

Comments to the Green Paper

(Unlocking the potential of cultural and creative industries)

By Péter Inkei, The Budapest Observatory

There are fundamental problems about the Green Paper. The cause: mainstreaming culture-related economic branches, is vital indeed. Caring for the creative sector is a specific European response to the crisis, which can help to keep, regain or strengthen positions on the global economic arena. Yet this action seems to have mistaken its target.

The title – Unlocking the potential of cultural and creative industries – and most of the text and questions of the Green Paper suggest that it treats a major European issue, central to the economic policy making of the Union. On the other hand, if one checks the sites that report about these (the economic policies of the EU¹), one finds practically no reference to the creative sector, and absolutely none to the Green Paper. The only web page where the issue is being discussed, is DG EAC. The campaign seems to take place **in isolation from its natural environment**, the breeding grounds of economic policies.

The phenomenon is not unfamiliar at national and local levels either. Culture is often praised in words but left out of serious business. The cultural sector is allowed, maybe even encouraged, to find some occupation for itself, which will be politely acknowledged in the end. The description that the Green Paper gives about the policy context fails to convince about the opposite. There is little proof that the issue is embedded into the mainstream of EU economic policy-making – or about realistic chances for it. Ironically, however, the language used, and the competences required to answer or understand the questions, are those of economic planners.

With regard to the content, the greatest shortcoming is the lack of strict definitions. **There is a decisive difference between the cultural and creative industries.** The first – cultural industries – are part of the culture sector, for which cultural administrations bear primary public responsibility. Publishing, film industry, festivals, art trade, and so on are covered by cultural policies: specific legislation, eventual development concepts and strategies are primarily under the charge of culture ministers. Mainstreaming these industries is a traditional obligation of the cultural administration: to identify their economic, employment, taxation, foreign trade and other potentials, and on that basis to fight for better recognition, and possibly more resources for these branches.

The **delineation of culture industries** inside the culture sector nevertheless is and must be flexible. Rigid separation into for-profit industries and non-profit culture entails harmful implications: simplified, one track expectations vis-à-vis both areas. No cultural area can be fully labelled one or the other, industry or “non-industry”, just think of most theatres, publishing houses or even museums.

Therefore, even if we follow general usage and speak about culture industries, we should keep in mind that although the economic potential in culture is concentrated in those sub-sectors, it would be a mistake to oversee this potential in the rest of culture. In fact, **the “non-industrial” domains of culture play important role in boosting growth and competitiveness** in at least three forms:

¹ Web pages with titles like Industrial policy, Cross-cutting policies, Economic crisis, Impact assessment of new initiatives, Industrial competitiveness, Small and Medium-sized enterprises, Entrepreneurship and Innovation Programme, Competitiveness and Innovation Framework Programme, Support for innovation, Sustainable Development.

1. Although in a less condensed manner, most of the “non-industrial” cultural activities and operations (libraries, theatres etc.) also have economic aspects: jobs, taxes etc.
2. Culture is a primordial factor in shaping the human and social conditions of economic success².
3. And most importantly, the level of creativity, the competitiveness of the creative sectors correlates with the cultural activeness and level of the population.

It is this latter issue that should dominate the cross-references between culture and the creative sectors. If we know the transfer mechanisms by which culture boosts creativity, those mechanisms must receive eminent policy attention. If we don't know them sufficiently, relevant search must be intensified.

Cultural education is clearly key with regard to the second and third items.

Turning to the other half of the compound in the title, the Green Paper usually uses the **creative sectors** in plural. By this the paper wisely avoids the trap of talking about a sector that indeed exists virtually, but is absent from the official taxonomies. Just check any list of industrial or economic sectors on the website of the Commission or elsewhere. Certainly, there are sectors (or sub-sectors, areas) which are characterised by a high degree of creative, even cultural component. These we can cluster and call as the creative sector(s) of the economy without aspiring for a new heading in the usual structures.

Flexibility is in place in this case, too. Some industries are permeated by creative content to such a degree that they can indeed be labelled creative: advertising, media etc. On the other hand, most of the creative jobs are dispersed in the units for development, research, design, marketing etc. in various other sectors³.

Coming back on definitions and delineations, the Green Paper fails to clearly state that the creative industries (sectors) do not belong to the “jurisdiction” of DG EAC, or to that of the culture administrations in the field, and thus the assigned or self chosen mandate in their regard is blurred. So is the mandate of the primary interviewees for comments, the cultural community, with regard to the majority of the questions. “How to stimulate private investment and improve the creative industry's access to finance?” – you're asking ME how to finance architects, fashion designers, computer graphicicians, stylists, website editors etc?

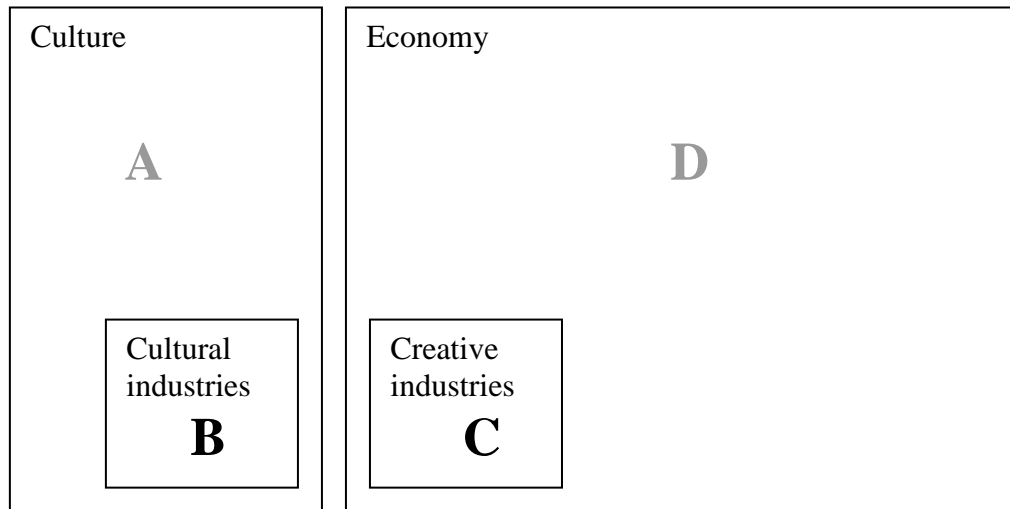
Emphasising the potential contribution of culture to the aims set by the Europe 2020 strategy should not fade the **fundamental common goals** with regard to culture. “The Community shall contribute to the flowering of the cultures of the Member States...”. The endeavours embodied in the Green Paper supposedly aim also – at least partly – at achieving better conditions for the flowering of cultures. Even with the economic impact in focus, the importance and legitimacy of the other features and missions of culture need to be kept in mind. The latest Competitiveness Council meeting underlined the role of culture – alongside with competitiveness and growth – also in the quality of life of citizens⁴. This balance is missing from the Green Paper: a reminder, a signal and a warning that the other, “non-industrial” domains of culture are also important for the Community.

² See for example references to human capital and social cohesion in: Council conclusions on the contribution of culture to local and regional development, 3013th Education, Youth and Culture Council meeting, Brussels, 10 May 2010.

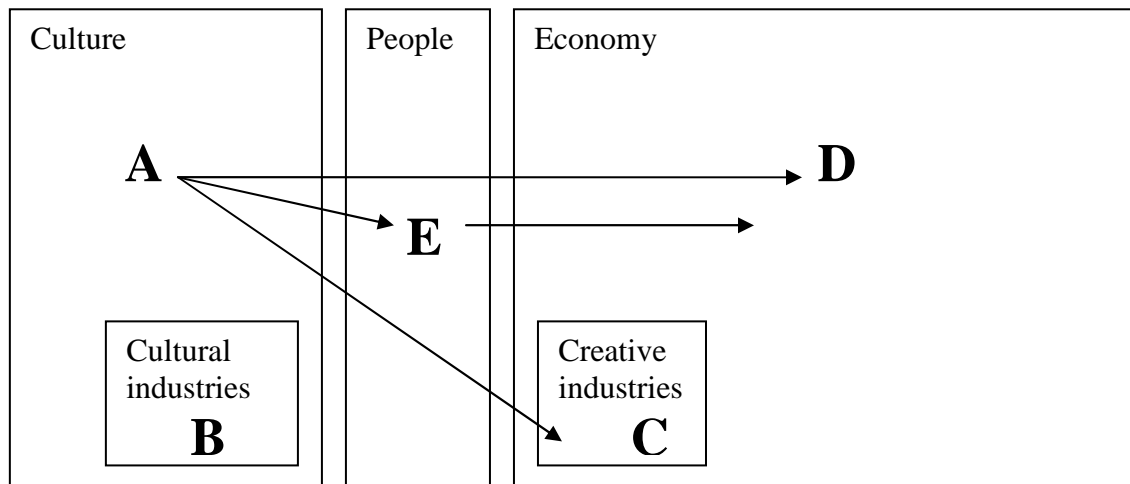
³ Relying on the intellectual property rights is one fairly objective way of identifying the „creative sector”, but it is cross-cutting sectors even more than the other classification attempts.

⁴ Conclusions on Creating an innovative Europe, 3016th Competitiveness Council meeting, Brussels, 26 May 2010. Considers... II.5. “Non-technological innovation, including design, innovation in services as well as culture-based creativity, is an important tool for competitiveness, growth and quality of life for citizens.”

The essence of what has been said can be illustrated by a drawing. The actual Green Paper concentrates on B and C, has very little to say about A.



We argue for a more exhaustive and dynamic approach to **unlock the economic potential of culture**:



B The most obvious task is certainly to further unlock the economic potential possessed by the cultural industries in Europe.

C Wondering about the general conditions of the creative industries is really justified only in close co-operation with economic policy-makers.

A → C For the future, an eminently important question is to identify the mechanisms and measures through which culture can contribute to turning creativity into an even more powerful engine in the European economy.

A → D The direct economic importance of “non-industry”, “non-profit” culture is no doubt much less than the previous issues. Still, total neglect would be an error.

A → E → D Culture’s role in caring for human and social capital should be acknowledged as a major factor in European competitiveness and growth.