



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 14 November 2013 (19.11)  
(OR. fr)**

**15806/1/13**

**REV 1**

**CULT 117**

**AUDIO 111**

**PI 158**

**COMPET 823**

**FISC 218**

**COMER 261**

**MI 1025**

**REVISED INFORMATION NOTE**

---

from : General Secretariat of the Council

to: Council

---

Subject: Towards a cultural strategy in the digital era  
*- Information from the French delegation*

---

Delegations will find attached an information note from the French delegation on the above subject, which has been put on the agenda under "Other Business" for the next Education, Youth, Culture and Sport Council meeting on 25 and 26 November 2013.

## **Towards a European cultural strategy in the digital era**

The French authorities thank the Presidency for having put the information item "Towards a European cultural strategy in the digital era" on the agenda of the Education, Youth, Culture and Sport Council meeting on 26 November 2013.

Following on from the European Council meeting of 24 and 25 October 2013 focused on innovation and the digital agenda, and given that the 2011-2014 Work Plan for Culture<sup>1</sup> will come to an end next year, the French authorities believe that the Ministers for Culture and Audiovisual Affairs meeting in the Council should consider the future of cultural policy in the digital era and invite the European Union to adopt a genuine cultural strategy.

### *The need for a European cultural strategy in the digital era*

Indeed, with the question of cultural diversity more relevant than ever in the new digital environment, it is necessary for the European Union to define a specific cultural strategy. The European Commission having highlighted the importance of the cultural and creative sectors for growth and jobs<sup>2</sup>, the French authorities believe that it is time for Europe to put culture and the creation of cultural content in the digital environment at the heart of its policies.

---

<sup>1</sup> OJ C 325, 2.12.2010, p.1.

<sup>2</sup> Communication from the Commission: "Promoting cultural and creative sectors for growth and jobs in the EU", COM(2012) 537 final of 26 September 2012.

The aim of this strategy should be to enable the European Union and its Member States to adopt measures and instruments appropriate to the goal of promoting cultural diversity, while taking into account the specific characteristics of each sector. The strategy should aim to take better account of the cultural dimension in all Union policies: internal market, taxation, competition, State aid, trade, mobilising funding, etc. As recent discussions on trade negotiations or state aid in the Council meetings on culture and audiovisual affairs have shown, areas where the Union has legislative or exclusive powers are often the areas where crucial cultural issues arise.

Here, a key challenge to be met is that of implementing an effective competition and taxation policy adapted to the digital giants, which play an essential role of intermediary between the public and creators<sup>3</sup>. State aid for culture, including cinema and the audiovisual industry, and for our heritage should enable us to implement dynamic policies and incentives in support of the cultural sector. On the world stage, the European Union should be proactive in promoting cultural diversity, in particular within UNESCO. Trade policy must take full account of the cultural dimension, which above all means excluding audiovisual services from liberalisation. When it comes to taxation, it is time for European legislation to identify clearly the VAT rates on cultural goods and services, whether online or in a traditional setting.

---

<sup>3</sup> Conclusions of the European Council of 24 and 25 October 2013 (paragraph 7 of EUCO 169/13): "There is also a need to address the bottlenecks in accessing one's "digital life" from different platforms which persist due to a lack of interoperability or lack of portability of content and data. This hampers the use of digital services and competition. An open and non-discriminatory framework must therefore be put in place to ensure such interoperability and portability without hindering development of the fast moving digital sphere and avoiding unnecessary administrative burden, especially for SMEs."

Cultural content must also be given priority in a digital strategy. The European Union must encourage and support all those involved in cultural content to make the digital transition by stimulating the creation of attractive content and developing innovative services. Meeting the challenge of a digital cultural Europe will in future entail databases of works, standard formats for exchanges of metadata and the imposition of interoperability obligations on distributors. The challenges of cultural diversity and support for European creativity should also figure high on the agenda in the debate on media convergence and the future of the Audiovisual Media Services Directive. The Europeana digital library is an emblematic heritage project, a crossroads where European, cultural and digital dimensions meet; it should be accorded an enhanced role and more financing, notably in the context of projects aimed at the European citizen along the lines of Europeana 1914-1918.

The cultural implications of intellectual property law also need to be considered as a matter of priority<sup>4</sup>. The objective should not be to simply deepen the single market but to put a stronger creative economy, which is one of Europe's great strengths, at the heart of the agenda. The remuneration of creators and the viability of cultural industries should therefore inform these discussions. The work undertaken by the Commission in the "Licences for Europe" initiative and on the European framework for copyright and related rights could provide a basis for discussion. The European Union also needs to display more commitment in preventing infringements of intellectual property rights. Piracy is a serious problem for the creative and cultural sectors in Europe and is hindering the development of legal services. Priority should be given to involving all stakeholders in the digital ecosystem. They all – whether they be search engines, internet service providers, suppliers of payment solutions or online advertisers – have an interest in putting existing practices on a sounder footing.

---

<sup>4</sup> "Providing digital services and content across the single market requires the establishment of a copyright regime for the digital age. The Commission will therefore complete its ongoing review of the EU copyright framework in Spring 2014. It is important to modernise Europe's copyright regime and facilitate licensing, while ensuring a high level of protection of intellectual property rights and taking into account cultural diversity" (EUCO 169/13).

Financing for the cultural sector should be a more clearly recognised priority for Europe. This calls for specific tools, such as the creative Europe programme with its new financing instrument, and also the possibility of mobilising other European sources of funds, in particular under the cohesion policy. The cultural strategy should enable us to establish accurately the cultural sector's financing requirements and provide leverage for the financing of creative activities in Europe.

The French authorities ask the European Commission to address this issue and to formulate a proposal on a European cultural strategy for the digital era for presentation to the Ministers for Culture and Audiovisual Affairs meeting at the Council.

*The urgent need for a policy in favour of cultural diversity in the book sector*

The aim of cultural diversity calls for particular vigilance in the book sector, which is undergoing profound upheavals. Specific policies are needed in each Member State to make available appropriate regulatory instruments and the experience of this challenge must be shared at European level.

The remarkable growth in ebooks on the American market shows that similar growth may be expected in European countries over the coming years. However, while the mass proliferation of ebooks holds great promise in terms of readers and stimulus for creativity, we must ensure that the ebook market is developed by stakeholders in the sector, and not as a result of the type of piracy that has adversely affected many cultural sectors. Moreover, it is crucial that the development of this new product go hand in hand with measures to prevent the extreme market concentrations that have taken place in the online distribution of cultural goods, where a small number of operators have captured most of the market at the expense of the creative sector.

Following the October European Council, which asked the Commission, as part of its ongoing VAT review, to also address issues which are specific to the digital economy, such as differentiated tax rates for digital and physical products, France reiterates its support for a revision of VAT that would unambiguously authorise a reduced rate of VAT for digital cultural goods on the lines of the rates applied in the physical world, in application of the principle of fiscal and technical neutrality.

France's recent initiatives for the book sector have a twofold objective: development of an attractive legal supply, on the one hand, and preserving the remuneration of creative work and the ability of rights holders to control selling prices, on the other.

The stakes are just as high at European level, since books constitute a major cultural industry (EUR 40 billion in turnover and 200 000 skilled jobs) and have been the main vector for ideas and knowledge between our societies over the centuries. However, while Europe is a major force in publishing (seven of the ten leading publishing groups in the world are European), there is no escaping the fact that the bulk of online distribution is today in the hands of non-European operators.

This situation, combined with a trend towards the standardisation of products and choices in a virtual, audience-driven universe, poses a serious threat to diversity in publishing. The growth of ebooks is thus a challenge for both the economy and the civilisation of Europe.

Those working in the book industry rightly expect Europe to uphold cultural diversity and, through its own policies and the policies it encourages at national level, to promote the emergence of European digital operators.

France believes that only through an informed European debate will it be possible to rapidly identify and promote innovative and dynamic solutions for an ebook distribution infrastructure commensurate with Europe's position in the creative field. Such a debate is urgently needed, since strategic decisions in this area will have to be taken in the near future if we want to have European players on this emerging market.

Accordingly, France would like to see ebook-related issues added to the Council's future programme of work on culture, which will be drawn up in 2014. It also wants the Commission to move quickly to organise an in-depth consultation with the industry on these issues, taking particular care to involve those creating cultural products, without whom the book industry could not exist, and the Member States. This collective debate should be held with a view to promoting an overall approach to the book sector which will make it possible to take account of the specific features of this cultural good in all policies.

---