

The Place and Role of Culture in the EU Agenda. Policy Implications of the Culture Sub-programme of the Creative Europe Programme

Jaka Primorac*

Nina Obuljen Koržinek**

Aleksandra Uzelac***

SUMMARY

The article looks at the policy implications of the changing position of culture, analysing shifts in understanding the role and position of culture in the broader EU agenda. Following short analysis of the changing European Union's discourse pertaining to culture and media sectors, authors analyse wider policy context of the Culture Sub-programme of the Creative Europe Programme adopted in 2013. The analysis approaches the subject from two main angles; firstly, reviewing the policy architecture of the Programme and its feasibility; and secondly, focusing on the terms of the stakeholders' agreements. Authors investigate whether the instrument is well adjusted to the current situation and

* Jaka Primorac, Research associate/Znanstvena suradnica, Department for Culture and Communication, Institute for Development and International Relations (IRMO), Zagreb, Croatia, Lj. F. Vukotinovića 2/II, 10000 Zagreb, Tel: 48 77460, Faks: 48 28 361, e-mail: jaka@irmo.hr

** Nina Obuljen Koržinek, Research associate/Znanstvena suradnica, Department for Culture and Communication, Institute for Development and International Relations (IRMO), Zagreb, Croatia, Lj. F. Vukotinovića 2/II, 10000 Zagreb, Tel: 48 77460, Faks: 48 28 361

*** Aleksandra Uzelac, Senior research associate/Viša znanstvena suradnica, Department for Culture and Communication, Institute for Development and International Relations (IRMO), Zagreb, Croatia, Lj. F. Vukotinovića 2/II, 10000 Zagreb, Tel: 48 77460, Faks: 48 28 361

how it responds to the needs of these sectors. By investigating the proposed and adopted instruments of the Programme, the authors show the trajectory of the 'competitiveness' discourse in the creation of the Programme and its' further strengthening in the most recent policies for the cultural sector.

Key words: cultural policy, public policy, European Union, cultural sector, Creative Europe Programme.

Introduction

During the last three decades, the orientation of the European Union (EU) towards cultural and media sectors has seen many changes in policy developments. In the early phases of the European integration process culture was only considered on a symbolic level as the addition of the element of identity and diversity to the emerging community (Niedobitek, 1997; Kaufmann and Raunig, 2002; Littoz-Monnet, 2007). With the principle of subsidiarity being a dominating concept, the Member States were not open to the idea of formal coordination of cultural policies (Niedobitek, 1997; Ellmeier and Rusky, 1998; Barnett, 2001; Romainville, 2015). In parallel with the adoption of the early resolutions and documents addressing different topics in the field of culture (Obuljen, 2006; Littoz-Monnet, 2007), the European Court started opening the first cases questioning different elements and provisions of national cultural policies that were considered not to be aligned with the provisions of European policies and regulations, in particular in the area of the free movement of people, goods and services, state aid or tax rules (Littoz-Monnet, 2007; Psychogiopoulou, 2008; Romainville, 2015). The Court decisions prompted "negative integration" processes as described by Psychogiopoulou (2008) which had profound impact on the dynamic of the development of the more explicit EU actions in the field of culture. What is today considered as the European policy towards culture has been developing gradually with influences and impetuses coming from many different players and stakeholders that have included initiatives, strategic documents, decisions and instruments with the explicit cultural aims promoted by e.g. the Parliament or the Commission, etc. One of the most important moments was the explicit inclusion of culture in the Treaty of the European Union in 1992. Equally important were the court cases and the developments and normative activities in other policy areas where the EU has either shared or exclusive competence (Littoz-Monnet, 2007; Psychogiopoulou, 2008; Donders, 2012; McMahon, 1995). Such instruments were not adopted with explicit cultural aim, but have, nevertheless, produced significant impact on cultural field whether positive or negative ones.

During the 1990ies the first instruments for the financing of culture at the EU level were adopted and the EU started using community programmes in order to promote cultural and media activities across and between its Member States; MEDIA programme for financing the audio-visual activities was established in 1991 and Kaléidoscope, Ariane and Raphaël programmes for financing of culture were established in 1996 and 1997. In the situation where the EU did not have articulated explicit or common cultural policy, these community programmes, which were later replaced by the Culture 2000 and Culture programme, followed the general directions of the EU strategic documents and contributed to the promotion of cultural cooperation across the EU. The situation with the MEDIA programme was different as the support for audio-visual sector was based on the provisions of the explicit media policy that had a legal basis in the adoption of the Directive on Television without Frontiers (TWFD) in 1989, which was replaced in 2008 with the new legal document - the Audiovisual Media Services Directive (AVMSD) (Donders, 2012; Littoz-Monnet, 2007).

After the adoption of the European Agenda for Culture in a Globalizing World (European Commission 2007), and the introduction of the Open Method of Coordination (OMC) for the field of culture, the EU made a significant step forward in creating circumstances for a better coordinated policy-making in the field of culture. In this context, the merger of the previously two separate Culture and MEDIA programmes and the development of the new Creative Europe Programme was presented as a possible step forward, not only in better management and coordination of the two previously separate programmes, but also as an important tool in fulfilling the Agenda's goals, including the goal on making 'culture a catalyst for creativity' in the framework of the Lisbon Strategy for Growth and Jobs. The expectation from the merger of the two programmes was that this would be accompanied by better coordinated initiatives and policies connecting cultural and media policies in the context of the broader EU policy agenda.

This article looks at the policy implications of the changing position of culture and analyses shifts in understanding the role and position of culture in the broader EU agenda. It provides a critical analysis of the Culture Sub-programme of the Creative Europe Programme that was adopted by the European Parliament and the Council in 2013 and investigates how it responded to the priorities and developments in the EU. The rationale of the research focus on the Culture Sub-programme lies in the fact that, unlike the MEDIA Sub-programme that has an explicit policy behind it, the background of the Culture Sub-programme lies in the implicit policies for the sector. By analysing the changing EU discourse pertaining to culture and media sectors, the article gives an outline of the wider policy context of the Programme, focusing in particular on the prevailing economic discourse. By reviewing the adopted policy architecture of the Programme and its' feasibility and by looking into the terms of the stakeholder agreement, we investigate whether the Programme is

well adjusted to the current situation in the sector, taking into account the new (digital) ecology on the one part and the continuous economic crisis and austerity measures on the other. In this line we are particularly interested in an obvious policy paradox: on the one hand the merger of the previously separated Culture and Media programmes into the new Creative Europe Programme promised better intertwining of the two and the introduction of the new 'more integrative' policy instruments; while on the other, only one year later after its' implementation, these two sectors were still more apart by being split between different Directorates General as organized within the new European Commission. Presently, the two sectors are separated in such a way that culture in its narrow sense has remained under the competence of the DG Education and Culture while media and audio-visual became part of the newly created DG Connect responsible for digital economy and society. This opens up the question whether the Creative Europe Programme offers innovative and/or creative approach to these sectors. Does it adequately respond to the expectations set by key stakeholders and does it indeed contribute to the more strategic policy approach in the fields of culture and media? The article critically assesses the implications of the current state of the Programme where the key goals of 'the integrated Creative Europe' might be lost to the prevailing economic instrumentalism at the conceptual level and confusing division of competences at the operational level that also contribute to the further instrumentalization of culture (Gray, 2007).

The article builds upon data gathered for previously published research that was undertaken by the authors of this article and the late Colin Mercer for the European Parliament in the summer of 2012 and that was published as the *Detailed Briefing Note on Culture Strand of the Creative Europe Programme* (Mercer et al., 2012). In this paper we are complementing this data with the additional desk research analysis on the available data and policy briefings on the Creative Europe Programme two years after the beginning of its' implementation in 2015 and early 2016. The research used policy analysis approach on the available commentaries on the Programme from both official sources and a wide range of stakeholders, including published results of consultation and follow up discussions with key actors in the field.

EU policies and support for cultural activities: From the pluralist discourse to the cultural and creative industries discourse

To be able to describe the context in which the Creative Europe Programme was conceived and adopted, it is important to understand the development of the EU involvement in the fields of culture and media in the past four decades. From the 'pluralist decade' that dominated the eighties and beginning of the nineties, the policy discourse moved towards the 'convergence decade' during the nineties and up

until the 2000, and furthermore towards the current state of affairs where the discourse on the cultural and creative industries predominates (Bustamente, 2012; Schlesinger, 2015, 2016). This is evident not only in the dealings of the European Commission (EC), but also in the work of the European Parliament (EP) and the Council, as well as through the rulings and decisions of the European Court of Justice (ECJ). This journey from the somewhat, as Bustamente (2012) notes, 'naive' days of the pluralism debate has moved towards the discourse that puts the economic side of culture to its primary focus. What contributed to this was the practice of both ECJ and EC since the seventies and up until now that questioned the alignment of cultural policies with economic goals of the EU (Littoz-Monnet, 2007; Psychogiopoulou, 2008; Romainville, 2015). To quote Sarikakis (2005: 169): '..."culture" is addressed mostly as an object of commercial value or as an antiquated site for visitors, but rarely as the realm where social relations are formed and maintained. The attempts to deal with the cultural dimensions of the EU still remain clumsy and blurred at the bottom list of the priorities list of the polity'. Notwithstanding the fact that cultural field has encountered many changes in the past decades and that there has been a growth of the cultural and creative industries in the EU, such change in the discursive orientation illustrates an important shift in defining policy priorities (Schlesinger, 2015). With the introduction of the Creative Europe Programme, the tensions that arise between cultural and economic objectives of cultural and media policies are furthermore highlighted (Erickson and Dewey, 2011). These tensions put into question the further elaboration of possible instruments on how to bring about the sustainable cultural development in Europe. Due to the subsidiarity principle, the EU Member States are the key stakeholders of this process. However, many Member States have limited budgets available and, in the times of crisis, when they are deciding on the budget cuts, in many cases the funding for culture happens to be the first in line. In the context of the continuous economic crisis and the fragile position that the cultural sector has in many Member States, this brings about the question whether there is a need for a more explicit EU cultural policy at this particular moment and whether it could contribute to the development of the cultural sector across Europe. The debates on the position and elaboration of the EU cultural policy are continuously present and the framework of such policy has been visible not only through the normative work of the European Parliament and the European Commission or the involvement of the ECJ, but also through a number of community programmes such as Culture and MEDIA that were elaborated further on in the Creative Europe Programme. In addition to these explicitly elaborated programmes, an existing implicit EU cultural policy is also visible through 'provisions from various common policies that have an impact on culture, including both policies that refer specifically to culture and those that have a more direct impact on culture' (Obuljen, 2006: 11).

Policy developments in the EU: towards the Creative Europe Programme

‘Creative Europe’ is the European Commission’s framework programme adopted in 2013 that joined the policy purview as well as resources of two previously separated programmes for ‘culture’ and ‘media’. The focus of the culture strand is on ‘capacity building’ and ‘transnational circulation’ where the main grant instruments apply to the cooperation projects, European networks, European platforms and literary translations, while the MEDIA strand focuses on an increase in resources for distribution, support for Europe-based international co-production funds, audience-building and market development measures (European Commission, 2011c: 8). The merger of the two distinct strands into the Creative Europe Programme envisaged also the creation of the Cross-sectoral Strand that should consist of two elements: the Financial Guarantee Facility and the part dedicated to transnational policy cooperation. The idea behind the Financial Guarantee Facility was to create an instrument that would contribute to improving the access to finance for cultural and creative SMEs and organisations by ensuring credit risk protection to financial intermediaries. This would be done through building portfolios of loans and by supporting the capacity and expertise building for correctly analysing the relevant risk for investment in cultural and creative SMEs and organisations. The second part of the proposed Cross-sectoral Strand included selected measures for the support of transnational policy cooperation via exchanges of experience between policy-makers and operators; new approaches to audience-building and business models; cultural and media literacy and data collection including membership to the European Audiovisual Observatory (Mercer et al., 2012: 16-17).

The Creative Europe Programme is directly linked with the implementation of the conclusions and recommendations of important European policy documents, in particular the ‘European Agenda on Culture in the Globalising World’ (European Commission, 2007) as well as with international documents and instruments which include the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions (UNESCO, 2005) which became part of the *acquis communautaire*. The Creative Europe Programme was elaborated in the context of the Europe 2020 strategy where, it should be stressed, culture is rather marginalized as the Strategy uses the word ‘cultural’ just once and the word ‘creative’ not at all (European Commission, 2010a). The foundations of the Programme lie in the adopted proposal of the Multi-Annual Financial Framework for the period 2014-2020 and also on the financial budget that is aimed at delivering the Europe 2020 strategy.

The wider policy context for the establishment of the Creative Europe Programme can also be linked to the developments of the EU-wide and global ‘creative econo-

my' debate. Before the introduction of the Creative Europe Programme, the impact of the 'creative economy' on the global level was measured by UNDP/UNCTAD in the first two global *Creative Economy* reports (UNDP/UNCTAD, 2008, 2010). On the European level the overall indicators were provided by the European Commission in its' 2006 commissioned study *The Economy of Culture in Europe* executed by KEA (2006), but also by a considerable number of the cultural and creative sector mapping projects at national, regional and local levels initiated by the Member States since 1997. These developments led to the creation and adoption of the 2010 Green Paper 'Unlocking the Potential of Cultural and Creative Industries' (European Commission, 2010b). A number of different policy elements bring significant implications for situating the Creative Europe Programme within the wider policy architecture of the Europe 2020 strategy and its budgetary backing. This includes, most notably, the digital agenda, the single market agenda, the cohesion and social inclusion agenda and the regional agenda. This indicates that the current and the future EU orientation will be primarily oriented towards economic priorities and competitiveness approach while it is not clear to which extent the cultural specificity and cultural aspects would be taken into account. As Erickson and Dewey's analysis of MEDIA 2007 programme shows: 'Using the MEDIA 2007 policymaking process as an example, we have demonstrated the tensions that arise when cultural and economic objectives seem to have gained a toehold in a thus-fat irreconcilable debate' (Erickson and Dewey, 2011: 505). This shows that the tensions resulted from the mainstreaming of culture across the field of EU policy-making are still present (Psychologiopoulou, 2008).

These trends have to be taken into account when examining the Creative Europe Programme which was announced at the time of its adoption as 'a simple, easily recognisable and accessible gateway for European cultural and creative professionals, regardless of their artistic discipline', with the aim to 'offer scope for international activities within and outside of the EU' (European Commission, 2011c: 2). The new single framework programme replaced the former three programmes – Culture, MEDIA and MEDIA Mundus. In response to the needs identified through independent research and public consultations that were held at the EU level and in some Member States a new Facility to improve access to finance for small and medium enterprises (SMEs), for microenterprises as well as for a number of not-for-profit organisations in the cultural and creative sector was introduced as a part of the Programme. The European Commission's argumentation for the single programme emphasised its orientation towards enabling 'synergies and cross-fertilisation across the different cultural and creative sectors' (European Commission, 2011c: 2). Although the Commission recognised that there were significant differences between the goals, priorities and management of the three previous programmes, it proposed the merger as a response to its most important argument: that these sectors, how-

ever different operationally, were facing very similar challenges as stressed in the Point (9) of the Proposal for the Regulation (European Commission, 2011a). These challenges include fragmented market, the need to adapt to the impact of the digital shift, lack of comparable data to assess technical impact and to design appropriate and responsive policies in the context of chronic difficulties in access to finance for the cultural and creative sectors (Mercer et al., 2012: 20).

The policy architecture of the Programme

The architecture of the Creative Europe Programme is organised through its' three constitutive elements – the Culture Sub-programme, the Media Sub-programme and the Cross-sectoral Strand. Therefore, in the new framework architecture the Culture and MEDIA Sub-programmes remain separate, while the third inter-sectoral strand is the only element that illustrates the proposed orientation towards more inclusive treatment of the cultural and creative sectors. The Cross-sectoral Strand, which was supposed to be the key innovation of the Programme consists of two parts: a Guarantee Financial Facility and the instruments for transnational policy cooperation. The total budget of the Creative Europe Programme (2014-2020) was designated to €1.46 billion. When the budget was presented in 2012, it represented a 37 % increase on the overall spending levels through the previous two programmes and this increase was warmly welcomed by the cultural sector in Europe. However, in the final version of the proposal the budget was cut down by 15 % indicating the lack of the vision among EU policy-makers for sustainable development of cultural and creative sectors. Even with the increase of the funding, the initially proposed Creative Europe Programme budget took up just 0.002 % of the proposed total EU budget as noted in the House of Lords-European Union Committee (2012). The distribution between the three strands shows that the Culture Sub-programme receives 30 % of funding, while the MEDIA Sub-programme and the Cross-sectoral Strand receive 55 % and 15 % respectively. Even the economic argumentation that was used in order to provide the bigger budget for cultural and creative sectors under the Creative Europe Programme was still not recognized on the EU level as an adequate argumentation for the 'investment' in this sector. Here we refer to the much cited data from a study done in the pre-recession period on how the 'CCS account for 4.5 % of the Union's GDP and employ some 3.8 % of its workforce' (European Commission 2011a, 9).

The need to balance economic and cultural objectives of laws and policies, as well as the multidimensionality of culture and cultural policies in the context of the EU policies and European law (Romainville, 2015: 31), represent the context for the assessment of the policy architecture of the Creative Europe Programme. At the

time of the adoption of the Creative Europe Programme, the key issues that concerned the cultural sector in regards to the merger of the culture and media strands were that not only it brings stronger conceptual shift towards ‘cultural and creative industries’, but also that it would mainly be oriented towards an ‘economic output’. This was attributed to the conceptual framework that was primarily driven by the results of the analysis of the media sector, which shifts the balance more towards economic rather than cultural objectives. Although the attempt of the Commission to reproduce some positive features and practices from the MEDIA Programme to the Creative Europe Programme can be useful for some stakeholders in the cultural sector that are oriented towards market, such orientation of the Programme is not adequate for a number of non-profit oriented operators that were traditionally financed by the Culture Programme. Furthermore, in the light of the severe budget cuts across Europe, it has to be taken into account that only a smaller number of operators have the capacity to apply for longer-term projects as it was very difficult to commit to ensure co-financing for a longer period (i.e. 5 years). Moreover, the discourse and criteria of the Creative Europe Programme takes only marginally into account the ‘experimental’ nature of a number of cultural projects, which led a number of cultural organizations to advocate for a special support scheme for ‘kick-off’ and ‘laboratorium’ projects on a pan-European level that would contribute more to the sustainable development of the cultural and creative sectors. This was only later reflected in the proposal for the Cross-sectoral Strand (European Commission, 2011a) that has very limited space for a larger impact, but there has not been the reflection of this in the instruments later announced as stated on the website of the Cross-sectoral Strand. Such orientation indicates the lack of understanding of the ecology of the cultural and creative sectors and of their interconnections with other sectors (Sacco, 2011).

A number of these issues have already been addressed during the adoption process of the Programme, and especially during the Danish presidency when the Council of Ministers introduced the new Article 5a which highlighted the recognition of the combined intrinsic and economic value of culture. As stated ‘Programme shall support actions and activities presenting a potential European added value in the field of culture and the cultural and creative sectors’ (Council of the European Union, 2012). The changes in the wording of the Article opened a possibility for the Commission to recognize the specificities of the cultural sector and address its’ interest and needs when developing the Programme Guide for the then elaborated ‘Culture Strand’. This reflected concerns voiced by the cultural sector that there has been too much focus on the ‘competitiveness’ as stated in the second general objective, while the diversity issues have been rather neglected as stated in the Article 4 (Council of the European Union, 2012: 3). In this line, it should be mentioned that there has also been a significant semantic shift in many documents, as the Commission uses the

term ‘consumers’ in preference to ‘audiences’ that became more accustomed term in the field of culture and audiovisual. However, the shift towards discourse on ‘audiences’ was a previous indication of the earlier described shift towards economic arguments and objectives in the field of culture (Bruell, 2013: 48) where citizens became neglected, and the consequent discursive shift towards ‘consumers’ shows the further orientation in this direction.

Thus, through the analysis of the documents and instruments elaborated in this article, one can notice the continuing orientation towards the competitiveness discourse that contributes to the somewhat contradictory goals of the Programme. Such a discourse has previously been addressed in a number of books and studies analysing European policies towards culture: the obvious prevalence of economic arguments in particular is evident in the context of the decisions and rulings of the European Court and national competition authorities (Sarikakis, 2007; Psychologiopoulou, 2008; Romainville, 2015). Sarikakis (2005: 167-168) expresses critique of such an approach rather explicitly: ‘Culture and media in European policy occupy the two ends of an ostensibly defiant relationship between motives: for the European Parliament, they become the watchdog of integration, for others and in particular the technocratic DGs of the Commission, an economic asset (Delgado-Moreira, 2000; Sarikakis, 2004).’ This is also in line with observations made by Breznik (2004: 50) in her analysis of the European audiovisual industries where she notes the existing delineation between the policies of the European Commission and the policies of the European Parliament. On the one hand selected EU public policies highlight the importance of strengthening large companies of European audiovisual industries in order that they become more influential not only on the European level, but what is more important - on the global level (i.e. the competitiveness discourse). On the other hand, the other set of EU public policies advocate the protection of small-scale creative industries in order to resist global audiovisual industries (i.e. protectionist discourse). However, what is not elaborated is the fact that a large part of these global audiovisual industries are European. According to data of the European Audiovisual Observatory (EAO) as presented in Dragomir and Emrich (2015), the twelve major audiovisual companies on the continent accumulate up to 62 % of the European market’s income. These companies show up in the 2014 ranking of the top 50 biggest world audiovisual groups, with one of them (British telecommunications company Sky) entering among the top ten of the largest audiovisual groups in the world. Putting focus on the protection from the ‘external’ threats creates such rhetoric that is oriented towards the development of policy that is ‘based on largely ignoring internal processes of media and cultural domination, which indicates that the ideas and pragmatics driving the advocating work of the institution do not pose an irreversible threat to the interests of ‘domestic’ capital’ (Sarikakis, 2005: 169), which represents the major ‘blind spot’ in the work of the European Parliament.

Innovative elements of the Programme?

The introduction of the Cross-sectoral Strand with its two instruments: a Financial Guarantee Facility - the new financial instrument, and the actions towards the transnational policy cooperation represented the most significant innovation in comparison to the previous programmes. When looking at the Commission's proposal for the establishment of the Creative Europe Programme, the framework of the functioning of the Facility was rather vague. In the regulation of the programme (European Parliament and the Council 2013), some of these problems were resolved, but the operational and technical issues are still presented together with the rather uncertain estimations of their future implications for all the stakeholders of the sector. The new Financial Guarantee Facility (launched in 2016 but still not in full function) was introduced following a concern expressed by many operators from cultural and creative sectors in their ability to access finance that is still present (European Union, 2016). This has been a common challenge for both microenterprises and SMEs in general, but the situation is significantly more difficult for small cultural and creative companies (European Commission 2011b, 19-20). This has been shown by the data of the Impact Assessment for the CCS financial instrument that estimated a funding gap for these SMEs of some €2.8 to 4.8 billion (European Commission, 2011b: 129). The obstacle for these operators is the perception that the cultural and creative sector is a high-risk sector that is not interesting for investment. However, the Impact Assessment data showed that the cultural and creative sector shows high levels of productivity and profitability: 'As a general rule, a profit margin of 5 % up to 10 % is considered as an indication of a healthy level of profitability for service industries similar to those included in the CCS. The average European level of 9 % is therefore a sign of highly satisfactory profitability existing in the cultural and creative sector across Europe' (European Commission, 2011b: 128). This problem is more present in some Member States than in others as there is an uneven development in relevant expertise and sensitivity of financial institutions, with good practices to be found only in a very limited number of countries. As stated '[...] one of the weaknesses of the national schemes with regards to access to financing is, with the exception of France, Germany, Spain and maybe the UK, the lack of institutions specialised in the cultural and creative sectors' (European Commission, 2011b: 136). This concern has been further expressed by the cultural and creative sectors on the European level and has been also elaborated in the OMC working groups work (European Union, 2016).

Although the necessity of the better access to finance for the cultural and creative sectors is indisputable, this instrument raised a number of issues for the actors of cultural and creative sectors. In one of the first draft versions of the Programme, one could decipher structural inequalities according to the type of organization that

would be able to successfully apply to the Facility. Although in principle all the companies and organisations that respond to the EU definition of SMEs are eligible to apply to the Facility, it can be presupposed that the market-oriented SMEs (and hereby it is primarily meant the commercial creative industries that include the audio-visual sector) will more likely fulfil the goals and persuade banks of their capacity to return the loan. The conceptualisation of the Guarantee Financial Facility does not seem to take into account the whole 'ecology' of the cultural and creative sectors considering the necessity for all the stakeholders to be involved in order that the sectors could be developed in an adequate manner.

On current settings, this Facility would be more attuned towards bigger players in the cultural and creative sectors, while the microenterprises that in reality represent the majority of the operators (KEA, 2006: 99) may not receive the equal treatment and attention. This is especially important in its implications for the Culture Sub-programme where various types of stakeholders in culture are involved, including the ones who are operating in 'not-for-profit' and/or 'non-profit' mode. Furthermore, the issue of geographical balance also comes into focus as some of the strongest players in cultural and creative sectors tend to come from the larger countries of Europe – e.g. UK, Germany, France, Italy and Spain that 'account for almost three quarters of the economy of the cultural and creative sector in Europe' (KEA, 2006: 66). Nevertheless, the size of a country cannot be taken as a normative basis for this as there are some smaller countries in the EU and EEA with positive results in the cultural and creative sector SMEs—e.g. Estonia, Latvia, Lithuania and Austria. Therefore, the proposed financial instrument model puts stress on the 'competitiveness' while the issue of 'diversity' and of transnational cooperation is rather neglected, thus again demonstrating the dominance of the competitiveness discourse.

In addition, 'the selection criteria and control mechanisms in the Facility have not been elaborated for the longer term period, thus making the level of EU involvement not entirely transparent and its implications for the EU budget unclear' (Mercer et al., 2012: 26). It was also evident that the nature and terms of the involvement of the European Investment Fund (part of the European Investment Bank Group) were not sufficiently explained and that the Facility rested partly on drawing the attention of national and regional stakeholders to the potential of new forms of private investment in the cultural sector (*ibid*, 27). Concerns expressed prior to the adoption of the Creative Europe Programme and the establishment of the Facility (Mercer et al., 2012) have been confirmed, as the Financial Facility although launched in 2016 has still not started operating fully.

The move to create a strand that has a cross-sectoral remit and a transversal orientation is important as it offers possibilities of a joined up approach to the cultural and creative sectors and it offers possible synergies with other EU frameworks and programmes. However, as the Cross-sectoral Strand is supposed to cover a number of

tasks within an already set large financial remit for the Financial Facility, one should consider the feasibility of the tasks set out for the transnational policy cooperation as the part of the Strand. The allocated financial input for all the goals that are set out in the regulation seems rather limited, taking into account the scope of the work to be done¹. The question remains why this instrument was not given more of a financial remit when it is explicitly highlighted as an important policy measure for the sector as a whole. It is difficult to comprehend why the most innovative element of the Programme, and the only truly transversal one, covering both sectors of culture and media, was not prepared in such a way that the beginning of its implementation could start in parallel with the beginning of the implementation of the other two strands (Culture and MEDIA Sub-programmes).

Conclusion. Policy paradox or policy *cul de sac*?

The Creative Europe Programme is based on multi-level dialogue and partnership and was inspired by a number of proposals received during public consultations and hearings that included both the non-governmental organisations (European networks, cultural institutions, professional organisations, foundations, etc.) and Member States through the Open Method of Coordination (OMC) process (Mercer et al., 2012). However, regardless of this inclusive methodology and a long process of negotiation, a significant number of representatives of cultural and creative sectors expressed concerns that the Commission did not take some of their important points into account while creating the final Creative Europe Programme proposal.

One of the key reasons for the merger of the previously two separate programmes and the establishment of the Creative Europe Programme was the need to take into account both cultural and economic aspects of cultural and creative sectors. The creation of the Programme responded also to the need to recognize the increasingly important role that the cultural and creative industries are playing on the global level. The aim was also to promote the access of the cultural and creative sectors to other funding schemes of the Union, in particular Structural Funds (with special emphasis on the European Social Fund) and Competitiveness and Innovation Programmes, coupled with the newly introduced Financial Facility (Mercer et al., 2012: 41). The merger of the two previously separate programmes and the introduction of the Cross-sectoral Strand, and in particular the Financial Guarantee Facility, has also been recognized as important and relevant from the point of view of policy coordination and the expected synergies resulting from the Programme. However, with the Programme running for over two years now, it can be noticed that not only is the Financial Guarantee Facility still non-functional, but there is a lack of then announced synergy of joining two strands in one programme; what is more, they are even more apart than before.

In this context, other interacting factors that are more of a policy nature also have to be taken into account: the re-definition of cultural and media policies at the European level, the fact that culture and media policies have been placed under the same Directorate General until 2005 when the DG Information Society has been expanded to include media policy. In 2012 the DG for Information Society and Media was replaced by the new DG Connect which since 2014 has placed its' focus primarily on the new Digital Single Market strategy focusing on economic aspects and benefits of the strategy. In parallel with these developments, at the level of the implementation of the EU programmes, in 2006 the Commission established the Education, Audiovisual and Culture Executive Agency (EACEA), which remains responsible for the merged Creative Europe Programme.

While this might seem as a technical or administrative question, it is in fact linked with the shift that was supposed to happen with the introduction of the Creative Europe Programme and the promotion of integrated approach towards all parts of culture and creative sectors. As it has been described in this article, many studies, strategies and policy papers that were also used as a basis for the elaboration and adoption of the Creative Europe Programme promoted the idea of better coordination of culture and media policies and initiatives in the context of the development and support for the creative economy with the need to take equally into account the cultural and economic aspects of the sector. In the meantime both cultural and media sectors are losing their visibility within the portfolios of their new DGs.

As this article focused primarily on the analysis of the Culture Sub-Programme of the Creative Europe Programme, it is valid to reflect on the current remit of the DG Education and Culture in the context of the declaratory shift towards more inclusive approach to the culture and creative sectors such as it has been proclaimed by the Creative Europe Programme. In reality, the definition of the explicit European intervention in the field of culture still remains within the scope of intervention of the DG Education and Culture. Given the fact that media policies remain under the competence of the DG Connect, the DG Education and Culture remains responsible for those areas of culture belonging to the traditional, rather narrow understanding of the sector such as it has been defined in the Article 167 of the Treaty and confirmed with the definition used in the Agenda on Culture in Globalizing World. While in majority of Member States culture and media sectors are managed by the same ministry, at the EU level, regardless of the creation of the Creative Europe Programme, there seems to be no intention to ensure coherence in policy-making by putting both sectors under the same Directorate General. In the context of the earlier discussions about the cultural and economic aspects of culture and media sectors, the policy approach seems to look primarily at the economic aspects when dealing with media policies and cultural aspects in the case of the narrow cultural sector that remains under the competence of the DG Education and Culture.

Although it is still too early to see whether all of the aims of the Programme will be achieved, and here we primarily address the issue of the Financial Guarantee Facility and the transversal issues that are still to be addressed, what is evident is that the merger showed to be another occasion to push furthermore the competitiveness discourse in the cultural sector. The merger of two strands that was supposed to bring more synergies to the sector has not delivered fully its' promises: the announced innovative elements of the Programme such as the Financial Guarantee Facility have not yet been fully operational, while the present separation of the strands (augmented by the separation of the DGs) also contributes to the de-synergizing and widening the gap between cultural and media sectors. It is still to be seen whether the 'creativity' in the Creative Europe Programme will come about during the year of the implementation of the Financial Guarantee Facility, but for the time being it mirrors overall atmosphere of the Europe 2020 Strategy that uses the word 'cultural' just once and the word 'creative' not at all.

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We would like to dedicate this paper to our dear colleague and friend late professor Colin Mercer.

NOTES

- ¹ If we take the data from the proposal (European Commission, 2011a) it amounts that there is approx. €59 million left for the transnational policy cooperation part of the Cross-sectoral Strand. If we take into account that there will be fixed costs for the contribution fee for the Union membership of the European Audiovisual Observatory and fixed costs for co-financing of Creative Europe Desks, this means that there is very limited funding left for achieving the very goals set under Article 8 of the Proposal for Regulation (Mercer et al., 2012: 28).

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Položaj i uloga kulture u Agendi EU.

***Policy* implikacije potprograma Kultura u programu Kreativna Europa**

Jaka Primorac
Nina Obuljen Koržinek
Aleksandra Uzelac

SAŽETAK

Na temelju kritičke analize potprograma Kultura programa Kreativna Europa usvojenog 2013. godine, u članku se razmatraju *policy* implikacije položaja kulture, i analiziraju promjene u razumijevanju uloge i položaja kulture u široj političkoj agendi Europske unije. Nakon kratke analize promjenjivog diskursa Europske unije koji se odnosi na sektor kulture i medija, autorice analiziraju širi politički kontekst programa Kreativna Europa. Tema se analizira razmatrajući političku arhitekturu programa Kreativna Europa i njegovu izvedivost, dajući naglasak na uvjete ugovora s dionicima. Autorice istražuju je li instrument prilagođen trenutnoj situaciji i kako odgovara na potrebe sektora. Istraživanjem predloženih i usvojenih instrumenata programa Kreativna Europa, autorice pokazuju putanju diskursa „konkurentnosti“ u stvaranju programa i njegovo dodatno jačanje u najnovijim politikama za kulturni sektor.

Ključne riječi: kulturna politika, javna politika, Europska unija, kulturni sektor, program Kreativna Europa.