

UK Film Council

Submission to the European Commission
Working document

Consultation on the Future “EU 2020”
Strategy

January 2010

Executive summary

The UK Film Council maintains:

- **The Working Document on the future “EU 2020” Strategy makes a compelling case for the complementarity of its four central themes: creating value, empowering people, sustainability and governance. This is key to the success of the creative industries in general and the film sector in particular.**
- **In implementing the EU 2020 strategy, film and the other creative industries have a central role to play notably to drive innovation, foster social inclusion, to create a greener economy and to improve the governance and interconnectedness of policy and policy implementation.**
- **That investment in culture should be made a priority of EU regional policy instruments.**
- **Film, as part of the creative industries and as a powerful cultural force, can play a pioneering role in developing sector-wide strategies for sustainable growth.**
- **The Commission’s handling of audiovisual policy would benefit greatly from applying EU 2020 principles. This would ensure that approaches taken to interdependent policies, including for digitisation, heritage, state aid rules for public funding of film, the treatment of intellectual property in the single market, the implementation of i2010, and the involvement of European Structural Funds as well as the governance of the MEDIA Programme, are complementary and consistent.**

Introduction: the interdependence of the four themes of the EU 2020 Working Document

1. The UK Film Council is the Government-backed lead agency for film in the UK ensuring that the economic, cultural and educational aspects of film are effectively represented at home and abroad. The Board of Directors, appointed by the Secretary of State for Culture, Media and Sport, oversees the work of the UK Film Council and provides advice to the Government on film.
2. The European Commission Working Document, *Consultation on the future "EU 2020" Strategy*, powerfully captures the challenges faced by people around the world as they seek to emerge from the current economic crisis and rebuild their economies while making the adjustments to policies which are vital if we are not to complete the destruction of the planet. The basic challenge is how to be more productive without producing and consuming more, and how to make the very significant investment in transforming our economies – in people and in infrastructure – while spending less.
3. The UK Film Council strongly supports the position developed by the Commission, for example in the European Agenda for Culture, that culture and creativity are both *benefits* that European citizens can expect to enjoy as a result of successful policies, and important *instruments* of those policies. Film plays a central role in the development and dissemination of both culture and creativity. We share the Commission's view that policy objectives must be reflected in the ways in which we advance those objectives, and that there is a strong interdependence – or complementarity – between the four main strands of the EU 2020 strategy: creating value by basing growth on knowledge, empowering people, creating a competitive, connected and greener economy, and governance.
4. The reality is that the changes envisaged in the Working Document – notably to create a more sustainable, competitive economy – involve moving resources out of some sectors and into others. In particular, as the Working Document notes, we need to increase the resources which serve to safeguard and enhance the future, for example, in innovation and education.
5. The approach proposed by the Commission to the challenges we face is that we need to improve co-ordination between countries (within and outside the European Union) and between levels of government – local, national and regional. As noted below when we consider environmental policy, there needs also to be better co-ordination between government and civil society.

Creating value: the expanding remit of public bodies to deal with the side effects of creative destruction

6. An organisation such as the UK Film Council exists to direct public resources into activities which the market will not provide sufficiently but which benefit society, its citizens and the economy. The changes described in the Working Document – in terms of the technological opportunities and policy imperatives – mean that the UK Film Council has to address issues which are important in relation to film; including, for example, the environment, the impact of broadband networks and of all the other agents of digital change. The UK Film Council is working on the development of new business models, for example in its partnership with the National Endowment for Science, Technology and the Arts (NESTA) on the Take Twelve initiative. The Working Document describes many European institutions facing up to similar challenges.
7. In preparing its response, the UK Film Council has been assisted by KEA European Affairs (KEA). We agree strongly with the KEA proposition that the definition of innovation and creativity, and of research and development, must be applied to the cultural industries and cultural activities as well as to technological and scientific ones or to “soft” as well as “hard” innovation. The “interdependence” (a very important word in the Working Document) of the cultural and the technical inputs, like the interdependence of cultural and economic factors to assure and enhance people’s well-being, is amply demonstrated by the history of Google. As Ken Auletta puts it in his recent book on Google¹, arts and engineering play equal parts in the construction of the Google phenomenon, along with the successes and problems that have flowed from that phenomenon. Auletta describes the paradox of a firm and its founders, Larry Page and Sergey Brin, which apparently working from supremely rational and scientific premises, is willing to take huge risks and to embrace irrationality. But Auletta sets out very clearly and trenchantly the lesson of Google for society in the digital era: as much is destroyed, notably as regards ways of doing things and the things we do, as is created. In fact – and this is perhaps a positive example of the future sustainability of our world – we could, if we learn lessons from the Google approach, finish up achieving more with less.

¹ Auletta, Ken. *Googled*. New York, 2009

Empowering people: culture is vital to social cohesion

8. The UK Film Council endorses the view set out by KEA European Affairs (KEA) in its submission as part of the EU 2020 consultation² that an important way of empowering EU citizens is to support the establishment of creative and innovative eco-systems or clusters. Those requirements, argues KEA, could be more easily met through a better support for culture-based creativity initiatives.
9. The constantly expanding audiovisual sector, with film at its heart, is a prime example – hence it being the focus of the MEDIA Programme - of ways in which the Commission can intervene to support and promote creative industries and innovation.
10. We would also support the KEA proposition that culture is vital to social cohesion by offering “new ways of tackling social challenges for which current approaches are deemed inadequate” and that therefore “the EU 2020 Strategy should encourage the use of culture as a resource for social innovation.” We support the two practical and concrete proposals made by KEA for carrying forward this proposition; for there to be a focus on artistic and creative projects involving migrants, and that investment in culture should be made a priority of EU regional policy instruments, notably by helping European regions to develop joint innovative solutions, a good example of which is the Baltic First Motion project.

A competitive, connected and greener economy: the central role of the creative industries

11. We already know that the rate at which the world’s economy consumes resources and contributes to global warming is not sustainable. The only way human society can look forward to growing prosperity for growing numbers of citizens is to develop economies whose added value comes primarily from human skills and creativity rather than the exploitation of material resources. This understanding was already evident in the Lisbon Agenda with its emphasis on the knowledge economy.

² Contribution to the consultation on the future “EU 2020” Strategy, Brussels, January 2010. See also www.keanet.eu

12. This means that the creative industries must form the central component of any EU strategy for growth. Of course, we recognise that the creative industries consume resources, especially energy, and for that reason the UK Film Council is working with the whole UK film sector to develop a long-term plan for sustainability, driven not by well intentioned aspirations but by practical standards and measures.
13. While the Commission's role in setting long-term goals for reducing carbon emissions and reducing waste is to be welcomed, over the next ten years there will need to be a far more sophisticated dialogue between sectors such as film and media, and regulatory bodies at local, national and Europe-wide levels. Our view is that film, as part of the creative industries and as a powerful cultural force, can play a pioneering role in developing sector-wide strategies for sustainable growth – as it has done in the UK for film skills – and this will make a contribution to mitigating climate change and, more importantly, provide an attractive template for other sectors of the economy. However, the active and consistent participation of the Commission will be essential if that ambition is to be achieved.

Making it happen - enabling Europe to make difficult and necessary adaptations

14. In our view, the enabling roles for the Commission, the Parliament and the Council, along with the other institutions evoked in the Working Document are crucial. They can all assist member states, regional authorities, firms and civil society in general, to make the difficult and necessary adaptations to the circumstances we face. That is why we place great weight on the governance matters raised by the Working Document. Getting the governance right will mean that resources are effectively directed, waste is minimised, communities are empowered, social inclusion is enhanced and relations between Europe and the rest of the world improved. Absent proper governance, the ambitious aspirations set out in the Working Document will fail to be realised or, to be precise, the Commission will be part of the problem rather than part of the solution.
15. As digital issues have risen up the policy agenda, and the priorities set out in the Working Document (environmental sustainability, adapting our skills to increase people's flexibility, globalisation) have intensified, locally, regionally, nationally and Europe-wide, the interdependence of policy initiatives has also intensified. The UK Film Council's impression, considering developments both

in the UK and across Europe, is that the ways we have of sharing our ideas and of working outside our respective “silos”, are not fit for purpose.

16. For example, in relation to film, the second half of 2009 involved four policy consultations being conducted virtually simultaneously by different Directorates General and by different arms of individual Directorates General on interlinked aspects of digitisation (i2010, film heritage, digitisation of cinemas, state aid rules applied to the digitisation of cinemas) with very little apparent co-ordination between those consultations. The Commission’s decision to move responsibility for the MEDIA Programme and Media Literacy to DG Education and Culture – which we welcome – and the decision to separate responsibility for the MEDIA Programme from responsibility for audiovisual policy – which we regret – mean that different branches of the Commission will need to work much better together than has been the case in the past. As a consequence, linkages between European institutions and member states, as well as between different branches of government within the member states, will have to be strengthened. Early steps in this direction have been taken with the development and implementation of the European cultural agenda involving, as it does, the mobilisation of civil society and the extension of the Open Method of Co-ordination embodied in the Cultural Platform, but not all member states and institutions and not all European institutions, have been able to apply these tools to the same – or an adequate – extent. For example, the continued separation of audiovisual policy and policy for other creative and cultural sectors – not least within the Commission – diminishes the extent to which that cultural agenda and the objectives of the EU 2020 strategy can be put into practice.
17. In this context, the UK Film Council would refer the Commission to its recent submission on Creative Content Online, and specifically to the importance of an equitable copyright regime for both the public and for rights holders. Governments in member states and the Commission have generally recognised the pressing need to get in place an intellectual property regime which is effective in the digital age. The UK Film Council agrees with KEA that this needs to be a priority within the EU 2020 strategy.
18. The central challenge as perceived by the UK Film Council is that the tasks set out in the Working Document require a level of co-ordination between, for example, directorates of the Commission, notably Culture, Education, Digital, Competition and Internal Market; between those responsible, for example, for public service broadcasting, heritage (including digital libraries), mobility of

artists, environment, and citizenship. For this to be achieved, new methods of communication, higher standards of openness and increased effort to encourage participation – as perhaps illustrated by Google, Wikipedia and various social networks – need to be adopted.

19. Only once this greater capability is put in place will the concept of “interdependence” articulated in the EU 2020 Working Document be practicable.
20. The Commission’s handling of audiovisual policy would benefit greatly from applying EU 2020 principles. This would ensure that approaches taken to interdependent policies, including for digitisation, heritage, state aid rules for public funding of film, the treatment of intellectual property in the single market, the implementation of i2010, and the involvement of European Structural Funds as well as the governance of the MEDIA Programme, are complementary and consistent, and that they are adopted with the full participation of member states and the different stakeholders.
21. The UK Film Council is committed to and actively engaged in realising the implications of interdependence, be it in our work on environmental sustainability, on skills, on the implications of cross-media platforms, on improving people’s access to films and to the film heritage by deploying digital technologies, to work with partners in other parts of the world as well as inside the UK and across Europe. This is why we appreciate the initiatives set out by the Commission in the Working Document but we are also keenly aware of the obstacles to the success of those initiatives. The spirit, we believe, throughout Europe, is willing but the flesh – the political and communicative structures we have in place – needs to be made stronger. The EU 2020 strategy should play a central role in bringing this about.