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Achieving a Fairer Trade: North and South perspectives

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Address through observations on

- 1) **Function/dysfunction of international development cooperation** between North and South
- 2) identifying some **challenges facing creative enterprise** everywhere, not least in regulating the opportunities offered by new digital technologies

Global contexts

The global economic crisis has made it more difficult to argue the importance of state support for culture and creative enterprise, in both countries of the north and south.

- Severe cuts –municipal and national - are affecting many European States creating unfavorable environment for sustaining arts and creative industry.
- In education, **promotion of science, technology, engineering, medicine (STEM) subjects** and diminishing support for Humanities areas or prioritization of arts in schools eg UK and Uganda
- Impact of **liberal economic ideology** - policy orientation now driven by perception that growth will be achieved through support for the finance and business services sector. In UK finance and banking accounts for 7.5% of GDP whereas creative industries estimated 7.2%. Mali, before coup, banking c1% and creative industries c 2.5% (strategic to mobilize economic point & quantitative evidence)
- Economic crisis also impacts on **agendas of the national cultural agencies**, particularly those in Europe. Now, EUNIC (European Union National Institutes for Culture) have become more narrowly focused on objectives of cultural diplomacy with countries determined by foreign ministries, and less on any concept of disinterested exchange and support, north-south. Increasing focus on “emerging economies” & BRIC countries – Brazil, Russia, India, China

Building the Discourse of Culture/ Diversity of Cultural Expressions with Agencies of Sustainable Development–
importance of advancing debate

The Convention is legally structured so that signatories are obliged to support and cooperate with the developing world as well as observing specific provisions of its articles, In spite of advances in the past 10 years, culture is still invisible in the rubric of many multi-lateral, regional and national agencies.

Uneven and unequal development

- In Europe support for culture ranges from some of the Nordic countries whose policies make a connection with human rights and cultural expression, and those where culture still not mentioned in institutional development programmes
- only included in the MDGs in the mid-term review, 2010
- absent in strategy proposed by the EU Department for Development and Cooperation, “**Agenda for Change**”
 - No mention of culture even though stated priorities, growth and sustainable development, will best be achieved by engaging with cultural institutions and promoting creative enterprise
 - Proposal to limit funds to neighbourhood states and sub Saharan Africa

This **extraordinary omission** has occurred in spite of the European commitment to the Convention, and the mainstreaming of its objectives into the internal and external policies of the Union eg European Agenda for Culture, 2007, reaffirmed in resolution of the Brussels Declaration 2009 (gathering of over 800 artists, professionals and politicians from 65 EU/ACP countries)

Consequences of the ongoing invisibility of ‘culture’ in multilateral and regional agencies has major impact on achieving “fairer trade”

- denial of the normative frameworks established by the Convention
- for countries of the South, it makes it difficult to approach international & regional agencies for financial support for cultural projects
- more difficult to achieve policy objectives with national governments which might strengthen and safeguard cultural aims e.g affirming rights of indigenous peoples, promoting culture through tourism, or building the capacity of the industries

In next stage, coalitions **must continue to argue at national and international level the centrality of culture to sustainable growth**. This means translating centrality of culture and creative

enterprise to social justice, sustainable development, good governance etc

Also imperative to develop link between right to diversity of cultural expression and **human rights** more generally.

Eg Highlight devastating example **of Mali** –to undermine civil society, the Islamist attack has been directed specifically at all forms cultural expression, through repression of radio, theatres, film and heritage

Other Challenges to fairer trade

1 Failure 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 highly visible projects "insufficient for rendering the sector viable thereby perpetuating risks". This in turn makes donor communities reluctant to support cultural initiatives even where their development potential has been recognized.

What is required are longer term, sustainable interventions – difficult as many of these programmes are tied to short government terms and initiatives..

2 New funding models to go beyond subsidy and grant – eg development of guarantee funds, public-private partnerships, co-operatives between cultural operators, credit lines and micro credit schemes

There is a need to address the perception of investment risk for private and financial organizations, and access to relevant information

The role of government policy is critical to devise a framework to assist investment and growth. Intervention is needed to effect change in taxation, customs duties, protection of copyright and intellectual property and funding for infrastructure, training and access to capital.

3 Building effective policy to share the benefits of digital technologies proportionately

a) Mapping the impact of digital technologies - UNCTAD report on the Creative Economy revealed that the continent of Africa accounted for a mere 1% of global exports in trade. This was a

shocking indication of unfair trade. It is also hugely significant that this global mapping of trade, repeated in 2010, was based on available trade figures, and did not include trade on the internet as these figures don't exist.

b) Supporting infrastructure & capacitation Since the business models for many cultural industries now depend on digital technologies to be competitive, developing infrastructure, providing hardware and ensuring digital capacitation is essential.

c) Regulation to adapt existing protection to the digital age

Example from the European Region:

Much work of European Coalitions **monitoring trade agreements**. Most recently the renegotiation of Europe's trade agreement with Canada, and consultations on the future of economic relations between America and the European Union, have raised, once again, the crucial issue of the **status of cultural industries in World Trade negotiations on cultural services**.

The ECCD is active in defence of our cultural rights and the diversity of cultural expressions in two key areas – the defence of the principle of cultural exemption status for cultural services, and resistance to arguments from the United States in particular to integrate non-linear services into the category of Technology of Information and Communication services (ICT). This is an old strategy which would maximise the benefits of an unregulated market from the American point of view (already hugely dominant in Europe let alone the rest of the world) and the interests of the Telecoms.

Crucially it would **reverse advances in policy making** which have been achieved through the upgrading of existing European Union directives affecting the audiovisual sector to extend their obligations and protections in the changed contexts of the digital age.

Specifically, the AudioVisual Media Services (AVMS) directive came into force in 2007 and was transposed in 2009. The new AVMS Directive now covers both television broadcasting services, including free to air programmes and Pay-TV, and on-demand services (provided for remuneration, at a distance, by electronic means and at the individual request of a recipient of these services) which are "audiovisual media services".

d) Fair and proportionate contribution from the non-linear providers to the generation of local content, and the diversity of cultural expression on which they depend. This concerns the telecoms, ISPs and browsers – the Googles, Apples and Amazons of this world - operating with the advantage of huge profit margins and often not contributing tax locally. In Europe, France has led the way in negotiating percentage returns from the profits of these companies to be reinvested nationally.

The stakes are huge. Politically, these companies often hide behind some of the more extreme digital rights movements who wish to undermine copyright and the rights of authors, artists and performers with no clear plan as to how continued high quality film, drama and documentary will be produced and distributed. This coalition of interest often has a limited grasp of the potential impact on diversity of cultural expression and the number of jobs across the creative industries which depend on the exclusivity of rights.

Action Points for Coalitions in next stage

- IFCCD to **monitor and insist on the Articles of the Convention**, to keep the significance of culture and cultural policy on the agenda
- Urge state parties and secretariat to advance **resolution from 2nd Congress** in Brazil, for pro-active guidelines on Article 23, and for guidelines in relation to Article 20 and 21.
- Continue **work of translation** (with ministers, creator organizations etc) to build the discourse making the connection between culture and creative activity and the achievement of sustainable development, social justice and good governance.
- Initiate **research** into methodology for qualitative as well as quantitative methods of **evaluation** of cultural impact (qualitative evidence base) to demonstrate function of creativity and diversity of expressions in strengthening identity and civil society
- Strengthen **inter-regional communication** between members of IFCCD particularly regarding trade (including Free Trade Agreements), intellectual property rights and internet regulation
- Ensure integration of **demands of Article 16** with other actions to safeguard and promote the Convention

ENDS/Thanks