



THE EUROPEAN  
UNION  
EXPLAINED

# Culture and audiovisual

Celebrating  
Europe's  
cultural  
diversity

Europe's cultural and creative sectors  
are key contributors to the economy,  
employment and social cohesion





# THE EUROPEAN UNION EXPLAINED

*This publication is a part of a series that explains what the EU does in different policy areas, why the EU is involved and what the results are.*

*You can find the publications online:*

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### The EU explained: Culture and audiovisual

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# Why we need a European culture and audiovisual policy

## Fostering a wealth of culture and creativity

Culture and creativity are at the core of the European project. Culture shapes our identities, aspirations and how we relate to others and the world. It also shapes the places and landscapes where we live and the lifestyles we lead.

The rapidly changing pace of technology presents both opportunities and challenges for Europe's cultural and creative sectors. The European Union (EU) is committed to helping all those involved in these sectors — from local communities celebrating their cultural heritage to the producers of an award-winning film — to embrace the chances that come their way and overcome the obstacles they face.

The challenges are significant. Cultural diversity is an asset for the EU, but linguistic and cultural differences lead to market fragmentation. The global economic crisis makes it increasingly difficult to access finance in the creative sector. New digital technologies are having a great impact on traditional distribution methods — vast content libraries have come off the shelves and onto hard drives, but it is difficult to build sustainable business models.

## A creative boost to more than just the economy

Europe's cultural and creative sectors contribute to economic growth, employment, innovation and social cohesion.

The sectors represent around 4.5 % of European gross domestic product and account for some 3.8 % of the EU workforce (8.5 million people). In addition, Europe's cultural and creative sectors have proven to be more resilient than other sectors in times of economic downturn and contribute to innovation, skills development and urban regeneration, while positively impacting other sectors such as tourism and information and communication technology.

## The benefit of an EU-wide approach

The countries of the European Union all have their own way of dealing with issues relating to culture and audiovisual policy. The work done by the EU complements this and adds a new dimension to it.

Information gathered from the EU as a whole can be used to support national policy decisions or provide examples of best practices that others can share. Dedicated cooperation mechanisms among EU Member States have been established for this purpose.

The EU is investing €1.46 billion over the 2014–20 time period in the cultural and audiovisual sectors through the Creative Europe programme, which replaces the Culture, MEDIA and MEDIA Mundus programmes. This represents a 9 % increase on previous budget levels.

The Creative Europe programme seeks to enhance our shared cultural heritage by supporting cultural cross-border projects such as cooperation actions, platforms and networks as well as literary translation projects. Creative Europe also complements national funding to strengthen European cinema, increase the circulation of new films and make the audiovisual sector more competitive. A single market for audiovisual media and the establishment of a safer Internet programme to protect children online across the EU are just two ways in which an EU-wide approach can go further than tackling such issues at national level.

Many regions and cities see how culture and the creative sectors contribute to their economic competitiveness and create jobs. This is why EU regional policy supports strategic investments in culture and the cultural and creative sectors through dedicated funds.

## How the EU goes about it

### More achieved by working together

In order to deliver its agenda for culture, Europe relies on solid partnerships between all actors, including the Member States, regions, cultural organisations and other cultural operators.

For instance, grassroots projects to enhance cultural tourism or urban regeneration in culturally significant areas or support for the distribution of independent films — all these and many other goals are best achieved when organisations at different levels combine their efforts and resources.

### Cooperating on culture: a policy framework

The European Agenda for Culture (established in 2007) promotes:

- cultural diversity and dialogue between cultures;
- culture as a catalyst for creativity and innovation;
- culture as part of the EU's international relations.

National authorities, EU institutions and the cultural sector across Europe have been working closely together since 2007 to pursue these objectives. In this cooperation framework, national authorities can appoint representatives for EU-wide expert groups where national and regional best practices and new ways of working together on priority topics are discussed within the so-called Open Method of Coordination, a form of governance based on voluntary cooperation between Member States.

So as to make the most of the expertise that already exists on the ground when it comes to formulating policies, the Commission regularly exchanges views and information with organisations from the cultural sectors. This **structured dialogue** covers a whole range of key issues such as: cultural and creative industries, intercultural dialogue, cultural heritage and access to culture.

Furthermore, there are independent groups across Europe dedicated to fostering culture. For instance, in the field of cultural heritage, many organisations are gathered under the auspices of Europa Nostra. This pan-European federation for cultural heritage gathers together around 250 non-governmental and non-profit groups, with a combined membership of over 5 million, and forms a network of professionals and volunteers all of whom are committed to safeguarding cultural heritage for present and future generations.

The European Commission provides the opportunity for stakeholders and policymakers to meet and debate the most crucial issues for the sector through the biannual European Culture Forums.

The EU fosters cultural cooperation with individual countries outside the EU as well as with regional and international organisations. Since the adoption of the European Agenda for Culture, culture has been increasingly perceived as a strategic factor of political, social and economic importance contributing to external policy objectives.

As a party to the 2005 Unesco Convention on the Protection and the Promotion of the Diversity of Cultural Expressions, the EU is committed to making cultural diversity an essential element of its external action and to developing a new and more active cultural role for Europe in international relations.



*The best ideas come from all four corners of the EU.*

## Cooperating for the benefit of the audiovisual sector

**The national level:** EU countries support their audiovisual industries in a variety of ways with budgets allocated from national tax revenues, contributions from television, and, in some cases, grants from lotteries. All have national film institutes or similar bodies that support their film industries.

When it comes to film production, there are rules EU countries have to follow to ensure fair competition for all films across the EU. For example, national aid should in principle not exceed 50 % of the production costs.

**Independent groups:** There are many organisations set up by citizens across the EU to make the audiovisual sector more competitive and to foster creativity, such as European Film Promotion and the European Film Academy.

European Film Promotion is dedicated to promoting and marketing European cinema worldwide through bringing together professional organisations from 34 European countries. Under the umbrella of European Film Promotion, all of these organisations work together on the promotion of European cinema and talent around the world.

The European Film Academy has 3 000 members, all professionals from the field. They have set up training workshops, conferences and other events with the goal of promoting Europe's film culture. Every year, the

various activities of the European Film Academy culminate in the ceremony of the European Film Awards. Twenty-one categories such as Best European Film, Best Director, Best Actress and Best Actor provide the industry with the chance to celebrate the best the EU has to offer.

## Getting Europe's citizens on board — prizes, awards and labels

Involving citizens around the EU in culture and audiovisual expression is vital if we are to achieve the goals of inclusion, mutual respect and economic growth brought by the creative industries.

**EUROPEAN UNION PRIZE FOR CONTEMPORARY ARCHITECTURE:** Architecture, which can lift our spirits and make our lives easier through clever design, touches our daily lives on environmental, social and cultural levels. The European Union Prize for Contemporary Architecture/Mies van der Rohe Award celebrates the creative and innovative European architects of today and tomorrow. The prize is the most prestigious award in European architecture.

**EUROPEAN UNION PRIZE FOR CULTURAL HERITAGE:** Europe has a rich heritage, from architectural sites to industrial buildings, from art works to historical gardens. The European Union Prize for Culture Heritage/ Europa Nostra Award is given annually to outstanding projects that help preserve, research and raise awareness of our heritage.



© Stefan Baumann

*Carnuntum Archaeological Park — European Heritage Label 2014.*



*Prizes help give young professionals the boost they need — here the European Border Breakers Awards 2014.*

**EU 'PRIX MEDIA':** Since 2012, the EU 'Prix MEDIA' has been awarded to the film with the most box office potential submitted for development support from the MEDIA Programme. The scriptwriter and the producers of the selected project are honoured during the Cannes Film Festival.

**EUROPEAN BORDER BREAKERS AWARDS:** Europe's rich cultural diversity is manifest in its emerging musicians. The European Border Breakers Awards (EBBAs) celebrate European artists who are successful in crossing borders with their first European release. The award highlights Europe's great musical talent, encouraging artists to share their music across the EU.

**EUROPEAN UNION PRIZE FOR LITERATURE:** The European Union Prize for Literature aims at putting the quality and diversity of Europe's contemporary literature in the spotlight by promoting greater circulation of literature within Europe and by stimulating reader interest in non-national literary works. Publishing houses can also apply for the translation of the winning books through the Creative Europe programme.

**EUROPEAN HERITAGE LABEL:** The European Heritage Label is awarded to sites that have been symbolic to the European integration process. These sites celebrate and symbolise European integration, ideals, values and history. They are carefully selected for their symbolic value, the role they have played in European history and the activities they offer in order to bring the European Union and its citizens closer together.

## What the EU does

### Funding for culture: the Creative Europe programme

The programme is built on the success of the Culture, MEDIA and MEDIA Mundus programmes.

It aims at strengthening Europe's cultural and creative sectors.

Not only does it help safeguard and promote European cultural and linguistic diversity, and showcase Europe's cultural richness, it also contributes to Europe's goals for smart, sustainable and inclusive economic growth, helps the cultural and creative sectors to adapt to the digital age and globalisation and opens up new international opportunities, markets and audiences.

Millions of people and organisations are reached through the projects financed by the programme including filmmakers, distributors, sales agents and other audiovisual professionals, cinema lovers, artists and cultural professionals, publishers and book lovers.

The programme provides support to:

- cross-border cooperation projects between cultural and creative organisations within the EU and beyond;
- networks helping the cultural and creative sectors to operate transnationally and to strengthen their competitiveness;
- translation and promotion of European literary works;
- platforms of cultural operators promoting emerging artists and stimulating a truly European programming of cultural and artistic works;
- capacity building and professional training for audiovisual professionals;
- development of fiction, animations, creative documentaries and video games for European cinema, television markets and other platforms;
- training and competence building of audiovisual professionals;
- distribution and sales of audiovisual works in and outside Europe;
- film festivals that promote European films;

- funds for the international co-production of films;
- audience development to foster film literacy and to raise interest in Europe's films through a wide range of events.

From 2016, Creative Europe will also include a €121 million financial guarantee instrument to help the culture and creative sectors get better access to finance.

Other EU-funded programmes also provide support to the cultural and creative sectors:

- Erasmus+ supports skills development through education and training, building of knowledge and partnership through knowledge alliances and sector skills alliances;
- COSME, the EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises, supports entrepreneurship, access to finance and markets for small and medium enterprises;
- Horizon 2020 supports research and innovation also in the field of culture and cultural heritage.

Since 2007, the European Regional Development Fund has allocated €3.3 billion for the protection and preservation of cultural heritage, €2.2 billion for the development of cultural infrastructure and €555 million to support cultural services. A further €150 million has been invested through EU framework programmes for research and technological development since 1998.

### The audiovisual media services directive

If every EU country were to have its own different rules regarding TV, it would be difficult to watch TV programmes transmitted from other European countries. For this reason, the EU adopted the 'television without frontiers' directive in 1989, setting a common set of minimum rules for the entire EU.

Internet-enabled TV and new ways of circulating audiovisual content present regulators with new challenges, such as protecting young people from harmful content and banning incitement to hatred while ensuring freedom of speech.



*The Europa Cinemas Network boosts the profile of European cinema.*

In 2007, the ‘television without frontiers’ directive was amended to become the **audiovisual media services directive**. In 2010, the directive was codified. It covers all audiovisual media services — traditional television (linear service) and video-on-demand (non-linear services) — and establishes a number of general requirements for them. These requirements cover the identification of media service providers, the prohibition of incitement to hatred, the accessibility for people with disabilities, measures for the promotion of European works, certain qualitative requirements for commercial communications, sponsoring and product placement.

However, the audiovisual media services directive takes into account the degree of user control over the service and therefore treats linear and on-demand services differently. On-demand services are thus subject to somewhat lighter regulation that matches the relative impact they have on society as a whole.

On the contrary, television broadcasts are subject to more stringent requirements, in particular in the field of advertising, protection of minors and promotion and distribution of European works.

As far as the promotion of European works is concerned, with respect to broadcasting, the rules require that the majority proportion of the transmission time shall be reserved for European works of different genres. Also, broadcasters have to reserve at least 10 % of their transmission time or programming budget

for European works produced by independent producers. In the case of video on demand services, Member States have a wider discretion on how to promote European works: they can for example introduce measures regarding the share of European works in catalogues, measures to ensure the prominence of such works or impose a financial contribution on video on demand service providers to the production and rights acquisition of such works.

In any case, the audiovisual media services directive extends the country of origin principle to all audiovisual media services. It means that each service must comply with the rules of the country in which its provider is located. The enforcement of the rules is the responsibility of that Member State.

In May 2012 the Commission presented its first application report on the directive. More recently, as the convergence between traditional broadcasting and the online world is increasingly visible, the Commission launched a public consultation to explore what this convergence could mean for Europe’s economic growth and innovation, cultural diversity and consumers. The **consultation** on the basis of the **Green Paper** ‘Preparing for a fully converged audiovisual world: growth, creation and values’ was closed in autumn 2013 and the **contributions**, as well as an executive document and feedback paper, were published. An assessment of the regulatory fitness of the directive is planned for 2015 through a REFIT **exercise**.



## European Capitals of Culture

*Since its inception nearly 30 years ago, cities all over Europe have been competing for the coveted title of European Capital of Culture. Being a European Capital of Culture can give cities new creative impetus, build new local audiences for culture and help local cultural operators develop networking activities on the European and global scenes. It can also be a unique opportunity for cities to regenerate themselves, change their image or raise their profile internationally, which can in turn contribute to developing tourism and attracting new investment.*

*The European Capitals of Culture can equally make a valuable contribution to social inclusion and intercultural dialogue, for example, through imaginative community outreach programmes and the effective use of volunteers.*

*But above all European Capitals of Culture offer citizens from Europe and beyond the possibility to discover the great cultural diversity of our continent and to look freshly at our common roots, history and values through the numerous cultural events hosted by title-holders.*

*'European Capitals of Culture are a clear illustration of the EU's commitment to cultural diversity, but also of how culture can unite people within Europe. They are proof that culture has a major role to play at the heart of our policies of sustainable development, because they are part of the long-term development of European cities and their regions, as well as a source of stimulus for dynamism, creativity, but also social inclusion.' José Manuel Barroso, President of the European Commission*



*Street activities in Umeå — one of the European Capitals of Culture in 2014.*

## EUR-TEXT — Back to the future!

*EUR-TEXT brings together artists from the Czech Republic, France, Malta and Poland from different fields (music, fashion, visual art) with the aim of connecting contemporary expression with European cultural heritage.*

*Whether it is a fashion show inspired by classical paintings, the interpretation of Schubert's Symphony No 9 performed on period instruments or the exhibition of artworks inspired by fashion design, EUR-TEXT creates a dialogue between the past and the present to really go 'back to the future.'*

## Berlinale Talent

Every year, during the International Film Festival in Berlin, young and up-and-coming audiovisual professionals from all over the world gather for 6 days to share experiences and learn from industry experts. Three hundred emerging scriptwriters, producers, directors, composers, editors and young film critics are selected and invited to meet in Berlin to attend workshops, bridge gaps between cultures and between established and promising talented filmmakers. The MEDIA sub-programme of Creative Europe is one of the main financial contributors to Berlinale Talent.

## Operation Kino

Through the Operation Kino project, Creative Europe reaches out to the most cinematically deprived and troubled areas in the Balkans and Turkey, encouraging local authorities to support multipurpose digital cinemas in cultural centres across the region.

The Transylvania, Sofia, Sarajevo and Istanbul Film festivals send around 15 feature films on a highly publicised tour throughout the countries.



Operation Kino — bringing cinema to some of the far-flung areas of the EU.

## Zentropa — an independent film production company

Directors such as Lars von Trier, Susanne Bier and other high-profile names will always have a very good chance of being financed, with or without MEDIA contributions. But to develop new talent into 'high-profile' directors, support and financing is required.

The MEDIA programme has been a considerable support to Zentropa, a production company based in Denmark. When it was established at the start of the 1990s, it received substantial MEDIA support that basically carried it through its first years of operation.

Anders Kjærhauge, the Head of Administration, explains: 'Since no one in Denmark at that time believed in the "Zentropa idea" the importance of this support from MEDIA was crucial to the survival of the company.'

The company's significance is clear to those directors benefiting from the programme. Susanne Bier, director of the 2011 Oscar winner 'In a Better World', explains: 'In these days of globalisation we feel it is important that Europe has a common voice in many areas, including cultural exchange, and with this aim in mind the whole idea behind the MEDIA programme should be supported.'

'Zentropa and the MEDIA programme were "born" together at the beginning of the 1990s. We grew up together as engaged and passionate children; we were "teenagers" together, not always in agreement but always willing to listen to each other since we had a mutual aim — the development of quality European films. Now we are both in our twenties with a lot of fantastic films under our belt, useful experience to bring to others and a sincere hope of growing old together!'

Anders Kjærhauge,  
Head of Administration, Zentropa

## Outlook: Setting our sights on the future

*Looking to the future, the EU's cultural vision must have the involvement of its citizens at its heart. In order to benefit economically from our cultural diversity and to gain respect and understanding across cultures, measures to improve access to culture in education, to boost cultural production and to support participation need to be included in policies at all levels. In times of economic instability and globalisation, there is a need to address the following challenges:*

### Embracing a digital future

Digital technology is having a huge impact on how culture is made, distributed and accessed. As a result, film distribution practices are under review and digitisation is sweeping through cinemas.

Millions of Europeans catch up with their favourite TV series on a smartphone on the way to work, watch online content on their living room TV, or put their own user-generated content online. There are more than 40.4 million 'connected TVs' in Europe, and they could be in the majority of EU households by 2016. These changes are sweeping away traditional boundaries between consumers, media and the Internet.

European cultural and creative industries are a driver of the digital change by exploring new ways in which European citizens discover, enjoy and participate in the creation of digital content. The priority of the European Commission is to support Europe's world-leading role in producing quality content keeping the competitive advantage of European cultural and creative sectors also in the digital environment.

Creative Europe aims to help the cultural and creative sectors to fully exploit the opportunities created by the digital shift.

To take account of these changes, the action plan 'Circulation of European films in the digital era' has been granted a budget of €2 million to:

- improve conditions for the circulation of European films in the EU;
- increase the number and expand the range of global audiences for European films;
- help market players and decision-makers stay ahead of the game by keeping them up to date with changes that will have an impact on distribution platforms.



## Access to finance

Small and medium-sized enterprises (SMEs) in the cultural and audiovisual sectors need finance to grow their activities and businesses, but most of them experience difficulties obtaining loans from banks.

From 2016, a cultural and audiovisual sectors facility will progressively be implemented to provide SMEs with access to finance. In addition, a new Capacity Building Scheme will provide expert services to lenders to increase their understanding of the cultural sectors.

## Audience development

Another aim of Creative Europe, throughout all its actions, is to stimulate new techniques to develop and foster long-term audiences for European cultural works.

Audience development has a multi-dimensional concept, with cultural, social and economic dimensions and relates to:

- building new audiences;
- deepening the relationship with existing audiences;
- diversifying audiences;
- developing European cooperation on media literacy.

## Find out more

If the issues raised in this publication have sparked your interest, you can find more information on the following sites:

- ▶ **Creative Europe, the European Commission's framework programme for support to the culture and media sectors:** <http://ec.europa.eu/programmes/creative-europe>
- ▶ **Questions about the European Union? Europe Direct can help:** 00 800 6 7 8 9 10 11  
<http://europedirect.europa.eu>

