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The importance of European cultural policy in supporting creativity and intercultural dialogue

The first reason why these sectors are of paramount importance for the European Union is that Europe is primarily a cultural project, and they are essential to safeguard Europe's cultural diversity. The European Union is not just about markets and economics. It's about celebrating both the diversity of the cultures that make up Europe while also nurturing the cultural identity that we share - it is this mix of diversity and unity that gives us our European identity and deepens our humanity. There could not be a better example of this than Cataluña; where the relevance of creativity, in its multiple forms, is visible to everyone.

Even recently, in spite of financial hardship, cultural venues in most European countries have stayed vibrant, as people look to the arts to give them hope, to give them a sense of belonging, and to give them respite from everyday worries.

But there is another reason why the European Union looks into the cultural and creative sectors with great interest, and this reason is more linked to economy. The cultural and creative sectors are among the most dynamic in Europe and are huge providers of quality jobs. Even at a time of financial hardship, the Union should have the courage to invest more in these areas. And indeed we have had this courage, because the budget of the new Creative Europe programme, although still relatively small, represents a 9% increase compared to the Culture and MEDIA programmes that the new programme is replacing.

Given that the overall budget for the European Union has been, for the first time ever, reduced over the previous 7-year period, this increase is the maximum we could get although it's less than what we hoped for. However, the general agreement on this increase confirms that there is broad consensus that culture and creativity are not an unnecessary luxury but rather part of the solution to the financial crisis.

Indeed, cultural and creative sectors play a major role in the economy of the Union. Studies estimate that the cultural and creative industries account for 4.5% of total EU GDP (2008) and some 3.8% of the employed population (to be clear: this is about 8.5 million jobs and many more if we take into account the spill-overs into other sectors).

Research shows the sectors' strong growth potential: between 2000 and 2007, employment in these sectors grew by an average of 3.5% per annum, compared to 1% in the overall EU-28 economy. Unlike other segments of the economy, these industries have shown great resilience in the face of the crisis, and they continue to grow.

If we look ahead, we want Europe to be the most culturally vibrant continent possible. We want our cultural and creative sectors to be as strong as possible because they contribute to shape European identity and, in a knowledge economy such as Europe, these sectors are vital to our future socioeconomic development. They can contribute strongly to our efforts to create growth and jobs, to stimulate creativity and innovation spill-overs in other sectors, while at the same time continuing to bring so much personal fulfilment and meaning to us all as individuals, as audiences.

Because of all these reasons, we are convinced that investment in the arts and culture is sound investment. And we are working both on the policy and on the funding sides. The

Commission published a communication towards the end of 2012, which allowed identifying the major challenges ahead in policy terms.

Addressing changing skills needs

There is a need for stronger partnerships between the cultural and creative sectors, social partners and education and training providers, both through initial training and continuing professional development. This should provide sectors with the mix of skills needed for creative entrepreneurship in a rapidly changing environment. Furthermore, some sectors are confronted with a shortage of employees with technical and traditional skills and crafts, because young people in particular are less attracted to take up such skills.

Creative skills need to be learnt from an early age, in order to lay the foundations for a constant replenishment of creative talents and stimulate demand for more diverse and sophisticated creative contents and products. In a lifelong learning perspective, creative skills and competences can help to respond to changes in requirements of the labour market.

Improving access to finance

The small size of cultural and creative businesses, the uncertainty about the demand for their products, the complexity of their business plans and their lack of tangible assets are obstacles for obtaining external financing. While equity finance, venture capital and guarantees are alternative financing possibilities, they remain widely under-used.

Therefore, financial institutions need to increase their awareness of the economic potential of these sectors and develop their capacity to assess businesses relying on intangible assets. In parallel, entrepreneurs in these sectors should be helped in better understanding the requirements of business planning and allocation of funds to finance their activities and growth. This is why, within Creative Europe, we have created a Cultural and Creative Sector Financial Facility which will be fully operational in 2016. It will provide funding for guarantees for bank loans in the sector, in particular to small businesses. This will help to address the difficulties that cultural and creative industries face in accessing finance, and it will contribute to reinforcing the capacity of cultural operators and banks to work together

Enlarging the marketplace: new partnerships and business models

Cultural and arts institutions and services need to strengthen their audience development capacity, seize new opportunities (in particular across borders) and respond to changes in audience behaviour and expectations. New services exploiting the possibilities offered by ICT and online service delivery are emerging, offering ways to better address consumers' demand for access to a wide variety of contents and products and for greater participation in the creative process. These new approaches and services should also translate into new revenue streams.

To push ahead with the creation, production and distribution on all platforms of digital content, the cultural and creative sectors must enter strategic and fair partnerships with other sectors which can lead to innovative business models, through which content is accessed in different ways, achieving a balance between right-holders' revenues and the general public's access to content and knowledge, thus promoting cultural and media literacy.

Expanding international reach

Smart internationalisation and export promotion policies are needed to allow a wide majority of small organisations and companies to operate in a global environment and reach new audiences and markets worldwide. It is necessary to identify the most effective support services, facilitate access to foreign markets, reinforce regulatory dialogues and assess possible risk sharing facilities. Pooling of resources and increased cooperation between various actors in the European Union could be further explored to promote a stronger cultural

and creative presence of Europe on the world scene and an attractive European image bridging our excellence in the field of heritage to vibrant cutting edge creativity.

Reinforcing cross-sectoral fertilisation

The cultural and creative sectors need multi-disciplinary environments where they can meet with businesses from other industries. Any public intervention aiming to further develop them calls for cross-sectoral fertilisation. This requires the development and testing of better business support instruments and policies that aim to facilitate cross-sectoral linkages and spill-overs. It implies fostering change amongst the sectors themselves while adding new skills and competencies into other industries and vice versa.

It also requires further cooperation between different policies, embracing in particular economic affairs, industry, education, tourism, innovation, urban and regional development and territorial planning.

It is clear from what I've said so far that our action is built on the dual nature of all cultural and creative work, which generates both cultural and economic value.

Sometimes there are fears that in recognizing the economic and social role of culture we risk losing sight of its intrinsic value. These fears are unfounded. The two can and must go hand in hand and this dual nature is fully recognized in the Creative Europe programme.

This is why its first stated aim is to safeguard and promote Europe's cultural and linguistic diversity, a concern which is dear to the European Commission as much as to cultural professionals. The second aim of the programme is to strengthen the cultural and creative sectors to help them contribute to smart, sustainable and inclusive growth. The duality is present throughout the whole programme: by seeking to help artists and cultural professionals develop international careers, by helping cultural organizations professionalise and reach out beyond national borders, and helping cultural works reach new and larger audiences in other countries. The programme is working to support cultural vibrancy, as well as to help the creators and distributors of these cultural works to achieve the greatest possible success, at the same time as extending access to culture.

Indeed, an important new focus in the programme is on fostering audience development, which is all about extending access to the arts, and encouraging cultural institutions to maximize their educational efforts vis-à-vis their audiences. It is about creating *new* audiences - for example the young and disadvantaged - but also about developing the *existing* audiences, including helping them understand more complex works.

However at the moment the reality is that just a fraction of the European Union's 500 million inhabitants are accessing cultural works from other European countries. This is a massive missed opportunity, and there are tremendous cultural, social and economic benefits waiting to be seized. Cultural, because people across Europe are missing out on a wealth of inspirational cultural treasures; socially, because cultural works of all kinds are powerful conveyors of values and meanings and foster empathy and mutual understanding, so can make a tremendous contribution to intercultural dialogue; and finally economically, because through extending access to European works we could be creating new revenue streams that could benefit the sector and make it even stronger.

The world has changed dramatically over the last few years, the challenges are different, so proposing business as usual, is simply not an option. We have to look honestly and critically at what the real challenges facing these sectors are today, not ten years ago, and then see where a European programme can bring a real added value. Indeed, culture is an area of

strong subsidiarity, so it is not our job to replace the role of national or local governments, but to identify where we can bring complementary support.

We have identified four main challenges that we believe need to be tackled today through a European funding instrument.

The first is that Europe is a complex (and rich!) continent in that when we speak of cultural works we do not have a real "single space". We are instead confronted with a multitude of cultures, linguistic areas and consequently a fragmented cultural space. This severely restricts the mobility of artists, cultural professionals and the circulation of their works.

The second challenge is that globalisation and the digital shift are having a profound impact on the arts. They are dramatically changing how art is made, disseminated and distributed, accessed, consumed and monetized. Furthermore, it is changing how audiences want to interact with the arts and how cultural institutions must engage with their audiences.

The third challenge is the chronic shortage of access to diversified financial sources. Due to the lack of knowledge, the financial institutions tend to view them as excessively risky.

Finally, we miss comparable data which would enable us to fine-tune our policies and support to these sectors.

These problems are identical for the cultural and audiovisual sectors. This is why we are bringing the existing Culture, MEDIA (audiovisual) and MEDIA Mundus programmes within a common framework, as there is a tremendous potential for cross-fertilisation and knowledge transfer, particularly at a time when technological change is blurring some of the boundaries. A joint programme also offers us greater scope to make simplifications and administrative savings, so that we can focus our spending more usefully to the benefit of beneficiaries.

However despite these common challenges, we recognize fully that there continue to be important differences also between these sectors in terms of their value chains and that the actors need to be targeted through different instruments. This is why the programme's architecture foresees separate strands for the culture and audiovisual (MEDIA) sectors with their own budget allocations. This will enable our support to be tailor made to their respective needs.

It has been important in designing our programmes at EU level to make sure that they are as complementary as possible. Creative Europe is therefore specifically targeted at the cultural and creative sectors. Citizenship, which used to be a focus in the Culture Programme, will be left to the Europe for Citizens programme and other tools, such as the eight key lifelong learning competences intended to be mainstreamed into national educational curricula, which include cultural and civic competences, including intercultural skills. Education issues will fall to the "Erasmus+" programme. Creative Europe will of course bring benefits in terms of making people feel more European and enhancing intercultural dialogue, but we have seen with the past generation of programmes that this tends to be an effect of projects, rather than the reason why most cultural operators seek to work transnationally.

Europe is facing unprecedented challenges at this moment that are complex and difficult for the 28 Member States of the European Union to tackle alone. Creative Europe is a carefully designed programme, seeking to find the right balance between the real needs of the sectors requiring European solutions and the wishes of 28 very different countries. It fully recognizes the dual nature of culture and it is precisely because we are convinced that creativity has so

much to offer for us as individuals, our societies and our economies, that the Commission will keep supporting it till 2020 with an increased budget.

As I started with some examples of Catalan creativity I would like to conclude by mentioning one example of creativity supported by the European Commission in Catalunya, which has its effects throughout Europe. It is the EU Prize for contemporary architecture/ Mies van der Rohe award, organised by the European Commission together with the Mies van der Rohe Foundation. Second in prestige only to the Pritzker prize in the USA, this European prize celebrates the excellence and creativity of European architecture, as well as its influence on our daily life. The exhibition dedicated to the 25th anniversary of the prize is currently at the Museu Nacional d'Art de Catalunya, and offers the privilege of admiring models of the buildings that were winners and finalists across Europe during all these years.

Architecture is a powerful expression of creativity - on an aesthetic, technological and social level, maybe because good architecture is always inspired by the time in which is created, responding to societal changes and leaving a creative legacy to our cities.

We believe that if the European Commission, Member States and stakeholders work together, follow a steady course based on a clear and shared strategic vision, we will be able to create a better future for Europe's cultural and creative sectors.