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REPORT

on a coherent EU policy for cultural and creative industries
(2016/2072(INI))

Committee on Industry, Research and Energy
Committee on Culture and Education

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(Joint committee meetings – Rule 55 of the Rules of Procedure)

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on a coherent EU policy for cultural and creative industries (2016/2072(INI))

The European Parliament,

- having regard to the Commission communication of 10 June 2016 on ‘A New Skills Agenda for Europe’(COM(2016)0381/2),
- having regard to the Commission communication of 2 July 2014 entitled ‘Towards a thriving data-driven economy’ (COM(2014)0442),
- having regard to the Commission communication of 22 January 2014 entitled ‘For a European Industrial Renaissance’(COM(2014)0014),
- having regard to the Commission communication of 9 January entitled ‘Entrepreneurship 2020 Action Plan – reigniting the entrepreneurial spirit in Europe’ (COM(2012)0795),
- having regard to the Commission communication of 18 December 2012 on content in the Digital Single Market (COM(2012)0789),
- having regard to the Commission communication of 26 September 2012 entitled ‘Promoting cultural and creative sectors for growth and jobs in the EU’ (COM(2012)0537),
- having regard to the Commission Staff Working Document of 26 September 2012 entitled ‘Competitiveness of the European high-end industries’ (SWD(2012)0286),
- having regard to the Commission communication of 30 June 2010 entitled ‘Europe, the world’s No 1 tourist destination – a new political framework for tourism in Europe’ (COM(2010)0352),
- having regard to the Commission Green Paper of 27 April 2010 entitled ‘Unlocking the potential of cultural and creative industries’ (COM(2010)0183),
- having regard to the Commission study of June 2016 entitled ‘Boosting the competitiveness of cultural and creative industries for growth and jobs’ (EASME/COSME/2015/003),
- having regard to the Commission study of June 2009 on ‘The impact of culture on creativity’,
- having regard to the Committee of the Regions communication of 30 May 2013 on promoting cultural and creative sectors,
- having regard to the Opinion of the European Economic and Social Committee on

- ‘Creative and cultural industries – a European asset to be used in global competition’¹,
- having regard to Regulation (EU) No 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 – the European Fund for Strategic Investments²,
 - having regard to Regulation (EU) No 1295/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Creative Europe Programme (2014 to 2020) and repealing Decisions No 1718/2006/EC, No 1855/2006/EC and No 1041/2009/EC³,
 - having regard to Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC⁴,
 - having regard to Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (hereinafter ‘the Common Provisions Regulation’)⁵,
 - having regard to Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006⁶,
 - having regard to Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal⁷,
 - having regard to Regulation (EU) No 1287/2013 of the European Parliament and of the Council of 11 December 2013 establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME) (2014 - 2020) and repealing Decision No 1639/2006/EC⁸,
 - having regard to the Council conclusions of 16 June 2016 on gender equality,

¹ OJ C 13, 15.1.2016, p. 83..

² OJ L 169, 1.7.2015, p. 1.

³ OJ L 347, 20.12.2013, p. 221.

⁴ OJ L 347, 20.12.2013, p. 104.

⁵ OJ L 347, 20.12.2013, p. 320.

⁶ OJ L 347, 20.12.2013, p. 289.

⁷ OJ L 347, 20.12.2013, p. 259.

⁸ OJ L 347, 20.12.2013, p. 33.

- having regard to the Council conclusions of 27 May 2015 on cultural and creative crossovers to stimulate innovation, economic sustainability and social inclusion,
- having regard to the Council conclusions of 10 December 2012 on the ‘Industrial Policy Communication update: A Stronger European Industry for Growth and Economic Recovery’,
- having regard to the Council conclusions of 12 May 2009 on culture as a catalyst for creativity and innovation,
- having regard to the joint communication of 8 June 2016 to the European Parliament and the Council entitled ‘Towards an EU strategy for international cultural relations’ (JOIN(2016)0029),
- having regard to its resolution of 19 January 2016 entitled ‘Towards a Digital Single Market Act’¹,
- having regard to its resolution of 8 September 2015 entitled ‘Towards an integrated approach to cultural heritage for Europe’²,
- having regard to its resolution of 12 September 2013 on promoting the European cultural and creative sectors as sources of economic growth and jobs³,
- having regard to its resolution of 23 October 2012 on Small and Medium Size Enterprises (SMEs): competitiveness and business opportunities⁴,
- having regard to its resolution of 12 May 2011 on the cultural dimensions of the EU’s external actions⁵,
- having regard to its resolution of 12 May 2011 on unlocking the potential of cultural and creative industries⁶,
- having regard to its resolution of 10 April 2008 on cultural industries in Europe⁷,
- having regard to its resolution of 7 June 2007 on the social security status of artists⁸,
- having regard to the Convention on the Protection and Promotion of the Diversity of Cultural Expressions, adopted by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) on 20 October 2005,
- having regard to the OECD and EUIPO report of 18 April 2016 entitled ‘Trade in

¹ Texts adopted, P8_TA(2016)0009.

² Texts adopted, P8_TA(2015)0293.

³ OJ C 93, 9.3.2016, p. 95.

⁴ OJ C 68 E, 7.3.2014, p. 40.

⁵ OJ C 377 E, 7.12.2012, p. 135.

⁶ OJ C 377 E, 7.12.2012, p. 142.

⁷ OJ C 247 E, 15.10.2009, p. 25.

⁸ OJ C 125 E, 22.5.2008, p. 223.

Counterfeit and Pirated Goods – Mapping the Economic Impact'¹,

- having regard to the UNESCO study entitled ‘Cultural times: The first global map of cultural and creative industries’ of December 2015;
 - having regard to the Working Group of EU Member States Experts report of November 2015 entitled ‘Towards more efficient financial ecosystems: innovative instruments to facilitate access to finance for the cultural and creative sectors’;
 - having regard to Articles 167 and 173 of the Treaty on the Functioning of the European Union,
 - having regard to Rule 52 of its Rules of Procedure,
 - having regard to the joint deliberations of the Committee on Industry, Research and Energy and the Committee on Culture and Education under Rule 55 of the Rules of Procedure,
 - having regard to the report of the Committee on Industry, Research and Energy and the Committee on Culture and Education and the opinion of the Committee on Legal Affairs (A8-0357/2016),
- A. whereas in its aforementioned communication entitled ‘Promoting cultural and creative sectors for growth and jobs in the EU’, the Commission recognises the key role of cultural and creative industries (CCIs)² for the social and economic development of the EU and its Member States;
- B. whereas the EU should boost and invest in new sources of smart, sustainable and inclusive growth; whereas, in this connection, it should unlock the potential that remains largely untapped in the creation of growth and jobs in the creative and cultural industries, because of their significant impact in areas such as new business models, creativity and innovation, digitisation and skills building;
- C. whereas CCIs have dual and intrinsic value since, through their direct links to artists and creators, they preserve and promote cultural and linguistic diversity, and strengthen European, national, regional and local identities, while sustaining social cohesion and contributing substantially, with various value creation models, to creativity, investment, innovation and employment and acting as a driver of sustainable economic growth in the EU and its Member States;
- D. whereas European culture and arts refer to 3 000 years of shared cultural heritage, transmit knowledge and values and contribute to safeguarding tangible and intangible evidence of the man-made and natural world for current and future generations;
- E. whereas cultural diplomacy, based on mutual respect for values and specificities, strengthens the bilateral and multilateral relations between European and third

¹ OECD/EUIPO (2016), Trade in Counterfeit and Pirated Good: Mapping the Economic Impact, OECD Publishing, Paris.

² Referred to in the Commission communication as: architecture, archives and libraries, artistic crafts, audiovisual (including film, television, video games and multimedia), cultural heritage, design (including fashion design), festivals, music, performing and visual arts, publishing and radio.

countries, builds bridges between societies through people-to-people contacts and cooperation in all cultural and creative domains, and contributes to better mutual understanding and common projects, while acting as a driver of economic and social growth;

- F. whereas CCIs contribute to Europe's 'soft power' in their role as ambassadors of European values – such as culture, creativity, quality, excellence, craftsmanship – on the world stage;
- G. whereas cultural and creative industries are at the core of a dual and delicate ecosystem between large groups of internationally competitive and innovative SMEs, and start-ups, which constantly renew the area, preserve and promote diversity, create jobs, but are sometimes fragile, particularly in their access to markets and finance;
- H. whereas cultural and creative industries in Europe provide more than 12 million full-time jobs, which amounts to 7.5 % of the EU's work force, creating approximately EUR 509 billion in value added to GDP (5.3 % of the EU's total GVA); whereas, in specific regions, CCIs represent a significantly higher percentage of GDP and employ a higher percentage of the local workforce;
- I. whereas according to a study by the European Patent Office and the Office for Harmonisation in the Internal Market, intellectual property rights (IPR)-intensive industries generate over a quarter of employment and over a third of the economic activity in the EU;
- J. whereas almost 39 % of EU GDP is generated by IPR-intensive industries, with trademark-intensive industries generating 34 % of the total, design-intensive industries 13 %, patent-intensive industries 14 %, and copyright-intensive industries 4.2 %¹;
- K. whereas CCIs in the EU employ 2.5 times more people than automotive manufacturers and five times more than the chemical industry;
- L. whereas CCIs play an important role in creating vibrant and distinctive regions, which can help to improve the quality of life of citizens and be an important inward investment factor;
- M. whereas authors and performers are at the origin and the very source of CCIs;
- N. whereas employment in the cultural sector is unlikely to be offshored, as it is connected to specific cultural, often regional and historical competences; whereas CCIs contribute significantly and more than any other sector to youth employment and have proved to be most resilient during the post-2008 economic crisis; whereas employment in CCIs rose throughout the EU between 2008 and 2014; recognises the important role of the European Social Fund in promoting youth employment and skills development;
- O. whereas CCIs have attractive qualities from a local development perspective: they make

¹ Industry-Level Analysis Report, (2013), Intellectual property rights intensive industries: contribution to economic performance and employment in the European Union, p.8 <https://euipo.europa.eu/ohimportal/documents/11370/80606/IP+Contribution+study>.

use of a range of skills at a series of different levels, tend to be socially responsible and inclusive and generate positive externalities in the areas where they are located; whereas their openness and interaction with other activities give rise to agglomeration and cluster effects and they tend to generate a high proportion of total value added locally;

- P. whereas flexibility and mobility are indissociable in the context of professional artistic activity, and it is therefore important that the unpredictable and sometimes precarious nature of the artistic profession is offset by a guarantee of genuine social protection;
- Q. whereas the CCIs comprise a majority of small and micro-companies and whereas the cultural and creative sector (CCS) companies with fewer than 10 employees account for more than 95 %¹ of the workforce;
- R. whereas it is erroneously argued that there is a higher degree of risk involved in investing in CCIs compared with other types of business, and whereas that argument is based, inter alia, on the fact that CCIs are IPR-intensive and that there are difficulties involved in using intangible goods as guarantees for financing;
- S. whereas it is increasingly rare for cultural and creative artists to be in permanent employment; whereas they are, to an increasing extent, self-employed, alternating between self-employed and employed activity or engaged in part-time or irregular activity;
- T. whereas culture-based initiatives and industries have multiple roles to play in local and regional development, traditionally raising the attractiveness of regions, ensuring the socio-economic inclusion and development of rural and isolated areas, but also allowing for an integrated sustainable urban regeneration;
- U. whereas CCIs play a key role in reindustrialising Europe, are a driver for growth and are in a strategic position to trigger innovative spill-overs in other industrial sectors, such as tourism, retail, and digital technologies;
- V. whereas CCIs are a driving force for innovation and development of ICT in Europe; whereas the digital transformation of the industry offers new possibilities for the development of new business models and market expansion, but also poses challenges to the traditional sectors of the CCIs;
- W. whereas creative industries are amongst the most entrepreneurial sectors, developing transferable skills such as creative thinking, problem-solving, teamwork and resourcefulness;
- X. whereas industrial heritage tourism and industrial museums can offer new cultural and economic perspectives, above all to post-industrial regions, and keep traditional European know-how alive;
- Y. Whereas, among the different sources of EU funding, only Creative Europe and the European Fund for Strategic Investment mention CCIs as a specific priority;

¹ European Commission study EASME/COSME/2015/003.

- Z. whereas with the entry into force of Commission Regulation (EU) 651/2014 some measures in the sector of cultural heritage (notably restoration and preservation) and, in some cases, of the cultural activities supported by EU funds and additional regional funds could be considered as State aid, despite their local relevance and the non-economic nature and non-commercial organisation of the activities and cultural institutions concerned, resulting in considerable obstacles for the relevant regional authorities and in delays in implementing such measures;
- AA. whereas, in today's converging and globalised market, innovative and research-driven European CCIs are vital for ensuring linguistic and cultural diversity, pluralism and the offer of innovative and high-quality services;
- AB. whereas, despite the fact that more cultural and creative content is being accessed and shared today than ever before, in particular on services such as user-uploaded content platforms and content aggregation services, and that distribution and production costs have fallen with technology developments, the cultural and creative sector has not seen a comparable increase in revenues from this increase in consumption, largely due to the lack of transparency in the value chain and of legal clarity and the difficulties experienced by traditional sectors in adapting to digital transformation;
- AC. whereas the Commission is urged to take the appropriate measures to facilitate the emergence of attractive legal offers and cross-border availability so as to reduce the value gap and ensure that authors, creators, performers and right holders receive fair remuneration for their works;
- AD. whereas CCIs are undergoing considerable modifications as a result of increased digital technologies giving rise to changes in the conditions of artistic production and influencing intellectual property law;
- AE. whereas CCIs remain undervalued and unrecognised, especially in terms of their ability to access start-up capital and financing;
- AF. whereas the latest study commissioned by the Commission¹ takes into account in its definition of CCIs the creativity-driven high-end industries; whereas fashion and high-end industries rely on a strong cultural and creative input, contribute to preserving the European centuries-old *savoir faire* and draw on a cultural heritage and traditions that cannot be replicated by others; whereas cooperation should be strengthened in order to take account of changes in employment and the need for specific skills;
- AG. whereas CCI national estimates are rarely comparable as Member States are still using different definitions of the CCIs; notes that such definitions also include broad categories of CCIs such as software, advertising and marketing, which are highly successful both in economic terms and as examples of European creativity and entrepreneurship;
- AH. whereas in 2013 international trade in counterfeit and pirated goods amounted to up to 2.5 % of world trade and up to 5 % of imports in the EU, which represents

¹ Study reference to be completed once published. Please note that all figures mentioned in this report are based on this study.

EUR 85 billion;

- AI. whereas in the industrial economy, investment was primarily focused on tangible goods, which were the main drivers of growth, while in today's creative economy, intangible goods are the principal targets for investment, sources of value and drivers of growth; whereas the financing of CCIs should be seen in this context;
- AJ. Whereas, even though the development of digital technology and infrastructure is a European policy priority, the dissemination of cultural and creative goods and services online through cultural institutions still needs to be improved;
- AK. whereas CCIs contribute to the maintenance and improvement of Europe's immense cultural, historical, and architectural heritage; whereas the CCS is important for the development of cultural diplomacy, the tourism industry and the promotion of national and local cultures, driving towards progress and the development of cities and regions;

Definition and statistics

1. Calls on the Commission to develop a comprehensive, coherent and long-term industrial policy framework for the CCS, and on the EU to include the development, effective promotion and protection and adequate funding of CCIs in its strategic goals and overall priorities, in order to boost their competitiveness and enable them to fulfil their potential in terms of creating quality jobs and growth;
2. Calls on the Commission to design its future policies based on the following definition of CCIs: 'cultural and creative industries are those industries that are based on cultural values, cultural diversity, individual and/or collective creativity, skills and talent with the potential to generate innovation, wealth and jobs through the creation of social and economic value, in particular from intellectual property; they include the following sectors relying on cultural and creative inputs: architecture, archives and libraries, artistic crafts, audiovisual (including film, television, software and video games, and multimedia and recorded music), cultural heritage, design, creativity-driven high-end industries and fashion, festivals, live music, performing arts, books and publishing (newspapers and magazines), radio and visual arts, and advertising;
3. Calls on the Commission – taking into account the fact that Member States are using national classification systems for the activities belonging to the culture and creative industries – to identify specific indicators in order to monitor and analyse the cultural, economic and societal impact and dynamics of its policies and regulatory proposals related to the CCS, and the role of this sector as a driver of innovation and growth in all other domains of activity in the EU and on connected third countries; underlines, therefore, the need for the Commission to identify alternative data sources with a view to complementing and improving official statistics; underlines that CCIs often have complex business models which can present a challenge to traditional forms of funding and that it is important to ensure that the positive effects of public investment are understood more clearly and to provide the levels of analysis required to attract more private investment; calls on the Commission, furthermore, to provide for a coordination effort in order to facilitate transnational synergies such as cooperation projects, mobility opportunities and joint ventures in the field;

4. Stresses that the need for setting up statistical data on cultural and creative industries contributes also to the cultural policy debate, and encourages the Commission and Eurostat, in their endeavour to regularly analyse and measure the impact of cultural policies on the CCS as a whole, to include the CCS in their yearly statistics, based on an analysis of the value and spillovers created by the CCIs in the digital age and to publish a sectoral biennial report on the development of CCIs in Europe; highlights, in this context, the need to reinforce the role of Eurostat and of the Joint Research Centre;

Framework conditions and fostering innovation

5. Calls on the Commission to introduce an umbrella scheme that bridges the gap between R&D, European creative content production and technological innovation in the media field and beyond; notes that such an umbrella scheme would foster the production of creative and competitive EU services, and commercial and employment opportunities, and enhance access to market for SMEs and start-ups, while nourishing a pluralistic and diverse European landscape built on strong synergies between CCIs and technological innovation, thereby strengthening the European Digital Single Market;
6. Stresses that digital technology and infrastructure rely on the content provided by creators; notes that direct access to global audiences has led to new forms of artistic and creative content; calls, therefore, on the Commission, balancing the needs of all relevant actors, to establish an appropriate legal framework, including copyright, for the value chain in the digital age, which takes into account the specificities of the sector, enables further innovation, promotes transparent contractual relationships and leads to the establishment of the right to fair remuneration and legal protection for authors, creators and all parties involved in the creative process and their works, thus ensuring a thriving digital economy;
7. Stresses the need to work together and the importance of constantly sharing knowledge and best practice between Member States seeking to support and stimulate the creative industry, and promote creativity and productivity at all levels;
8. Considers that the protection of copyright and related rights are at the core of the CCI's revenue; urges the Commission, in view of the ongoing copyright reform, to create balanced legal solutions that are adapted to the digital age, including in partnership with industry and consumer groups, which will support and meet the interests of SMEs, very small enterprises and micro-enterprises, creators, right holders, right users, freelancers and consumers alike in order to make it clear that liability exemptions can only apply to genuinely neutral and passive online service providers, as defined by the E-Commerce Directive and the case law of the CJEU, and not to services that play an active role in distributing, promoting and monetising content at the expense of creators; considers, given the borderless nature of the digital environment, that there is a need to ensure coherence between regulators, law enforcement agencies and the judicial system, within the EU;
9. Highlights the fact that research into right holders and non-transparent rules on copyright represent administrative burdens entailing high costs and considerable effort, especially for SMEs working on a cross-border basis; recommends, therefore, that a common pan-European database be established, with all available information on right holders for each sector in order to facilitate rights clearance;

10. Stresses that Directive 2014/26/EU has led to improvements in the rights clearance system of musical works in the online environment; asks the Commission also to improve good governance, efficiency, transparency and accountability of collective rights management organisations in other sectors;
11. Highlights the fact that piracy and counterfeiting remain a serious concern for CCIs and citizens alike; stresses that these illicit activities cause serious income and job losses, and can result in safety and health concerns that need to be addressed; welcomes the industry's involvement in finding solutions to tackle piracy and counterfeit and underlines the need to reinforce the fight against these illegal activities;
12. Underlines the need to monitor and strengthen the application of existing enforcement rules across the EU; recommends considering the introduction of tougher sanctions and the promotion of a system of guarantees on traceability as a deterrent for counterfeiters – particularly large-scale commercial ones – as well as increasing the damages and compensation awarded to right holders; calls for the EU and the Member States to launch awareness-raising campaigns against piracy and counterfeiting, and to identify trends and target them more effectively, while encouraging right-holders and service providers to ensure that there are easy routes to accessing legal content in order to discourage piracy; stresses, finally, the need to involve all digital actors in the fight against online counterfeiting;
13. Calls on the Commission to propose effective measures to fight online piracy, in particular to ensure that online services which host content apply effective means in order to remove unlicensed content from their services and to take action to prevent this content, once removed, from reappearing;
14. Considers that it is essential to overcome silo thinking in traditional policy areas and to promote cultural and creative spillovers;
15. Calls on the Commission and the Member States, in their respective spheres of competences, to promote cross-sectoral cooperation by establishing 'learning labs', creative hubs, co-working spaces, networking programmes and cultural and creative clusters and networks at regional, national, European and international level in order to foster interaction between micro-, small, medium and large enterprises and between non-profit organisations and commercial companies in the CCS, traditional craftsmanship, heritage organisations, tourism sector, research centres, universities, investors and policy makers; asks, moreover, for support for the development of an innovation friendly and supportive legal environment for the creation and experimentation of new business models, products and services through strategic partnerships between producers, distributors and promoters and for support for the activities of business incubators;
16. Considers it essential for the EU and its Member States to maintain the possibility of preserving and developing their cultural and audiovisual policies, and to do so in the context of their existing laws, standards and agreements, including the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions; calls, therefore, for the exclusion of cultural and audiovisual services, including those provided online, to be clearly stated in agreements between the Union and third countries; emphasises, in this context, the need to keep cultural and audiovisual services

outside the scope of the negotiating mandate for general free trade agreements, while pointing out that cultural and creative works have a dual and intrinsic value;

17. Calls on the Commission to promote and support the creation, improvement and expansion of infrastructure which is key to supporting creative industries in Europe, particularly ensuring the expansion of high-speed broadband to rural and remote areas;
18. Recognises that many cities and regions across Europe have developed substantial plans for their local CCIs; calls on the Commission to draw on best practice from these strategies;
19. Calls on the Commission and the Member States to consider the European Year of Cultural Heritage 2018 as a major opportunity to enhance European excellence in CCIs and to stress the need for appropriate programming and financing;
20. Calls for the European External Action Service to harness the potential of cultural diplomacy by promoting and improving the competitive strength of the European CCS;

Digitisation of the cultural and creative industries

21. Stresses that cultural and creative industries (CCIs), the majority of which are made up of SMEs, operate in a constantly evolving environment, and as such are challenged to rethink and reshape new business models in order to develop market-driven solutions and attract new audiences; emphasises the opportunities that new ICTs such as big data, cloud computing, the Internet of things offer the economy and society, especially when integrated with sectors such as CCIs, and in particular regarding the distribution, exploitation and production of creative works; stresses, however that, in order for CCIs to fully seize the potential for growth and jobs of new technologies, the completion of the Digital Single Market must be a priority; stresses furthermore the need to improve legal certainty and reduce the administrative burden; calls on the Member States and the Commission to support the digitisation of cultural content; stresses, in this regard, that the Commission's 'Digitising the industry' plan and the EU enforcement framework should fully take the specific features of CCIs into account;
22. Considers that digital platforms are a means of providing wider access to cultural and creative works and offer great opportunities for the CCS to develop new business models; highlights the fact that consideration should be given to how this process can function with more legal certainty and respect for right holders; underlines the importance of transparency and of ensuring a fair level playing field; considers in this regard that protection of right holders within the copyright and intellectual property framework is necessary in order to ensure recognition of values and stimulation of innovation, creativity, investment and production of content;
23. Stresses that digitisation and media convergence create new opportunities for access, distribution and promotion of European works and emphasises the importance of guaranteeing funding for the digitisation, preservation and online availability of European cultural heritage;

Working conditions in the cultural and creative sector

24. Points out that the atypical employment (part-time and fixed-duration contracts, temporary work and economically dependent self-employment) of cultural and creative workers, specifically in the media and culture sector, is commonplace; underlines the need to remove obstacles to mobility of artists and culture professionals and supports the European Economic and Social Committee's request to the Commission to provide an appropriate solution to improve mobility within the EU for CCI workers and ease visa procedures for exchanges with third countries;
25. Calls on the Member States to develop or implement a legal and institutional framework for creative artistic activity through the adoption or application of a number of coherent and comprehensive measures with respect to contracts, means of collective representation, social security, sickness insurance, direct and indirect taxation and compliance with European rules, in order to improve the mobility of artists across the EU;
26. Notes the high proportion of women in the creative industries and in particular the situation of mothers who are self-employed or returning to work ('mompreneurs');
27. Points to the existing average EU gender pay gap (16.1 % in 2014) and pension gap (40.2 %), and stresses that women face the same barriers in the cultural and creative industries as in other economic sectors, in particular as regards gender pay and pension gaps, access to finance, stereotypes, training and lifelong learning;

Education, skills, training

28. Stresses that the creative drive is present in every human being and that creative skills should be developed from an early age in order to lay the foundations for the continuous renewal of creative talents; notes nevertheless that these skills can be encouraged at all stages in life, notably through accessible lifelong learning programmes; encourages the Member States to foster greater knowledge of the CCIs in education and training programmes, to develop the teaching of media literacy and digital skills and to improve their training, learning and qualification systems, enabling students of all ages to acquire comprehensive training in creative arts disciplines;
29. Draws attention to the lack of cross-cutting – and in particular entrepreneurial – skills among graduates in cultural and arts disciplines, as well as to their insufficient knowledge of copyright laws and the means of protecting such rights; considers it important, therefore, to encourage the Member States and educational institutions to address this gap by adjusting teaching programmes, in order to provide continuous professional training and better integrate creative and entrepreneurial education and thus strengthen the business, financial, marketing and management skills of creative entrepreneurs;
30. Calls on the Member States to increase support for teachers to enable them to develop the creative and innovative capabilities of young people, by modernising teaching processes and by including media literacy, art, music, theatre and film in education and training programmes; urges the Member States to develop knowledge of cultural heritage, artistic practices and expressions, and soft skills geared to creativity and innovation; calls also on the Member States to support cooperation between schools, with a view to exchanging the most effective methods and practices as regards

stimulating creativity and innovation, thus helping people to value creative industries products and services;

31. Recalls that partnerships with education can also contribute to a stimulating learning environment and to the integration of disadvantaged and marginalised communities, and offer opportunities for people in deprived neighbourhoods;
32. Highlights the potential of CCIs regarding youth employment and reindustrialisation and in particular the growing opportunities in the cultural and creative sector created by the digital environment for young people; calls on the Commission and the Member States to include the CCIs in the Youth Employment Initiative and to provide funds to facilitate careers, entrepreneurship and training in this sector by creating apprenticeship schemes, and facilitating mobility and exchange through mentorship and traineeship programmes; calls for a more effective use to be made of the resources provided for under the Youth Guarantee scheme;
33. Recalls that one of the main challenges faced by the cultural heritage sector is the gradual extinction of traditional skills and crafts; calls on the Commission and the Member States to secure the preservation of heritage, cultural and linguistic diversity, traditional skills and European national, regional and local *savoir-faire* and to safeguard and promote the craft trades linked to the CCS, encourage and facilitate transmission of know-how and place a stronger focus on vocational training and a highly skilled workforce in order to attract talent, including excellence in craftsmanship in the construction sector and in conservation and restoration work; underlines, to this end, that strong strategic links must be cultivated between cultural policy and the social and productive resources;
34. Calls on the Commission to raise awareness about career opportunities in artisanal and manufacturing jobs linked to the CCS through awareness campaigns and policies promoting the transmission of knowledge in order to preserve craftsmanship and expert skills in these sectors;
35. Encourages the Member States to follow up on Erasmus+ incentives in order to promote cross-sectoral approaches between different areas in formal, non-formal and informal education, training and lifelong learning; encourages higher and professional education establishments to cross programmes between arts and culture, science, engineering, technology, business and other relevant fields; calls, in particular, for steps to be taken to close the gap between STEM and ICT and arts and design subjects in order to support the development of technical careers in the creative industries and creative careers in the STEM sector, which are vital for the growth of Europe's CCS; stresses the need to support centres of excellence and promote exchanges among professions in the sector, including in third countries, and to attract and develop creative talent;
36. Encourages the Member States to promote cooperation between artistic schools, VET providers, universities and businesses in the CCS, including through artist residencies in business settings and educational establishments, in order to ensure a better match between the supply of skills and the demands of the labour market and boost the sector's competitive potential; recommends the development of work-learn trajectories such as dual education schemes;
37. Recommends the design and adoption of policies aimed at increasing the level of

cultural participation among EU citizens, which in many Member States is still critically low; stresses that this would lead to benefits both in terms of fostering more creative talents and securing a larger and stronger demand base for EU cultural and creative products;

38. Calls for the creation of a 'European award for creative and cultural industries' designed along the same lines as the 'Franco-German Prize for Creative and Cultural Industries'
39. Underlines the huge potential of women as innovators and entrepreneurs and the important role they play in the cultural and creative industries; encourages the Member States to offer appropriate financial support and training and highlights the importance of networking and sharing best practices;
40. Calls for the possibility of mobility programmes for 'young innovators' to be explored in order to promote exchanges and innovation in the field of culture and creation;
41. Notes the Commission communication entitled 'A new skills agenda for Europe: Working together to strengthen human capital, employability and competitiveness' and shares the view that 'in a fast-changing global economy, skills will to a great extent determine competitiveness and the capacity to drive innovation' that 'they are a pull factor for investment and a catalyst in the virtuous circle of job creation and growth' and that 'they are key to social cohesion'; considers it necessary to pay special attention to creative skills in the revision of the Key Competences Framework and the European Qualifications Framework;
42. Encourages the Member States to undertake initiatives such as the 'cultural bonus' launched by the Italian Government and endowed with EUR 500, made available to all 18-year-olds legally resident in Italy, and to be spent only on 'culturally enriching activities' such as museums, galleries, archaeological and heritage sites, books and films;

Financing

43. Points out that the cultural and creative industries benefit considerably from public funding for culture, which also contributes significantly to cultural diversity in the European Union; urges the Commission and Member States therefore, within their respective spheres of competence, to continue to earmark an adequate share of their budgets for public funding for culture;
44. Stresses the need to strengthen government policies in support of the CCS and improve culture budgets; points out that public funding has suffered severe budget cuts in the Member States, posing a serious threat to European cultural and creative work;
45. Notes the success of tax relief schemes for the cultural and creative sector existing in certain Member States; encourages all Member States, therefore, to introduce such schemes, all the while condemning special tax arrangements – known as 'tax rulings' – that have allowed some companies to unduly reduce the payment of taxes to a minimum;
46. Notes that participation in all EU-funded programmes is open to CCIs, but that this

participation is to be considered below its potential; asks the Commission as a first step to create a one stop shop – e.g. a website – where the different DGs concerned would interact closely in order to highlight different funding opportunities for CCIs, disseminate information through pan-European cultural and creative networks and national organisations, collect and promote best practice examples, and increase the knowledge among financial investors and institutions regarding the specificities and different challenges of the CCIs as this would increase awareness and accessibility of funding for CCIs;

47. Calls on the Commission to work on mainstreaming EU support for cultural and creative industries, including funding, through the adoption of an overarching and transversal EU strategy; stresses, however, the importance of being aware of the diverse nature of CCIs and, accordingly, of their specific sectoral needs in terms of funding and innovation environments, and therefore of specific implementation plans, such as a joint framework scheme between Horizon 2020 and Creative Europe; recognises the multiplier effect which EU funding has for CCIs, particularly in specific regions;
48. Recognises the important role played by not-for-profit, cooperative and social enterprises in the CCIs and, therefore, calls for any distinction in EU structural and social funding, which could limit the eligibility of these structures, to be avoided;
49. Notes that the mid-term review of the MFF and the implementation reports of EU programmes should be regarded as two interconnected parts of the same process; notes that, particularly in the case of Creative Europe, Horizon 2020 and the Structural Funds (ERDF and ESF), the role and impact of CCIs on growth, employment and territorial cohesion should be specifically evaluated and further promoted; stresses that this process should provide a solid and coherent basis for the revision of the MFF and the future EU programme's architecture post 2020;
50. Calls on the Commission to comply with Article 167(4) of the Treaty on the Functioning of the European Union and establish the CCIs, as part of the CCS, as a horizontal priority within EU funding schemes and programmes, particularly in Horizon 2020, EaSI and the ESIFs;
51. Calls on the Commission to fully exploit potential synergies existing between EU policies, so as to effectively use the funding available under EU programmes – such as Horizon 2020, the Connecting Europe Facility, Erasmus +, EaSI, Creative Europe and COSME – and the European Structural and Investment Funds (ESIFs) to support more projects in the field of CCIs;
52. Points out that much more can still be done to bring about the more effective interaction between the European Structural and Investment Funds (ESIFs) and other European programmes outlined for the 2014-2020 programming period, with specific reference to ERASMUS+ and Creative Europe, in points 4.6 and 6.4 of Annex 1 to the 'Common Provisions Regulation', through the provision of better information on an EU-wide basis and by means of much more resolute implementation in the Member States and their regions;
53. Calls on the Commission to modify and/or interpret the part of Commission Regulation (EU) 651/2014 concerning state aid for culture and preservation of cultural heritage, in

the light of recital 72 of the regulation and of the Commission communication of 19 May 2016, so that certain measures in the cultural heritage sector (notably restoration and preservation) and, in some cases, of the cultural activities supported by EU funds and additional regional funds, do not come under the concept of state aid;

54. Notes that the Guarantee Facility within Creative Europe is one of the ways to address the pressing need for accessing loan financing for innovative and sustainable projects in the CCS; recalls the delay in the launch of the Guarantee Facility; stresses the need to increase the budget of Creative Europe and the Guarantee Facility in order to effectively support European cultural and creative expressions, diversify the beneficiaries of funding, guarantee equal access to and improve participation of cultural operators from all Member States to the Guarantee Facility;
55. Notes that the EFSI should help SMEs to overcome capital shortages and typically target projects with a higher risk profile than projects supported by EIB normal operations¹; notes that, as of September 2016, funding had been granted only for a few projects in the CCS – which mainly consists of SMEs with a higher degree of risk – and in the education or training sector, and stresses that every effort should be made to improve their participation in the EFSI;
56. Calls on the EIB to address the lack of EFSI funding to CCIs by investigating possible interaction with Creative Europe and the Guarantee Facility in order to provide fit-for-purpose loans for CCIs;
57. Calls on the Commission, the Member States and the EIB to support mixed methods of funding, especially in the form of public-private partnerships, in order to address and rectify the lack of availability of equity finance for CCIs;
58. Calls on the Commission and the Member States to improve the investment environment and broaden the range of financing instruments available to micro-enterprises and SMEs in the cultural and creative sector with new and innovative financing schemes such as microcredit, repayable contributions, crowdfunding, risk capital finance, seed funding and venture capital; notes that different models of crowdfunding and crowd-investment for CCIs can become a solid tool for the financing of cultural and creative projects and, as such, a welcome addition to traditional sources of financial support for CCIs as a whole; calls therefore on the Commission and the Member States to continue monitoring and promote the development of the crowdfunding market, to engage public institutions, to make better use of the possibilities of institutional crowdfunding, to coordinate the different regulatory approaches, to ensure appropriate clarity on the application of EU rules, to develop best practice and to improve the regulatory framework by removing burdens and/or coming up with a new regulatory instrument, if necessary; points out nevertheless that this cannot replace sustainable public and private funding for CCIs;
59. Considers it necessary to improve the role which public investment banks play in the CCS by giving SMEs improved access to credit and helping enterprises to expand their market and export activities;

¹ Regulation (EU) 2015/1017.

60. Considers that in order to improve access to finance in the CCIs it is necessary to develop expertise in identifying and assessing the value of intangible assets, which could be used as collaterals; stresses the need to increase knowledge among financial investors and institutions regarding the specificities and different challenges of the CCIs, considered as presenting a higher degree of risk; welcomes, in this connection, the inclusion by the Commission of a training scheme for financial intermediaries within the Guarantee Facility of Creative Europe, as this may also improve the ability of CCIs to approach and convince external investors; considers it useful, nonetheless, to assert the success of this scheme and, pending a positive evaluation, to extend it to various policy areas;
61. Calls, to this end, for the promotion of 'intellectual property asset protocols' facilitating the valuation of intellectual property rights (IPRs), and invites the Commission and the Member States to adopt the necessary mechanisms in order to increase the bankability of IPRs and the recognition of their full value as assets;
62. Instructs its President to forward this resolution to the Council and the Commission.

EXPLANATORY STATEMENT

Introduction

Culture, art, creativity: this is the true image and asset of Europe in the world!

In 21st century Europe, with the transition to the digital economy, CCIs are increasingly replacing traditional manufacturing processes and traditional value chains. Today, the production of quality content, the ability to innovate, to narrate, to imagine, to evoke emotions, have become our most precious *materia prima*. One to cultivate, support, promote, defend.

Cultural and creative industries are those industries that are based on cultural values, individual creativity, skills and talent with the potential to create wealth and jobs through generating value from intellectual property. According to the co-rapporteurs, the sector includes the following segments relying on cultural and creative inputs: architecture, archives and libraries, artistic crafts, audiovisual (including film, television, video games and multimedia), cultural heritage, design, creativity-driven fashion and high-end industries, festivals, music, performing arts, books and publishing, radio and visual arts.

European CCIs have their roots in and draw lifeblood from the uniqueness of European culture and arts, enshrined in 3000 years of shared cultural heritage. Unlike other industries, CCIs are characterised by an intrinsic dual value: they play a key role in the preservation and promotion of European cultural and linguistic diversity, strengthen the sense of belonging to the European and regional identity, contribute to transmit knowledge and values, and safeguard the tangible and intangible European heritage for current and future generations. At the same time, they are a concrete tool for social cohesion, through their important contribution to the EU economy in terms of employment, investment, growth, and innovation and contribute significantly to Europe's competitiveness on a global scale.

Thus, it becomes strategically important to support innovative and research-oriented European CCIs, as they are capable of preserving linguistic and cultural diversity, pluralism, and the offer of innovative and high-quality services, especially in the context of a convergent and globalised market.

Following the Green Paper of the European Commission of 2010¹, there have been in recent years a variety of sectorial studies, conferences and Communications by the Commission, and resolutions of the European Parliament which all point out that cultural and creative production is the point of origin of today's value chain. This current report, though, is the first joint report of the CULT and ITRE Committee - bringing together the cultural and economic potential of the sector by pointing out what should be the pillars of a European industrial policy for CCIs.

The future of CCIs is of particular interest both for the Committee on Culture and Education (CULT), which has drafted over the last years several reports on this topic², and for the Committee on Industry, Research and Energy (ITRE) which is responsible for the Union's industrial policy and related measures, and the application of new technologies, including measures related to SMEs. What unifies these industries is the fact that they all trade with creative assets in the form of intellectual property (IP). Given the disparity and the complexity of the sector, harnessing the full potential of CCS constitutes a real challenge.

¹ COM(2010)0183.

² See for example Resolution of 12 May 2011 on unlocking the potential of cultural and creative industries and Resolution of 12 September 2013 on promoting the European cultural and creative sectors as sources of economic growth and jobs ([T7-0368/2013](#)).

The co-rapporteurs believe that in order to realize the sector's full potential, concerted action is needed, at national, regional and local level, but also at EU level. The co-rapporteurs, based on a thorough analysis of the sector and its challenges, propose several measures and policies, which focus in the short and longer terms on seven key policy drivers, which are at the core of this report:

- gathering reliable statistics and data based on a comprehensive definition in order to raise awareness about its characteristic and needs of the sector
- monitor the sector's development in order to create fit-for-purpose solutions for CCIs
- fostering innovation and entrepreneurship in the cultural and creative sector by facilitating cooperation with other sectors and policies (crossovers)
- improving access to finance, supporting new business models
- making use of the already existing tool-box on European level and bringing together all existing instruments and initiatives in a coherent manner
- developing skills, including business skills
- addressing changing skills' needs and overcoming skills' shortages

Economic and social importance of CCIs

All around the world, the cultural and creative sector (hereafter referred to as CCIs) is considered a major and growing part of the global economy. Its importance as a generator of jobs and wealth is increasingly recognised, particularly so in the EU: following a recent study commissioned by the European Commission, CCIs (excluding high-end industries) constitute 11.2 % of all private enterprises and 7.5 % of all persons employed in the total economy. Overall, more than three million enterprises, employing over 12 million persons, can be comprised within CCIs (excluding high-end industries). In terms of value added, CCIs (excluding high-end industries) generate 5.3 % of the total European GVA¹. High-end industries, on the other hand, employ approx. 1.7 million persons. Their value in terms of sales of goods and services amounts to € 547 billion, or approximately 4 % of nominal EU GDP.

The peculiarity of Cultural and Creative Industries is that they build a bridge between arts, culture, business and technology. Additionally, CCIs are characterised for providing jobs that can hardly be offshored, as they are related to specific cultural and historical skills, territorially and traditionally bound and determined. Significantly, they contribute more than any other sector to youth and women employment. CCIs have also shown greater resilience than other sectors in the aftermath of the 2008 crisis, as was ascertained their ability to trigger noticeable positive effects in other industrial sectors, such as tourism, retail, and digital technologies.

Despite these facts, a real and coherent industrial policy at EU level hasn't yet been developed. What we need is a comprehensive industrial strategy at the European level that will take all specific characteristics of cultural and creative industries into account, and will turn challenges like digitalisation and the review of copyright rules into new growth and job opportunities by creating a balanced legal framework. What we need is engagement for long-term development of CCIs, based on an integrated approach that can guarantee a sustainable political and regulatory humus for present and future cultural and creative industries, and that considers the development, promotion and protection of CCIs as a strategic objective and a general policy

¹ Study on "Boosting the competitiveness of cultural and creative industries for growth and jobs". Study reference to be completed once published.

priority for the EU.

Definition of CCIs and statistics for a true European development policy

One factor that definitely contributes to a lack of awareness of the real economic potential of these industries, and the subsequent lack of specific policies to support CCIs, is that we are missing a clear definition of what “cultural and creative industries” are.

Whilst most areas of *cultural* industries are an obvious pillar of the sector and as such easy to classify within it (artistic and monumental heritage, archives, libraries, books, publishing and press, visual arts, architecture, performing arts, multimedia and audiovisual services), for the *creative* industries that is less evident because, as a matter of fact, any innovative activity could bear a creative character and rely on creative input.

The co-rapporteurs, taking into account the 2012 Communication of the European Commission¹, which identified creative industries as “industries which use culture as an input and have a cultural dimension, although their outputs are mainly functional. They include architecture and design”², and in the light of the latest study carried out by the Executive³ that in its definition of CCIs also considers the high-end industry alongside core CCIs, fashion and design, suggest a new, enlarged and more comprehensive definition of CCIs. The rapporteurs believe that a standardised definition will help to monitor the development of the sector better and subsequently lead to tailor-made policy solutions for CCIs. The definition proposed by the rapporteurs includes the latter classic sectors, as well as creativity-driven fashion and high-end industries, on the basis of their specific cultural input, of the creative engine that characterises the initial stage of production, and their ability to generate value.

Fashion and high-end industry not only contribute to the promotion and spreading of European excellence but, as they rely on a strong cultural and creative input, they also contribute significantly to preserving the European *savoir faire*, a unique beacon of knowledge and centuries-old skills that are difficult to replicate and truly characterise European added value.

Cultural and creative industries as ambassadors of European-ness

But that’s not all. Culture, not only in its traditional forms, but also through cultural and creative industries, can play a crucial role in strengthening international partnerships. These industries contribute to Europe’s “soft power” in their role as ambassadors of European values (such as quality, excellence, craftsmanship, creativity, culture) on the world stage. It is worth noting that, according to Eurostat, the value of total EU exports in 2014 (all products) amounted to € 1,703.0 billion, which is 15.9 % of total world trade. Thereof, € 27.3 billion (1.6 %) can be assigned to exports of cultural goods and € 209.1 billion to goods related to fashion (12.3 %). High-end industries account for 18 % of European exports, with an export value of approximately € 308 billion.

For these reasons, the EU has already funded many projects in the cultural and creative sectors, such as creative hubs’ networks; the African, Caribbean and Pacific (ACP) Cultures+ programme; programmes to support cultural governance and promote intercultural dialogue. More support comes also from the Creative Europe and Horizon 2020 programmes, to support research on cultural diplomacy and activities on cultural heritage namely fostering cultural and creative industries and promoting intercultural dialogue.

¹ COM (2012) 537

² COM (2010) 183 final, page 6.

³ Study on “Boosting the competitiveness of cultural and creative industries for growth and jobs”. Study reference to be completed once published.

Awareness of the importance of this instrument has recently brought the European Commission to issue its Communication on a “*Strategy for international cultural relations*”, which encourages cultural cooperation between the EU and its partner countries and promotes dialogue and mutual understanding to build long-term relationships with countries across the whole world.

Education and training

Creativity, inspiration, imagination are based on culture and art in all its forms, and should be an integral part of education as well.

Therefore, it is vital to remind Member States to include art, music, theatre and film education in school curricula, as a key factor to develop knowledge of cultural heritage, artistic practices and expressions, and of creativity- and innovation-oriented soft skills. Education comes first from within the family, but also and above all from within school systems, and is also shaped by the influence of mass media. Formal and informal education and training are therefore not only two necessary preconditions for cultivating creativity, the lifeblood of CCIs, but also to stimulate the demand for quality content and creative products.

A coherent policy for CCIs, therefore, relies on the development of close cooperation between the cultural and creative sector and social partners in education and vocational training.

We need to promote inter-sectorial approaches between the different areas in formal and non-formal learning. This demands greater synergies between higher education institutions, for instance through joint programmes between the arts and culture, science, engineering, technology, and by supporting centres of excellence developing those work profiles that keep the sector alive, that are able to attract students from different Member States and develop international projects. Lastly, best practices established in some Member States show that it is important to support the development of work-learn trajectories.

When it comes to fashion and high-end industries, it should be noted that these are characterised not only by large industrial groups, but also by the fact that they rely on cooperation with SMEs, micro-enterprises and traditional craftsmanship. There are a number of sectors, within the cultural and creative industries, that would certainly benefit from financial support and dedicated funds by the European Union to support their development.

On the other hand, as also highlighted by various European stakeholders, there is a need to address the gap between the needs of the industry and the availability of highly skilled workforce at EU level¹. For the fashion and high-end industry, this means that the priority is to provide new policies to ensure safeguarding and promotion of the traditional European savoir-faire and artistic crafts related to CCIs, through enhancement and nurturing of vocational training and high-skilled workforce. This, in order to attract talent and new skills, as, for example, “excellence” craft, or “intermediate work profiles” in the construction industry, for conservation and restoration.

The two rapporteurs go on to underline how collaboration between the education sector and the cultural and creative sector can contribute to urban regeneration and future European competitiveness. This improves the attractiveness of regions and cities, but also helps in creating a stimulating learning environment, one that is particularly apt to help unemployed youth - particularly in, but not limited to, marginalised communities and deprived neighbourhoods - in acquiring professional skills, thereby increasing their employment opportunities in sectors that

¹ ECCIA (2014) “The contribution of the high-end cultural and creative industries to the European economy”.

are looking for skilled labour.

The sector as a whole bears, indeed, important value to address the issue of youth unemployment: according to a recent study, the cultural and creative sector employs more 15-29-year-olds than any other economic sector (19.1 % of total employment in CCIs versus 18.6 % in the rest of the economy)¹. Given the brain drain Europe has been experiencing in recent decades, further promotion and investment in cultural and creative industries would be beneficial in creating new jobs and combating the youth unemployment rate, given the large number of young people pursuing studies in this area. There is, thus, potential within CCIs regarding youth employment and reindustrialisation, to secure the transfer of knowledge and traditional craftsmanship, and maintain the economic, historical and social texture on which CCIs rely.

The Commission and the Member States should then, in the opinion of the co-rapporteurs, include a specific focus on CCIs in the Jobs and Growth programmes of the EU (such as the Youth Employment Initiative and the recently presented New Skills Agenda) and provide funds to facilitate careers and training in this sector. The Commission and the Member States should, furthermore, promote campaigns to raise awareness about career opportunities in these industries where European jobs are created and the transmission of knowledge is promoted, so as to preserve craftsmanship in these strategic sectors.

Copyright and counterfeiting in the cultural and creative sector

Copyright is to the cultural and creative sector, what patents are to industry and technology. The protection of copyright is an element vital to the very survival of the creative industry.

Despite the fact that more creative content is being consumed today than ever before (think of the record levels reached by the music), on services such as user-uploaded content platforms and content aggregation services, the creative sectors (among others rights holders, artists and producers) have not seen a comparable increase in revenues from this increase in consumption.

This has generated a so-called “value gap”, whereas platform services retain the value of cultural and creative works, which is diverted from creators. The transfer of value has created an inefficient and unfair market, and threatens the long-term health of the EU’s cultural and creative sectors and the success of the Digital Single Market.

The co-rapporteurs therefore call on the Commission, in view of the copyright reform proposal, to identify legal solutions applicable to online services that solve this distortion of the market and suit creators, right holders and consumers alike. Liability exemptions can only apply to genuinely neutral and passive online service providers, and not to services that play an active role in distributing, promoting and monetising content at the expense of creators.

Furthermore, the high-end and fashion segments are subject to increasing and heavy counterfeiting, reaching alarming proportions in terms of lost revenue for industries and consequent loss of jobs, let alone problems related to health and consumer protection. To understand the severity of the issue, data for 2013 shows that up to 2.5 % of international trade was in counterfeit and pirated goods, and up to 5 % of import in the EU alone, or as much as 85 billion €.

Alongside a clear definition that takes into account all sectors related to CCIs, the co-rapporteurs believe it equally necessary to have comparable and reliable statistical data. Each Member State has, in fact, its own classification of CCIs. It is therefore essential to adopt at EU

¹ Cultural Times - The first global map of cultural and creative industries, December 2015.

level an updated framework for the sector and to map changes over time. The objective should be to identify specific indicators to measure the results of policies for the promotion of the sector.

CCIs: access to finance and EU funding

Tailor-made solutions are needed specifically in the field of funding and financing: there are a number of sectors, within the cultural and creative industries, that should and could certainly benefit better from financial support and dedicated funds by the European Union to support their development and innovative output.

While regions are very good in developing clusters and regional and cross-border cooperation in the field of CCIs, and CCIs are being considered amongst the most innovative companies and take part in research and innovation programmes, there is still a lack of data of how many and what kind of projects are being funded. We need to identify specific indicators in order to monitor and analyse the cultural, economic and societal impact of its policies and regulatory proposals related to the CCIs.

Even though all programmes are open for applications from CCIs, the participation rate can and should be raised. The support of CCIs should be made a policy priority within the ESIFs, Horizon 2020, and the MFF as a whole. In the Horizon 2020 research programme and the structural funds, in particular, we should fully exploit potential synergies existing between EU policies. This would allow to effectively use the funding available under EU programmes and reach the goals they were designed for.

In that respect, the mid-term review of the MFF and the implementation reports of EU programmes should be regarded as two interconnected parts of the same process. Funding schemes should be better aligned with European policy priorities, such as supporting sustainable and innovation-driven growth and quality jobs. The evaluation of the current state of the programmes and their budgetary needs shall provide a solid and coherent basis for the revision of the MFF and the future EU programme's architecture post-2020.

This approach shall not be limited to those programmes directly managed by the European Commission, but quite appropriately go beyond: EFSI was designed to help SMEs to overcome capital shortages and typically target projects with a higher risk profile than projects supported by EIB normal operations¹. Funding to cultural and creative industries is listed as a priority within the EFSI regulation. Yet, as of May 2016, more than one year into the Plan, no funding had been granted for projects in the CCS, nor in the education or training sector, which mainly consist of SMEs with a higher degree of risk. European institutions, among which the European Investment Bank should investigate possible interactions between EFSI and the Creative Europe programme (including the Guarantee Facility), in order to provide fit-for-purpose loans for CCIs.

The importance of EFSI for CCIs surely lies in its capacity to attract private investors to the sector and promote schemes of venture capital and risk-finance. According to a survey conducted in 2013 by the Commission, however, CCIs experience barriers to access to finance as they have very specific characteristics, such as - among others - problems in assessing risks and valuing intangible property, e.g. intellectual property rights (IPRs).

Thus, in order to improve access to finance in the CCIs it is necessary to provide risk-financing schemes, but also to develop expertise in assessing the value of intangible assets, which could be used as collaterals. This expertise is needed in both micro-enterprises and SMEs and in

¹ Regulation (EU) 2015/1017.

financial institutions. The Commission and the Member States should adopt the necessary mechanisms in order to increase this “bankability” of IPRs and the recognition of their full value as assets.

Success as such is good and should be celebrated. In general, though, European entrepreneurs and financiers should leave behind the negative connotation associated to failure, and embrace the risk to fail as an important step in an entrepreneurial learning process.

Conclusion

The co-rapporteurs believe that CCIs have a key role in reindustrialising Europe, are a driver for growth and are in a strategic position to trigger innovative spillovers in other industrial sectors, such as tourism, retail, and digital technologies. The co-rapporteurs believe that the EU could take a leading role in promoting the important positive impact that the creative sectors have across Europe, to also promote policies that champion Europe’s most unique asset: its culture.

14.10.2016

OPINION OF THE COMMITTEE ON LEGAL AFFAIRS

for the Committee on Industry, Research and Energy and the Committee on Culture and Education

on a coherent EU policy for cultural and creative industries
(2016/2072(INI))

Rapporteur: Therese Comodini Cachia

SUGGESTIONS

The Committee on Legal Affairs calls on the Committees on Industry Research and Energy and on Culture and Education, as the committees jointly responsible under Rule 55 of the Rules of Procedure, to incorporate the following suggestions into their motion for a resolution:

1. Stresses that cultural and creative industries (CCIs) operate in a constantly evolving environment dominated by the development and use of digital information and communications technology on a global scale;
2. Reiterates that cultural and creative industries are based on and promote individual creativity, cultural value, skills and talent with the potential to create wealth and jobs through generating value from intellectual property;
3. Points out that, with a turnover of EUR 535.9 billion and creating 7.1 million jobs, CCIs are essential to the stability and long-term competitiveness of the European economy;
4. Points out that CCIs guarantee not only cultural diversity, but also media pluralism and the economic vitality of the European Union;
5. Notes that CCIs are of strategic importance for economic development and quality job creation in the EU;
6. Stresses that the formulation of a legal definition of ‘cultural and creative industries’ across Europe should take into account the new cultural and creative trends existing in today’s society and the ongoing changes and opportunities that digital technology may continue to provide, and that any such definition should refer to works, including goods and services, which are the product of artistic, cultural or creative processes and which are eligible for protection as intellectual property rights, without restricting the processes through which such works are created or produced;

7. Considers, consequently, that the protection of right holders within the legislative frameworks of copyright and intellectual property is necessary in a manner that recognises values and stimulates innovation, creativity, investment and the production of content, whilst being adaptable to continuous technological developments and future digital platforms;
8. Stresses that culture should not be considered by the EU only from an internal market, competition or trade policy point of view, but should also become an element of Europe's cooperation and development policy, taking into account the specific characteristics of the EU's cultural spectrum; calls on the Commission to strengthen the link between the cultural sector, training and CCIs, to consider defining a European legal framework for the development of apprenticeships in the cultural and creative industries across the EU Member States, and to maximise the potential of SMEs in the cultural and creative sectors;
9. Considers that the digital environment offers new opportunities for the creation and production of cultural and creative works, and for their distribution, exploitation and accessibility to a wider public, independently of physical and geographical constraints, at times at a lower cost and with lower barriers to entry; notes, however, that in an increasingly connected and digitised forum, authors and creators with limited resources might be financially disadvantaged when operating in a larger competitive area;
10. Considers that digital technology has also brought about opportunities for the creation of different types of artistic work or practices for which that digital technology is also an essential part of the creative process;
11. Recalls in this context that CCIs predominantly consist of a myriad of micro, small and medium-sized enterprises and freelancers, with limited access to infrastructures, resources and funding and with limited bargaining power vis-à-vis online digital outlets and other market dominant intermediaries, as is particularly the case with artists and creators from outside mainstream cultural and linguistic areas; advocates in this respect the need to develop a balanced legal framework which takes into consideration the specific characteristics of the sector and provides appropriate remedial legal solutions to enable creators to gain better bargaining power;
12. Stresses that continuous digital innovation challenges the cultural and creative industries to rethink and reshape their business models; expresses its concern that in most current business models the economic value of content, which needs to be redefined, occurs at various points of the value chain, but this may be displaced towards the end of the value chain thereby adding complexity to the system through which the creative community draws value from content, including a fair remuneration for authors and creators; notes, at the same time, that the creative community is facing losses resulting also from copyright infringements such as piracy, as well as from difficulties arising from a constantly changing online environment and challenges to existing business models;
13. Stresses the importance of the new digital environment for the development of the cultural and creative industries in creating greater visibility for creators and enabling them to be in permanent contact with their audience and consumers; considers, therefore, that the establishment of any legal framework defining the digitalisation of cultural and creative industries should take place after a broad consultation of all the actors involved in the

value chain;

14. Considers that digital platforms are a means of providing wider access to cultural and creative works and that consideration must be given to how this process can function with more legal certainty and respect for right holders;
15. Calls on the Commission to address the issue of value transfer in connection with the ongoing copyright debate;
16. Calls on the Commission to develop a European cultural strategy in the digital era in line with all EU policies, including tax policy;
17. Calls on the Commission to effectively address the issue of the circulation of illegal digital content in proportion with the various rights at stake, *inter alia* by encouraging better cooperation between Member States' authorities and industry and by facilitating the emergence of attractive legal offers with a broad catalogue and cross-border availability, while adhering to the principle of territoriality; calls also on the Commission to examine the different options focusing on copyright-related contracts to improve the fair remuneration of authors and creators, thereby rewarding creativity and innovation while promoting transparency in the copyright value chain in the digital environment, to safeguard national cultural and linguistic specificities and to stimulate economic and research activity; calls on the Commission, in this regard, to continue to identify effective mechanisms to counteract the infringement of copyright and to raise public awareness in this field;
18. Recalls the outcome of the public consultation launched by the Commission on a regulatory environment for platforms and online intermediaries; highlights the fact that participants recognise the benefits of online platforms in making creative content more accessible and communication easier, but at the same time question the lack of transparency and legal certainty in this process as regards compliance with copyright;
19. Considers that adequate and effective protection of copyright and related rights is essential to ensure that creators are fairly remunerated.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	13.10.2016
Result of final vote	+: 17 -: 0 0: 2
Members present for the final vote	Max Andersson, Joëlle Bergeron, Marie-Christine Boutonnet, Jean-Marie Cavada, Kostas Chrysogonos, Therese Comodini Cachia, Mady Delvaux, Rosa Estaràs Ferragut, Enrico Gasbarra, Gilles Lebreton, António Marinho e Pinto, Julia Reda, Evelyn Regner, Pavel Svoboda, József Szájer, Tadeusz Zwiefka
Substitutes present for the final vote	Pascal Durand, Evelyne Gebhardt, Constance Le Grip, Victor Negrescu, Virginie Rozière

RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE

Date adopted	10.11.2016
Result of final vote	+: 57 -: 4 0: 7
Members present for the final vote	Isabella Adinolfi, José Blanco López, Andrea Bocskor, Louise Bours, Jerzy Buzek, Angelo Ciocca, David Coburn, Silvia Costa, Edward Czesak, Jakop Dalunde, Pilar del Castillo Vera, Mircea Diaconu, Angel Dzhambazki, Christian Ehler, Fredrick Federley, Ashley Fox, Adam Gierek, María Teresa Giménez Barbat, Giorgos Grammatikakis, Eva Kaili, Kaja Kallas, Barbara Kappel, Krišjānis Kariņš, Jaromír Kohlíček, Miapetra Kumpula-Natri, Janusz Lewandowski, Andrew Lewer, Svetoslav Hristov Malinov, Florent Marcellesi, Edouard Martin, Luigi Morgano, Momchil Nekov, Angelika Niebler, Carolina Punset, Herbert Reul, Paul Rübig, Algirdas Saudargas, Jean-Luc Schaffhauser, Michaela Šojdrová, Neoklis Sylikiotis, Antonio Tajani, Helga Trüpel, Vladimir Urutchev, Henna Virkkunen, Bogdan Brunon Wenta, Lieve Wierinck, Hermann Winkler, Anna Záborská, Flavio Zanonato, Bogdan Andrzej Zdrojewski, Carlos Zorrinho, Krystyna Łybacka
Substitutes present for the final vote	Pilar Ayuso, Pervenche Berès, Miriam Dalli, Francesc Gambús, Gunnar Hökmark, Marc Joulaud, Constanze Krehl, Barbara Kudrycka, Olle Ludvigsson, Monika Smolková, Hannu Takkula
Substitutes under Rule 200(2) present for the final vote	Franc Bogovič, Steeve Briois, Doru-Claudian Frunzulică, Michael Theurer, Martina Werner