



THE EUROPEAN
UNION
EXPLAINED

Culture and audiovisual

Celebrating
Europe's
cultural
diversity

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





THE EUROPEAN UNION EXPLAINED

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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

The rapidly changing pace of technology presents both opportunities and challenges for Europe's creative industries. The European Union is committed to helping all those involved in the 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. New Member States bring a wealth of diversity, but linguistic and cultural differences lead to market fragmentation. The global economic crisis makes it more difficult to finance the creative sector. New digital technologies are having a great impact on traditional ways of distribution — 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 GDP and account for some 3.8 % of the EU workforce (8.5 million people). Overall employment in creative sectors increased by an average of 3.5 % a year in the period 2000–07 compared to 1 % a year for the total EU economy.

TV remains the foremost source of information and entertainment in Europe, with most homes having a television and the average European watching up to 4 hours a day. Audiovisual content is also increasingly provided through on-demand services.

The benefit of an EU-wide approach

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

Information gathered from the EU as a whole can be used to support national policy decisions or provide examples of best practice that others can share. Programmes run across the EU can have a greater overall impact than those just run on national grounds, and policies put in place throughout the EU can help further national goals.

The **EU culture programme** enhances our shared cultural heritage. This EU-wide programme not only supports cultural actions generally, but also provides a platform to set up cultural organisations with European-level expertise and promote intercultural dialogue.

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. The MEDIA and MEDIA Mundus programmes complement national funding to strengthen European cinema, increase the circulation of new films and make the audiovisual sector more competitive.



European diversity is a melting pot for creativity.

How the EU goes about it

More achieved by working together

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

The European Commission doesn't work in isolation, but builds on the support from, and contributes to the effort of, other groups. Here are some examples of how the Commission's ideas complement the work of other organisations.

Cooperating on culture

The national level: National authorities, EU institutions and the cultural sector across Europe have been working closely together since 2007 to promote:

- 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 can appoint representatives to EU-wide expert groups to discuss and establish examples of national and regional best practice. They can also suggest ways to cooperate on priority areas.

European institutions combining efforts: Many regions and cities see how culture and the creative sectors can boost their economic competitiveness and create jobs. Support is also offered through the EU Cohesion Fund, a special budget to assist the poorer regions in Europe.

Involving the wider public in the EU's cultural vision: 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.

With the aim of making the most of the expertise on the ground when it comes to formulating policies, the Commission has set up three platforms to promote discussion with the cultural sector and independent



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

organisations. These cover cultural and creative industries, intercultural dialogue and access to culture.

Independent groups: There are many organisations across Europe dedicated to fostering culture. Many are gathered under the auspices of Europa Nostra, which supports the preservation and promotion of our cultural heritage. Around 250 non-governmental and non-profit groups, with a combined membership of over 5 million, form a network of professionals and volunteers all of whom are committed to safeguarding cultural heritage for present and future generations.

Cooperating for the benefit of the audiovisual sector

The national level: EU Member States 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 that EU Member States 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 the Federation of European Film Directors (FERA) and the European Film Academy.

FERA brings together national directors' guilds. It is committed to making sure that the craft, creative and economic rights and the artistry of film directors are protected.

The European Film Academy has 2 700 members, all professionals from the field. They have set up training workshops, conferences and other events with the goal of building bridges between creativity and industry.

Every year, the various activities of the European Film Academy culminate in the ceremony of the European Film Awards. Seventeen 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 festivals

Involving citizens around the EU in culture and audiovisual expression is vital if we are to achieve the goals of inclusion, mutual respect and generation of growth brought by the creative industries. Across the EU, there are competitions and festivals as well as civic programmes, all run with the aim of reaching these objectives.

Some examples:

EU 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 most creative and innovative European architects of today and tomorrow. The prize is the most prestigious award in European architecture.

EU 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, the Europa Nostra Award, is given annually to outstanding projects that preserve, research and raise awareness of our heritage.

EU MEDIA PRIZE: The first competition was held in 2012 with the prize going to the film with the most box-office potential submitted by a screenwriter and production company. The films are selected from those put forward for development support from the MEDIA programme.

THE 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 EU 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. Authors from 37 countries participate and can receive support towards the translation of their works.



Handshake between Croatian Writer, Lada Žigo, winner of the 2012 European Union Prize for Literature, on the left, and Androulla Vassiliou, Commissioner for Education, Culture, Multilingualism and Youth.

What the EU does

The EU's culture programme

A budget of €400 million over 7 years is available to encourage the circulation of cultural works, to promote the mobility of people working in the field of culture and to foster intercultural dialogue across Europe.

The European agenda for culture in a globalising world promotes:

- cultural diversity and intercultural dialogue;
- culture as a catalyst for creativity;
- culture as a vital element in the EU's international relations.

Other EU-funded programmes also provide support: since 2007, the European Regional Development Fund has allocated €3 billion for the protection and preservation of cultural heritage, €2.2 billion for the development of cultural infrastructure and €775 million to support cultural services. A further €150 million has been invested through EU framework programmes for research and technological development since 1998.



© Europa Nostra — José Enrique Martín Zarza

The Lions' Court at the Alhambra in Granada in Spain — winner of the Europa Nostra Award 2012.

How is EU money spent on culture?

Funding covers a variety of projects including the following.

- *Projects involving at least three organisations from three different countries and lasting up to 2 years may receive grants of between €50 000 and €200 000 and need to match that money with their own. Under certain conditions, non-EU countries can also take part in such projects.*
- *Projects involving at least six organisations from six different countries and lasting between 3 and 5 years may receive grants of between €200 000 and €500 000 a year and need to match that money with their own.*
- *Publishing houses can receive grants of €2 000 to €60 000 for the translation of literary works and need to match this with their own funding.*
- *The European Capitals of Culture receive a grant of €1.5 million.*

The culture programme's main goal is the 'emergence of European citizenship'. A recently published evaluation report shows that the large majority of the organisations involved in cooperation projects felt that their activity had indeed contributed to this goal.

The MEDIA and MEDIA Mundus programmes

With a budget of €755 million, MEDIA support is part of the reason that 54 % of all the newly released films in 2009 in cinemas across the EU were home-grown, European-made movies. This is up from 36 % in 1989.

More than a dozen films, partly funded by MEDIA, have gone on to achieve success at the Oscars — *The Artist* (2012), *Slumdog Millionaire* (2009) and *The Pianist* (2002) are just some of the films that benefited from MEDIA support and achieved critical acclaim.

Development funding enables 400 quality European projects to be brought to the market each year.

The MEDIA-supported network Europa Cinema has over 2 000 screens across 32 countries, boosting cultural diversity in 475 cities.

Around 1 800 professionals (producers, distributors, script-writers) are trained annually thanks to MEDIA, helping them to acquire relevant qualifications and skills and to benefit from networking opportunities in countries across the EU. These networks now make up the backbone of the European cinema industry.

The MEDIA Production Guarantee Fund, which was launched in 2010, helps producers get private financing. The fund encourages banks to lend by sharing the risk. The fund was opened to applications in May 2011, resulting in more than a dozen guarantees with a loan value of around €15 million in 10 different EU Member States.

MEDIA Mundus was launched in 2011 and strengthens relations between Europe's film industry and filmmakers outside Europe. The programme involves 440 European cinemas and almost 200 cinemas in Asia, Latin America and the Mediterranean which work together to improve the circulation of European and world cinema.



The Europa Cinemas Network boosts the profile of European cinema.

The audiovisual media services directive

If every EU Member States 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.

In 2009, the 'Television without frontiers' directive was amended to become the audiovisual media services directive (AVMSD). The AVMSD covers all audiovisual media services — traditional television (linear service) and video-on-demand (non-linear services) — and modernised TV advertising rules. In May 2012, the Commission presented its first application report on the AVMSD. The main content of the directive is the following.

- The directive lays down minimal rules regulating alcohol advertising. However, Member States remain free to adopt stricter rules for their own domestic services. Twenty-two Member States have done so.
- The directive also regulates advertising targeting minors. Analysis of the 100 most frequently broadcast advertising spots shows that they do not exploit the trust children have in their parents, directly



Street activities in Guimarães in Portugal — one of the European Capitals of Culture in 2012.

encourage them to persuade parents to buy what is being advertised or unreasonably show children in dangerous situations.

- The directive does not regulate the use of stereotypes in advertising as such, but prohibits discrimination based on sex. While genuine discrimination very seldom appears, studies conducted in a limited sample of Member States showed that TV advertising is not immune to gender stereotypes.

As the convergence between traditional broadcasting and the online world is increasingly visible, the Commission has launched a public consultation to explore what this convergence could mean for Europe's economic growth and innovation, cultural diversity and consumers. The questions for the consultation are outlined in the paper 'Preparing for a fully converged audiovisual world: growth, creation and values'.

European Capitals of Culture

For more than 25 years, cities all over Europe have been competing for the coveted title of European Capital of Culture. Citizens are encouraged to meet and learn about their own cities and have many opportunities to contribute to the events hosted by their city throughout the year.

'Winners should embrace the creation of new dynamics and new cultural habits, in the creation of new audiences, in the

development of the city's heritage, in helping young creators, in the involvement and participation of citizens in the event itself and in their cultural future.'

Simonetta Luz Afonso, member of the Board of Lisboa '94, Lisbon, Portugal, in charge of exhibitions

There's no doubt that winning cities have to invest large amounts of money and energy in the organisation of their events and even in the reconstruction of parts of their cities and infrastructure.

When asked why they feel it's all worth it, local authorities and organisers have many answers. They want to put their city on the map, launch long-term cultural development, attract visitors from inside the country and from abroad, build up confidence and attract investors and stimulate interest in culture. Others welcome the opportunity to have a year-long celebration.

But it isn't just all about international, high-profile competitions: here are two examples of grassroots projects which needed funding from the culture programme to come to life.

Fantasy design — training young minds to be innovative

For 3 years, 4 000 school children from as young as 5, 57 designers and 200 teachers came together in classes to develop special material and training for design courses. Five EU Member States were involved in work aimed at stimulating the children's interest in design, both in the classroom and in the workshops of the professional designers.

The professionals also made up a jury that selected examples of the children's design work; 66 out of 233 examples were chosen to form part of an exhibition. Of these, 22 went on to be developed into prototypes with the help of professionals. More than 76 000 people saw the exhibition as it travelled to Helsinki, Ghent and Glasgow.



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

A European theatre house — helping companies create together

Magic Net is an EU-wide platform that gives theatre companies the chance to meet with colleagues from other countries to engage in artistic exchange. By living and working together, the artists gain professional insight and learn more about each other's cultures.

Participants share ideas on theatre programming, acting methods, interpretations of directing, how to put on guest performances and theatre in education. These exchanges are particularly useful at a time when theatre is struggling with economic insecurity.

The network, led by a German theatre company, focuses on young people in youth theatre clubs and young audiences involved in new productions.

Operation Kino

Through the Operation Kino project, MEDIA Mundus 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.

MUBI Europe — the online film library

MUBI is an online film library, set up in 2007, that has caught on like wildfire: the site has over 200 distribution deals, 3 000 films, 1 million people visiting the website per month and 1.2 million members.

‘With MEDIA’s help we’ve built a “cinémathèque” for the future: an online cinema, an international, online destination for watching, discovering and sharing the best of cinema, and a premiere cinema magazine.’

Efe Cakarel, Founder of MUBI

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 very much requires sufficient financing.

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 of 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 will soon be 20-year-old adults 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

What does the future hold, with economic instability and rapidly evolving globalisation? Here are some of the ideas the Commission is pursuing.

Creative Europe — the next phase of the EU's support to the culture and audiovisual sectors

Thousands of people working in cinema, TV, music, performing arts, heritage and related areas will benefit from increased EU support through the new 'Creative Europe' programme which the Commission presented in 2011. The programme will run from 2014 to 2020 and give a much-needed boost to the cultural and creative industries, a major source of jobs and growth in Europe.

Creative Europe will respond to the challenges facing the cultural and creative sectors in terms of fragmentation, globalisation, the digital shift and the shortage of private investment. In a broader sense, creativity will play an essential role in modern education. It will drive innovation and entrepreneurship and contribute to social inclusion.



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We can't tell what the future holds, but we can make sure our creative industries are ready.

The new programme will bring together the current programmes: Culture, MEDIA and MEDIA Mundus. It will offer increased support to the cinema and the audiovisual and cultural sectors. The Commission has also suggested setting aside a budget for a new financial guarantee facility, to give cultural players the possibility to access bank loans.

New opportunities

Creative Europe will provide a range of new possibilities:

- *300 000 artists and other cultural professionals and their work will receive funding to reach new audiences abroad;*
- *more than 1 000 European films will receive distribution support, helping them to reach audiences throughout Europe and beyond, on traditional and digital platforms;*
- *thousands of cultural organisations and professionals from Europe will benefit from training to gain new skills, helping them operate internationally;*
- *2 500 European cinemas will receive support to help them ensure that at least 50 % of the films they show are European;*
- *more than 5 500 books and other literary works will receive support for translation.*

Embracing a digital future

Digital technology is having a huge impact on how we use media. As a result, film distribution practices are under review and digitisation is sweeping through cinemas.

Broadcasting is also evolving — the switchover to digital, Internet TV, new access to audiovisual services and how we manage our content are all opening up new horizons.

Developments in consumer equipment have enabled people to access and create content anywhere, anytime, using mobile devices such as tablets, laptops and smartphones.

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.

Find out more

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

- ▶ **Culture:** <http://www.ec.europa.eu/culture>
- ▶ **Audiovisual (MEDIA):** <http://www.ec.europa.eu/culture/media>
- ▶ **Creative Europe:** http://ec.europa.eu/culture/creative-europe/index_en.htm
- ▶ **Questions about the European Union? Europe Direct can help:** 00 800 6 7 8 9 10 11
<http://europedirect.europa.eu>

