work experience internships for artists and creators. It further calls on them to create new pilot projects under the Erasmus and Erasmus for Young Entrepreneurs programmes to allow for greater collaboration between universities and enterprises in the cultural and creative sector.

Improving the distribution of works in the digital age: the committee encourages Member States to promote the distribution and circulation of works across the EU. It asks the Commission to consider the possibility of establishing specific actions and suitable tools to support European CCI, in particular SMEs. It also wants the Commission to ensure the strict implementation of Article 13 of the Audiovisual Media Services Directive, which provides for the Member States to ensure that on-demand audiovisual media services promote the production of and access to European works and to report to it on the implementation of this provision no later than 2012.

Towards an internal market for cultural and creative content: the report calls on Member States and the Commission to take the necessary steps to establish a European internal market for on-line cultural and creative content and guarantee access to this content to European citizens whilst ensuring that those entitled are protected and properly compensated and that all funding channels for the creative sector are consolidated. It also calls on the Commission to support new and innovative economic models in the creative and cultural sector which are adapted to the impact of globalisation and the challenges of the digital age, particularly with regard to content industries.

Intellectual property rights: Members note that, in order to flourish, Europe's CCI require a modern, accessible and legally certain system for the protection of intellectual property rights (IPR). They emphasise that IPR are a fundamental asset for creative companies and an incentive for individual creativity and investment in creation. They call, therefore, for schemes to help CCI adapt to the digital shift via new online services based on new forms of rights management promoting authors' rights, and for a balanced regulatory framework governing the protection and enforcement of IPR. The committee calls on the Commission to:

- adapt copyright to the digital era allowing CCI to reap the benefits created by digital technology and media convergence and to consider specific ways of facilitating the use of creative content and archived material, putting in place extended collective licensing systems and easy, one-stop-shop systems for the clearance of rights;
- enable the viability of a pan-European licensing system that builds on the existing multi-territory individual and collective rights licensing models and facilitates the launch of services with a wide choice of content, hereby increasing legal access to online cultural content;
- organise a campaign to raise awareness especially among young European consumers, of the need to respect IPR;
- tackle abusive commercial practices and violations of IPR, of which CCI can be victims in both the real and digital economy;

Members welcome the Commission's revision of the EU trademark system and encourage the Commission to see to it that the relevant steps are taken to ensure that trademarks can benefit from the same level of protection in both the online and offline environments.

Funding cultural and creative industries: Members note that there must be a guarantee of strategic investments in CCI in order to enable them to play a full part in boosting the European economy. They call on all actors concerned to consider introducing new, innovative financial instruments, both at a European level and at national level, such as bank guarantee measures, repayable advances, risk-capital funds and incentives for the establishment of local partnerships, which take account of the needs of these industries and especially of the fact that creators' only form of capital is, in many cases, non-material. The Commission is asked to grant the CCI SME status in their own right in regard to all arrangements for access to credit, start-up support and employment protection, which should be suitably adapted to the specificities of the sector.

Members make a series of proposals with regard to financing for the CCI, including the following:

- mobilisation of, and simplified application for, existing EU funds and programmes (such as the Microfinance Facility) for the development of small and micro-enterprises in the cultural and creative sector, with a view to optimising support for enterprises by facilitating access to information on funding options;
- the introduction of short-term microfinancing to encourage experimentation and the development of innovative cultural and creative projects;
- the Commission to assess the relevance of the structural funds, as well as current and future programmes in the fields of culture, audiovisual media, youth provision and education, in terms of their potential to further the creative sector, and that it formulate conclusions and act on them with a view to an improved support policy;
- better access to credit for the CCI and for alternative formulas such as tax relief or tax incentives to be examined in order to encourage patronage by enterprises;
- developing finance and business management consultation and advisory services to allow people working in the CCI to understand the tools required for good business management in order to improve the creation, production, promotion and distribution of cultural goods and services.

Local and regional cooperation: the report emphasises that the CCI contribute, in many cases, to the transformation of declining local economies by encouraging the emergence of new types of economic activity, creating new jobs and making European regions and cities more attractive, thus serving the interests of social and territorial cohesion. Members believe therefore that the establishment of CCI and the

development of those which already exist must be supported by means of national, regional and local development strategies, in a partnership between public authorities representing different policy areas, SMEs and relevant civil society representatives. Member States and regions are asked to create opportunities for such cooperation, and to explore innovation voucher schemes to help cultural and creative SMEs and individuals acquire professional skills.

International relations and trade: the report stresses the great potential of CCI in international trade and assumes that its significance is being underestimated owing to the difficulty of gathering data. It calls on the Commission, in view of the proliferation of bilateral trade agreements, to submit to Parliament a clear, overall strategy on the cultural cooperation protocols (CCP) annexed to those agreements, with a view to adapting the offer of European cooperation to the needs and specific characteristics of CCI in the partner countries.

2010/2156(INI) - 12/05/2011 Text adopted by Parliament, single reading

The European Parliament adopted a resolution on unlocking the potential of cultural and creative industries (CCI) in response to the Green Paper on the subject. It notes that the CCI, which account for 5 million jobs and 2.6% of EU GDP, are one of the main drivers for growth in the EU, creating new jobs, playing key roles in global value chains, spurring innovation, providing added value as a factor for social cohesion and serving as an efficient tool in the fight against the current recession. These industries are a driving force for economies in the digital age, making a significant contribution to innovation and the development of new ICT.

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