

Affirming Cultural Value in a Global Market Place: the role of cultural policy and UNESCO's Convention, 2005

By Holly Aylett

EuroAsia Economic Forum, Xi'an, China, October 2013

Yesterday Liubava Moreva, UNESCO Programme Specialist on Culture, spoke of the fundamental role culture and creative activity play in achieving sustainable development. I wish to look at ways government policy and financial strategies can maximise this impact - to boost innovation, to nurture intercultural dialogue, to strengthen civil society as well as bringing economic return.

Our cultures and creativity are like the air we breathe. They cannot be taken for granted. They need to be defended and promoted.

Slide 2

In general, creative industries benefit from being a renewable fuel, whose stock increases with use. Furthermore, "competition" among creative agents attracts and encourages the action of new producers, instead of saturating the market. There is no way of copying the cultural substrate that lends value to creative products and locations. It is rooted in the skill and inspiration of local creators and local culture.

Therefore, support for this productive base offers huge potential investment opportunity. Reports brought out by the United Nations Conference on Trade and Development claim that between 2000 and 2005 the creative industries represented 3.4 per cent of global GDP with an average annual growth of 8.7 per cent between 2000 and 2005.

(http://unctad.org/en/docs/ditctab20103_en.pdf)

However investors need government policy and resources to engage effectively in the creative sector. And our creative artists, on whom all depends need to be sustained in all their diversity. It is not enough to rely on the market. The market is highly selective, already weighted in favour of the most powerful players, and usually regards artistic activity as high risk. So there is ample evidence, particularly in the audiovisual sector where I work of market failure in sustaining pluralism and creativity.

Governments can be reluctant to provide the support necessary for the sector. This can be for political reasons – a fear of increasing the status of the artist often seen as a subversive or divisive voice – or for economic reasons, that what the market won't support should not be subsidised by the state.

Often it is that the needs and value of the sector are not properly understood. One consequence of this is that in bi-lateral trade negotiations, governments trade their cultural services in exchange for what are seen to be more essential benefits.

This was the case in South Korea in 2007 where the government gave into pressure from the United States in a bi-lateral negotiation, and agreed to

remove the 50% quota for Korean films in national cinemas. These quotas had successfully stimulated the growth of a strong local film culture, but were seen by Hollywood as a threat to their expansion into south east Asian markets. It was only the mobilisation of civil society by the filmmaking community itself, which managed to persuade the government to restore the quota, although only at half its original level.

Slide 3

In 2005, UNESCO adopted a groundbreaking **international Convention** whose articles defend the sovereignty of nation states to evolve the policies needed to support their creative industries.

It is distinctive in focusing not on our heritage or intangible heritage. Instead it supports the ongoing creative activity of today's artists – the vision for our future.

The Convention on the Protection and the Promotion of Diversity of Cultural Expression, is unique in recognising the cultural as well as the economic value of creative works.

It obliges all signatories to engage in measures of co-operation and exchange to increase the role of the creative industries for development whether on a south-south or north-south basis

And It affirms the key role of civil society in working with governments to implement its aims

Currently there are 132 signatories amongst which in this region are Afghanistan, China, India, the Republic of Korea, Tajikstan and Viet Nam. So 10 years after it appeared it has nearly built the consensus of Kyoto for the environment

Slide 4 – Key Articles

The Convention is an exceptional tool and I've outlined in this slide some of its key articles. Like all treaties it is a consensual document but one which we can all use to strengthen our cultural policies.

European states were amongst the first to ratify the Convention, and Europe has also signed up as a region. Its aims have been mainstreamed into policies and documents such as the European Agenda for Culture (May 2007); the working program of the Culture Council (2008-2010); and the Brussels Declaration, 2009 and the Audiovisual Media Services Directive .

So there has been an attempt by Member States to ensure that European policy builds the Convention's principles consistently and systematically both into the internal and external competencies of the Union.

Given the emphasis on using culture in strategies for development and cooperation the Convention has also strengthened outreach to regions and countries outside Europe, in particular the Afro Caribbean and Pacific countries and to a lesser extent the Euro-Mediterranean region.

One of the sectors which best demonstrates what can be achieved by evolving constructive regulatory policies is in the audiovisual sector. It is also of critical importance since the economic value of this sector is so enormous today and we are all living in a world saturated by images.

Slide 5

Through the MEDIA programme Europe is able to support the development of local content throughout the 28 member states. But just as important is support for distribution so that there is a greater exchange of films between countries, through support for cinema chains, film festivals and a digitization programme. This provides vital support for intercultural dialogue and reinforces global cooperation between European and non-European professionals, including funding training, facilitating international sales and promoting joint distribution platforms.

The other key policy intervention is the MEDIA LITERACY Programme. This recognizes the need to enable people to access, analyse and evaluate today's images and texts. In contemporary society this is essential for active citizenship. Just as literacy was at the beginning of the twentieth century, media literacy is a key pre-requisite of the twenty-first century. So many of our children are getting most of their information from audiovisual sources, on or off line. So strategies for media literacy recognize that they need to be educated to develop a critical awareness. It is also fundamental to build audiences for European cinema: media-literate people can make more informed choices about the audiovisual content market and learn to understand their own cinema, not only the seductive genre-based cinema of Hollywood. In England we are evolving policy to ensure children develop awareness based on the three Cs: that is critical – ability to analyse media they see; creative – ability to use basic filmmaking equipment and cultural – awareness of the different language and values which national cinemas express.

Slide 6

The key legislative tool for the audiovisual sector is the Audio Visual Media Services Agreement . This lays out common principles for the regulation of film and broadcasting.

Significantly the directive has evolved to respond to the needs of the digital age. I've noted one of the key articles in addressing the challenge of today's global internet context . Article 13 states that "Member States must ensure that not only television broadcasters but also on-demand audiovisual media services promote European works."

There is an assumption that just because everything is potentially available on the internet, that we will have access to the full diversity of content. In fact the internet has created new gatekeepers and tends to promote the material of its dominant players, so insisting on European content is critical in this context.

Equally important is to provide the framework for seeking a proportionate contribution from the major non-linear players to the ongoing support of artists and the production of a diverse range of content.

The value of video on demand sales on the internet has been estimated at \$750 billion worldwide. Much of this value is created by pornography and much is user-generated rather than of high production value, or national content. However, it is significant that it is estimated that less than 2% of these enormous revenues reach the producer, let alone the artist. What other industry benefits from virtually free access to its raw material?

France has taken a lead on this and now ensures that the video-on-demand channel, Canal Plus, must invest a percentage of its turnover in the acquisition of rights of local and European content.

Slide 7

Regulation of the internet is one of the most contested issues which all countries will face today, and one which policy makers worldwide need to address to ensure diversity of access and expression in national cultures. Whilst the processes of globalization and the underlying technological innovations offer new opportunities for freedom, sharing, and solidarity, they can also increase the risks of domination, inequality, and exclusion unless there is intervention to assist local production of content, local capacitation in the use and application of digital technologies, and support for the roll out of necessary technology and user-equipment.

In the last years a coalition has come together to challenge existing regulation and the principles of diversity of expression and fair access which underpin it. This coalition of interests includes

- Google in search and aggregation,
- Amazon and Apple in sales and distribution
- Apple and Samsung in devices
- Advertisers
- Internet Service Providers
- Telecommunication companies
- digital rights activists

Amongst other objectives, this coalition of interests seeks to achieve a radical reform of copyright, no enforcement of Intellectual Property Rights on the internet, the abolition of private copying levies and less regulation for Connected TV which could threaten public service broadcasting and broadcast rules for local content, the protection of children and controls on advertising.

Slide 8

In the interests of pluralism and strengthening the artist to maximise their role in our communities nations can use the Convention and develop cultural policy to ensure that

- all global audiovisual players invest in and broadcast content made by you
- those players pay a fair share of taxes and carry your creation on their networks and services
- intellectual property on the internet is respected and protected
- author's and performers rights are respected and remunerated fairly

It is not only the future of our creative industries which hangs on these debates, it is also our success in building thriving, diverse communities and extending regional and global collaboration – such as the Silk Road initiative which we have been hearing about at this forum.

Lastly I wish to emphasise the importance of developing long-term financial strategies and measures to invite the engagement of the private sector in developing creative industries.

Slide 9

At international level, multilateral awareness of the potential for the creative industries is compromised by the fact that the main international agencies often fail to understand the structural needs of the creative sector in developing countries.

The executive summary of UNESCO's 2010 conference, *Funding Culture, Managing Risk*, states that investment interventions often focus on short-term, highly visible projects “insufficient for rendering the sector viable, thereby perpetuating risks.” This in turn affects the disposition of donor communities to support cultural initiatives even where their development potential has been recognised.

Executive Summary,(p8)

<http://unesdoc.unesco.org/images/0018/001893/189381e.pdf>

The conclusions of the UNESCO Conference also indicate that current perception of risk for investment in the creative industries does not reflect the buoyancy of this sector, in spite of the financial crisis post 2008, nor its high performance in relation to related sectors of education, health and tourism.

Most of the development money available ultimately comes from public sources of revenue whose investment is subject both to changes of administration and priority, and often only available for between 3 and 6 years. However, most projects, to become sustainable, need to develop in a longer term which necessitates the mobilisation of private partners and local finance.

However, there is a lack of analysis and indicators which would make the mode of operation and the performance of creative industries more accessible

to potential investors who do not understand the complexity and distinctiveness of the sector. One useful set of tools is demonstrated in the seven dimensions of UNESCO's Cultural Indicator Suite, <http://www.unesco.org/new/en/culture/themes/cultural-diversity/cultural-expressions/programmes/culture-for-development-indicators/> Which provides a framework to gather evidence for the status of the cultural industries in developing emerging economies.

In smaller developing countries where markets are limited, and cultural sectors struggle to be profitable, there is also a need to think beyond national markets (sub-regional, regional and international) for market viability. This means governments need to coordinate policies and export activities in third party countries

Slide 10

Since the best way to manage risk is to share it, national agencies could establish collaborative platforms to help develop financial tools for growth. New funding models are necessary in order to go beyond subsidy and grant, including, for instance, guarantee funds (mostly non-market); public-private partnerships on the large scale; Islamic banking and other communitarian models; small co-operatives between cultural operators, credit lines, micro credit schemes, social economy models; and peer production methods on the smaller scale.

Once again, the role of government is critical. Intervention is needed to effect change in taxation, customs duties, copyright and intellectual property protection, and funding for infrastructure, training and access to capital. <http://unesdoc.unesco.org/images/0018/001893/189381e.pdf> Conclusions, p64

Slide 11

Ultimately the strength and diversity of our creative sectors depends on the political will of our national, regional and international institutions to act, but it also depends on all of us here and this is uniquely recognised in UNESCO's Convention which is very clear about the vital role which civil society must play alongside government. It's a time to affirm loudly the cultural as well as the economic value of the creative industries we seek to develop and strengthen, and it will be best achieved if countries share best practice, exchange expertise and collaborate.

One useful source of examples of policy measures and government initiatives to strengthen diversity and a thriving creative sector is on UNESCO's site where the 4 year reviews under the Convention are analysed and displayed. <http://www.unesco.org/culture/cultural-diversity/2005convention/en/programme/periodicreport/>

ENDS