EXECUTIVE SUMMARY

European Parliament

Research for CULT Committee - Culture and creative sectors in the European Union – Key future developments, challenges and opportunities

KEY FINDINGS

- Diversity, fragmentation and concentration. The fragmentation and diversity of European CCS limits the circulation of European works and the ability of the sectors to organise and defend their interests. The concentration phenomenon highlights the dominant position of big non-EU players against the smaller EU CCS actors especially in the platform and streaming economy.
- Changing funding environment and business models. The CCS have started to explore new or alternative business models to remain sustainable and have turned to private sources of finance, but most SMEs are frequently turned down by investors. The financing gap is currently tackled by the Creative Europe Guarantee Facility.
- Workforce and skills. CCS' professionals increasingly require a blend of creative, digital, managerial and entrepreneurial competences, coupled with soft skills to stimulate innovation. The contribution of CCS to developing trans-sectorial soft and creative skills becomes even more critical in the age of Artificial Intelligence (AI) and the automation of work.
- New technologies. Virtual and augmented reality represent important technological advancements and innovations and are a growing sector of interest for the CCS. The development of AI has a significant impact on the CCS, as it helps recommending tailored content. However, the trend towards a data-driven technology industry generates increasing concerns over consumers' privacy.
- Audiences and cultural participation. Concerns are being expressed with regard to the limits of the digital cultural participation in terms of social and well-being impacts by contrast with in-person cultural engagement. Therefore, cultural institutions seek innovative tools and methods in order to (re)attract audiences and reaffirm their role as places of social bounding.
- European CCS in an international environment. Hypermobility have become a social and economic condition in the CCS. At the same time, new technologies bring alternatives to mobility (online communications, streaming, virtual residencies) and reduce the environmental impact of international mobility.
- Environmental challenges. Some CCS operators are pioneering ways to reduce their carbon footprint - at festivals or in the fashion industry. However, a growing concern that still needs to be addressed is the carbon footprint of digital activities and cloud computing, which are in control of large online platforms and intermediates.
- Policy framework. During the last decade, CCS have gained increased attention in European Union policymaking. The 2018 European Agenda for Culture and the Creative Europe Programme aim to help CCS thrive in an international and digital environment.

The present document is the executive summary of the study on Culture and creative sectors in the European Union – Key future developments, challenges and opportunities. The full study, which is available in English can be downloaded at:

http://bit.ly/2lCi9bw

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This report is a foresight scenario-based study which assesses the way the European CCS are already affected and could be affected in the future by economic, social, political or technologic changes. The first part of the study analyses the state-of-play, while the second part advances a prospective analysis grounded on scenarios with different degrees of probability on the future of CCS and tested through consultation with a wide range of stakeholders.

Scenarios for the future of the CCS

The scenarios span across different trend areas: economic, policy, social, technologic and environmental aspects, international cultural relations, democracy and artistic freedom. A probability index was developed, indicating an average score of the likeliness of each scenario. Very few of the scenarios are irreversible – instead, they provide a matrix in which political actors and the CCS can make decisions to shape the way the sector will evolve towards 2030.

Below we present only one most and least probable aspirational and disruptive scenario in several selected trend areas.

Trend area	More likely		Less likely	
	Aspirational scenario	Disruptive scenario	Aspirational scenario	Disruptive scenario
Economic	The CCS will act as a significant driver of territorial attractiveness.	The CCS will face a sizeable lack of funding.	The concentration of the sector will be reduced.	The lack of funding and of professional development opportunities in the CCS will lead to de-professionalisation of the sector.
Policy	The EU will develop ways to address the CCS specifically on national, regional and local level.	EU policy framework will not be appropriately adapted to support the CCS in the future.	Policy makers and financial institutions will be fully aware of the specificity of funding for the CCS.	Polarisation of resources for the CCS will be insufficiently addressed by policy makers.
Technology	Technology will increase the growth of certain sectors (e.g. audiovisual, video games).	Platform-led digital future will challenge ethics and cultural diversity of CCS.	EU citizens will be able to make the most of CCS, as the digital literacy of users will increase.	With the increasing attention for development of digital skills, artists will face difficulties in finding people with 'old'/'traditional' skills.
International cultural relations	European CCS will strengthen their role in building a shared European space.	The trade of CCS products will be dominated by large EU countries.	All EU countries will play an equal role in trade relations.	The CCS will contribute significantly less to building a shared European space.
Freedom of expression	CCS will contribute to democracy and the freedom of expression.	There will be an increase in violation of artistic freedom and censorship of cultural organisations.	The visibility of awards will be increased as a recognition of artistic freedom.	Nothing is going to change in terms of artistic freedom, as it is difficult to monitor censorship and hate speech.

Policy recommendations

Recommendations to the Members of the CULT Committee of the European Parliament take into account the existing policy agenda, but also suggest courses of actions to act on the different scenarios envisioned in the report.

Recommendations encompass six policy areas and also refer to key EU programmes that could better support CCS with regards to the identified challenges.

Cultural diversity

The increasingly digitised context in which citizens access culture and creativity requires:

1. An ambitious European approach including a cultural diversity criterion to its competition policy.

2. A strengthened voice of the CCS (by joining the AI Alliance and ensuring that cultural diversity is adequately taken into account).

3. A carefully monitored Audiovisual Media Services Directive.

Labour market

CULT and EMPL Committees could jointly assess:

1. To what extent the current labour market rules fit for a highly fragmented work environment.

2. How social security rights apply to atypical forms of work (freelancers/self-employees).

Skills and education

1. Encourage programmes for skills development and lifelong learning to include a clear component for culture and creativity.

2. Support programmes integrating the arts into STEM curricula.

3. The CULT Committee could spearhead the development of a CCS literacy policy.

Sustainability of CCS businesses and organisations

1. Ensure the CCS are adequately included in all programmes for entrepreneurship (future COSME programme, Horizon Europe).

2. Ensure the CCS Guarantee Facility is extended under the future InvestEU programme.

3. Monitor the level of public support for culture.

4. Incentivise the CCS to take up an active role in terms of environmental sustainability.

Diversity and inclusiveness

1. Commission studies and research in the diversity of the CCS workforce.

2. Encourage the development of pledges mechanisms that promote gender equality.

3. Set up regular data collection exercise on CCS to monitor audience diversity and ensure wide access to culture.

The role of arts and culture in European democracies

1. Strengthen cooperation with the Council of Europe's Indicator Framework on Culture and Democracy to ensure freedom of expression is preserved.

2. Consider financing CCS-led active citizenship projects.

3. Encourage the development of shared narratives through culture across Europe.

Key programmes

1. Ensure that the **Creative Europe programme's** budget is not reduced as part of the final financial negotiations.

2. Support the new **European Institute of Innovation and Technology's Knowledge and Innovation Community** for the CCS.

3. Ensure a clear line of action, governance model and budget for the **EU strategy for culture in external relations**.

4. The **future Horizon Europe programme** is the opportunity to strengthen research and innovation across the CCS.

5. Consider financing a **preparatory action supporting CCS social innovation projects** to develop locally-rooted European narratives.

Further information

This executive summary is available in the following languages: English, French, German, Italian and Spanish. The study, which is available in English, and the summaries can be downloaded at: http://bit.ly/2lCi9bw

More information on Policy Department research for CULT: https://research4committees.blog/cult/

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