

# THE INDEPENDENTS' VOICE

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## Should European cultural and creative industries fear globalisation?

(Philippe Kern, Director of KEA, extract from his talk in Barcelona – European Forum on Cultural Industries, 29 March 2010 – EU Spanish Presidency).

Europe counts a large number of global companies active in the fields of media, culture and entertainment: Vivendi and Universal Music, the largest record company in the world, Pearson, the largest book publisher, Bertelsmann a leading entertainment giant, and more. Nevertheless the perception is that Europe is losing out in the globalisation process and European creation is marginalised by Hollywood mainstream content distributed by US-based global companies such as NewsCorp, Time Warner, Disney, Viacom, or Comcast.

It is misleading to consider the nationality of large European entertainment/creative companies as an indication of Europe's cultural influence in the world. After all, the leadership of Bertelsmann, Universal Music and Pearson owes much of its success to the companies' ability to produce and distribute mainstream content consisting primarily of English language literature, music (pop, rock, hip-hop, rap) or TV programmes. Such content is more likely to circulate than local language content. Since the end of the silent film era more than a century ago, Europe is no longer in the capitalistic game of controlling movie distribution (Polygram was the latest attempt in the 90's), movies being the most commercially and culturally powerful premium content. Furthermore, Europe's capitalistic leadership in publishing and music is now being confronted by new content distributors such as Apple or Google which are challenging traditional distribution models. Nevertheless it would be wrong to neglect the role of large European creative companies. Europe needs local powerhouses that have the capacity to invest in local cultural expressions whether in music, cinema or book publishing. It also has to accept that such multinationals are not in the business of promoting local European content abroad. Despite their market power, the share of European music, publishing and

cinema is less than 7% in North America, the largest market in the world.

Nevertheless Europe's cultural industries and creators remain core actors in the globalisation process and vectors of culture-based creativity<sup>1</sup>. European creative brands are amongst the best in the world and European talents in architecture, design, fashion, cinema, performing arts (theatres, ballets etc.) and music or modern art have worldwide influence.

This creative richness is nurtured by the diverse cultural patchwork that makes this continent so peculiar and so rich (both culturally and economically). With its 23 official languages and 60 "minority" languages (240 according to UNESCO) Europe represents the spirit of singularity and diversity.

This diversity is a competitive resource in an economy that seeks customisation, differentiation and where consumers/citizens value the meaning of an aesthetic product or its cultural value just as much as its functionality. As the economy is increasingly turning towards creating the "unexpected", the "emotional" or the story that connects people in social networks, creative and original expression are becoming extremely valuable. The main sources of creativity emerging from culture are people (artists, craftsmen, and creative people), culture and creative industries which invest in such creativity. They need a territory (environment) in which to emerge and develop. Europe is such a territory, providing many cultural amenities that foster creativity, and which has developed a model of social interface and communication between people with different identities. Europe owes its economic success primarily to its ability to make the most of territorial and cultural diversity. It is indeed the expression of the "different" and the "original" which nurture creativity.

1. Culture based creativity is creativity stemming from artistic and creative activities which nurtures and generate innovation. Source: KEA "The Impact of Culture on Creativity" European commission, June 2009 p.31.



As technology and globalisation risk marginalising local cultural expression Europe needs to find a way to move from cultural competition to cultural collaboration. Such collaboration should take place at both institutional and industrial level. It no longer makes sense for national cultural institutions to work in isolation and in competition with each other. Best practices in cultural management at local level need to circulate more. Public cultural institutions need to become as cosmopolite and open-minded as the artists and entrepreneurs they are supporting. A percentage of their budget should be devoted to collective European actions. At industry level independent music or cinema will not be able to access new market opportunities internationally without some form of collective response. The independent sector still represents 20 to 25 % of the market in Europe. Collectively this market share is more significant than any of the US's largest players. Europe needs to create sufficient scale to exist in new channels of distribution that have worldwide reach. The European project would gain from a more collaborative approach on cultural activities.

To a large extent Europe's future is dependent on its capacity to transcend local identities (whether national or regional), to harness creativity but also to ensure the presence of multiple local identities in an international context. In this respect the EU has to reflect on the impact of single market and competition objectives on cultural diversity. Considering the influence of EU Treaty rules on creative industries (through copyright or state aid regulation for instance) the EU's subsidiary competence in the field of culture is no longer sustainable.

In relation to the worldwide development, Europe has yet to recognize the opportunity that influence on societal development presents. Nations such as China, India and Russia are now being confronted with the need to nurture a more innovative society. This requires expertise in managing cultural assets to develop a knowledge society and to stimulate individuals' creativity. Those nations have yet to understand and develop policies to expand the economic and social potential of creative industries. They also need to avoid the phenomena of mainstream and homogenised content taking over and swamping local memories, soul and singularities, the very resources of creativity. The ability to stimulate local genuine cultural expression conditions the development of a creative, cohesive and a sustainable society. Europe has considerable skills and experience in managing culture and fostering artistic and creative expression. Asserting a creativity ambition would give Europe a central role in the meeting of influences and ideas.

Because of its history, strong cultural traditions, myriad of talents and creative companies as well as its democratic institutions, Europe is the best place to nurture talents and creativity. This ability to foster local creative expression is an example for the world. European policy makers are still largely ignoring this competitive strength, relegating the cultural economy to the margins of policies aimed at stimulating innovation. Not only do they fail to brand Europe as the place to create and innovate (leaving the pole position unchallenged for the USA to occupy) but they are missing a diplomatic ambition. The proposed Agenda 2020 is a reflection of this state of affairs. Are we missing an opportunity?



EUROPEAN AFFAIRS

Rue du Trône, 51 • B-1050 Brussels • T +32(0)2 289 26 00  
F +32 (0)2 289 26 06 • [www.keanet.eu](http://www.keanet.eu) • [www.keablog.com](http://www.keablog.com)