



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

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DRAFT 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 Articles 167 and 173 of the Treaty on the Functioning of the European Union,
- 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 Counterfeit and Pirated Goods – Mapping the Economic Impact’¹,
- 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 the Commission communication entitled ‘Towards a thriving data-driven economy’ (COM(2014)0442),
- 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 18 December 2012 on content in the Digital Single Market (COM(2012)0789),
- having regard to the Commission communication entitled ‘Entrepreneurship 2020 Action Plan – reigniting the entrepreneurial spirit in Europe’ (COM(2012)0795),
- having regard to the Commission communication entitled ‘For a European Industrial Renaissance’ (COM(2014)0014),
- 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 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),

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

- 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 27 May 2015 on cultural and creative

¹ CCM/137.

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.

- 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 its resolution of 8 September 2015 on ‘Towards an integrated approach to cultural heritage for Europe’¹,
 - having regard to the Commission communication on “A New Skills Agenda for Europe” (COM(2016)0381/2),
 - having regard to the Council conclusions of 12 May 2009 on culture as a catalyst for creativity and innovation,
 - having regard to its resolution of 12 September 2013 on promoting the European cultural and creative sectors as sources of economic growth and jobs²,
 - having regard to its resolution of 23 October 2012 on Small and Medium Size Enterprises (SMEs): competitiveness and business opportunities³,
 - having regard to its resolution of 12 May 2011 on the cultural dimensions of the EU’s external actions⁴,
 - having regard to its resolution of 12 May 2011 on unlocking the potential of cultural and creative industries⁵,
 - having regard to its resolution of 10 April 2008 on cultural industries in Europe⁶,
 - having regard to its resolution of 7 June 2007 on the social security status of artists⁷,
 - 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 (A8-0000/2016),
- A. whereas in its communication ‘Promoting cultural and creative sectors for growth and jobs in the EU’⁸, the Commission recognises the key role of cultural and creative

¹ Texts adopted, P8_TA(2015)0293.

² Texts adopted, P7_TA(2013)0368.

³ Texts adopted, P7_TA(2012)0387.

⁴ Texts adopted, P7_TA(2011)0239.

⁵ Texts adopted, P7_TA(2011)0240.

⁶ Texts adopted, P6_TA(2008)0123.

⁷ Texts adopted, P6_TA(2007)0236.

⁸ COM(2012)537 final.

industries (CCIs)¹ for the social and economic development of the EU;

- B. whereas CCIs have dual value, as they preserve and promote cultural and linguistic diversity, and strengthen European and regional identity, while sustaining social cohesion and contributing substantially to investment, growth, innovation and employment in the EU economy;
- C. whereas cultural diplomacy strengthens the bilateral relations between European and third countries and builds bridges between societies and contribute to better mutual understanding;
- D. 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;
- E. whereas 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);
- F. whereas CCIs in the EU employ 2.5 times more people than automotive manufacturers and five times more than the chemical industry;
- G. whereas employment in the cultural sector is unlikely to be offshored, as it is connected to specific cultural 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;
- H. whereas the CCIs comprise a majority of small and micro-companies and whereas the cultural and creative sector (CCS) companies with less than 9 employees account for more than 90 % of the workforce;
- I. 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;
- J. whereas among the different sources of EU funding, only Creative Europe and the European Fund for Strategic Investment mention CCIs as a specific priority;
- K. whereas despite the fact that more creative content is being consumed today than ever before, in particular on services such as user-uploaded content platforms and content aggregation services, the cultural and creative sector has not seen a comparable increase in revenues from this increase in consumption;
- L. whereas the latest study commissioned by the Commission² takes into account in its definition of CCIs also the creativity-driven high-end industries; whereas fashion and

¹ Referred to in the Commission communication as: architecture, archives and libraries, artistic crafts, audio-visual (including film, television, video games and multimedia), cultural heritage, design (including fashion design), festivals, music, performing and visual arts, publishing and radio.

² Study reference to be completed once published. Please note that all figures mentioned in this report are based on this study.

high-end industries rely on a strong cultural and creative input, contribute to preserve the European centuries-old *savoir faire* and draw on a cultural heritage and traditions that cannot be replicated by others;

- M. whereas CCI national estimates are rarely comparable as Member States are still using different definitions of the CCI;
- N. 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 EUR 85 billion;

Definition and statistics

1. Calls on the Commission to develop a coherent and long-term industrial policy framework for the CCS, and on the EU to include the development, promotion and protection of CCIs in its strategic goals and overall political priorities;
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, individual creativity, skills and talent with the potential to create wealth and jobs through generating value from intellectual property. They include the following sectors relying on cultural and creative inputs: architecture, archives and libraries, artistic crafts, audio-visual (including film, television, video games and multimedia), cultural heritage, design, creativity-driven high-end industries and fashion, festivals, music, performing arts, books and publishing, radio and visual arts’;
3. Calls on the Commission 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 CCS, and to possibly identify alternative data sources with a view to complementing and improving official statistics;
4. Encourages the Commission and Eurostat to include the CCS in their yearly statistics and to publish a sectorial biennial report on the developments of CCIs in Europe;

Framework conditions and fostering innovation

5. Stresses that technology and infrastructure rely on the content provided by creators; calls, therefore, on the Commission to establish a legal framework for the value chain in the digital age that takes into account the specificities of the sector and leads to an improvement in the remuneration of authors and creators;
6. Asks the Commission, in view of the upcoming copyright reform, to create legal solutions which will suit creators, right holders and consumers alike in order to make clear that 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;
7. Highlights that piracy and counterfeiting remain a serious concern for CCIs and citizens alike; stresses that these illicit activities can cause safety and health concerns that need to be addressed;

8. Recommends considering the introduction of tougher sanctions and the promotion of a system of guarantees on traceability as a deterrent for counterfeiters as well as increasing the damages and compensation awarded to right holders; calls on the EU and the Member States to launch awareness-raising campaigns against piracy and counterfeiting; stresses, finally, the need to involve all digital actors in the fight against online counterfeiting;
9. Calls on the Commission and the Member States, in their respective spheres of competences, to promote cross-sectorial 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 in the CCS, traditional craftsmanship, research centres, universities, investors and policy makers; asks, moreover, for support for the development of new business models, products and services through strategic partnerships and for support for the activities of business incubators;

Education, skills, training

10. Stresses that creative skills need to be learnt from an early age in order to lay the foundations for the continuous renewal of creative talents; encourages the Member States to improve their training, learning and qualification systems, enabling students in cultural and arts disciplines to acquire comprehensive training;
11. Highlights the potential of CCIs regarding youth employment and reindustrialisation; calls on the Commission and the Member States to include the CCIs in the Youth Employment Initiative and to provide funds to facilitate careers and training in this sector;
12. Calls on the Commission and the Member States to secure the preservation of traditional European *savoir-faire*, preserving and promoting the craft trades linked to the CCS and to re-valorise vocational training and a highly skilled workforce in order to attract talents;
13. Calls on the Commission to raise awareness about career opportunities in manufacturing jobs through awareness campaigns and policies promoting the transmission of knowledge in order to preserve craftsmanship in these sectors;
14. Encourages the Member States to promote cross-sectorial approaches between different areas in formal education and in non-formal learning; recommends the creation within higher education institutions of joint programmes between arts and culture, science, engineering, technology, business and other relevant fields; stresses the need to support centres of excellence;
15. Encourages the Member States to promote cooperation between artistic schools and businesses in the field of CCS; recommends the development of work-learn trajectories;

Financing

16. Notes that participation in all EU funded programmes is open to CCIs, but that this

participation should still to be considered below its potential; asks the Commission as a first step to create a one stop shop – e.g. a website – highlighting different funding opportunities for CCIs, as this would increase awareness and accessibility of funding for CCIs;

17. 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 for Creative Europe, Horizon 2020 and the Structural Funds, the role and impact of CCIs 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;
18. 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 +, Creative Europe and COSME - and the European Structural and Investment Funds (ESIFs) to support more projects in the field of CCIs;
19. Calls on the Commission to establish the cultural and creative industries as a horizontal priority within EU funding schemes, in particular Horizon 2020 and the ESIFs;
20. 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; stresses the need to increase the budget of Creative Europe and the Guarantee Facility to effectively support European cultural and creative expressions and diversify the beneficiaries of funding;
21. 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 nevertheless that until May 2016 no funding had been granted for projects in the CCS nor for projects in the education or training sector, which mainly consist of SMEs with a higher degree of risk;
22. 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;
23. Considers that in order to improve access to finance in the CCIs it is necessary to develop expertise in assessing the value of intangible assets which could be used as collaterals;
24. Calls for the promotion of 'intellectual property assets 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;
25. Instructs its President to forward this resolution to the Council and the Commission.

¹ Regulation (EU) 2015/1017.

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, audio-visual (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 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

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](#)).

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.

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 four 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 CCIIs
- 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 skill shortages

Economic and social importance of CCIIs

All around the world, the cultural and creative sector (hereafter referred to as CCIIs) 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, CCIIs (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 CCIIs (excluding high-end industries). In terms of value added, CCIIs (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, CCIIs 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

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

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 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.

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.

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 supports research on cultural diplomacy, activities on cultural heritage namely fostering cultural and creative industries and promoting intercultural dialogue.

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 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 sectors employ 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)². 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 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, on

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

² Cultural Times - The first global map of cultural and creative industries, December 2015.

services such as user-uploaded content platforms and content aggregation services, the creative sectors have not seen a comparable increase in revenues from this increase in consumption.

Although in fact, never as in recent years, creative content have been consumed so much (think of the record levels reached by the music), such an explosion in consumption achieved through platforms and aggregation services content uploaded by users, rights holders, artists and producers, have not benefited equally and in proportion of revenues related to this 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 upcoming reform of copyright, 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 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, no funding has 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 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.

¹ Regulation (EU) 2015/1017.