BIGGER... BETTER... BEAUTIFUL?

Conference on the impact of EU enlargement on cultural opportunities across Europe

Budapest, 14-17 February, 2002

REPORT ON THE SESSIONS

PLENARY 1
THE CULTURAL LANDSCAPE IN TODAY'S EUROPE

CHAIR: **MIKLÓS MARSCHALL**, Transparency International, Berlin

SPEAKERS: **FERENC MISZLIVETZ**, Institute of Sociology, Budapest / **VERA BOLTHO**, Head of Cultural Policy And Action Department, Council of Europe / **KIRILL RAZLOGOV**, Director, Russian Institute for Cultural Research, Moscow

A sarcastic Eurocrat put the dilemma of enlargement this way: "We (the EU) pretend as if we would enlarge, you pretend as if you would be ready". Miszlivetz expressed concern that the relationship between the nation-states and the transnational institutions in the New Europe is still unclear. One of the most vulnerable points of the EU is that its institutions lack sufficient transparency and democratic legitimacy. The fact that an important part of the European continent is still excluded from the EU and that there are great discrepancies between official declarations and everyday practice vis-à-vis Eastern enlargement does not help in overcoming this lack of democratic legitimacy. The central question is how can trust in democratic institutions be created in the newly democratising countries of East-Central Europe? How do we change some negative perceptions such as exclusive nationalisms and xenophobia, which still exist within the European nations? According to Miszlivetz, culture is the hope. It contains all encompassing meaning but it needs new institutions and networks that will truly symbolise the new European cultural belonging.

Kirill Razlogov argued that the real unifying force between nations is popular culture, not high culture. This popular culture is not European but rather the world's culture. People embrace this culture almost everywhere in the world and it becomes trans-national mass culture. Another issue raised by Razlogov is the fact that there is no more money in the West or real creativity in the East to overcome existing gaps. But he believes that there are misunderstandings not only in relations between East and West but also within the current members of the EU. European citizens have to realise that other cultures are not "out there" but that they are within each and every member country of the EU itself. The only future for Europe is to overcome old clichés and to re-think and re-assess the European culture as a culture ready to recognise, tolerate and embrace all diversities that exist within.

Vera Boltho identified two major players dealing with culture, the Council of Europe and the European Union. The Council of Europe is 50 years old and has 50 members representing almost all of Europe. It's main objective has always been to bring the countries closer. In terms of policy, the Council of Europe was not promoting European cultural policy, but has always been creating and opening space for dialogue, thus contributing to the promotion of common European identity. The European Union is very different and its policy is strongly dominated by the principle of subsidiarity. Still the objectives are similar and both the EU and the Council of Europe have been moving in the same direction where one of the key issues is the relation between the preservation of the identity of the European continent vis-à-vis globalization. Boltho believes that it is not necessary to have a cultural policy as such, but that there should be a space for the promotion of new policies (especially around the core cultural industries such as cinema or media as well as policies aimed at the promotion of medium and small-size enterprises in the field of culture). However, it is important to bear in mind that it does not make sense to promote cultural cooperation if it does not embrace the totality of the European culture.

DISCUSSION

Irina Boulin-Ghica disagreed with Mr. Razlogov's point that there was no money in the West or creativity in the East, and argued that four countries belonging to the G7 were members of the European Union. As for Mr. Razlogov's concern regarding the dominance of popular culture, Ms Boulin-Ghica expressed her belief that the driving forces are no longer high or popular culture, but rather education and political will.

In response to Ms Boulin-Ghica's intervention, Kirill Razlogov agreed that there was money, but expressed his concern that very little is being spent on culture. Ms Boltho did not share his pessimism and stated that, in her perception, in terms of policy the most important goal is to have diversified culture. She believes that, in a way, the demand is also created by what is on offer and this is where she sees the intervention of cultural policy, to support what is on offer in order to help create the demand. Mr. Miszlivetz noted that we still have this perception of Europe as being white, Christian, democratic, successful and prosperous. He believes that rising GDP and living standard will eventually lead to the development of so-called "higher culture". He supports this concept that the "demand" for higher culture or culture in general is a process dependant on many factors and that this can be promoted from outside.

WORKSHOP SESSIONS

1A – THE ARTS

CHAIR: **GYÖRGY SZABÓ**, Director of Trafó, Budapest / SPEAKER: **MIK FLOOD**, Deputy Director, Euclid, London

György Szabó pointed out that "The Arts" is a very broad notion. He noted out that initially the conference organisers had planned separate sessions on visual arts and performing arts but that, as often happens, the arts was packed together in one session making the task at hand more difficult.

Mik Flood began his presentation noting there were three points to remember.
- First, the question of accession is interesting but it is not something that will happen overnight. Accession will happen at different times. 2004 will incorporate some countries but not all of them and accession will be a gradual process.
- Second, the definition of "culture" is a problem – as this word means different things at different times. For example, in some places it refers to "culture and the arts" and in others it includes "culture, commerce and industry, etc.".
- Third, the arts are marginalised if compared to other areas of culture such as the audio-visual industries or cultural heritage.

EU countries can be categorised as having:
1. generally a high level of cultural output
2. relatively high but reducing levels of state funding
3. "mainstream art" as the priority
4. high production, labour and transport costs
5. few available resources for research and development
6. some potential for alternative sources of finance (i.e. sponsorship, televising, lotteries etc..)

In contrast, accession countries can be categorised as having:
1. generally low levels of cultural output (meaning the quantity of output – not the quality of the output)
2. low and reducing levels of state funding
3. elements of former state cultural apparatus still in place – draining funds
4. resistance to change
5. economic conditions not yet ready to permit more entrepreneurial approaches
6. few alternative sources of funding
7. restrictions on mobility in some countries

There are some exceptions to these – for example, the exceptional investment in contemporary art being made in Slovenia and Croatia, but on the whole or as a general overview these factors are accurate. The Schengen agreement was supposed to make mobility easier but this hasn't helped with the accession countries – in fact with regard to East-East collaborations it was easier in communist times to move across borders.

Regarding the arts and the European Union, historically the responsibility for culture rests with the member states – and this has been reiterated in the principle of "subsidiarity". The Kaleidoscope / Culture 2000 programmes were "emblematic" programmes and not strategic. The arts are vastly under-resourced especially if compared with other aspects of culture i.e. heritage or the audio-visual field. There are no special opportunities for accession countries within Culture 2000. Other programmes have special support systems for accession countries but not Culture 2000. The implications of all this for the arts are as follows:

1. mobility of cultural products favours those produced by large institutions where economies of scale operate – i.e. big companies with big sponsorship potential.
2. the result of this first point is that there is a resulting disincentive for new creation.
3. the independent sector is marginalised.
4. the potential for dialogue, networking and collaborations are reduced.
5. a European mono-culture (globalisation) is favoured in these conditions i.e. the same big exhibitions touring different cities.

There needs to be a vision which encompasses:
1. A statement of strategic objectives
2. A programme to support mobility
3. A programme to support research and development
4. Targeted production funding for accession countries
5. An ending to Commission conceived "emblematic" cultural projects. He called for them to stop thinking of doing projects themselves - because they don't do it well !

DISCUSSION

Mary Ann DeVlieg pointed out that Ministries of Culture are insisting on programmes that we would be ashamed of and so she would shift the emphasis (in the last point 5 above) from the Commission to our own ministries. We must therefore lobby our own representatives at home to stop these Commission-led emblematic projects.

Godfrey Brand raised the point that some good initiatives have had no follow through – he cited a case where, after much research, artists were brought together and then nothing happened. All those efforts to bring these people together were later lost. He felt there was a need to provide a platform for links to be built and developed amongst artists from different countries.

Jolyon Laycock added that we should be supporting popular culture as this is the real culture. It was often grass-roots / indigenous culture versus commercialised culture. He said he didn't fear a European monoculture but rather commercialised culture.

Naima Balić pointed out that central and eastern Europe have an incredibly rich culture but the problem is with dissemination and marketing. Legislation for culture seems to revolve around audio-visual issues and intellectual property rights. The rest, she pointed out, is left to member countries (with the exception of legislation on cultural goods). She also pointed out that with integration of new countries into the European Union, those countries that are left out will face new problems.

Ion Caramitru added some points to the "vision statement" :
• we should target production within accession countries to counter-act the increase in visiting western arts.
• we should also create companies of young people to work together on joint projects
• It is time to work together on our continent – our identity – the new Europe working against the monster America.

Mik asked for visionary political action despite the fact that culture does not have a high profile. He wondered if the problem is that culture does not have voter appeal.

Paul Kelly added that we must not assume that the western countries of Europe have got models for supporting culture right. Central and eastern Europe should not be allowed to follow the example of western European models for arts support. New models for arts support are needed and these new models should not be about structures but about values and processes.

Dragan Klaić added that we should have a vision for after 2004. What do we want to succeed the Culture 2000 programme? Who will define the strategic objectives of the next programme? The cultural field must start lobbying now for the criteria that will set the future objectives for the future programme. Dragan supported the call for mobility support – both for artists and for arts objects. Money should not be given to state prestigious or emblematic projects that could find other sources of funding. The proposal for a research and development programme is good and this could be divided into various sub-sections:

- a need for information flow and access
- a need for research and links with academia
- a space for reflection and debate in Europe, i.e. within this - support for existing networks because they build links, provide inspiration and they will help avoid making the same mistakes twice.

Dragan felt it would be difficult to get the EU to give up their emblematic projects. Finally, there was a need for specific support to speed up accession countries' arts production – but he said that this needs to come from the cultural operators themselves.

Corina Şuteu asked us to note the increasing tendency in accession countries to centralise culture in the cities with the result that provincial areas are becoming poorer. Little in the way of strategic thinking has ever taken place in accession countries because of the frequency of successive governments coming to power which left no room for long term planning.

Claude Véron added that if language diversity is important then translation programmes are crucial and should be structurally funded – he asked if this could be added to the vision statement.

Miklós Marschall intervened that he could see some positive effects of globalisation, as he felt that the public was becoming more interested in diversity. There was the case of a marginalised Hungarian writer called Sándor Márai whose work has recently become famous in several countries thanks to the marketing and distribution tools of the commercialised publishing sector. There is therefore also a positive side to globalisation which is to do with exchange and more access to unusual or less known artists. We should not trash globalisation and commercialisation too easily. The state could have poured money into promoting Márai but it would never have had the same effect as the commercial companies – who do it better.

Perhaps we were also too obsessed with lobbying governments when their power in culture is in fact diminishing. There are exciting things happening in urban policy and urban development policies would be much more important in the future. We should talk to a matrix of policy-makers. Finally, we should pay attention to more mundane issues such as labour conditions. There is concern about the artistic drain when the accession countries are integrated in Europe. As an example, the Hungarian Symphonic Orchestra currently holds the best Hungarian musicians, but when the European Union opens up, it is likely there will be an exodus when they see that they can earn ten times the salary in a western country. Perhaps a practical solution would be a fund to top up wages/salaries.

Ugo Bacchella noted the importance of civil society and "joined up" civil society action.

Luba Blaškovičova added that a fund was needed to support companies that are participating in culture 2000 programmes or the like because they could not co-operate if they are not sustainable for the duration of the project.

1B – MEDIA AND CINEMA

CHAIR: **IRINA BOULIN-GHICA**, Head of European and International Affairs Department of the Prime Minister's Office, Paris, France / SPEAKER: **WOLFGANG CLOSS**, Audiovisual Observatory, Strasbourg

Ms Boulin-Ghica highlighted three main challenges for the future of Europe:
1. Integrated internal market – culture should not be forgotten because it is on culture that we build our values and it is a pity that Europe started with coal and steel and not with culture
2. Enlargement – culture is even more important in this attempt to re-unify a continent that was divided. The fact is that there are many peoples in Europe but that there is still such thing as one European identity. Though we are diverse we share something common from the history. The cultural diversity is one of the main and fundamental values of democracy.
3. Globalization – it has both positive and negative aspects. It creates interesting markets but should not represent the death of cultural diversity. This is particularly sensitive issue in the field of media or audio-visual.

Culture stands for identity, it comes before the act of creation, it transports values and identity. Eventually culture becomes something that has economic value but it never becomes just a product. The issue of cultural diversity has at least two aspects:
- cultural diversity as a goal / task
- cultural exception (a French initiative) which is not defensive and protective but rather represents a way for opening space for cultural products

Ms Boulin-Ghica spoke about the principle of unanimity confirmed at the Nice summit, which should guarantee the continuation of the policy of cultural exception. The question remains as to which steps should be taken in order to

integrate these concerns for the protection of diversity in the European Convention. One solution would be to add the whole chapter to the Treaty or include new provisions in article 151, which is at the moment based on subsidiarity. Another option is to open discussion on articles 86 and 87 dealing with the state aid.

Wolfgang Closs believes that the media should be discussed within the framework of cultural diversity. It is sometimes difficult to defend that issues related to the audio-visual sector should be discussed within the framework of culture. Mr. Closs presented the work of the European Audio-Visual Observatory. The European Commission itself is one of the 35 members of the Observatory. In today's Europe, there exists some 500 laws that regulate audio-visual sector (broadcasting, film, video and DVD, and new media) and that there are more than 250 different funding programs.

DISCUSSION

Rod Fisher spoke of the Ruffolo report and raised the concern on how secure this unanimity clause was in light of the fact that the WTO negotiations were not in the competence of culture ministers but of the ministers responsible for trade.

Vera Boltho mentioned Euroimages as an important institution because it includes both production and distribution. There is also the Convention on Co-production in Cinema, the Declaration on Cultural Diversity as well as other protective measures both within the Council of Europe and the European Union.

Ms Boulin-Ghica pointed out that there is a great difference between the treatment of goods under the GATT and services that fall under GATS.

Risto Kivelä highlighted that in this process of integration into the common market there are many implications for candidate countries to be aware of.

Kazimierz Krzysztofek highlighted that cultural diversity was fundamental for democracy and that it was directly linked with the issue of social cohesion. He questioned the principle of cultural exception in new media, especially interactive television.

Delia Mucica thought that special attention should be placed on linguistic issues in the distribution of cultural products (translations, dubbing, etc.). Another limiting factor aside from the possible lack of interest is related to costs and the fact that candidate countries are still not eligible for all EU funding programmes. Another issue to highlight was the position of independent producers.

At the end of the workshop an idea of introducing special supporting mechanisms for student films was presented by an UK representative. He argued that young people, at least in UK, are very diverse and that as a consequence, if properly supported, they will produce films which will reflect this diversity.

1C – CULTURAL HERITAGE

CHAIR: **GEOFFREY BROWN**, Director, Euclid, London / SPEAKER: **SANJIN DRAGOJEVIĆ**, Faculty of Political Science, Zagreb

Since 1983, a greater concern for culture has been shown within the EU at the time when the notion of the European citizen arises. Core values are identified which are part of the cultural identity: freedom, democracy, tolerance and solidarity are the basis for the preservation of cultural diversity in Europe. Three tendencies arose within the EU:
1. to be more and more inclusive of cultural matters, including the financing aspects;
2. in the form of an overall framework, to facilitate cultural issues within one programme – Culture 2000;
3. the importance of the digital issues of culture, and the interrelationship between e-culture and cultural heritage.

Some ten years ago, the EU used to bypass discussions on culture, particularly because of financial matters, but now the situation is changed. Culture 2000 sets priority areas, one of which is cultural heritage. An example in this area is the EU Prize for Cultural Heritage Preservation, which covers:
a) restoration of single buildings or the complex of buildings with the intention to use or re-use it giving it some other function, as for example in education;
b) preservation of landscape;
c) preservation of private artistic objects to be presented for general public;
d) preservation of archaeological sites;
e) researchers in the field of cultural heritage;
f) individuals or groups of people for their previous achievements in the field.

A number of research projects have been initiated in the field of cultural heritage, such as Save Art Projects, the Archaeo Project (focusing on climate changes) and projects concerning the seismic activities that can affect the cultural heritage. In the field of digital culture, a new initiative was born, the CULTIVATE programme, which connects e-culture and cultural heritage.

There exist other programmes in the fields of Education and Training (such as SOCRATES, TEMPUS, YOUTH); Information society (e-culture, Information Society for All, e-continent, etc.); Regional and Structural Policy (Regional Development Fund, European Social Fund); Research and Development Programmes (ESPRIT, Telematics Application, etc.); Cooperation with Third Countries (PHARE, TACIS, MEDA). There are also specific EU agreements concerning technology or science but also involving cultural heritage issues.

The basic questions are:
1. What is the interrelationship between human and political developments in Europe, when talking about minority groups, for example?
2. What is the role of cultural heritage in economic and social development? (Can digital culture raise employment in the field of cultural heritage?)
3. What is the role of public sector, private sector and NGOs in cultural heritage issues and enlargement?

Geoffrey Brown stated that we would all agree that cultural heritage was not in itself a controversial subject: heritage has to be preserved and therefore, it needs support. Since the EU is an economic engine, the question is how can heritage take advantage of opportunities that may not be specifically focused on heritage itself. Is it realistic for eastern European countries to consider the EU as a source for funding their cultural heritage?

Pavel Černoch suggested it is a question of perspective: while the material heritage may well get help from the EU, the issue is how EU cultural programmes can strengthen cultural identities. How can we make people feel more European through preserving their national identities ?

Karel Mulder asked about how to deal with financing in practice? It is easy to establish a programme like Culture 2000, but in practice it's difficult to lead a project to a successful conclusion due to a lack of co-financing. It can be very difficult to find sponsors. The Cultural Contact Points were mentioned as places where potential projects can get advice. Other options include finding other enthusiasts, benefactors, commercial sponsors, or support in kind. Funding from other sectors and trans-national partnerships were seen as a new trend since local or national support is often lacking. Jon Price (Northumbria University, Cultural Management Unit, Newcastle upon Tyne) expressed the fear that chasing the finance just makes things more Europeanised and does not help to preserve national identities.

Mr Mulder also noted that there are projects which do not fit easily in any of the above mentioned categories within the EU programmes. Where does one apply for a musicology project, for example ? EU cultural heritage categories are limited and do not cover many aspects of cultural heritage, such as immaterial, or intangible heritage. Therefore, there is still the issue of finding sponsors from elsewhere.

Katalin Wollák expressed her fear about the position of cultural heritage in the future Europe in the light of the regulations for protection of cultural goods. She wanted to hear the experiences of the countries who are already in the EU.

Peter Curman stressed that in the time of great changes, cultural heritage becomes very important. One can never claim to posses his/her own culture. Programmes of cooperation are needed more than ever and a wall in the area of culture should not be built around new countries. Culture should be allowed and preserved.

Sanjin Dragojević provided the Slovenian example: agencies have been created which help potential projects. These agencies advise those who have project ideas but don't know how to finalise the project. Investors give financial support to such agencies, which then support projects. It was suggested that this role might be given to CCPs, although some felt this may not be the best solution because they only focus on the Culture 2000 programme. Still, there may be a next stage…

PLENARY 2
CULTURE AND REFORMING OF EUROPEAN GOVERNANCE

CHAIR: **DRAGAN KLAIC,** President of EFAH, Amsterdam

SPEAKERS: **PAVEL ČERNOCH,** Jean Monnet Lecturer, Charles University, Prague / **MARY ANN DEVLIEG**, Director of IETM, Brussels / **RACHEL GUGLIELMO**, Project Director, Open Society Institute, Budapest

This is a very ambitious topic. How to make the complex process of European integration more manageable with respect to culture is a very difficult question. As opposed to the far-reaching promises about accession to the European Union, there may well be an institutional blockade instead. Much depends on how the upcoming Convention is going to work. Will civil society get a greater say in the institutional reform of the EU? How many new members will the EU take on? How will the structural funds be utilised in the regions, and to what extent will they be used for culture?

The EU is obsessed with the building up of EU identity, while among the candidate countries scepticism and even hostility characterises attitudes towards the idea of a united Europe. Therefore it is very important to draw attention to the inclusive and divisive capacities of culture even within the EU.

Pavel Černoch noted that the Europe we want is very different from the one that we have. The EU is about financing linked to a political process, and we have to handle this as an opportunity ahead of us. The EU will not do things for us, unless we are courageous enough and create initiatives. As physical borders are disappearing, an active cultural approach is needed. EU integration serves the purpose of changing mental attitudes. It exerts pressure on people to make them think in dimensions in which they have not thought before. A very basic example for this is a pressure for people to learn English.

But how can this all be relevant for culture? Culture is what binds Europe into this common space. However, what we see in our shared history is that culture was used to serve national interests and to turn nations against one another. A united Europe should be the guarantee that this will not happen again. It is noted that culture can go where politics and the economy cannot enter. The EU is able to impact beyond its borders, and culture is the only means of overcoming the notion of "fortress Europe". We have to work on ways in which Europe can enter our lives. We do not have to reinvent the wheel, but we do need to be brave and experiment. To start with, two languages should be mandatory in all accession countries, and priority should be given to mobility above all other things.

Mary Ann DeVlieg, admitted to providing a "subjective and unscientific" speech to outline reforms necessary in the EU:
- The EU should set up a commission to monitor the language and words used when speaking about the integration process. Some words are ready to go into the garbage. The word "diversity" is one such word. It could be replaced by "respect" or by "curiosity", in order to eliminate the contradiction in terms between integration and diversity. The word "visibility" should be redefined, as it actually means a change in attitude over a period of time.
- Another commission should be set up to monitor the level of curiosity in the people of the Member States. Those countries where interest in the EU drops below a certain level, should be sanctioned.
- Mental reforms are also necessary in order to stop the Member States from pursuing their national interests, and to make them start working for common goals.
- The *acquis communitaire* is far too big. Taking it seriously would demand several changes. This applies to the implementation of Article 151 as well.
- The EU should have a cultural policy or a cultural program because there is a need for a real framework. It should be simple, based on subsidiarity, but it should require active participation on behalf of Member States.
- The EU should forget about prizes – these should be left to sponsors.
- The bottom-up flow of information should be encouraged.
- The EU should see not only to <u>what</u> people want to do in the cultural field but also to <u>how</u> they want to do things.
- In the Council of Ministers, "thought control" should be introduced. Those ministers who pursue narrow national interests need to be replaced.
- In the European Parliament, a mandatory IQ test should be introduced before membership.
- The role of the media should be increased, and debates should more frequently be televised.
- People sitting in the Commission should have worked in the sector for which they are responsible for 5 years.
- The major issue in thinking about institutional reforms in the EU is: what place for civil society?

Rachel Guglielmo explained that the Open Society Institute (OSI), Budapest had established a program in 2000 to assess the impact of the EU accession process on policy development within states, recognising that there were very few guidelines available. The starting point was that while the Commission considers the fulfilment of the political criteria as a precondition for accession, the fact is that the political criteria are ideals and they can never actually be met. The

OSI's EU Accession Program has developed a monitoring mechanism for selected aspects of the accession process, where in some cases there are no standards available. The programme contributes to the Commission's own evaluations, fosters public awareness of the accession process generally and of the political criteria in particular, and underlines the importance of independent monitoring as a necessary tool for the consolidation of a free society both during the accession process and beyond.

It is civil society organizations that should assess the process. The programme also engages people from the candidate countries in the assessment process. The finalised reports are presented not only to the Commission but to the general public as well. The basic aim was twofold: to encourage input from the candidate countries, and to provoke some thought in the Commission as well. However, culture is unfortunately one of the insufficiently explored elements of the political criteria.

DISCUSSION

Are we facing a window of opportunity in terms of EU integration? It seems that there is not enough thorough thinking on the cultural aspect of EU integration. They need us, and we also need them. This was unfortunately not reflected at this conference as the EU was not involved. In this way we are missing opportunities. However, the EU misses opportunities as well.

WORKING GROUPS
2A – CULTURE 2000

CHAIR: **AGNĖ MARTIKONIENĖ**, Head, Lithuanian Cultural Contact Point, Vilnius / SPEAKER: **THEODOSSIOS MASTROMINAS**, Principal Administrator, European Commission, Brussels

Culture 2000 is a growing program accessible to 28 countries at the moment. From next year on it will be accessible to Malta and Cyprus as well, which will make the number of beneficiaries 30. Culture 2000 is not a structural fund as it deals with EU projects and not with national ones. It does not subsidise projects on the national level but national authorities may be involved to implement projects on a national or regional level. The program unit itself has nothing to do with the selection of projects, which is done by a group of experts, who make recommendations to the Commission. The EP also has the opportunity to express its opinion. It takes a long time until decisions are made.

The program encourages cooperation. Cultural Contact Point offices were established in order to help cultural operators in their countries contact cultural operators of other countries. Projects should have a European added value, and should not repeat something that has already been realised. The program also provides support for mobility.

There is very strict control over who gets money for what, and for this reason the program is often criticised for being too rigid. Still, Culture 2000 is a huge possibility for the candidate countries to start training themselves to be able to meet the EU criteria. Unfortunately in the cultural sphere nobody cares for the preparation for accession but Culture 2000 serves exactly this purpose. It offers a lesson to be learned.

DISCUSSION

The following points were made by the audience for this workshop:
- There should be a feasibility phase built into the procedure.
- The Commission should do something about delays in contracting and making payment.
- The first payment should be more than 50% given the lengthy delay that exists in receiving the final payment
- The deadlines should be set earlier.
- A special mobility fund should be set up within Culture 2000.
- The program should target "not yet candidate" countries as well.
- In order to respond to cultural initiatives, enthusiasm is needed on both sides, and this is not the case when one is faced with administrators.
- Culture 2000 is a generous programme overall.
- Culture 2000 was planned for 4 years in advance. However in the meantime several new members will join the EU. Has the Commission taken this into account?

2B – THE FUTURE OF OTHER EU INITIATIVES AND THE TRANS-NATIONAL FUNDS

CHAIR: **JOSÉ PÉREZ LÁZARO**, Deputy Director, Ministry of Education, Culture and Sports, Spain / SPEAKER: **GEOFFREY BROWN**, Euclid, Liverpool

This workshop was introduced by José Pérez, who gave a brief introduction to the three main priorities of the Spanish Presidency concerning culture. These can be summarised as:
1. Reflection on the implementation means of article 151 – it is ten years since a legal base for culture was implemented and so reflection and debate are proposed. Reflection is expected on the measures so far taken and still needed to implement article 151.
2. The application of new technologies for our heritage – an aim of the presidency is to link better information / knowledge based systems to heritage. Particular emphasis will be given to digital content of our heritage for future generations.
3. The production and dissemination of European cinema – discussion is planned on the circulation and distribution of European cinema, giving attention to legal aspects of the sector, classifications and supported initiatives. The aim is to develop dialogue and cultural exchanges through cinematic projects both within the EU and with other geographical regions such as Latin America and the Caribbean countries.

Geoffrey Brown noted that the key priorities of the EU are to increase competitiveness and encourage co-operation and collaboration. Through a number of charts and graphs, the low amount of funds earmarked for culture was demonstrated. EU expenditure can be broken down:

45% - spent on agricultural policy

35% - structural funds
1% - culture, training, youth, audio-visual, media, information and other social operations, including:
0.1% - culture

However, it was also noted that 80% of the EU money coming for culture into the UK, for example, comes from the structural funds.

Broad distinctions between the structural funds and trans-national funds were then noted:

Structural Funds (including the ERDF and ESF community initiatives):
1. geographically focussed
2. partners not needed
3. local decision making (i.e. local and regional committees decide on goals and criteria)
4. large funds can be accessed
5. focus on capital works or people based activities

Trans-national Funds:
1. pan-European focus
2. partners from different countries essential
3. decisions made in Brussels
4. small to medium size grants
5. focus on projects (1-3yrs maximum – i.e. not revenue funding)

The Trans-National Funds include Culture 2000, Media Plus, Leonardo da Vinci, Socrates, Youth, Life III (environment), New Technologies and Research (through the 5th framework programme) and other programmes such as the minority languages programme and programmes through external relations which support links with countries outside the EU.

These latter include the Phare programme which is helping accession countries in the process leading to EU enlargement. In theory, when the enlargement process is complete, the Phare funds will be replaced by structural funds. However, in theory the structural funds will also one day disappear when all regions of Europe have obtained a minimum economic level.

5,35% of the structural funds are dedicated to the Community Initiatives:
- INTERREG – support for cross border collaborations
- URBAN – support for regeneration projects in urban areas
- LEADER – support for development in rural areas
- EQUAL – for new ways of tackling exclusion, discrimination and inequality in relation to the labour market.

The trans-national and structural funds will be most important for culture and therefore there should be lobbying to make culture more important within these programmes.

DISCUSSION

Mr Kivelä said that there was another difference between the structural and trans-national funds to do with how objectives are set within these programmes:
- Trans-national funds have culture, quality and added European value as criteria
- Structural funds have regional development, job creation and regeneration as criteria

While the breadth of cultural projects supported by the structural funds is exciting there is little visibility for culture. Jordi Pascual wanted cultural projects that won funding from the structural or the trans-national funds to be better identified. He said that visibility of these cultural projects was important and maybe this should be the job of an observatory of culture and/or should be part of an EU portal for culture. He said that monitoring and visibility are needed otherwise culture will never be a driving force.

The group heard of some efforts to identify cultural projects supported by the structural funds such as EUCLID's proposed Culture Tracker service, and the group were told how difficult it was to secure and update this information.

A number of participants stressed the need to support mobility and cultural exchange, and Jennifer Williams indicated that the Centre for Creative Communities was currently surveying policies that encourage cross-sector collaborations.

PLENARY SESSION 3

EU REGIONAL POLICY: THE PLACE OF CULTURE IN THE STRUCTURAL FUNDS

CHAIR: **RITVA MITCHELL**, ERICArts, Helsinki

SPEAKERS: **COLIN MERCER**, Centre for Cultural Policy Research, University of Nottingham / **ANDREAS WIESAND**, ERICArts, Bonn / **CORINA ȘUTEU**, ECUMEST, Bucharest

Ritva Mitchell identified the role of this Plenary as being to answer the question 'What are the implications of structural funding for the cultural sector?' The Structural Funds can change the way we think about cultural policies and cultural development. The cultural sector is forced to think in another way: Structural Funds normally help some other sectors, such as urban or rural development for example, and culture is often included under some other headings (development, sustainability, tourism, etc.). Culture is actually "disguised" in order to be applicable for funding. That is why the cultural sector must cooperate with other partners / sectors, which previously has not been the case.

Colin Mercer explained that Structural Funds have been used for:
- Incubating cultural industry businesses;
- Providing flexible education and training;
- Providing venture capital funding;
- Establishing cultural/creative industry development services on a partnership process between local and regional authorities, education and training, etc.;
- Encouraging cross-sectoral policy and planning frameworks at local and regional levels linking physical, economic, social and cultural regeneration and development strategies.

Structural Funds have established preconditions for "joined up thinking", have enabled the consolidation of a level of local and regional decision making and strategic planning, and have enabled us to think and practice cultural policy as an economic policy, an employment policy, a regeneration policy. Therefore, they have helped to integrate a cultural dimension into broader strategic planning frameworks. This has acted as a powerful incentive to cross-sectoral, multidisciplinary, and cross-cutting policy and planning 'architectures' at local and regional levels.

Andreas Wiesand wanted to firstly consider a methodological problem: how to measure development? Not only GDP acts as an indicator of successful development but a quality of life in a broader sense. Therefore, the culture and media sectors must gain a more prominent place in the EU Structural Funds. One solution could be to adopt a 'cultural mainstreaming strategy'. Accession countries should be prepared for the type of planning, fund management and evaluation which is commonly employed in connection with the EU Structural Funds in the present Member States. It is necessary to overcome political opposition to an extension of the Structural Funds programme after 2006, which would also benefit applicant countries.

Corina Șuteu identified the Structural Funds as instruments of development, which are not supposed to be operational. They can be good instruments if we understand the context we live in, and the context should be determined by the cultural sector. The way Structural Funds or PHARE are implemented may prove to be "operationally effective" but there is no evidence yet of their regional impact or of their capacity to create partnerships between civil society and private sector. Generally, a mistrust in regional expertise is also present, which deepens the negative image we already have about east-central European societies compared to the West. There is a lack of knowledge among the wider public about the accession process: this process should be made more understandable for all cultural players, and explained through education, media, and civil society.

DISCUSSION

Pirkko Rainesalo presented the Finnish case of estimated EU support benefiting the cultural sector and concluded that Structural Funds will be even more important for accession countries.

Pavel Černoch wanted to know why east-central European experts are project team leaders since in many cases funds have been misused. The answer from Andreas identified similar cases in the West, also.

WORKING GROUPS

3A – URBAN CULTURE

CHAIR: **PÉTER INKEI,** Director, Budapest Observatory / SPEAKER: **MARIANNA KAJANTIE,** Helsinki Municipality

Marianna Kajantie introduced the focus as exploring the cultural aspects or the role of culture in urban development. Ms Kajantie gave an overview of some projects and activities launched and realised under the patronage, or through the initiative, of Helsinki Municipality. She presented some general data regarding funding, especially distribution of funds from the Municipal budget. She also spoke about projects that were funded through the structural funds (including the Community Initiatives: Urban I and II, Equal). It is obvious that the cultural segment of urban development can be funded from various sources. Ms Kajantie expressed her belief that culture would find its place in structural funds more often in the future.

DISCUSSION

One of the first issues raised was the trend of serious cuts in local budgets and the effect on the preservation of cultural institutions. It was highlighted that cultural institutions had to adapt to the changed context. It seems that few cultural institutions benefit from the structural funds, but they might receive some funding though Culture 2000. In this context the phenomenon of "institutional fatigue" was raised. In addition, the anachronistic typology of cultural institutions dating back to the 19th century requires new forms of policy - the "opened door policy" as mentioned by one of the speakers. Innovative financing schemes, such as structural funds, might help to overcome this situation and provoke the reshaping of cultural institutions.

It is obvious that culture should be a very important segment of urban development, but it is a task of Ministries of Culture and others active in this sector to initiate changes. The EU policy agenda, both at the EU and national level, is about equality, social cohesion or civil society, which all refer to culture as a key element. The cultural sector should realise that it is an integral part of society. It is very often the case that other sectors want to introduce a cultural dimension in order to add value to their projects and priorities.

The lack of policies that would, in a systematic way, address the role of culture in urban development was obvious from examples observed in several countries regarding arts projects in former industrial areas. Very often artists take over some run-down areas and turn them into interesting centers for the arts. The process that follows is that the area, once neglected – and cheap in terms of rental costs – becomes attractive for investors. Consequently there is a rise of rental and other related costs in that area. Eventually artists can no longer afford to stay in those re-born neighborhoods even though they were the ones who initiated the regeneration process. Is there a policy that could address this? It is obvious that a process of urban regeneration has to establish links with relevant sectors and areas of development.

Another important dilemma is the sustainability of the trend of decentralization when local authorities are entrusted with new responsibilities without adequate financial support. The trend of decentralization is not always in line with taxation policies that often remain the exclusive privilege of the central government or state.

Still, at the end of the working group it was highlighted that there is a reason for optimism because five or six years ago culture was not mentioned at all in any of the EU funding programs and the situation today is much better.

3B – CULTURE AND REGIONAL DEVELOPMENT

CHAIR: **PIRKKO RAINESALO**, Counsellor for Cultural Affairs, Ministry of Education, Finland / SPEAKER: **CLAUDE VÉRON**, Director, Relais-Culture-Europe, Paris

This workshop aimed to identify problems and opportunities within the structural funds. The definition of culture was considered an area of difficulty when defining cultural led projects within the structural funds. In one country culture would mean one thing and in another it would be something quite different.   This is one reason why making a study of cultural projects supported by the structural funds is so difficult - even on the funding application forms culture is disguised under headings such as "local" or "development".

Claude Véron introduced two European cultural projects that he is personally engaged with and he talked about how these projects had mobilised structural funds under article 6 of the ESF funds. One problem with these funds is that

there is a lack of information available about the projects funded. There is also little in the way of follow-up and management of projects funded by the structural funds.

There is no legal basis or document that allows for culture to be considered within the structural funds. However, culture can be funded if it is part of a development project for the region. Some participants called for a new recognition of the arts and cultural sector while others warned that currently culture does not have a profile and therefore arts and cultural projects are being urged to "smuggle" themselves in under other headings to do with development issues.

Claude pointed out that decisions on the criteria for funding for the structural funds are taken at three different territorial levels before the final programme arrives at a grass-roots level. European Union, national and then regional or local levels of administration have their input before cultural organisations can even apply for funding. He suggested that the structural funds should only be administered at a regional level and others felt that, not only should you be able to apply at a regional level, you should be able to apply in your own language.

In France there are 26 regions with many differences in approach. It was interesting however that the French President wrote to the regions and stressed culture as a driving force to be included in the criteria for the allocation of the structural funds at the regional level: the regions were told "not to forget culture". One participant from the floor suggested that we should ask Commissioner Viviane Reding to write to the presidents of all states urging them to do the same. It was considered that this would be a great stimulus, particularly for regions in the accession countries

The question of monitoring the effects of cultural projects for regional development was raised. We know that cultural projects can attract visitors who in turn provide work and custom for restaurants, hotels and other surrounding businesses. How to monitor this is less clear – it is a problem of long-term measurement.

The Ruffolo Report asks for an EU observatory and it was suggested that one aim might be for this observatory to study the structural funds.

It was suggested that the criteria for these funding calls should be written by people from the sector. It was pointed out that others, for example from small and medium size businesses and the transport sector, had been consulted on writing the criteria and goals of the call. There was a clear recommendation that people from the arts and culture sector need to be at the table when criteria for funding are being written.

It was made clear that the structural funds (apart from the INTERREG Community Initiative) are not for cross-border collaborations – the trans-national funds are for that.

The EU is in a management position by default because it has lots of money. The structural funds are temporary – in theory they will be abolished when regions are all at a relatively even level of GDP and development. Then something will replace the structural funds but we do not know what that will be.

It was suggested that the concept of a European Cultural Policy would be impossible before the structural funds disappear.

3C – CULTURAL TOURISM

CHAIR: **ILDIKÓ SZABÓ**, Ministry of Cultural Heritage, Budapest / SPEAKER: **FRANCESC BADIA**, Interarts Foundation, Barcelona

Francesc Badia defined the concept of cultural tourism. The notion of cultural tourism developed recently but is widely used in planning within the EU. Compared to mass tourism, cultural tourism represents "elite tourists". Today's researchers claim that all tourism is cultural because the motivation for travelling is very difficult to be separated from culture. Almost every traveller has culture as a background motivation.

Cultural tourism is the most rapidly growing type of tourism in the EU, which is also the most important cultural tourism consumer. Some statistics of cultural tourism within the EU were presented which rank this type of tourism very high especially as an economic and social force, for example creating new jobs. Since there is an increase in leisure time and in the general overall level of education, it is realistic to expect the increase in cultural tourism activities.

The question remains: how to support these initiatives? There are those who think that tourism, being an important economic generator, needs no funding at all as it is self-sustainable. Still, cultural tourism needs seed capital for which

Structural Funds might be of great importance. The Fifth Framework Programme can be another way of financing cultural tourism projects since it includes key elements for the development of the city, its identity, buildings, quality of life, attractiveness, etc. Culture 2000 is also a fund which supports such projects.

A shift from the SSS (Sun, Sand and Sea) tourism has been made to the big C tourism (Culture), which can have a great role in making Europe Bigger, Better and Beautiful.

DISCUSSION

Ildikó Szabó spoke of a great change in Hungarian tourism policy. Culture is seen to have the potential to attract more support in economic terms, especially from the tourism sector. Special competitions have been organised for museums, in areas of the marketing of world heritage sites, etc. Some € 50 million has been spent recently on the cultural tourism sector.

Sonia Greiner (Europa Cantat, Bonn) presented some German examples and said that every euro invested in cultural tourism comes back seven times. There is a lot for the accession countries to discover in this field.

Peter Curman (Swedish Joint Committee for Literary and Artistic Professionals, Stockholm) presented some Swedish cultural tourism projects underlying their importance in extending the season for tourists. An issue of intimacy arouse, since there are events that should not be shared with tourists such as weddings, funerals, baptism, etc.

A certain doubt in the benefits of events such as Cultural Capital was expressed: although they make economic profit and make the city more lively and attractive, cultural workers / artists are often disappointed with them because they show artificial and not authentic culture. Often, such events are organised by private enterprise and not the city itself and due to bad planning or ignorance an inappropriate image is shown, which is not the same as that felt by the citizens themselves.

Miklós Marschall believes the wrong image is often promoted for the Central-Eastern European countries – which presents them as too cheap (it is a mixed blessing that erotic films are now made in Budapest and other central and eastern European locations). He also reported on a Hungarian World Heritage Site being in a film that presented Berlin with no acknowledgement that this site was in fact in Hungary. He therefore thinks that cultural tourism is important because many accession countries struggle with the problem of overcoming the misperception that they are simply "cheap countries".

Carla Bodo warned that careful planning of cultural tourism projects needs to be made in advance. A coordination between supply and demand has to be made.

Kazimierz Krzysztofek said that cultural tourism is sometimes a heritage industry and there is a danger of creating artificial heritage. He asked for EU experiences concerning theme parks – in response, Spain categorised their theme park as another type of tourism, and not cultural.

Paul Kelly stressed the importance of linking grass roots and policies since culture is driven from the grass roots.

Francesc Badia explained that the EU integrated approach consists of:
- shaping a local distinctive image;
- qualified employment;
- production of economic externalities;
- increasing of local culture and education activities.

A need to create an image for accession countries was stressed. It is a long process but is worth taking. Rural tourism was identified as being of great potential since most of a nation's culture originates from these roots. It was noted that tourism does not consist in selling spaces but selling stories and that therefore there is a need for the animation of cultural heritage places. Museums are not museums any more but places for interpretation.

PLENARY SESSION 4

CULTURAL CO-OPERATION AND MOBILITY IN AN ENLARGED EUROPE.

This session was organised inconjunction with CIRCLE (Cultural Information and Research Centres Liaison in Europe)

CHAIR: **DOROTA ILCZUK**, President of Circle, Warsaw

SPEAKERS: **ROD FISHER**, Director, International Intelligence on Culture, London / **ROBERT LACOMBE**, Deputy Director, French Institute, Budapest / **KAZIMIERZ KRZYSZTOFEK**, Professor of Sociology, University of Białystok, Poland

This session aimed to address a number of questions regarding mobility and the exchange of both cultural practitioners and cultural goods in and throughout the European Union and Central and Eastern Europe (CEE).

Dorota Ilczuk introduced the theme with three principal questions: are we ready to collaborate in Europe? do we have the tools to collaborate? and do we have a common language to aid our collaboration?

She pointed out that these points are interesting not just for pre-accession CEE countries but also for fully fledged members of the EU. Two topics dominate discussion in pre-accession countries however and these are 1) how to make legal structures to support exchange and dialogue and 2) how to absorb money in a clearly defined manner. Dorota challenged the audience to look for new initiatives such as an EU lobby for culture. She firmly supported this idea due to the fact that culture has a minimised status in EU discussions today.

The European Union was considered as an important tool for fostering mobility but not the first. We were asked to remember that cultural networks have been operating for many years, exchanging, facilitating mobility and offering cross-cultural dialogue. Therefore as cultural operators we should use the potential of existing cultural and artistic networks to stimulate mobility and support the aim to improve the status of the networks which are, after all, the most obvious meeting points for European artistic practitioners. Furthermore, Dorota reminded us, the networks have been operating for many years and have built a trust and language agreement during this time, the implication being that they are the most prepared for cultural dialogue. Networks, she said, are also full of positive people who are ready and able to culturally co-operate.

Rod Fisher reminded us that there is already a global audience for culture. With the penetration of satellite and cable TV, globalisation has accelerated, eroding geographical barriers and providing cultural exchange. He challenged us that despite concerns about globally marketed cultural goods – these global goods promote a global unity more than any well-meaning political policy. Consumerism he stated, binds us together.

Rod went on to give us a brief European "theatrical" history, in order to demonstrate that many of the concerns we have now are reflected in our past and so we can learn by looking at our history. He pointed out that in 1991 exchange with the west was the only aim coming from CEE Europe but now change is occurring and we gradually see more and more East-East exchanges. This was viewed as very positive and similar to Nordic collaborations or Mediterranean collaborations that strengthen the sub-European area and build common grounds.

The Ruffolo Report calls for an end to the paralysis on culture, and calls for a EU cultural policy. Rod Fisher shared his doubts about the use of this, again drawing on his experience from the past and the 1984 European declaration which was ineffective.

Despite a 1999 resolution on mobility, Rod Fisher pointed out that there are still enormous problems with regards to issues such as tax arrangements, job information, salary differences, social protection etc. Moreover Rod Fisher said that there was a lack of investment in people with ideas and called for a 'risk fund' – which would be used to invest in people with new ideas. Rod said also that the lack of value that is currently placed on networking is having a detrimental effect on mobility in Europe. Rod concluded that if we understand that integration is an on-going project then we can understand the importance of cultural mobility.

Robert Lacombe spoke about mobility as witnessed and promoted from a foreign institute, in his case the French Institute, Budapest. He pointed out that EU co-operation was not the objective of foreign institutes, however he felt that through his work he could give a perspective as an outsider working in CEE. He felt that CEE countries considered themselves and are considered by others to be the other half of Europe. There is a strong sense that Europe is cut in two and that there are two identities. However, he asked us to move away from this idea. After all, cultural co-operation

does not start with the EU. There are many cultural organisations and networks that have existed much longer than the EU. There should be a renovation of the cultural networks that have been active for many years.

In addition to EU cultural exchange, there is state support for cultural co-operation and dialogue, albeit alongside the underlying political objectives of this type of exchange. In order to support more mobility, he questioned what the impact of all these mobility programmes are, particularly when artists return home? He then went on to discuss practical problems hindering mobility such as the seven year freeze on labour movement imposed by Austria and Germany which might restrict also the movement of artists. Finally, he identified cultural tourism as a new area that fosters exchange and dialogue and asked for help in identifying attractive programmes and exploiting existing systems and resources.

Kazimierz Krzysztofek, provided a philosophical discourse upon the role of culture. The role of culture will increase when symbolic differences are taken away – they will be replaced by culture in an anthropological and sociological context. The multi-cultural face of culture will change because of pressures to support multi-culturalism. Cultural policy in this last century has moved in two directions:
1. Culture as a nation state building tool – used to give high arts prestige.
2. Culture as used to provide a European education to the masses
This second strand of cultural policy is no longer legitimate. Intellectuals are no longer in touch with what the masses want. We can no longer impose but must respond to the wishes of the masses.

Kazimierz took issue with the idea that the internet is the new tool of globalisation. It is a clearly universal tool but one which is more and more nationalised – using a variety of languages and letters. He even cited the advantages of the internet – saying that he could search for information related to Slovak culture much more easily in Slovak than in English. He rather saw the internet as a good tool for smaller countries. He went on to ask what levels of democratisation would inter-active TV bring? He concluded by asking if CEE have an opportunity for cultural communication? He asked if CEE countries needed a European sub space or whether it was sufficient to be merged into the western Europe.

DISCUSSION

Andreas Wiesand pointed out that there is more cultural mainstreaming for culture and development. He added that funds for solidarity should not be one-way streets. He used the Nordic countries as a good example of a European sub-space for cultural collaboration, whereby Nordic countries collaborate extensively for common cultural programmes and are successful.

Miklós Marschall noted that small CEE regions used to co-operate and he hoped that this collaboration would start again.

Kirill Razlogov suggested that Europe is much more culturally divided North-South than East-West. He pointed out that we already have a number of cultural policies at many levels from EU, nation state, region, city and arts sector. What is important is that we must convey our messages clearly to national and European funding bodies. To do that, we need to be sure about the results of mobility.

Another participant noted that in terms of an enlarged Europe, there are now increased possibilities for CEE countries to participate in exchange and dialogue but do they consider themselves equal enough to join in the debates and dialogue ? The analogy used was that CEE countries are rather like friends invited to join others at the cinema but then, they sleep through the film and are not able to take part in the conversation and debate after the film. CEE countries were therefore asked to consider that they are equal partners in the debate and dialogue for the future Europe.

WORKING GROUPS

4A – STATE ADMINISTRATIONS AND INTER-GOVERNMENTAL ORGANIZATIONS

CHAIR: **VESNA ČOPIĆ**, Deputy State Secretary, Ministry of Culture, Ljubljana / SPEAKER: **COSTIS DALLAS,** Professor, Panteion University, Athens

At the beginning of the workshop, Ms. Čopić expressed her concern that this type of gatherings almost never tackled the governments and administrations, both national and international, who are very important players and whose role should be systematically analyzed.

In his introductory speech Mr. Dallas raised many questions relevant to the issue of cultural cooperation and mobility in an enlarged Europe, in particular related to the role of the state administrations and inter-governmental organizations. He started with the notion of culture and cultural cooperation and the dilemma of whether co-operation should focus on building common cultural policies. How will relationships between the EU countries and countries outside the enlargement process evolve? Is it possible to define mobility in European, rather than international, terms? Ministries of culture are different in scope outside the core domain of cultural heritage and creativity, which represents another challenge for the predicted effect of EU cultural policy instruments and practice. It is necessary to analyze if state administrations are changing adequately and to explore the role of international and inter-governmental organizations in this process.

Building on an "active" understanding of subsidiarity, the question remains whether EU member states can develop stronger mechanisms of information exchange and co-operation that bridge the national and EU level. It is however important to keep in mind all stakeholders (NGOs, national cultural institutions, cultural networks and organizations, cultural workers, artists, writers as well as cultural industries) and observe the role of intergovernmental organizations relevant for them. It is crucial to integrate cultural policies with social or media policies, to face the challenge of privatization and the EU's concept of regions related to processes of decentralization. It is important to support the expansion of multilateral bridges beyond the European Union. Special attention should be focused on the role of the Council of Europe. If an EU cultural policy becomes a reality, would that render inter-governmental organizations such as the Council of Europe redundant, at least partially? Issues of cultural rights, cultural equity and cultural diversity should be put in the center of all debates.

DISCUSSION

In the discussion that followed participants reacted to the questions raised in the introduction. Reforming of European governments is one of the key issues. Everybody has to change. We should no longer talk about policies, but rather about the role of governance (governments on all levels) as well as the private and the third sectors. In many countries there has been a shift of emphasis and ministries of culture do not allocate funds any more but rather focus on the development of strategies. This is a radical change of the role of the ministries of culture, and operators trained to administer funds now have to become intellectuals, policy planners and negotiators.

EU policies are also promoting this transversal thinking. Even though in many countries ministries still have the traditional role as principal funding bodies, they are facing many challenges related to policy planning and the development of strategies. As culture is not regarded as an EU priority it is in a way marginalised. A direct consequence of this lack of priority given to culture is the lack of technical assistance – although this is much needed, particularly in accession countries. One effort to overcome this situation was the focus of an application to the PHARE program. In Romania, for example, the Ministry of Culture received funds for institutional building and developing strategies for drafting new cultural policies.

4B – CULTURAL INDUSTRIES

CHAIR: **DELIA MUCICA**, Media Division, Ministry of Culture, Bucharest / SPEAKER: **JORDI PASCUAL I RUIZ**, Institute of Culture, Barcelona City Council

Starting with the title of this working group, Delia Mucica expressed her dissatisfaction, saying that "cultural industries" is a somewhat old-fashioned term focused on traditional artistic industries. A new term was proposed: creative industries, which incorporates creative efforts including the software industry, advertising, audio-visual and new media content. Another separation is felt when dividing these two terms: cultural industries are those which need subsidies, tax relief, fiscal and financial incentives in order to survive, while creative industries (software, new media,

advertising) do very well without any of these. These separations also lead us to another one: high culture vs. mass culture.

All those industries operate in a legal environment. On one hand, there is specific, sectoral or the so called vertical legislation. These are the international legally binding instruments (copyright, tax legislation, labour legislation, etc.), which have to be incorporated into national legislation. On the other hand there is general or transversal legislation (competition, fiscality – VAT) all related to a free international market. The greatest problem seems to be enforcing the existing legislation. The role of the state is to formulate policies, adopt and enforce legislation (both vertical and transversal) taking into account the specific problems and needs in each given country, such as linguistic areas of distribution, employment problems, financial and fiscal measures, incentives, even special support funds, mobility and cooperation.

When speaking of the three Bs (Bigger, Better, Beautiful), special attention needs to be drawn to the issue of mobility in an enlarged Europe. It is both applied to the free movement of goods and services but also to the free movement of cultural actors. A legal environment is needed allowing for the free movement of creators, covering the regulating of labour conditions, trade unions, social protection, taxation (avoidance of double taxation), etc.

Jordi Pascual outlined the situation at the local level. Creative industries include TV, radio, newspapers, but also designers, tourism related business, shops, even food. The borders of the arts become smoother: for example, there are techno music experts or net artists today. There is a need for an inter-sectoral approach: the creative industries sector needs to include education and training measures, labour and funding measures, policy measures, etc. It should cooperate with partners making links to other sectors, and vice versa – all these need to increase their technological knowledge. The key actors in this process are the SMEs within the cultural system.

Local authorities have to provide universal services, they are responsible for creating a creative milieu and should link culture with other sectors such as welfare, housing, transportation, etc. Their responsibility consists in creating an image of the city.
The discussion opened with the issue of partnerships to be made stronger between cities. Via twinning of the cities, a lot could be learned from others' experience, especially on the subject of mobility. Still, Jordi doesn't belive in twinnings but in networks.

DISCUSSION

Jolyon Laycock stressed the need for sustainable projects. Jordi Pascual believes that there is no doubt that sustainability is important but it is very difficult to talk about sustainability in the sector of cultural industries. This sector is extremely dynamic, a new age is coming and certain projects are unlikely to exist more than three years or so because of the changing technologies, etc. Such projects should find their own way in the market after three or so years of support.

Paul Kelly stressed the problem of the cultural industries in east-central European countries now that the markets have been privatised. Cultural industries were state owned in CEE countries and now it is all privatised; completely new private enterprises have emerged, - for example, publishing houses appear and disappear as a consequence of the free market. He asked for practical programmes to be highlighted that can help develop sustainable local creative industries. It was very difficult to identify concrete projects, but a few examples in Barcelona were given, stressing the good practice of involving community in culture, which served as a creative activity and was felt as a way of life.

Jon Price stressed the need for public-private partnerships. He gave an example of an organization which operates on this basis helping people to develop their skills they are lacking.

Kazimierz Krzysztofek explained the logic which occurs in the east-central European countries: all that has been state owned must be privatised, it is a question of mentality, although it doesn't necessarily have to be good. Another issue which is detrimental for sustainable cultural development is that social partnerships often don't work.

Colin Mercer outlined the dichotomy between the public and private sectors since privatization has occurred: cultural consumption is in private sector, content of a library / opera / theatre is a product of a private sector. National economies became myths.

Michael O'Donnell talked about the world wide web, which will become a very vast market in near future, freed from PCs. Limitless possibilities open up there for the sector of cultural industries. Delia Mucica recognised his statement but also expressed her concern because there are some negative aspects of it – for example, threats to the protection of works published on the Internet (copyright, intellectual property).

Peter Miladinov expressed his concern for the preservation of cultural industries when part of the business world. How could they be used without losing their cultural value?

Paul Kelly does not put too much faith in the Internet since a lot of stuff presented there is only a reproduction of old material. New content should be encouraged on the Internet. This is why the public sector likes it, as it as an excellent source of information, and the private sector doesn't consider it as a threat.

4C – THIRD SECTOR ORGANISATIONS AND CIVIL SOCIETY

CHAIR: **LIDIA VARBANOVA** Open Society Institute, Budapest / SPEAKER: **UGO BACCHELA**, President, Fitzcarraldo Foundation, Torino

Lidia Varbanova gave a brief introduction to definitions of the "third sector" and to the principle differences between:
1.   Associations, networks, clubs etc. – which are based on links between people
2.   Foundations – which can be a source of funding and produce project led activities.

Lidia pointed out that in most CEE countries there has been an explosion of third sector activities. Before 1992 people formed in groups to actively organise things but 1992-1996 saw the real emergence of non-governmental organisations (NGOs). In Bulgaria there are around 6,000 registered NGOs and in Hungary 30,000. She points out that there are many more civil initiatives that are not registered legally.

Lidia raised a number of issues for discussion including:
•   Money for and from the 3rd sector
•   What will happen with infrastructures and capacity building (differences).
•   People – what competencies and training do they need, mobility, volunteers
•   Legislation
•   Lobbying and decision-making
•   Programming and audiences – what are the products? Who are we delivering them to?

Ugo Bacchella then gave a short introduction to his foundation – which is an independent foundation with long-term partnerships with funding bodies. He said that the arts and cultural sector had failed as a sector. The arts and culture has a social dimension and therefore the arts and culture is part of civil society (what he termed as the domain between family and state led or commercial activities). He said that it is within this space that most arts and cultural organisations are to be found.

Ugo believed that it was wrong to pressure for recognition of an arts and culture sector. He felt it is time to change our strategy and invest our time in building partnerships across the third sector. He felt that it would be much more impressive for the arts and culture to work across a broad spectrum of civil society concerns. He felt that we should join together and demand recognition as a whole sector – the third sector. This he said would be much more beneficial - no longer an arts network asking for money but a partnership of civil society organisations. Ugo gave examples of success stories using this strategy: where 12 representatives from associations lobbied and changed a decision to cut funding to a festival. Those 12 people represented over 130 associations.

All arts organisations fulfil public goals and all:
•   have low assets
•   don't match traditional lines of funding
•   are fragile
•   not interested in the competencies of territorial – social issues
He proclaimed that there would be great benefits from new spaces and scope for building partnerships.

He tried to answer the question of why a foundation model was a good one. He told us that there are more than 2,000,000 foundations in the EU, with political long-term policies. Ugo suggested that a number of measures were necessary to improve the arts and mobility including:
•   "risk funds"
•   "pilot project to test policies"
•   "structural long term tools for long term strategies"
•   "collaborations"
•   "monitoring, evaluation"

He lamented the lack of communication between the arts and cultural non-profit organisations and other civil society initiatives. He called for fewer meetings between arts and cultural organisations and more dialogue with other areas of civil society.

Mik Flood intervened that he felt there was a problem of definition – who do we align ourselves with, he asked. The public? Clarification is needed. He also called into question whether Italian laws made the foundation model so attractive and that he wanted to be clear that there are two different types of foundation - those that provide money and those that are project orientated. It was agreed that the "lack of co-operation" was depressing and we heard a call for a lobby for culture which would represent networks and civil society.

Krassimira Teneva raised the point that special funds are needed for cultural production in CEE as arts organisations can't be expected to co-operate with their EU partners if they are not sustainable for the duration of the project.

It was suggested that European NGOs not EU institutions should manage EU funds.

It was agreed that it would be a very pragmatic aim to support NGOs. It was pointed out that EFAH was already doing this type of work, both lobbying and trying to find a dialogue with NGOs. However we were told that many networks also had a difficult choice between co-operation and competition for limited resources. If networks or NGOs are applying for the same funds then there can be rivalry instead of co-operation.

Roger Fox pointed out that not all cultural organisations could be part of civil society. In fact many are immune to the idea of civil society and social change, particularly larger arts organisations.

A number of participants expressed frustration at so much talk and so little action amongst us. It was felt that a practical solution is needed. The EU is not interested in enlargement from a cultural standpoint – in fact many states are trying to prevent money sliding from west to east – so it is up to the NGOs to make bi-lateral and multi-lateral co-operation.

One practical goal for lobbying would be support for translation – which is needed if connections are to happen. To build co-operation an organisation only needs an e-mail and a foreign speaking staff member but this must be sustainable, as without the foreign speaking staff member the co-operation is lost. It was decided that it is time for the EU to take a stand on language learning.

It was pointed out that most funding agencies for arts and culture do not fund the administration and office costs of an organisation and this makes life increasingly difficult for cultural operators.

Also, EU grants often arrive much later than when the project is due to start. Bridging loans are needed to cover the period between the contract starting and the money becoming available. Lidia pointed out that this is a new initiative of the Soros Foundation in Bulgaria where the legal system allows this type of action. These operate as a business loan but with low interest rates.

We were warned that the criteria for culture 2005 were being discussed now and so we must act if we are to influence our ministers. We were all asked to take the recommendations from the conference home and start to lobby our own ministers and EU representatives.