

**Opinion on:**

- the proposal for a Council Decision 95/0026 (SYN) on the implementation of a training programme for professionals in the European audiovisual programme industry (Media II — Training) (1996-2000), and
- the proposal for a Council Decision 95/0027 (CNS) on a programme to promote the development and distribution of European audiovisual works (Media II — Development and Distribution) (1996-2000) <sup>(1)</sup>

(95/C 256/08)

On 19 April 1995 the Council decided to consult the Economic and Social Committee, under Articles 127 and 130 of the Treaty establishing the European Community, on the above-mentioned proposals.

The Section for Industry, Commerce, Crafts and Services, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 7 June 1995. The Rapporteur was Mr Pellarini.

At its 327th Plenary Session (meeting of 5 July 1995), the Economic and Social Committee adopted the following Opinion, by a majority with three abstentions.

**1. Introduction**

1.1. The Commission proposals are based on several documents, including the White Paper on Growth, Competitiveness and Employment; the Bangemann report on Europe and the Global Information Society; the Green Paper on Strategy Options to strengthen the European Programme Industry; the proceedings of the European Audiovisual Conference, held in Brussels from 30 June 1994 to 2 July 1994; and in particular on the evaluation of the Media programme's first two years of operation (COM(93) 364 final), the introduction to which states that 'the guidelines emerging from the evaluation have led the Commission to propose a number of technical and institutional adjustments to the Media programme'.

1.2. Given that 'a major objective for the European Union is to develop a European programme industry that is capable of satisfying the information society's cultural and economic requirements, that is competitive and will guarantee cost effectiveness in the long term', the Commission states that Community action must:

- include measures with structural impact on the industry;
- take full advantage of the potential of Community-wide measures;
- encourage Community and national measures that complement each other as well as promoting joint financial responsibility on the part of the audiovisual industry;
- set up financial incentive mechanisms, by making greater use of returnable advances and soft loans rather than non-returnable grants;

- make greater use of automatic aid systems rather than selective aid systems.'

1.3. To put this into practice, two instruments are proposed: one for training professionals for the programme industry; the other for development and distribution of European audiovisual production.

1.4. The Commission also plans to 'encourage the creation of financial engineering mechanisms to stimulate the mobilization of financial resources for audiovisual production (cinema and television)'.

1.5. At its 1841st session on 3-4 April 1995 the Council instructed the *ad hoc* working party on the audiovisual sector and Coreper to continue their analysis of the Commission proposals for Media II, and asked the Commission to establish the guidelines for the financial mechanisms as soon as possible. This would allow the Council to discuss the matter in depth at its June 1995 session.

1.6. At the same session, the Council decided that the Media II programme would be allocated MECU 400 over a five-year period, usually in the form of loans covering up to 50% of project costs, with possible exceptions for funding for training, which would cover up to 75% of project cost and would take the form of non-returnable grants.

**2. Preliminary remarks**

2.1. The ESC has already adopted several Opinions on the preparation of strategic objectives and specific

<sup>(1)</sup> OJ No C 108, 29. 4. 1995, pp. 4-8.

action programmes, both for information media in general and for the audiovisual sector in particular<sup>(1)</sup>.

2.1.1. Despite the wide-ranging, on-going debate and the wealth of documentation available, the Commission's analysis seems to disregard certain factors which could jeopardize the key EU objective of cohesion and also have serious repercussions on the social front.

2.1.2. The Commission works on the premise that there is an inexorable world trend towards liberalization and deregulation of services, and that early and efficient action is needed to remove the barriers to the Single Market. Consequently it makes no attempt to look into the possible social consequences of the influence and pressure wielded by large international media groups, or of the foreseeable increased competition in the audiovisual sector.

2.1.3. According to recent information, the Commission plans to issue a Green Paper on the socio-cultural impact of the mass media later this year.

2.1.4. Given that the audiovisual sector is developing rapidly, and is instrumental in shaping cultural models and customs, the ESC feels that the Commission's working method is unsatisfactory. Launching concrete measures before examining these phenomena brings a risk that the measures will prove uncoordinated, in the absence of an overall strategy.

2.1.5. In particular, the ESC regrets to note that there is still a serious reluctance to tackle certain key problems such as the levels of liberalization and privatization, media concentration, consumer needs, a universal service and the role of public service networks.

2.2. We must now consider whether extension of the Media programme for a further five years, based on a new approach and new methods of intervention, would address at least in part the concerns mentioned above, and provide instruments calculated to improve the

medium-term prospects of the European audiovisual production industry, which is currently in serious difficulty.

2.2.1. A first reading of the guidelines for Community support mechanisms gives the general impression that the document sets far-reaching objectives, capable of getting to grips with the structural weaknesses of the sector.

2.2.2. These will be dealt with under the General comments below.

2.2.3. The proposals for specific action seem, on the other hand, geared towards piecemeal rather than structural intervention, bearing in mind the priorities established *inter alia* during the discussions on amendments to the Media programme.

2.2.4. These will be discussed under the Specific comments below.

2.3. Whilst the ESC has given careful consideration to the proposals and welcomes the Commission's endeavours to devise legislation to improve the regulation of a Single Market based on free competition, it is disappointed that many of the suggestions and recommendations it has made on the subject in recent years — and produced thanks to a balanced consensus between different and sometimes opposing views — have been disregarded.

### 3. General comments

3.1. After stating that the European programme industry has serious structural shortcomings, and that a policy to safeguard its competitiveness in the medium term is needed, the Commission goes on to pinpoint the handicaps and weaknesses of the sector.

3.1.1. The most important of these are:

- fragmentation and partitioning into national markets;
- a low rate of cross-border programme distribution and circulation;
- chronic deficit and inability to attract capital;
- the difficulties involved in compiling programme catalogues (*i.e.* lists of productions available for distribution).

3.1.2. The Commission also discusses the competitiveness of the European audiovisual programme industry, and provides figures for the last ten years. A worrying decline emerges, to the benefit of the United States in particular.

3.1.3. This analysis leads the Commission to conclude that the weaknesses in the European programme industry

(1) ESC Opinion on the action programme to promote the development of the European audiovisual industry — Media (1991-1995) — OJ No C 332, 31. 12. 1990; ESC Opinion on the implementation of the Media action programme — OJ No C 148, 30. 5. 1994; ESC Opinion on the Green Paper on Pluralism and Media Concentration in the Internal Market — OJ No C 304, 10. 11. 1993; ESC Opinion on the follow-up to the Green paper on Pluralism and Media Concentration — OJ No C 110, 2. 5. 1995.

affect 'the whole production and distribution chain', and that it is thus fundamental 'to rethink the organization of the industry and its support mechanisms' without 'replacing the mechanisms operated by Member States to foster their national cultural identities'.

3.2. It would be helpful to look into some of the shortcomings in the Commission's analysis.

3.2.1. The history of the cinema — which gradually became entwined with that of television — has been marked by differing fortunes, particularly as regards the relative positions of Europe and the United States.

3.2.2. The successes and failures on both sides of the Atlantic, and their attendant economic implications, can generally be attributed more to the cultural message intrinsic in the work and to the way this is embraced by the public, rather than to production organizational skills.

3.2.3. The current success of the American model is due not only to cost-cutting and profit maximization, achieved by optimum organization throughout the production process (from the original idea to marketing the final product, including spin-off in the ancillary market); it is also due to the fact that it concentrates on productions with heavily standardized messages calculated to attract large audiences.

3.2.4. Whilst it would perhaps be simplistic to talk of cultural colonization, we should nevertheless realize that the problems facing the European audiovisual industry can be measured not only in terms of financial and organizational potential, but also — more importantly — in terms of the cultural content of production. The Commission proposals do not intend to tackle this.

3.2.5. This is the first point on which the Commission document is inconsistent with the widely-accepted need to put our 'European cultural identity' first. The EU recognized this priority in December 1993 when it decided to exclude the audiovisual sector from the GATT trade agreement.

3.2.6. The Commission's action in this area should therefore take account of the risks involved in merely stimulating a market which is already largely dominated by non-European production.

3.2.7. The Commission's analysis also completely overlooks the influence which existing public and private bodies might have on the success or failure of the proposed actions. Indeed, these bodies are indirectly accused of creating the present difficulties.

3.2.8. For example, the programme for development and distribution of works makes great play of the possible structural role of SMEs and independent productions.

3.2.9. We can only concur with the need to enhance the role of SMEs, but to think that this is the way to create an alternative to the dominant groups is as fanciful as, for example, suggesting a European transport policy whilst neglecting to involve the most important car manufacturers.

3.2.10. It is not a matter of providing subsidies or funding for these bodies, but rather of establishing instruments to give them a clear and positive role in the desired restructuring of the sector.

3.3. The ESC provisionally endorses the proposals to set up:

- a) a framework for exchanges of experience, backed up by a databank of national support systems;
- b) financial engineering mechanisms to encourage pooling of resources.

The ESC reserves the right to analyze the proposals in detail when the Commission presents them.

3.4. In view of the above comments, the ESC welcomes the proposals regarding training, development and distribution. It feels however, that they are unlikely to produce structural effects, firstly because of the limited funding available, and secondly because they do not involve the whole chain from production to distribution, but are confined to individual sectors.

#### 4. Specific comments

##### 4.1. Training

4.1.1. The ESC endorses the actions for training in economic and commercial management, as it feels the various European training centres are particularly weak in this area.

4.1.2. It also endorses the need and expediency of fostering networks of training bodies, and providing study grants and work-experience placements in companies in other Member States. Work experience placements in non-EU companies should also be included.

4.1.3. The ESC does, however, have some reservations regarding training on new technologies, particularly in the computer graphics sector, because of:

- the high costs involved (a single machine can cost as much as ECU 150 000);
- their limited use: virtually the same results can be achieved with less costly techniques;
- the fact that technical training is usually provided by the production industries.

4.1.4. Therefore, bearing in mind the financial and technical commitments involved, the ESC feels it would be better to set up one or two top-level European training centres for professionals who already have a good grasp of basic technology.

4.1.5. The ESC would also favour training schemes for actors and technicians who provide dubbing services, in order to facilitate the circulation of productions within the EU.

4.1.6. Regarding the amount of funding available, the ESC feels that the maximum of ECU 100 000 per centre per annum is inadequate. There is a risk that this will lead to large numbers of small-scale initiatives and consequently a dissipation of resources, rather than concentrating on a few centres which could become benchmarks and spearhead innovation in the sector.

4.1.7. The ESC would also point out that cultural pluralism will not be protected merely by involving specialized training institutes on a fair geographical basis. Providing sample syllabuses for certain courses could be extremely helpful in upholding the cultural diversity of Member States, without sacrificing this diversity to any competition-induced integration.

4.1.8. Regarding the final assessment of the programmes, the ESC feels that in addition to the various anti-fraud checks provided for, an anonymous assessment form should be issued to each student to fill in at the end of the course.

#### 4.2. *Development and distribution*

4.2.1. It should first be noted that access to funding is subject to a feasibility study by the Commission acting under the advisory committee procedure. This runs counter to the Commission's declared intention to 'make greater use of automatic aid systems rather than selective aid systems'.

4.2.2. Although the action and funding procedures are clearly stated in the programme, it must be said that a whole range of issues remain rather hazy.

4.2.3. The proposal repeatedly mentions 'independent European production companies' as the main beneficiaries, without actually defining what kind of independence is meant, or how that independence would be verified.

4.2.4. Furthermore, the proposal ignores the urgent problem posed by the large media conglomerates and their international links, whereas it should suggest measures to avoid production and distribution subsidies going to these groups.

4.2.5. The ESC feels that in order to avoid this, and in keeping with the need for transparency, a limit should be set on company size, using the criteria adopted for aid to SMEs. Monitoring procedures should also be made available: they could at least be required to publish details of their company structure and accounts.

4.2.6. The ESC would like to see other development and distribution measures calculated to bring economic benefits without requiring direct funding. These might involve strengthening intellectual property rights, tax deductions, or long-term guarantees on soft loans.

4.2.7. Finally, pending the amendments to the Directive on 'Television without frontiers' where new regulations on European programme quotas are envisaged, the ESC feels that a distinction should be made between support mechanisms for television production, and those for cinema production.

#### 5. **Conclusions**

5.1. Of all potential growth industries, the audiovisual sector has a particularly important role to play in boosting employment. Whilst the ESC endorses the Commission's specific proposals as a first step towards a solution, it would express its dismay at the shortcomings in the general analysis of the audiovisual sector's problems, and feels that the proposals are unlikely to produce structural effects, due to inadequate funding and the sectoral nature of the proposals themselves.

5.2. The ESC feels that the Commission should set up a European Audiovisual Agency in order to achieve a more concrete cultural policy and to defend our 'European cultural identity'.

5.3. This Agency could constitute a non-bureaucratic meeting point and centre for cooperation and coordination in several fields, from production to distribution under a single European trade-mark. Funding could be provided by a judicious combination of support grants and mechanisms envisaged for encouraging finance.

5.4. The ESC hopes that the training programme will be implemented according to criteria which reduce the

risk of resources being wasted and ensure that the programmes and their funding are as effective as possible.

5.5. For the development and distribution programme, the ESC feels that a clearer definition is needed of the criteria and instruments which can help to pinpoint eligible parties and ensure maximum transparency.

Done at Brussels, 5 July 1995.

*The President  
of the Economic and Social Committee*  
Carlos FERRER

### Opinion on the 'Fourth World Conference on Women'

(95/C 256/09)

On 23 February 1995, the Economic and Social Committee, acting under the third paragraph of Rule 23 of its Rules of Procedure, decided to draw up an Opinion on the 'Fourth World Conference on Women'.

The Section for External Relations, Trade and Development Policy, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 21 June 1995. The Rapporteur was Mrs Costa Macedo.

At its 327th Plenary Session (meeting of 6 July 1995), the Economic and Social Committee adopted the following Opinion by a majority with ten abstentions.

#### 1. Introduction

Conference be in keeping with the decisions adopted at these other Conferences.

1.1. The third UN World Conference on Women, held in Nairobi in 1985, approved implementation of forward-looking action strategies for promoting women and recommended measures for achieving these.

1.2. It will thus fall to the Beijing Conference (4-15 September 1995) to assess progress throughout the world in human rights and the promotion of fundamental rights and freedom for women; the Conference is also to discuss the upsurge in poverty amongst women.

1.3. Given the importance of the conclusions of the Rio Conference on the environment and development, the Vienna Conference on human rights, the Cairo Conference on population and development and the World Summit in Copenhagen on social development, it is imperative that the final document of the Beijing

1.4. The General Assembly of the UN held on 13 December 1985 defined both the strategic objective of the preparatory meetings of the conference for that decade and the priority objective of its work as being the fight for equality, development and peace and the adoption of the most suitable measures for achieving these objectives in a realistic, practical fashion. The idea is that the main debate of the 1995 conference should focus on the path to follow to promote women in all countries, taking account of their cultural diversity and different economic circumstances.

1.5. The main aim of the 1995 conference is to review the world-wide situation and to assess progress in women's circumstances in the light of the objectives and strategies defined in Nairobi. This aim thus a) presupposes the political will to adopt a platform for