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REPORT

on Cultural Industries
(2002/2127(INI))

Committee on Culture, Youth, Education, the Media and Sport

Rapporteur: Myrsini Zorba

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PROCEDURAL PAGE

At the sitting of 4 July 2002 the President of Parliament announced that the Committee on Culture, Youth, Education, the Media and Sport had been authorised to draw up an own-initiative report, pursuant to Rule 163 of the Rules of Procedure, on Cultural Industries .

At the sitting of 21 November 2002 the President of Parliament announced that he had also referred the matter to the Committee on Industry, External Trade, Research and Energy for its opinion.

The Committee on Culture, Youth, Education, the Media and Sport appointed Myrsini Zorba rapporteur at its meeting of 22 May 2002.

At its meeting of 16 October 2001 the committee decided to include the following motion for resolution in its report:

- B5-0417/2001, by Myrsini Zorba, on Culture and Economy, referred on 12 October 2001 to the Committee on Culture, Youth, Education, the Media and Sport as the committee responsible;

The committee considered the draft report at its meetings of 10 December 2002, 17 March, 22 April, 12 June and 8 July 2003.

At the last meeting it adopted the motion for a resolution by 20 votes to 4 with no abstentions.

The following were present for the vote: Michel Rocard chairman; Vasco Graça Moura and Theresa Zabell, vice-chairmen; Myrsini Zorba (for Ulpu Iivari), rapporteur; Konstantinos Alyssandrakis (for Alexandros Alavanos), Ole Andreasen, Pedro Aparicio Sánchez, Juan José Bayona de Perogordo (for Francis Decourrière), Christopher J.P. Beazley, Chantal Cauquil (for Felekna Uca, pursuant to Rule 153(2)), Marielle de Sarnez, Michl Ebner (for Mario Mauro), Raina A. Mercedes Echerer, Ruth Hieronymi, Lucio Manisco, Pedro Marset Campos (for Geneviève Fraisse), Maria Martens, Juan Ojeda Sanz, Doris Pack, Roy Perry, Christa Prets, Gianni Vattimo, Eurig Wyn and Sabine Zissener.

The opinion of the Committee on Industry, External Trade, Research and Energy is attached.

The report was tabled on 14 July 2003.

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on Cultural Industries (2002/2127(INI))

The European Parliament,

- having regard to the motion for resolution by Myrsini Zorba on Culture and Economy (B5-0417/2001),
- having regard to the resolution of the Council of 20 January 1997¹ on horizontal aspects of culture,
- having regard to the resolution of the Council of 21 January 2002² on the role of culture in the development of the EU,
- having regard to the resolution of the Council of 25 June 2002³ on a work plan for the European co-operation in the field of culture,
- having regard to the communication of the Commission of 11 December 2002⁴ on industrial policy in an enlarged Europe,
- having regard to the resolution of the Council of 19 December 2002⁵ implementing the work plan on European co-operation in the field of culture: European added value and mobility of persons and circulation of works in the cultural sector,
- having regard to the Council Resolution of 26 May 2003⁶ on the horizontal aspects of culture on increasing synergies with other sectors and Community actions and exchanging of good practices in relation to social and economic dimensions of culture,
- having regard to the comprehensive Commission staff working paper on ‘Culture, the Cultural Industries and Employment’⁷ as well as the Final Report on "Exploitation and development of the job potential in the cultural sector in the age of digitalisation"⁸
- having regard to its resolution of 4 May 2000 on the Commission Green Paper⁹ on combating counterfeiting and piracy in the single market,
- having regard to its resolution of 12 March 2003¹⁰ on the General Agreement on Trade in Services (GATS) within the WTO, including cultural diversity,
- having regard to the proposal for a directive on the enforcement of intellectual property

¹ OJ C 36 of 5.2.1997, p. 4

² OJ C 32 of 5.2.2002, p. 2

³ OJ C 162 of 6.7.2002, p. 5

⁴ COM(2002) 714 of 11.12.2002

⁵ OJ C 13 of 18.1.2003, p. 5

⁶ OJ C 136 of 11.6.2003, p. 1

⁷ SEC(1998) 837 of 14.5.1998

⁸ commissioned by the European Commission, DG Employment and Social Affairs; presented by MKW Wirtschaftsforschung GmbH, Munich, June 2001

⁹ OJ C 41 of 7.2.2001, p. 56

¹⁰ P5-TAPROV(2003)0087.

rights, currently subjected to the co-decision procedure,

- having regard to Rule 163 of its Rules of Procedure,
 - having regard to the report of the Committee on Culture, Youth, Education, the Media and Sport and the opinion of the Committee on Industry, External Trade, Research and Energy (A5-0276/2003),
- A. whereas culture, in particular in view of EU enlargement, constitutes an essential and unifying element in the every-day life of the citizens of Europe,
 - B. whereas the right to culture of all citizens, the safeguarding of democratic access to cultural goods should keep pace with the promotion of cultural values and with cultural and linguistic diversity in the current and future Member States,
 - C. whereas Europe's cultural industries reflect its national diversity and thus represent an added value to European identity,
 - D. whereas citizen's participation in the European civil area is the primary objective of the European Parliament whereby culture plays a central role,
 - E. whereas in an enlarged Europe culture is an essential element of European integration and constitutes an indispensable part of historical, economic and social development, contributing to the mutual understanding of people, social inclusion, citizenship and mutual enrichment in cultural terms and can thereby help to overcome racism and xenophobia,
 - F. whereas the cultural industry could not develop without the leading role of creators, artists, associations and the professionals in all sectors of cultural industry with high qualifications and skills,
 - G. whereas the various cultural industries include a very wide variety and multiplicity of cultural forms of expression, ranging, for example, from preservation of the cultural heritage, protection of historic monuments, restoration and arts and crafts to the performing arts and visual arts, museums, libraries and theatres and cultural institutions of all kinds, a richly varied music scene including soloists and pop singers and philharmonic orchestras, big band and opera, and also literature and publishing, the recording and audio-visual industry and cinema,
 - H. whereas works of artistic creation play a key role in expressing European identities; whereas these works have unique properties, linked to their dual cultural and economic aspects, with the result that the development of the cultural industry sector requires support from public authorities,
 - I. whereas a global industrial EU strategy and ensuing policy encompassing the cultural industries, including inter alia the book industry and music sectors, fail to exist,

- J. whereas European cultural production and European creators constitute a significant capital for Europe that has to become known to all European citizens with no exceptions and to be promoted outside the European borders,
- K. whereas the production and use of cultural products and services rely both on state funding and private investment,
- L. whereas SMEs in the field of culture offer unique products which offer many non-commercial benefits to society as a whole,
- M. whereas culture is produced and distributed by a cultural industrial structure in which many large national and multinational companies are active, and where the role of small and independent enterprises and of associations must be supported,
- N. whereas it recognises the relationship between culture and the production of cultural products and services, as well as the economic development, employment and training at the national, regional and local level,
- O. whereas cultural diversity and cooperation on the part of the cultural industries in Europe should be strengthened, in order to ensure the vitality and viability of these industries in the Member States, in the EU and in an ever increasing competitive international environment,
- P. whereas it recognises the importance of television and other mass media services for the democratic opinion-forming process, with a view to ensuring and enhancing diversity of opinion and pluralism,
- Q. whereas, in a number of cultural industries, a very high degree of concentration occurs, which poses a threat to the transparency of the market,
- R. whereas national policies should not be aimed at protecting national markets or ensuring a dominant role for cultural products in their domestic markets,
- S. whereas cultural industries based in rural and peripheral regions of the EU face additional difficulties in promoting and diffusing their products,
- T. whereas, in a world where new technologies and multi-media have become integral to cultural activity, industries in these regions are further handicapped by the lack of access to broadband internet which risks widening the gap between them and urban-based industries,
- U. whereas the Television without Frontiers-Directive together with the Media Plus Programme and the i2i-Initiative, must aim to continue to boost European audio-visual production and to improve the circulation of European works within the EU market; whereas the proposal to extend the MEDIA Plus programme to 2006 is therefore welcomed, the programme being regarded as an important instrument for supporting and improving the competitiveness of the audio-visual programme industry,
- V. whereas new technologies and new forms of practice in the cultural field, as a product of the information society (for example, multimedia and online services), have also led to new forms of consumption of cultural products and services, and whereas the continuing digitalisation of television is increasingly transforming media services, as a result of which

relevant legislation needs to be appropriately adapted, with a graduated approach to the degree of regulation,

- W. whereas piracy and counterfeiting in various cultural and creative industries deprives these industries of vast revenues, impacting on future investment in local cultural products, thereby undermining cultural diversity,
- X. whereas respect for intellectual property and labelling of works are preconditions for the development of creativity and of the European cultural industries,
- Y. whereas, in spite of the Commission's assurance that 'the current legislative framework was sufficient to ensure that the Community's art market continued to flourish', the European art market places have lost significant worldwide market share and sales value,
- Z. whereas a majority of cultural operators questioned hold the view that, with due regard for the subsidiarity principle, enhanced EU involvement, albeit by stronger financial support, legal measures or additional resources, is likely to benefit the cultural industrial structures; whereas these operators also pinpoint a lack of investment, market fragmentation, a threat to commercial viability, and problems in connection with distribution and promotion as major problem areas; whereas care should be taken to ensure that these measures do not jeopardise the competitiveness of European cultural and creative industries in a context of globalisation,
- AA. whereas artists, the creative forces in the cultural arena, ought to be supported in their work, from creation to promotion to the general public,
- AB. whereas cultural aspects are a fundamental element of the tourist industry which, in turn, is one of Europe's main industries in economic terms,
- AC. whereas culture and tourism are often closely linked together in the context of regional economic development in the European Union and, accordingly, greater attention needs to be paid to the fact that both sectors benefit as a result,
- AD. whereas the communication of the Commission on "Industrial Policy in an Enlarged Europe"¹, in combination with the Structural Funds and the 6th Framework Programme for Research, is likely to support cultural industry,
- AE. whereas the Commission is engaged in permanent consultation with public, non-governmental and private operators in the different cultural industry fields in search of grass-roots solutions to challenges and problems linked to ongoing globalisation,
- AF. whereas the Council in its resolution of 11 September 2002² on interactive media content in Europe, recalls its resolution of 25 June 2002³ pinpointing encouragement to the development of cultural and creative industries in the community as a priority topic,

¹ COM(2002) 714 final of 11.12.2002

² Council doc. 13747/02 (Presse 340), para. 6 of 11.-12.11.2002

³ OJ C 162 of 6.7.2002

- AG. whereas the Council¹ stresses the importance in the light of the development of a knowledge society and the development of cultural and creative industries to ensure quality in the content for the new media combining artistic freedom, creativity, innovation as well as cultural and linguistic diversity; whereas public service broadcasters play an important role in this context,
- AH. whereas cultural industries are of great significance for the dynamic maintenance of cultural diversity in Europe,
- AI. whereas the Council in its resolution of 19 December 2002 stresses² "that cultural industries in recent years have experienced a major growth with increasing relevance to European economy and employment",
- AJ. whereas the resolution of the Council of 26 May 2003³ on horizontal aspects of culture, whilst recognising the work already initiated in the Member States and by the Commission, stressed that an extra effort needs to be made to include culture in other sectors with the aim of placing culture at the heart of European integration,
- AK. whereas the informal Council of Ministers of Culture of 24-25 May 2003⁴ recognises that the EU as a common market and cultural area has not as yet developed its capabilities concerning the trading and exchange of cultural information and goods, and stresses that additional steps are needed to make the cultural wealth of their own continent accessible to European citizens,
- AL. whereas the exchange and circulation of cultural goods can be seriously hampered not only by the great variety of tax systems but also of existent or non-existent insurance requisites,
- AM. whereas a coherent cultural industry strategy should be developed to meet the objectives set out in the Lisbon strategy in March 2000 to make the EU the world's most dynamic and competitive economy,
- AN. whereas the will of the Council for the compilation by the Commission of a Report on the function of the single market in the Cultural, Audiovisual and Sports Sectors, to be submitted at the end of the Italian Presidency, has been expressed in the light of the WTO negotiations,
1. Stresses the relationship between culture and the production of cultural products and services, as well as the economic development, employment and training at the national, regional and local level;
 2. Urges the Commission to bring up to date its working papers on 'Culture' and, taking account in particular of the enlargement of the European Union and greater involvement with the public-private partnership aspect, and in the light of the knowledge gained, to examine whether it is possible to draw up a definition for cultural and creative industries,

¹ Council doc. 13747/02 (Presse 340), para. 8 of 11.12.2002

² OJ C 13 of 18.1.2003, para. 15

³ OJ C 136 of 11.6.2003, p. 1

⁴ Summary of discussions, 26.5.2003

defining the sectors to be included while taking into consideration their cultural, exchange and economic dimension and also including associations and architectural professions;

3. Calls on the Commission to elaborate a thorough study with a view to creating a European map of cultural industries, taking into account the forthcoming enlargement of the EU, on the cultural, economic, legal, technological and educational aspects of cultural industry, and to collect data on employment, intellectual property rights, index of competitiveness, new products and exports and to establish a permanent consultation procedure with professional bodies and associations;
4. Urges the Commission, by way of an update of its 1998 working paper, to come forward with a Green Paper on European culture with the aim of supporting and disseminating cultural wealth and respecting regional particularities and the special cultural characteristics of different peoples, taking account of the following:
 - a) to promote the co-ordination of policies of Member states and regions in the field of cultural industries, with due regard for the subsidiarity principle,
 - b) to examine existing restrictions and barriers and identify solutions,
 - c) to enhance cultural and linguistic diversity and variety as well as to promote public-private partnerships,
 - d) to organise a forum on the role and activities of the cultural industry in the framework of the promotion of cultural diversity and a creative economy capable of contributing to economic and social regeneration,
 - e) to promote the competitiveness of European cultural and creative industries,
 - f) to improve access to culture for all European citizens advancing the relevant information on creators, availability of cultural products and services and services offered by cultural institutions,
 - g) to study the impact of economic indicators on culture,
 - h) to study the impact of an active cultural policy on the economy (skills, progress, labour market sector, etc);
5. Urges the Commission and the Member States to reinforce the support of cultural industries in the projects of economic development of regions and cities, based on Structural Funds;
6. Invites the Commission to submit by the end of 2003 a communication on the cultural dimension of the EU Structural Funds for the period 1994-1999;
7. Requests the Commission to define a coherent and pro-active strategy seeking to develop innovative, flexible and appropriate instruments to promote the competitiveness of European cultural and creative industries, which would be based on the principles of comparative national advantage, regional or local custom and cultural diversity;

8. Calls on the Member States and the Commission, in consultation with professionals in the sector, to identify priority actions to promote cultural industries;
9. Calls for a revision of the “De Minimis” rules on State Aids to take account of the unique situation pertaining to SMEs in the cultural sector, in particular those based in peripheral areas;
10. Calls on the Commission to examine the effects of increasing concentrations in the telecommunications, cultural industry and media sectors, and to ensure that these do not lead to the disappearance of the independents and do not alter the diversity of creativity by producing an increasing uniformity in production and distribution;
11. Urges the Commission to promote mobility and free movement of persons and circulation of works in the cultural sector, as foreseen in the Council resolution of 19 December 2002¹ and set out in the Commission’s study on the mobility and free movement of people and products in the cultural sector;
12. Urges the Commission and the Member States to develop appropriate instruments for the mutual enhancement of culture and tourism, particularly in the area of integration, mutual understanding and employment;
13. Points out that so far no research has been done into the variety of measures in the Member States and the Accession countries on indemnity and insurance policies; calls on the Commission to draw up such a report and calls on the Member States and Accession countries to take measures to create a level playing field for the circulation and exchange of cultural goods;
14. Urges the Commission to bring Eurostat cultural industries statistics in line with international standards, and to search for additional and systematic information on the use or consumption of cultural products, by enhancing the responsibilities of the European Audiovisual Observatory and other specialised bodies;
15. Urges the Commission and the Member States to take account of the cultural industries' specificities when assessing the compliance of national or European supportive measures with the rules of the EU internal market, in so far as this is in accordance with the subsidiarity principle, as well as for adequate financing of SMEs in the cultural field, particularly in the start-up phase;
16. Calls on the Commission and the Member States to remove the VAT discrimination amongst cultural products by placing music in Annex H of the VAT directive;
17. Calls on the Commission, the Member States and the regions, within their respective competencies and responsibilities :
 - a) to enhance the level of co-ordination of cultural policy and initiatives at national and EU level;
 - b) to examine best practices throughout the EU with a view to promoting cultural

¹ OJ C 13/5 of 18.1.2003

diversity,

- c) to stimulate the circulation and promotion of products and services and develop a dynamic scheme for international promotion and export of European products,
- d) to increase research capability in the various areas of culture,
- e) to establish a stronger connection between culture, education and training,
- f) to encourage creativity by independent artists, by establishing promotional activities, e.g. awards, cross-border festivals, exhibitions, cultural routes and itineraries,
- g) to expand and improve information on existing cultural opportunities and job opportunities throughout the European Union,
- h) to support UNESCO-declared World Book Day for the promotion of reading, publishing and the protection of copyright, with a view to tackling illiteracy, by actively organising and supporting local, small-scale initiatives enabling individual readers to be reached,
- i) to amend the 'Television without Frontiers' directive in accordance with existing European Parliament resolutions, and in particular its resolution of ...¹ on the application of 'Television without Frontiers' Directive 89/552/EEC taking particular account of the interests and needs of European cultural industry with the aim of promoting it as effectively as possible,
- j) to study, as part of the revision of the 'Television without Frontiers' Directive, the advisability of putting in place mechanisms to improve the circulation of non-national European works,
- k) to promote the showing and broadcasting of movies in their original version in order to make the spectator familiar with the reality and the desirability of a multilingual environment and with the improved credibility of the product, to improve the knowledge of languages and to change cultural diversity into an added value instead of a handicap; and to prefer subtitling in one or more languages above dubbing, if translation is required;
- l) to develop a European legal framework with a view to creating an all-embracing "statute of the artist" intended to afford appropriate social protection, which would include legislation regarding authors' intellectual property rights,
- m) to promote effective systems to protect intellectual property and to develop the labelling of works with a view to facilitating cultural production, particularly in the multimedia sphere, and commercial transactions,
- n) to draw up a tourism plan for the most popular cities, monuments, countryside and other locations, reconciling financial profit with conservation and respect for cultural

¹ Report A5-0251/2003, scheduled to be on the agenda of the sitting of 1 September 2003.

heritage, and averting the damage caused by excessive numbers,

- o) to submit, in line with the provisions of Part Two, Title V, Chapter I, Article III-188 of the draft constitutional treaty¹, a feasibility report on accession of the European Union to specialised UN organisations, in particular UNESCO, deemed to reinforcing the presence and action of its Member States in such organisations,
 - p) to consider joining the Global Alliance for Cultural Diversity, launched by UNESCO in 2002, with the aim of uniting partners from public, private and non-governmental sectors, to work on projects that foster growth in local cultural industries,
 - q) to support efforts to develop the proposed UNESCO Convention on Cultural Diversity,
 - r) to consider incorporating in their development policies the promotion of cultural industries as a means of stimulating employment and local economies in developing countries;
18. Calls on the Commission to promote a horizontal approach to promoting cultural industries through mainstreaming such support into projects and programmes receiving EU funding in the fields of industrial policy, structural policies, education, training and research;
19. Encourages Member States to examine ways to assist the setting-up and growth of SMEs in the cultural sector through taxation policy, language quotas and other policy instruments;
20. Calls on the Member States to give priority to the development of broadband internet access in rural and peripheral regions in order to create a level playing field for cultural industries based in these areas;
21. Calls on Member States to maximise the potential of their cultural policy initiatives through enhancing synergies with Community activities in the cultural sphere from the earliest possible stage of preparation, through implementation, to assessment of actions;
22. Calls on the European Investment Bank to open up the Innovation 2000 Initiative (i2i) to more cultural and creative industries;
23. Reiterates its call to the Intergovernmental Conference for an extension of qualified majority voting for internal Union policies to facilitate support for EU measures to promote the development of the cultural sector, upholds, however, the current rule requiring unanimity in the area of external trade in audio-visual and cultural services and goods²;

¹ Praesidium proposal, 9.7.2003 (CONV 848/03), p. 99 stating ; "The Union shall seek to develop relations and build partnerships with third countries, and international, regional or global organisations, which share these values. It shall promote multilateral solutions to common problems, in particular in the framework of the United Nations".

² Praesidium proposal, Draft Constitution (CONV 848/03), Volume II, Title V, Chapter III, Article III-212, paragraph 4.

24. Reiterates its conclusions on cultural services, as expressed in its resolution of 12 March 2003¹ on GATS within the WTO, including cultural diversity;
25. Instructs its President to forward this resolution to the Council, the Commission, the Member States, the Committee of the Regions, the Economic and Social Committee, the Council of Europe and UNESCO.

¹ Resolution P5-TA-Prov(2003)0087, paragraphs 12-14 / Not yet published in OJ.

EXPLANATORY STATEMENT

The cultural dimension of Europe embraces the entirety of its values and constitutes a fundamental aspect of the European economic and social model. Without it the political project of the EU could not be completed. This aspect is reinforced and enriched further by enlargement and consequent cultural and linguistic diversity. At the same time, however, the necessity of a European cultural identity and the creation of a European Cultural Area become apparent. This should be based on respect for different national traditions and identities of the Member States, while providing the necessary unifying elements in the daily life of European citizens.

European cultural identity is closely linked to the historical memory of European citizens, their social consciousness and political attitudes. The political entity and efficiency of the European Union presuppose a European cultural identity and expression. A value like "unity in diversity" can emerge only through the participation of European citizens in the European civil society, where culture plays a central role. It is obvious, then, that such a cultural identity must be closely linked to the democratic participation of European citizens in the vision of a common European destiny. In addition, it would contribute to the social inclusion and solidarity as well as to development and prosperity.

In recent decades, we have witnessed significant developments in the cultural sector. Globalisation, new technologies, economic development, the role of mass media, changes in everyday life of the European citizen have all brought about a transformation of the relationship between society, economy and culture. Culture has an economic dimension, contributing to the GDP; it is also classified among the sectors playing a significant role in the creation of new jobs, as well as in rural and urban development. Thus, a cultural industry is emerging, which is in a position to meet the challenges of new technologies, as many of its products are transformed into services. At the same time, new understanding of culture, new forms of production, consumption and distribution - which transcend the traditional separation of culture set up by the state funding system - are emerging. The cultural industry also faces the opportunities and dangers of the globalised market, of new products, of distant selling and of worldwide competition. The figures on commercial transactions of cultural industries, especially of the audio-visual sector in international trade, presented by UNESCO, are quite eloquent. The economic impact of cultural industries, explains the tough negotiations taking place within the framework of the WTO for the opening of the audio-visual sector's services market. This also explains the tenacious refusal of Europe to open of this market, for fear it might have to sacrifice culture to market forces.

From the very outset, and for all the aforementioned reasons, the European Parliament realised the importance of a Community Cultural Policy: it has always co-operated closely with the Commission for the development of actions in support of culture. The Treaty of Maastricht of 1992, for the first time, provided for the encouragement of cultural co-operation among the Member States, the enhancement of cultural heritage and transnational cultural projects and networks, whilst always respecting the subsidiarity principle. The programmes Culture 2000, MEDIA and MEDIA PLUS and the Structural Funds give us, within the general framework of Community Cultural Policy, the political rationale and budget towards which our efforts evolved, in the last decade. It should, however, be noted that, in spite of recent projects like eCulture and eContent, the financial support provided by the Community budget to this sector is insufficient, the various economic resources of the

Commission are not always subject to the same reasoning and, in any case, cannot serve the goals of a Community Cultural Policy.

In this new, developing framework we should consider three points: first, the freezing of state funding of Member States and the financial support provided by the Community budget; secondly, the way in which European citizens participate in culture, i.e. their cultural preferences both as thinking and active individuals and as consumers of cultural products and services, that means a behaviour producing economic results; thirdly, the political framework in which all the above are taking place, i.e. the opportunities of new regulations, measures and programmes which will help European citizens to obtain more complete information about European artists and their work, which will give them greater freedom of choice, in addition to creating a European cultural identity, parallel to and in harmony with the national one.

All the above highlights the need to enhance the political framework, which up to now has been rather defensive and based on a protectionist reasoning, adopting measures which were necessary though insufficient. Furthermore, the need for a more active cultural policy becomes apparent. Among other issues, this must take into consideration: the needs and choices of the European civil society; the acquaintance and the familiarisation of citizens with the cultural and linguistic richness of the European Cultural Area; the importance of TV, the Internet, and the educational system in creating a cultural identity among children and youth; the need for European cultural production to compete with that of the USA and other countries; the development and completion of the internal market; the safeguarding of the rights of European artists and the opportunities for distribution and promotion of their work; new forms of co-operation between the public and private sectors; the strategy required in order to counter the threat of uniformity as well as that of the clash of civilisations; a new framework of co-operation with third countries and international organisations as suggested by UNESCO; the collaboration between Community and national policies of the Member States; the development of horizontal policies.

These are only some of the elements necessary to enrich our political horizons in regard to culture. It becomes therefore apparent, that in order to meet the challenges of the new dynamics between culture and economics, we need to explore solutions which will provide the required mechanisms to encounter the real space of mass culture; and consequently of cultural industry, which plays an important role in the formation of the cultural identity of the contemporary European citizen.

The research for this report was based on a questionnaire sent out to creators, professionals, cultural industry and professional associations. The overwhelming majority of them considered both national and the European cultural policies insufficient. What is important, however, is that they have high expectations that EU Cultural Policy will take audacious steps forward. In the same research, a number of interdependent and interacting questions of strategic significance were considered to be major problems: the fragmentation of the European market, the legal uncertainties and divergences, the cost of covering so many languages, the lack of well trained personnel, the lack of information about regulations for support and assistance in the various Member States.

The aforementioned issues cause serious problems to the competition of the European cultural products and services in comparison to those of non-Member States. This results in a

significant weakening of the comparative advantage to the level of consumer preferences of the European citizens. The most characteristic examples are to be found in the film and music industry.

The answers given focused on searching for solutions related primarily to the internal market, so as to give the opportunities to European citizens to get to know freely the work of European artists. For this reason, the overwhelming majority of those questioned considered distribution and promotion as the most important problems which should be solved outside the national borders.

Co-operation at European level, for the creation of a more competitive market, based on common strategies prioritising the problems of distribution, exports and marketing, attracted an overwhelming majority of support.

With regard to the relation between cultural values and the development of the cultural industry, there was vast support for cultural diversity, European co-operation, research, creativity, education and training. At the same time, the overwhelming majority supported the view that the development of industries benefits greatly both creators and employees in the cultural sector.

The most important conclusion to be drawn from the questionnaire was that those directly interested believe the intervention of the EU to be of great significance. This intervention may grant the desired value to the cultural industries, through socio-economic key-factors, which initially will support the networks of small and medium-sized enterprises, and enhance possibilities for research and production in the spheres of strategy, administration and marketing. The international entrepreneurship and competitiveness of cultural industries, increased information about current cultural opportunities in Member States will also be favoured by such an intervention.

All the assumptions, presented so far, made it imperative to ask the Commission for a definition of the cultural industries as such, in order to clarify the sectors constituting it, as well as for a specification of their cultural and economic impact. For the same reason, this report asks the Commission to proceed with the mapping of the cultural industries at European level, so as to improve the statistical data provided.

At the same time, it calls for publication of a Green Paper to ascertain the current state of affairs, to give the opportunity to the traditional as well as to the new sectors to say what they expect from the Commission and the European Parliament.

These initiatives, together with the other proposals, aim at supporting the creation of a European Cultural Area and reinforcing European cultural identity and diversity, through the development of European cultural industry. In this way, the most inspired and creative forces of European culture will be given the opportunity to express and make known their creations throughout Europe to all European citizens. At the same time they will be given the opportunity to disseminate the European cultural identity outside the European borders, a fact of a particular cultural and political value.

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION B5-0417/2001

Motion for a European Parliament resolution on culture and the economy pursuant to Rule 48 of the Rules of Procedure by Myrsini Zorba

The European Parliament,

- A. whereas culture is a fundamental aspect of European integration whose value cannot be appreciated in terms of a market; whereas it affects the past and future of the Union, through the prospective enrichment of the Union's cultural dimension following enlargement in particular,
- B. whereas, at the same time, culture unquestionably has an economic dimension, creates its own economic reality and is an instrumental factor in promoting economic integration in the European Union,
- C. whereas culture could have a significant impact on development in Europe through creating a large number of jobs,
- D. whereas the rapid growth of new technologies is opening up new directions and opportunities for developing the European cultural model, in which the European cultural sector will be a significant factor,
- E. whereas culture and tourism are often closely linked in the process of regional economic development in the European Union; whereas steps should therefore be taken to ensure that both sectors benefit from that process,
 - 1. Is convinced that in order to implement the Lisbon decisions, which defined Europe as a knowledge-based society, a cultural policy which sets out the economic conditions for the development of the European cultural model must be devised, focusing particularly on employment, tourism and the new technologies;
 - 2. Calls on the Commission to submit a proposal to that end and to make provision for studies into the impact of culture on Member States' policies.

18 June 2003

OPINION OF THE COMMITTEE ON INDUSTRY, EXTERNAL TRADE, RESEARCH AND ENERGY

for the Committee on Culture, Youth, Education, the Media and Sport

on Cultural Industries
(2002/2127 (INI))

Draftsman : Seán Ó Neachtain

PROCEDURE

The Committee on Industry, External Trade, Research and Energy appointed Seán Ó Neachtain draftsman at its meeting of 26 November 2002.

It considered the draft opinion at its meeting(s) of 10 June and 17 June 2003.

At the last meeting it adopted the following conclusions by 31 votes to 2, with 1 abstention.

The following were present for the vote: Carlos Westendorp y Cabeza (chairman), Yves Piétrasanta (vice-chairman), Seán Ó Neachtain (draftsman), Per-Arne Arvidsson (for Marjo Matikainen-Kallström), Danielle Auroi (for Claude Turmes), Luis Berenguer Fuster, Guido Bodrato, David Robert Bowe (for Imelda Mary Read), Felipe Camisón Asensio (for Alejo Vidal-Quadras Roca), Gérard Caudron, Giles Bryan Chichester, Nicholas Clegg, Concepció Ferrer, Francesco Fiori (for Umberto Scapagnini), Colette Flesch, Cristina García-Orcoyen Tormo (for Jaime Valdivielso de Cué), Norbert Glante, Alfred Gomolka (for Werner Langen), Malcolm Harbour (for Sir Robert Atkins), Roger Helmer (for Bashir Khanbhai), Peter Liese (for Peter Michael Mombaur), Rolf Linkohr, Hans-Peter Martin (for Erika Mann), Eryl Margaret McNally, Angelika Niebler, Paolo Pastorelli, Samuli Pohjamo (for Willy C.E.H. De Clercq), John Purvis, Christian Foldberg Rovsing, Konrad K. Schwaiger, Esko Olavi Seppänen, W.G. van Velzen, Dominique Vlasto and Olga Zrihen Zaari.

CONCLUSIONS

The Committee on Industry, External Trade, Research and Energy calls on the Committee on Culture, Youth, Education, the Media and Sport, as the committee responsible, to incorporate the following points in its motion for a resolution:

- having regard to the Council Resolution of 6 May 2003¹ on the horizontal aspects of culture on increasing synergies with other sectors and Community actions and exchanging of good practices in relation to social and economic dimensions of culture,
- A. Whereas Europe's cultural industries reflect its national diversity and thus represent an added value to European identity;
- B. Whereas SMEs in the field of culture are much more vulnerable compared similar sized companies producing more commercial products;
- C. Whereas SMEs in the field of culture offer unique products which offer many non-commercial benefits to society as a whole;
- D. Whereas cultural industries based in rural and peripheral regions of the EU face additional difficulties in promoting and diffusing their products;
- E. Whereas, in a world where new technologies and multi-media have become integral to cultural activity, industries in these regions are further handicapped by the lack of access to broadband internet which risks widening the gap between them and urban-based industries;
- F. Whereas the Structural Funds and the 6th Framework Programme on Research can play an important role in assisting cultural industries;
- 1. Calls on the Member States and the Commission, in consultation with professionals in the sector, to identify priority actions to promote cultural industries;
- 2. Invites the Commission to submit by the end of 2003 a communication on the cultural dimension of the EU Structural Funds for the period 1994-1999;
- 3. Stresses the need for adequate financing of SMEs in the cultural field, particularly in the start-up phase;
- 4. Encourages Member States to examine ways to assist the setting-up and growth of SMEs in the cultural sector through taxation policy, language quotas and other policy instruments;
- 5. Calls on the Commission to promote a horizontal approach to promoting cultural industries through mainstreaming such support into projects and programmes receiving EU funding in the fields of industrial policy, structural policies, education, training and research;

¹ 8430/03 (Presse 114)

6. Calls on Member States to develop the exchange of best practice in relation to the economic and social dimension of culture, including the contribution of cultural activities to social inclusion and the promotion of cultural and linguistic diversity;
7. Calls on the Member States to give priority to the development of broadband internet access in rural and peripheral regions in order to create a level playing field for cultural industries based in these areas;
8. Calls for a greater level of co-ordination of cultural policy and initiatives at national level and EU;
9. Calls on Member States to maximise the potential of their cultural policy initiatives through enhancing synergies with Community activities in the cultural sphere from the earliest possible stage of preparation, through implementation, to assessment of actions.