

French Memorandum
on CULTURAL COOPERATION IN EUROPE
(unofficial translation)



January 2004

NEW CULTURAL ASPIRATIONS FOR EUROPE

Throughout 2003, France pushed strongly for the work of the Convention on the future of Europe to give a prominent status to culture and this effort has been rewarded. In fact, the draft Constitution states that "*The Union shall respect its rich cultural and linguistic diversity, and shall ensure that Europe's cultural heritage is safeguarded and enhanced*". This declaration is accompanied by constructive consequences. Actions in support of it, meaning the cultural programmes mainly, will be adopted by a qualified majority vote, as is the MEDIA programme. The integration of the Charter of Fundamental Rights into the Treaty will give constitutional value to the notion of pluralism in the media, whether it be the written press, radio or television.

Finally, by maintaining unanimity in the negotiation and conclusion of trade agreements regarding cultural and audiovisual services, when there is a risk that the cultural and linguistic diversity of the Union may be undermined, the draft Constitution offers a guarantee to Member States that the Union will be in a position to defend the most ambitious interpretation of cultural diversity. This is an important acquis that must be sanctioned by the Intergovernmental Conference.

However, this is not enough. At the time when the Union is preparing its political future, at the time it is welcoming ten new members, culture must, more than ever, serve as a catalyst for Europe's integration and spreading influence.

A prime motivation can be found in considering Europe's history. Artistic movements and the people that created them have not been restrained by territorial borders. The geography of late medieval Europe, of the romantic movement or of art nouveau show the extent to which culture has shaped Europe. The variety of European languages and the cultural practices of the twenty-five countries that will constitute the Union in a few months time show that a European cultural project, respectful of our differences, could help to enhance the value of the cultural wealth of the European Union and make its identity more tangible.

Another reason for giving European cultural policy a new priority arises from the fact that up till now neither Europe nor the international system have placed culture at the centre of their concerns. Culture was a late addition to the Community framework, included under the Treaty of Maastricht in 1991. Ten years later, the international situation changed profoundly under the double effect of the rise in cultural industries and globalisation. The countries of Europe face a need to unite forces if they wish to preserve and promote their cultural and linguistic identity. A Europe of twenty-five members must resist the standardisation of languages and images, which, if care is not taken, will become irreversible.

In 1993, Europe joined battle for cultural diversity within multilateral services trade negotiations. Since the Marrakech Agreement, Europe has to secure those commitments at each stage of the negotiations. Together with others, France shaped the concept of cultural diversity, which is now shared by all Europeans. The debate previously justified by the promotion of cultural industries will now run alongside a cultural dialogue and a political and financial support of cultural creation in the least developed countries.

Globalisation and the exponential development of piracy is weakening the European cultural industries. This is exemplified by the situation in the CD market. France therefore hopes that the

Community will make a stronger commitment in favour of the cultural industries by adapting the tax system and by contributing to the fight against counterfeiting and piracy. For Europe to be and to remain an area of creation, it must have cultural industries that are both thriving and capable of standing up to the international competition.

For almost twenty years, the European Community has been endowed with an ambitious audiovisual policy constructed on the basis of on the Television Without Frontiers Directive and the MEDIA programme. At a time when these two texts are under evaluation, France is declaring its support for maintaining the Directive and improving MEDIA by increasing its budget and extending it to include the promotion of European cinema beyond the Union's borders.

Finally, France is arguing in favour of a strong increase in European funding for culture. In fact, cultural action is today the poor relative of Union policies because it receives only 0.1% of the Community budget. Under these conditions, it is not possible to encourage in any significant manner the mobility of art works and artists that is required for the construction of a European cultural area. France is therefore fighting for a strong increase in resources and, alongside this, for recognition at the European level of the validity of national assistance to culture and the audiovisual sector.

France is hoping to engage with the cultural actors, the Community institutions, in a debate around these sixteen proposals in order to achieve tangible results from the European authorities in financial and regulatory terms.

France also hopes, through these concrete actions, to contribution towards the foundation of a new cultural ambition in Europe.

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FIVE POLITICAL PRIORITIES, SIXTEEN CONCRETE PROPOSALS :

I/ TO PROMOTE CULTURAL DIVERSITY :

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- » **By preserving a specific status to culture within WTO**
(proposal n° 1) ;
- » **By drawing up an international legal framework for culture under the auspices of UNESCO**
(proposal n° 2) ;
- » **By European involvement in external cultural co-operation**
(proposal n° 3).

II/ TO GARANTEE FUNDING FOR CULTURE :

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- » **By developing the budgetary resources allocated to culture by the Union**
(proposal n° 4) ;
- » **By legitimizing the national systems for aiding the cultural sector**
(proposal n° 5) ;
- » **By ensuring the security of audiovisual public sector funding**
(proposal n° 6).

III/ TO FURTHER THE DEVELOPMENT OF THE CULTURAL INDUSTRIES :

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- » **By applying a reduced VAT rate to CDs**
(proposal n° 7) ;
- » **By making the European art market more attractive**
(proposal n° 8) ;
- » **By combating counterfeiting and piracy**
(proposal n° 9) ;
- » **By supporting the European music and publishing sectors**
(proposal n° 10).

IV/ TO CONFIRM THE EUROPEAN SPECIFIC ASPIRATIONS IN AUDIOVISUAL SECTOR :

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- » **By maintaining the guarantees offered by the Television Without Frontiers Directive**
(proposal n° 11) ;
- » **By developing the MEDIA Plus programme**
(proposal n° 12) ;
- » **By encouraging the international dissemination of European cinema**
(proposal n° 13).

V/ TO PROMOTE CULTURAL EXCHANGES IN EUROPE :

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- » **By renewing the Culture 2000 programme**
(proposal n° 14) ;
- » **By encouraging mobility around Europe of professionals in the cultural sector and of works of arts**
(proposal n° 15) ;
- » **By enhancing the value of our common heritage, Europe**
(proposal n° 16).

I – TO PROMOTE CULTURAL DIVERSITY

The debate on the cultural exception, held at the time of the Uruguay round (WTO negotiations), retains all its topicality due to the development of the information society and the growth in the volume of commercial exchanges, to the trade negotiation round underway and to the debates on the new institutional architecture of the Union.

In its contribution to the work of the Convention, France had hoped that the promotion of and respect for cultural diversity would be registered among the objectives of the Union. Article 3 of the draft Constitution sanctions this notion to a large extent. In addition, Article 151.4 of the Treaty instituting the European Community, which is included in the draft constitution, states that: *"The Community shall take cultural aspects into account in its action under other provisions of this Treaty, in particular in order to respect and to promote the diversity of its cultures."* This provision is very valuable: it makes it possible to temper the application of tax and competition policies and the general regulations of the internal market when cultural issues are at stake. It backs the possibility of several Member States developing a national fixed book-price system and the elaboration of systems of support for the cultural industries. The Member States must reaffirm their attachment to this cultural goal in order to achieve the registration of cultural and linguistic diversity within the Union's objectives and bring it onto the international stage by proposing a positive project.

PROPOSAL 1 : BY PRESERVING A SPECIFIC STATUS TO CULTURE WITHIN WTO

In October 1999, the Union's General Affairs Council set a precise mandate for the Commission for the opening of a new round of multilateral trade negotiations. This finally took place in Doha in November 2001: *"During the forthcoming WTO negotiations, the Union will ensure, as in the Uruguay Round, that the Community and its Member States maintain the possibility to preserve and develop their capacity to define and implement their cultural and audiovisual policies for the purpose of preserving their cultural diversity."*

France considers that this mandate must continue to define the Union's line of action throughout the negotiation in the Doha round. It was also rigorously applied in the offer submitted by the European Union, which does not foresee any liberalisation of the audiovisual sector and only a very partial liberalisation of some cultural services.

In order to promote an international cultural norm, and while a new negotiating cycle is underway at the WTO, it is essential that Member States not wishing to be irreversibly deprived of their room for manoeuvre in regard to cultural and audiovisual policy abstain from making commitments to additional liberalisation measures or from subscribing to such commitments when they accede to the WTO.

PROPOSAL 2 : TO DRAW UP AN INTERNATIONAL LEGAL FRAMEWORK FOR CULTURE UNDER THE AUSPICES OF UNESCO

A complement to this, it would be advisable to register respect for cultural diversity in a legally binding instrument. An informal forum of ministers of culture (International Network on Cultural Policy - INCP) has been working for several years on a draft instrument for cultural diversity.

During their meeting in South Africa in October 2002, the INCP ministers decided to bring the draft to UNESCO.

The Commission declared itself in favour of the adoption of such an instrument by UNESCO in a Communication adopted on 28 August 2003.

The elaboration, within UNESCO, of an international convention on cultural diversity is also a priority for France. This instrument will give a means to implement the principles of the Universal Declaration on Cultural Diversity adopted by UNESCO in November 2001 and will legally enshrine the legitimacy of cultural policies. During its 32nd session (29 September–17 October 2003), the General Conference of UNESCO adopted, by consensus, a resolution in conformity with French expectations, making provision that:

- *"The question of cultural diversity (...) must be made the subject of an international convention."*
- *The Director General of UNESCO is invited "to submit to the 33rd session of the General Conference (...) a first draft of a convention on the protection of the diversity of cultural contents and artistic expressions."*

France considers that the Convention should aim for three main objectives. First of all, it should recognise the specificity of cultural goods and services. Likewise, the text should give concrete expression to the right of governments to adopt or maintain measures that they judge appropriate for the preservation of their cultural heritage and for the development of their cultural creations and cultural and linguistic expressions. Finally, this project should be interpreted by a strengthening of solidarity at the international level.

PROPOSAL 3: TO INVOLVE EUROPE IN EXTERNAL CULTURAL CO-OPERATION

Europe has adopted the Declaration of the Johannesburg Summit (26 August–3 September 2002), which placed culture as a fourth pillar of sustainable development.

This Declaration was also echoed in the willingness expressed by a number of partner countries, particularly the developing countries, to regard the cultural sector as a stake in economic development. For example, this was very clearly the meaning given by the African cultural interlocutors within the New Partnership for the Development of Africa (NEPAD) as attested by the 'Durban Letter' presented during the 5th Conference of the INCP, held in Capetown in October 2002.

The European Union is today one of the major actors in international solidarity. Providing 10% of official development aid, the European Commission is one of the main donors through its international co-operation and partnership programmes, such as: the European Development Fund (EDF) intended for countries in the Africa, Caribbean and Pacific (ACP) zone; the Europe-Mediterranean partnership – (MEDA); the Stability Pact for South-East Europe – CARDS – the developing country programmes – ALA and ASIA – intended for developing countries in Latin America and Asia; etc.

From now on, it is therefore a question of Europe transposing the political priority in favour of culture and cultural diversity into its co-operation programmes, as well as including in its approach to trade negotiations support for cultural development in partner countries, particularly the developing countries.

In addition, the Member States have developed cultural mutual co-operation in the audiovisual, creative and heritage that could be included in the Union's instruments of international co-operation. This is the meaning of Article 151.4 of the Treaty.

This transposition of a cultural policy aspiration into the co-operation programmes and this junction with the internal programmes for cultural co-operation should lead to a systematic integration of cultural aspects in the definition and implementation of the Union's external programmes.

The systematic insertion of a cultural component within the external programmes could take the form of a percentage – 10% – of the budget of the international co-operation concerned.

This component should pursue the five following objectives: intercultural dialogue, balanced cultural exchanges, the development of cultural infrastructure, the professionalisation of cultural operators and the structuring of cultural networks.

II - TO GUARANTEE FUNDING FOR CULTURE

PROPOSAL 4: TO PROVIDE THE COMMUNITY'S CULTURAL INTERVENTION WITH THE MEANS OF ACHIEVING ITS GOAL

In the enlarged European Union of 25 Members, the programmes specifically dedicated to culture and to the audiovisual sector will represent a budget of 120 million euros annually, corresponding to 0.1% of the Community budget, which is equivalent to an expenditure of less than 30 cents per year and per European.

France is hoping that a significant raise in the amounts attributed to these programmes will be envisaged over coming years, while respecting future financial prospects, when it concerns a domain that is so essential and symbolic for the construction of Europe.

Actions that would be truly significant for the circulation of works of art and the mobility of artists could thus be implemented, as well as support for the non-audiovisual cultural industries.

These new orientations should be supported by a financial commitment from Member States, but equally by national efforts intended to encourage the harmonisation of procedures.

PROPOSAL 5: TO LEGITIMIZE NATIONAL AID TO THE CULTURAL SECTOR

Aid schemes for culture could be thrown into question by decisions about liberalisation taken within the framework of trade negotiations. However, although they are protected by an absence of commitments to liberalisation in the context of trade negotiations, with regard to Community policies it would also be advisable, particularly competition policy, to guarantee the validity of the support provided by the Member States for promoting culture and for the preservation of a country's national heritage.

The Member States have set up public funding to support the cinema and/or the audiovisual sector, at a national and/or regional level, according to their own individual needs. These measures mainly concern development, production, distribution, exploitation, promotion, training, education and heritage. They are justified not only by the structural weaknesses of the audiovisual and cinematographic market in Europe, but also by the significant role of the cinema and audiovisual sectors in regard to cultural expression.

In its Communication of 26 September 2001, the Commission recognised that audiovisual works, the cinema in particular, play a key role in the expression of European identities and that these works present unique characteristics as a result of their dual nature, economic and cultural. It is for this reason that the development of this sector has never been left to market forces alone.

However, the European Commission's examination of state aid regimes remains governed by rules that are adapted neither to the cultural, economic and social specificities of the cinema, nor to the diverse situations encountered in the different Member States. The definition – for each Member – of the criteria for attributing aid, and sometimes even the existence of national aid, continues to be put into question and is subject to great uncertainty.

France considers that the existence of a strong industrial fabric is vital if creativity is to flourish. European cultural industries need a secure legal environment, specially considering criteria for attributing these aids. The development of co-production, which play a central role in the development of european cinema and in the reinforcement of cultural exchanges, depends upon this as well.

It would thus be advisable to increase the legal security of state aid to the cultural sector. France had requested that the Convention take this need into account by allowing it to benefit from a more favourable aid regime. This request was not conceded. This is why France hopes that the European Commission maintains the present provisions validated in 2001 until 2009. They take into account the needs of the cultural sector and are supported by the professional as well as the cinema funding organisations. Moreover, it has not been demonstrated that the state aid regime creates competition distortions on the internal market. Finally, the short-term nature of authorisations deprives such aids of security and durability necessary for the development of coherent and structured cultural policies. At the time when the European Union is enlarging, the new Member States need particularly a secure legal environment in order to implement their national funding policies. France hopes that the European Commission will guarantee for 6 more years the present guidelines validated in 2001.

PROPOSAL 6: TO ENSURE THE SECURITY OF THE PUBLIC AUDIOVISUAL SECTOR

An ambitious audiovisual policy must first give consideration to quality, and particularly in regard to the requirements imposed upon the public audiovisual sector. The Charter of Fundamental Rights, which will be integrated into the Union's forthcoming Constitution, places "pluralism of the media" among the values of the Union, while the Amsterdam Protocol reaffirms, under certain conditions, the legitimacy of public finance for the audiovisual sector. France hopes that the Intergovernmental Conference will retain the Amsterdam Protocol in the list of protocols annexed to the future Constitution.

This retention move must be backed up by ensuring security for the financing of the public audiovisual sector with the finance based on clear and transparent principles. The evolution in the jurisprudence of the Court of Justice of the European Communities (Ferring, 22 November 2001 and Altmark Trans GmbH, 24 July 2003) details the conditions under which finance granted to the public service is not described as state aid. However, out of a concern to clarify and secure the financing of services of general economic interest, and especially the public audiovisual sector, France would hope for the adoption of a legal instrument cutting across services of general interest.

III – TO FURTHER THE CULTURAL INDUSTRIES

PROPOSAL 7: TO APPLY A REDUCED VAT RATE TO CDS

There are numerous arguments justifying the application of a reduced VAT rate on CDs (and other records) and music cassettes:

- A reduction in VAT would encourage a drop in prices that is very much expected by the general public, particularly young people for whom listening to music is the main cultural and social practice;
- Lower VAT would have a positive macroeconomic impact, characterised by increased sales linked to the strong elasticity expected between price and demand, by the increased range offered to the consumer and by the discouragement of piracy and counterfeiting, which are now reaching alarming levels in the European Union and candidate countries;
- To the extent that three of the five large groups dominating the CD market are controlled by European interests, the stakes are high in terms of manufacturing and employment;
- By providing an essential support to European creativity and the music industries, the lower VAT would contribute to promoting the cultural diversity to which France, like other Members States of the Community, is very much attached.

This is why the French government has made the inclusion of CDs on the list of goods and services liable to benefit from a reduced VAT rate one of the priorities of its policy towards the European Community. This measure implies a modification in the provision of Annex H of the Council's 1977 6th VAT Directive.

The Directive revising Annex H, adopted in July 2003 by the College of Commissioners, does not retain the application of reduced rates on CDs and sound cassettes. Nevertheless, several Member States have asked the Italian Presidency to integrate CDs into the list of goods eligible for the reduced rate. It is now up to the Council of the Ministers of Finance to unanimously adopt a modified directive so as to integrate CDs and music recordings into the list of goods and services liable to benefit from a reduced VAT rate.

France invites all its partners to mobilise in order to reach this decision, which is important for the future of the European music industry.

PROPOSAL 8: TO MAKE THE EUROPEAN ART MARKET MORE ATTRACTIVE

The vitality and competitiveness of the European art market are affected by a tax system that has few advantages, especially when compared with Switzerland and the United States. Several measures adopted during the 1990s have aggravated this imbalance, particularly provisions regarding VAT on imports and the harmonisation of resale rights.

Several national reports have shown that the suppression of VAT on imports would have very beneficial effects on the dynamism of the European art market by limiting the risks of sales being relocated outside Europe. It would also enable the long-term enrichment of Europe's heritage. The cost of the measure, which is very modest as it would arrive at around seven million euros for a country like France, would be compensated for by additional tax receipts linked to an

increase in the number of imported works of art. It would thus be desirable to pursue these reflections at the European level.

The implementation of Directive 2001/84/CE of the Parliament and the Council of 27 September 2001 relative to resale rights should be the subject of an evaluation and a joint reflection process among Member States. In fact, the professionals working in the art market consider that this text is likely to harm the competitiveness of the European market. It would be advisable for the Member States to begin to reflect on the following themes immediately: the level of taxes, the length of time over which they can be collected, the allocation of profits from resale rights. France therefore considers that the rate should be adapted in order to reduce the risks of sales relocation as a consequence of the present system. In addition, the period over which taxes are collected should be reduced to 30 or 50 years after the death of the artist. Finally, the Member States should have the possibility, if they so wish, of allocating a part of the resale rights to a fund providing support for the art market and for artists.

The French authorities therefore invite the Irish Presidency to create a working group to make a more detailed evaluation of the European art market situation and to propose changes that would increase the attraction of the art market. It seems essential to watch over the evolution in this market within the framework of the implementation of the Directive on resale rights and to create an Observatory for the art market in Europe. Consideration could also be given to the important issue of the illegal traffic in cultural goods.

PROPOSAL 9: TO COMBAT COUNTERFEITING AND PIRACY AND PROMOTE RESEARCH INTO ENSURING SECURITY FOR THE DIFFUSION OF CULTURAL WORKS USING THE NEW INFORMATION AND COMMUNICATION TECHNOLOGIES

Counterfeiting goes far towards explaining the strong decline in the sale of CDs over the past two years, both within Europe and internationally. The volume of worldwide sales last year seems to have dropped to the level reached in 1993.

In 2002, all the pirate copies of CDs and cassettes added together would represent about 4.6 billion dollars in losses for the CD market throughout the world. It is reckoned that one CD in three worldwide is a pirate copy and this figure is tending to increase rapidly. In some Member States of the European Union, almost half of the CDs in circulation are counterfeits.

In addition, the deployment of broad band on the Internet, which has enabled the emergence of a new economy, is also accompanied by new risks, such as the development of exchanges of pirated files (music, films, etc.) using peer-to-peer technology.

This phenomenon is increasing in scale and threatens the survival of our cultural industries, not only in the music domain, but also in cinema and progressively in publishing. We are already seeing a concerning reduction in investment in young artists, who require greater promotional efforts on the part of CD producers.

The exponential evolution in the interception of goods counterfeited in countries outside the European Union (up 900% in four years) and the development of intra-Community counterfeits have pushed the Community to react in order to harmonise the far too disparate situations in the Member States.

The first provisions taken by the European Community are useful, but not yet sufficient. They will not be enough to curb the development of counterfeiting, if they do not take into account the illegal exchanges of files on the Internet and if they are not accompanied by concrete measures aimed at legal co-operation and prevention.

In order to reinforce the means for fighting against piracy at the European level, France is proposing:

- The launch of a European research programme into the secure diffusion of cultural works on the Internet;
- The adoption of an extended field of application for the proposed directive aiming to ensure respect for intellectual property rights in order to better understand the new practices arising from the exploitation via the Internet of any content protected by an intellectual property rights;
- The harmonisation of procedures and sanctions making it possible to combat counterfeiting at the highest level, based on the best practices of the Member States,
- Stronger legal co-operation between the Member States;
- Information/teaching activities associating the public authorities, the professionals concerned and representatives of civil society in order to raise awareness among the general public of that the rights of music creators must be respected.

This issue could be included on the agenda for international trade negotiations.

PROPOSAL 10: BY SUPPORTING MUSIC AND PUBLISHING INDUSTRIES

The Union has set up programmes providing direct support to some cultural industries (audiovisual and multimedia) to encourage them to structure themselves and seize the new opportunities offered by the internal market and digital technologies. The other cultural industries, which receive only indirect support from European Union programmes, should be treated on an equal footing.

First of all, it would be desirable to reinforce the mandate of the European Music Office (EMO) and support every co-operation effort between Member States in the music industry domain.

Pilot actions devoted to cultural co-operation benefiting the non-visual cultural industries (music and publishing) were launched at the end of 2002 under budget line B3 2007 (two million euros for 2003). France hopes that what has already been agreed to will be reinforced and that Community financial support for these pilot actions will continue over three years and significantly increase until the end of the period covered by the Culture 2000 programme (which should be extended to 2006).

France proposed to the Member States and to the Commission that they consider the possibility of a specific programme devoted to cultural industries other than those covered by MEDIA, particularly the music and publishing sectors. This programme could be envisaged for around 2007 or so, on the basis of Article 157 of the Treaty instituting the European Community (industry) and should encourage the circulation of repertoires, artistic works, professional people, exhibitions, access to the market for independents (book fairs, MIDEM or the equivalent, biennial events and architectural fairs, the promotion of European works and productions in markets outside the Union, as well as training.

IV – TO CONFIRM EUROPEAN SPECIFIC ASPIRATIONS IN THE AUDIOVISUAL DOMAIN

European audiovisual policy rests on two complementary instruments: the MEDIA Plus programme and the Television Without Frontiers Directive.

PROPOSAL 11: TO MAINTAIN THE GUARANTEES OFFERED BY THE TELEVISION WITHOUT FRONTIERS DIRECTIVE

In conformity with its final provisions, the Directive is subjected to regular evaluations leading, if need be, to a revision procedure. Articles 4 and 5 of the Directive, which impose a requirement on European broadcasters to broadcast and invest, are the subjects of a bi-annual report on their application. In spring 2003, the Commission launched a consultation process on the text of the Directive, as revised in 1997.

This consultation aims to evaluate how the provisions of the Directive are adapting to the new technological context, especially the development of the information society, and to assess the extent to which the provisions introduced during the 1997 revision (access to major events, short extracts, etc.) have improved the text.

The French authorities, which carried out an evaluation of the Directive in order to respond to the public consultation process, have concluded that it has enabled a balance to be reached between the objective of constituting an internal market, based on the circulation of audiovisual services, and the defence of cultural objectives by support and encouragement for the production side and by the broadcasting of European audiovisual works.

At a time when the number of channels is multiplying, the system introduced by the Directive for the broadcasting sector, as defined by Article 1 of the text, still covers the major part of audiovisual broadcasts made available to the public. Moreover, the development of new services does not impede the functioning and the legitimacy of the Directive, which is achieving its combined objectives of circulating images and supporting the audiovisual programme industry.

This is why France is in favour of maintaining the Directive, accompanied by an interpretive communication from the Commission, announced for the first quarter of 2004 and intended to take technical evolutions into account, for example in the advertising domain. Eventually, when the broadcasting of audiovisual services in all the Member States has achieved maturity and a stable audience, it will then doubtless be opportune to think about supplementary European regulations allowing room for a greater degree of self-regulation in the other media sectors.

PROPOSAL 12: TO DEVELOP THE MEDIA PLUS PROGRAMME

The objectives of the European audiovisual policy – improving the competitiveness of the sector, improving the circulation of audiovisual works and promoting cultural diversity – must be clearly reaffirmed in the face of the challenges that the sector will have to face in the years to come. In the first place, the enlargement of the European Union must take expression in the audiovisual field by reinforcing and adapting resources. In parallel, support must be given to the dynamic move towards opening up to third countries and the movement that is taking shape for reaching an

external audiovisual co-operation effort (either in MEDIA – particularly on the promotional side – or in other Community programmes).

The future of the MEDIA programmes is currently under consideration, on the basis of a consultation process and a mid-term evaluation. Funded with 400 million euros intended for training, development, distribution and the promotion of European films, MEDIA Plus constitutes the other pillar of the European audiovisual policy. In fact, for cultural and linguistic reasons, the European film market remains very compartmentalized. European films do not circulate widely. Even if they become very successful in the country where they were created, they have difficulty in finding an audience in the other countries of the Union, unlike American films, which are widely distributed and watched. MEDIA has helped to facilitate the circulation of films and to build up a market for them, but without reversing this specific tendency in regard to European cinema.

In order to reinforce this undertaking, the next generation of MEDIA programmes should continue and confirm the principles of MEDIA 1 and MEDIA 2 by paying particular attention to highlighting European cinema. In this regard, the meeting of the Ministers of Culture and Communications, held in Cannes in spring 2003 during the international film festival, helped to raise the visibility of the Community's actions in favour of the film industry and should be repeated. MEDIA's objective, assisted by the circulation of European works, does not run counter to the diversity of productions. This diversity is the hallmark of the different European national identities and of European creativity, valuable assets for our continent. Conversely, MEDIA can help filmgoers in the Union to better understand and appreciate European cinema.

Most of the countries joining the European Union are participating in MEDIA Plus. The negotiation of the future programme will take place within a new budgetary framework and according to new voting modalities because Article 157, relating to industrial policy, of the new Treaty, which constitutes the legal basis of MEDIA, allows for qualified majority voting.

The next generation of programmes, for which the Commission should present its proposal in March 2004, ought to continue and confirm the principles of the current programmes. MEDIA does not substitute for strong national policies. On the contrary, MEDIA will be easier to exploit with strong production support policies in the different Member States. It is therefore important to concentrate its action on the complementary objectives of national policies (distribution) and seeking out support mechanisms (of an automatic type in distribution or along the lines of "slate funding" for development).

Finally, the television sector needs to be more strongly involved in MEDIA. In fact, television plays an essential role in broadcasting images between the different Member States. It is thus necessary to encourage the circulation of programmes and facilitate access to the works of other European countries on a large scale.

PROPOSAL 13: TO ENCOURAGE THE INTERNATIONAL INFLUENCE OF EUROPEAN CINEMA

The European effort in favour of cultural diversity must not stop at Europe's borders. European cinema must develop internationally. The richness and diversity of our cinema must be displayed as a force and as a European specificity. The European Union must encourage exposure of our cinema industries jointly, thus reinforcing their image and giving international access to some that do not always have that possibility at present.

It is therefore important to conduct a more systematic and strategic action aimed at countries outside the Union, which would extend the promotional activities carried out within MEDIA.

A certain number of films with international potential could be identified, representing all the European cinema industries, on which exporting and promotional support would be concentrated. This would enable these films to have access to certain markets where the image and presence of European films remains weak, and thereby create a taste for and interest in our cinema.

Beyond the sale of films, Europe could support promotional work in different countries (particularly in the form of assistance to foreign distributors). But Europe should also intervene in the prior stages by assisting in prospecting and even exporting (commercial material, copies, dubbing or sub-titles).

V – TO ENCOURAGE CULTURAL EXCHANGES IN EUROPE

PROPOSAL 14: TO RETHINK THE CULTURE 2000 PROGRAMME

A first review of Culture 2000 serves as an invitation to rethink the modalities of cultural action.

The Union's intervention in the cultural domain began at the end of the 1980s with the Commission's support for selective actions then, as from 1995 – on the basis of the provisions of the Culture Article of the Treat of Maastricht – with programmes encouraging sector-based co-operation ("Ariane" for literature, "Raphael" for Europe's cultural heritage, "Kaleidoscope" for the living arts) and finally the Culture 2000 programme-framework underway since 2000 and which should be extended until 2006.

In terms of quantity, the results of this intervention have not been insignificant:

- For the period 1996-2000, the number of cultural projects supported by the Union rose to around 2.000 within the framework of Community programmes for a total of 130 million euros;
 - For the same period, over 8.000 operators were associated with the projects supported.
- There was an average of five participants from different countries.

However, the favoured approach during this period was dispersion over a stream of small, short-lived actions covering a wide range of domains and objectives.

The Culture 2000 programme, intended to remedy this dispersion by the institution of a single instrument, has hardly been achieved. This situation can be explained first of all by the rule for the adoption of "culture" programmes (unanimous co-decision), which does not make it possible to isolate priorities. It can also be explained by the absence of a European cultural community.

The path forward is comprised of the following steps:

- The Ruffolo report on cultural co-operation, adopted by the European Parliament in 2001. The report rightly emphasizes that the development of European cultural action implies an involvement by Member States and that the (poor) level of co-operation at the European level, which is developing (badly) with no relationship to the co-operation actions conducted by the Member States themselves, represents an anomaly. A combination of the two would make for greater efficiency and visibility.

- The modus operandi of Community action also requires profound changes.

There is a need to constitute platforms for cultural co-operation for each of the major artistic disciplines: theatre, opera, music, and literature, enhancing the value of Europe's heritage. These platforms should be granted funding over several years on the basis of terms and conditions defined by the Union and detailing the objectives to be reached in regard to the circulation of works and of artists, enhancing their value while respecting the "cultural agenda" defined by the Council. The platforms could receive the direct support of Member States or of groups of the most interested Members. France is supporting the experimental initiatives launched in this direction by the Commission. In parallel, the Union would continue to finance emblematic and symbolic operations, particularly the European Cities of Culture, a label that should provide rapid benefits to new Members through twinning programmes matching cities from the present Member States with cities in the new Member States of the enlarged Europe.

PROPOSAL 15: TO ENCOURAGE MOBILITY IN EUROPE FOR PROFESSIONALS IN THE CULTURAL SECTOR AND FOR WORKS OF ART

The report prepared by Madame Geneviève Fraisse, MEP, on "*the importance and dynamics of the theatre and the performing arts in an enlarged Europe*" presents a very valuable analysis of this domain and its strategic role in an enlarged Europe. In fact, the countries of Central and Eastern Europe have a strong theatrical, choreographic, circus and musical tradition, well structured and inheritor of a solid institutional network. The creation of a European area for performances should be encouraged, taking advantage of and extending the successful experience of the THEOREM project as included within the Avignon Festival and supported by the Culture 2000 programme.

The resolution adopted by the European Parliament in 2001 on the basis of this report proposes several concrete measures which deserve to be studied. They would enable an emphasis on co-operation in cultural matters between European Member States, illustrated by a specific objective: the circulation of artists and artistic works. Several themes could be gone into in depth: how to reconcile the social and tax status of artists, recognition of the diplomas awarded in Member States, assistance for the circulation of works and aid for sub-titling.

In order to provide a concrete follow up to this report, France proposes the following measures:

- The difficulties linked with the disparities in the social and tax status of artists are due more to a gap between regulation and practice than to the lack of Community provisions. It would therefore be desirable, in order to better inform all the partners concerned, that a working seminar could be held on this theme, bringing together experts and social partners of the present Member States and those about to join. The seminar could result in the definition of a number of good practices that could be shared between those organising performances and the administrations of the Member States.
- The question of diploma recognition is a subject taken up in regular contacts between the educational establishments and the Union's professional associations. A working group could be set up between the Commission and the Member States to go into this question further.
- Finally, the circulation of artistic works and support for sub-titling could be encouraged by setting up a special European fund, something that could be included in the reflections on the future of Culture 2000. Such a fund could make up for the disparity in national systems for providing assistance for such circulations. France invites the Irish Presidency to take on the theme of the mobility of artistic works and professionals.

In the same spirit, on the basis of informal work carried out by those in charge of major museums, work could be undertaken on the development of guarantees for exhibitions. The Greek Presidency organised a round table meeting last March on this question, the results of which could be elaborated on. The Italian Presidency encouraged the adoption of a resolution by the Council on collaboration in the museum domain, which proposes that the debate should continue. In fact, the increased costs of private insurance, particularly since 11 September 2001, and the difficulty of getting insurance companies to take account of risks such as that of terrorism, are tending to raise the costs of some exhibitions to the point that they risk becoming prohibitive. As the insurance expense element in the budget of an exhibition could represent up to 30% of the total costs, several countries hoped to develop a government guarantee to insure the exhibitions they organise at a lower cost. In order to facilitate the circulation of works of art, France hopes to propose several measures for co-operation between Member States, as well as setting up a guarantee fund for exhibitions circulating within the European Union.

PROPOSAL 16: TO ENHANCE THE VALUE OF OUR COMMON HERITAGE, EUROPE

The cultural heritage and architecture, and more generally the environment, both buildings and natural landscape, lies at the junction of several of the European Union's policies and programmes (cultural, regional cohesion, , environmental and sustainable development, urban regeneration, etc.). But they have often only been treated – due to the complexity of what is at stake – in a partial manner, from various specific aspects, and only rarely benefit from a global and integrated approach.

At the European level, we are hoping for clear support for the idea that the economic and social revitalization of European cities and landscapes should be improved and consideration given to the quality of the environment, whether built or landscape: patrimonial, architectural and urban, landscaped.

With the present enlargement of the Union and the new stakes in regional policy as from 2007, it is important to reinforce the contribution of heritage and architecture within the European cohesion policy and to promote architectural quality in the natural and urban environment.

To this end, France proposes to:

- Consider the idea of a "European heritage" label following the UNESCO model, if need be in liaison with the Council of Europe;
- Ensure that projects co-financed by the structural funds conform to the objectives for promoting architectural quality in the urban and rural environment in conformity with the provisions of the Council's resolution of 12 February 2001.



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