

**CONTRIBUTION TO  
THE COMMISSION CONSULTATION PAPER  
THE FUTURE “EU 2020” STRATEGY**

**INTRODUCTION**

FERA would like to thank the European Commission for the opportunity to contribute in the consultation on the future EU 2020 Strategy and commends the Commission on calling for *an agenda that puts people and responsibility first*<sup>1</sup> and its emphasis on sustainability, innovation, and social inclusion.

Art and culture are important factors in promoting social inclusion, and European citizens have the right to access culture. Europe’s creators bear witness to our time. The works we create hold up a mirror to modern society and are the cultural heritage of tomorrow, conveying meaning and identity locally and globally.

Artistic creation should be recognised as a key element in creating public value, culturally, economically and socially. The range of human, material and technical resources in the artistic fields contributes significantly, and increasingly so, to income and employment.

**WHAT IS FERA?**

FERA is an international, non-profit federation of national associations of film and television directors. Established in Venice in 1980 by a small group of far-sighted directors, it has grown to include 37 member associations from 29 European countries. The current President of FERA is István Szabó (elected in 2008).

The history of film shows that the best films are made when directors are afforded conditions that enable them to pursue their vision to the full. The simple yet ambitious aim of FERA is to take concrete, coordinated and comprehensive action in all areas that are crucial to the success of European audiovisual works and their creators.

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<sup>1</sup> Page 2 of the Consultation Paper

## FERA'S CONTRIBUTION

FERA would like to single out 5 key topics from the Commission Consultation Paper, and point out the conditions that we believe must be in place to actually *unleash* Europe's *innovative and creative potential*<sup>2</sup>.

### ***1. In order to create more jobs, a more entrepreneurial culture needs to take hold in Europe, with a more positive attitude towards risk-taking and a capacity to innovate***<sup>3</sup>

To be an entrepreneur means taking financial risks, to be an artist also means embracing creative risk-taking and challenging yourself to reach for the undiscovered or unexpected – to be innovative.

The research and development aspect of creation, underpinning the cultural sector, needs to become stronger. A more intensive, systematic, and wide-ranging collaboration between the arts, academic and scientific institutions, private-public initiatives to support artist-led experimentation should be implemented.<sup>4</sup>

The major industrial players need to see artists as part of their research and development process and invest in the creativity behind the content, not just in the technology.<sup>5</sup>

### ***2. Reflecting political priorities in our public budgets***<sup>6</sup>

Audiovisual directors are storytellers in the most cost intensive form of art: the moving image. Our chosen form of expression also makes it possible to communicate and share our stories with millions of people. The human experience portrayed in audiovisual works represent a universal language that transforms the “them and us” into “you and me” and strengthens the European “we”.

FERA is glad to see that the Commission wisely maintains that *even in a time of necessary fiscal consolidation, the Stability and Growth Pact allows room for investing in the future*<sup>7</sup>.

The EC study on the Economy of Culture in Europe published in November 2006 underlines the key role of culture to the Lisbon strategy with a contribution of the cultural sector estimated to 2.6% of the EU GDP and with a growth rate higher than the growth of the European economy in general. But culture currently receives less than 0.05% of the EU budget.

FERA calls on the Commission to invest in the future of Europe's creators and creative industries by allocating a much more proportionate percentage of the EU budget to culture, an essential factor in achieving the commendable political ambition to *unleash our creative and innovative potential*.<sup>8</sup>

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<sup>2</sup> Page 3 of the Consultation Paper

<sup>3</sup> Page 7 of the Consultation Paper

<sup>4</sup> As recommended by the Access to Culture Platform (which FERA is a member of)

<sup>5</sup> As stated by the Platform on the Potential of Cultural and Creative Industries (FERA is a member)

<sup>6</sup> Page 11 of the Consultation Paper

<sup>7</sup> Page 11 of the Consultation Paper

<sup>8</sup> Page 3 of the Consultation Paper

### ***3. The EU needs to provide more attractive framework conditions for innovation and creativity<sup>9</sup>***

If the European Union is serious about putting creativity and innovation at the centre of the agenda for the coming decade, there must be political courage to take targeted legislative action that actually fosters and promotes creation and sustains its authors – in the long term.

Increasing numbers of creative professionals and artists are self-employed, multi-national and nomadic. It is crucial to improve their socio-economic status and social protection.

FERA welcomes the Commission's attention to the need of *removing disincentives, such as the unequal treatment of the self-employed under most social security systems.*<sup>10</sup>

Important imbalances in legal and social provisions still exist between the EU countries. These need to be strategically addressed in close collaboration with the cultural sector. The EU and Member States should optimise and implement a social security scheme that ensures that artists can take advantage of social security benefits across Europe.

The Commission should take bold steps to strengthen the position of artists in order to ensure us the means to live from the product of our labour as a basis for further creative production - a goal surely in the interests of audiences and society as a whole.

### ***4. A well-functioning system of intellectual property rights<sup>11</sup>***

In FERA's view, the respect for the integrity of the work and the authorship (moral rights) are fully in line with public interests, and are not to be taken lightly.

There are in Europe insufficient protective rules for directors, who as audiovisual authors, in a hugely unfair economic arrangement, usually assign our rights for a flat fee and are then deprived of any revenue generated by the commercial exploitation and the success of our works. There is a strong need to strengthen the contractual position of directors in order for us to actually receive fair remuneration – for all forms of exploitation of our works.

The creation at the European level of an unwaivable right to remuneration for the online exploitation of audiovisual authors' works - listed among possible EU actions foreseen by the joint Reflection Document from DG Information Society and Media and DG Internal Market and Services – is vital to the sustainability and growth of Europe's creative industries, and FERA is pleased to see that the Commission clearly recognises this.

Directors naturally want best governance and transparency from collective rights management organisations, and hold them fully accountable to us, their members, on all matters. FERA endorses any initiative to achieve this.

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<sup>9</sup> Page 5 of the Consultation Paper

<sup>10</sup> Page 7 of the Consultation Paper

<sup>11</sup> Page 5 of the Consultation Paper

## ***5. Europe should tap fully the potential of the digital economy<sup>12</sup>***

European directors strongly believe that new forms of distribution will not only give European audiences access to a broader range of audiovisual works, they also represent a unique opportunity to further strengthen the production base and promote the diversity of audiovisual works created in Europe. The online environment is a new form of distribution that needs to be regulated, just as other forms of distribution have in the past.

The link between distribution and financing production must be maintained in the digital single market. It would be absurd to allow the new audiovisual media services to profit from European audiovisual works without investing a fair share of their turnover in the production of new works. We must ask the question: If they don't pay, who will? And what will be the impact on the level and quality of production?

It is crucial, as provided for in article 3i of the AVMS directive, that financial contributions from online services consist in the obligation to invest a share of the turnover of the service concerned in the production and rights acquisition of European works (the investment rate could increase according to the turnover) and/or by contributing to national film and audiovisual production funds.

Any online Europe-wide or multi-territory license should not destabilise the current system of financing films and television programmes, and disrupt related release windows, without providing alternative production funding sources.

There have been format and distribution changes in the past that European directors have adapted well to, and we embrace the development of rich and diverse online video on demand (VOD) services that reflect the current creativity, quality and diversity in European audiovisual works. These services must, however, respect the fundamental rights of the creators of those works if European film is to survive and develop.

For European directors, all online distribution opportunities for our works which respect the artistic integrity of the work and our rights as creators (both moral and economic) are valuable to help us reach new audiences.

### **For more information please contact**

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<sup>12</sup> Page 5 of the Consultation Paper