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REPORT

of the Committee on Youth, Culture, Education, the Media and Sport

on the proposal from the Commission to the Council for a decision concerning the implementation of an action programme to promote the development of the European audiovisual industry (1991-1995)
(COM(90) 0132 final and final 2 - C3-0221/90)

Rapporteur: Mr Roberto BARZANTI

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A Series Reports - B series Motions for Resolutions, Oral Questions, Written Declarations, etc - C Series Documents received from other Institutions (e.g Consultations)

***** = Consultation procedure requiring a single reading

****II** = Cooperation procedure (second reading) which requires the votes of the majority of the Members of Parliament

****I** = Cooperation procedure (first reading)

******* = Parliamentary assent which requires the votes of the majority of the current Members of Parliament

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By letter of 18 July 1990, the Council consulted the European Parliament, pursuant to Article 235 of the EEC Treaty, on the Commission proposal for a Council decision concerning the implementation of an action programme to promote the development of the European audiovisual industry (1991-1995).

At the sitting of 10 September 1990 the President of Parliament announced that he had referred this proposal to the Committee on Youth, Culture, Education, the Media and Sport as the committee responsible and to the Committee on Budgets, the Committee on Economic and Monetary Affairs and Industrial Policy, the Committee on Energy, Research and Technology and the Committee on External Economic Relations for their opinions.

At its meeting of 30 May 1990 the Committee on Youth, Culture, Education, the Media and Sport had appointed Mr Barzanti rapporteur.

At its meetings of 20/21 September 1990, 29 October 1990 (including a hearing of experts on the subject) and 7 November 1990, it considered the Commission proposal and draft report.

At the last meeting it adopted the draft legislative resolution unanimously.

The following took part in the vote: Barzanti, chairman and rapporteur; Simeoni, first vice-chairman; Fayot, second vice-chairman; Canavaro (for Elliott), Coimbra Martins, Denys (for Gallo), Dührkop-Dührkop, Gil-Robles Gil-Delgado (for Gangoiti Llanguno), Harrison (for Buchan), Hoppenstedt (for Fontaine), Lambrias (for Formigoni), Larive, Laroni, Münch, Oostlander, Pack (for Hermans), Rubert de Ventos (for Mebrak-Zaïdi) and Verhagen (for Lima).

The opinions of the Committee on Budgets, Committee on Economic and Monetary Affairs and Industrial Policy, Committee on Energy, Research and Technology and Committee on External Economic Relations will be published separately.

The report was tabled on 9 November 1990.

The deadline for tabling amendments will appear on the draft agenda for the part-session at which the report is to be considered.

A

Commission proposal for a Council decision concerning the implementation of an action programme to promote the development of the European audiovisual industry (1991-1995)

Commission text¹

Amendments

(Amendment No. 1)
Recital 10a (new)

whereas there is therefore an urgent need for the Community itself and the projects in which it takes part to be characterized by variable structures in a spirit of maximum collaboration between the public and private sectors, with the aim of creating a strong network of cooperation between the Community and the rest of Europe;

(Amendment No. 2)
Recital 12a (new)

whereas there is an essential and urgent need to set up the structures decided on during the European Audiovisual Conference, such as the European Audiovisual Observatory and the operational structures linked with the Audiovisual EUREKA project;

¹ For full text see: COM(90) 132 final and final 2 - OJ No. C 127, 23.5.1990, p. 5

(Amendment No. 3)

Recital 13a (new)

Whereas the rich variety of European culture must be reflected in a pluralist media system in which the principle of freedom to supply is fundamental as regards both non-profit-making and profit-making bodies;

(Amendment No. 4)

Recital 13b (new)

Whereas services supplied by the media organizations cannot be described as exclusively economic but rather as services of a cultural nature;

(Amendment No. 5)

Recital 13c (new)

Whereas MEDIA as a promotional programme requires a cultural context;

(Amendment No. 6)
Recital 13d (new)

whereas this development cannot be separated from a full assessment of the cultural aspects of the various sections of the audiovisual sector, which must be considered as being both interdependent and autonomous as regards language and production;

(Amendment No. 7)
Recital 13e (new)

whereas it is essential that any European policy to support the audiovisual sector must respect the pluralism and diversity which characterize in a profoundly original way the European cultural scene in general and its film-making tradition in particular;

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(Amendment No. 8)

Recital 13f (new)

whereas the mere regulation of certain aspects of the market, although necessary, is not sufficient to provide, in the present critical situation, adequate support to create the conditions for properly reviving the European audiovisual industry and making it competitive in a way which is not based solely on concentrations, mergers and the formation of cartels among the large-scale undertakings in the sector;

(Amendment No. 9)

Recital 13g (new)

whereas it is necessary, by means, inter alia, of legal instruments, to promote the role and scope of each audiovisual medium (broadcasting, cinema, video, cable) within the sector;

(Amendment No. 10)
Recital 13h (new)

whereas it is of fundamental importance at this historic moment, when the European cultural area is being dynamically enlarged, that the scope of Community action should not be seen as exclusive but should, instead, be receptive to and interdependent with other European countries; whereas there is an urgent need for as much cooperation as possible with the countries of Central and Eastern Europe;

(Amendment No. 11)
Recital 13i (new)

whereas the MEDIA programme must encourage the cultural aspect and the free expression of opinions and that documentary films call for special attention;

(Amendment No. 12)
Recital 15a (new)

whereas a very high percentage of the feature films produced in Community countries are made on low budgets and therefore they must be supported, efforts to focus on the production and distribution thereof,

(Amendment No. 13)
16th recital

Whereas in the development of the programme-making industry proper regard should be had for the different cultural identities of the various countries and regions; whereas, in the same spirit, account needs to be taken of the position of regions in Europe with less widely spoken languages,

Whereas in the development of the programme-making industry proper regard should be had for the different cultural identities of the various countries and regions; whereas, in the same spirit, account needs to be taken of minority languages and cultures;

(Amendment No. 14)
Recital 16a (new)

whereas it is vitally important for the survival of the cinematographic sector that coordinated measures be taken with regard to distribution to cinemas to counteract the present critical reduction in the size of audiences and guarantee the independence of films produced for cinemas as an autonomous and distinctive form of audiovisual expression;

(Amendment No. 15)
Recital 21a (new)

whereas it is essential for Community measures to be taken to preserve and make the best use of the enormous heritage of images and works which neglect by most of the Member States is threatening to consign to oblivion and destruction;

(Amendment No. 16)
Recital 23a (new)

whereas it is to be hoped that a European multilingual television information channel will be created, with the participation of the Community, and that information programmes will be made with support from public and private broadcasting organizations in order to represent and disseminate the ideas of European citizens;

(Amendment No. 17)
Twenty-fifth recital

whereas the estimated requirement in terms of the Community's contribution to the proposed programme is for 235 million ECU, to be spread over five years from 1991 onwards; whereas the allocations will be determined on the basis of the financial perspectives and within the limits of the amounts available for each year's budget,

whereas the estimated requirement in terms of the Community's contribution to the proposed programme is for 270 million ECU, to be spread over five years from 1991 onwards; whereas the allocations will be determined on the basis of the financial perspectives and within the limits of the amounts available for each year's budget,

(Amendment No. 18)
Article 1

An action programme to promote the development of the European audiovisual industry, called 'MEDIA', is hereby adopted for a period of five years from 1 January 1991.

An action programme to promote the development of all aspects of the European audiovisual industry, and competitive marketing for it, called 'MEDIA', is hereby adopted for a period of five years from 1 January 1991.

(Amendment No. 19)
Article 2, first indent

- to help establish a European audiovisual area within which Community firms will act as a driving force alongside those of other European countries;

- to help establish a European audiovisual area within which public and private Community firms, with the support of social and cultural organizations, will play a central role in cooperation with firms from other European countries (in particular those in Central and Eastern Europe) and the countries of the Mediterranean Basin;

(Amendment No. 20)
Article 2, second indent

- to stimulate and increase the capacity of European film and audiovisual programme makers to supply on competitive terms, with special regard for the role and requirements of small and medium-sized businesses, the legitimate interests of creators and the position of countries in Europe with smaller audiovisual production capacities or less widely spoken languages;

- to stimulate and increase the capacity of European film and audiovisual programme makers to supply on competitive and market-acceptable terms, in particular by developing and enhancing the value of small and medium-sized undertakings, taking into account the different legal position of private and public sector industries;

(Amendment No. 21)
Article 2, after second indent, new indent a

- to create an environment conducive to promoting the legitimate interests of authors and workers in the sector and a more intensive exchange of works and programmes, whilst ensuring that their rights are respected;

(Amendment No. 22)

Article 2, after second indent, new indent b

- to enhance and promote the development of the audiovisual potential in countries and regions with smaller audiovisual production capacities or less widely spoken languages in Europe:

(Amendment No. 23)

Article 2, third indent

- to step up intra-European exchanges of films and audiovisual programmes and, with a view to securing a better return on investment, to make maximum use of the various means of distribution which either exist or are still to be set up in Europe;

- to step up intra-European exchanges of films and audiovisual programmes and, inter alia with a view to securing a better return on investment, improving quality and creating networks for exchanges which will increase mutual knowledge of European cultures and thereby help to form European public opinion, to make maximum use of the various means of distribution which either exist or are still to be set up in Europe.

(Amendment No. 24)

Article 2, indent 5a (new)

- to promote familiarity with and collection of data on the job market in the audiovisual industry and to ensure systematic exchange of data to improve know-how transfer;

(Amendment No. 25)
Article 2, sixth indent

- to encourage an overall approach which allows for the interdependence of the various audiovisual sectors and ensures that moves undertaken at national level complement those undertaken at European level.

- to encourage an overall approach which allows for both the interdependence and the individuality of the various audiovisual sectors and ensures that moves undertaken at national level complement those undertaken at European level.

(Amendment No. 26)
Article 3, first indent

- the improvement of mechanisms for the distribution of European productions, in particular through the establishment of specialist networks, support for multilingualism and market access for independent productions;

- the improvement of mechanisms for the distribution of European productions, in particular through the establishment of specialist networks for each specific medium (cinemas, broadcasting, video and cable), and market access for the independent productions of small and medium-sized undertakings;

(Amendment No. 27)
Article 3, indent 1a (new)

- support for the development of technology in connection with multilingualism and its applications in audiovisual production and post-production;

(Amendment No. 28)
Article 3, second indent

- the improvement of the production environment, with particular reference to the development of screenplay-writing and pre-production, the application of new forms of technology, including high-definition television, the development of specific sectors such as animation and the creation of a 'secondary market', notably by making use of archives;

- the improvement of the production environment, with particular reference to the development of screenplay-writing and pre-production, the application of new forms of technology, including high-definition television, the development of specific sectors such as animation, films for children and young people, documentaries, European multilingual and transnational information services and the preservation and use of archives, as well as controlling access to archives and by promoting those programme sectors which make use of and adapt existing material;

Amendment No. 29)
Article 3, indent 2a (new)

- the promotion, in close coordination with EEIG 'Vision 1250', of the application of new technologies, including high-definition television, to productions made by the largest possible number of operators, particular attention being devoted to small and medium-sized undertakings;

(Amendment No. 30)
Article 3, indent 2b (new)

- support for increasing the number of outlets for the dissemination of audiovisual works ('secondary markets'), by improving the conditions for access to the market for small and medium-sized undertakings involved in broadcasting and distribution;

(Amendment No. 31)
Article 3, indent 2c (new)

- support for a European multilingual television information channel, with the involvement of public and private broadcasting organizations,

(Amendment No. 32)
Article 3, fifth indent

- the development of the audiovisual potential of regions with smaller production capacity or less widely spoken languages, particularly through the establishment of transnational networks of media promotion and development agencies;

- the development of the audiovisual potential of regions with smaller production capacity or less widely spoken languages, particularly through the establishment of transnational networks of media promotion and development agencies, until the time when real cohesion is achieved in production and there is a balanced distribution of the resources available in the Community;

(Amendment No. 33)
Article 3, sixth indent

- the encouragement of cooperation between audiovisual professionals in the Member States and the other European countries, especially Central and Eastern Europe.

- the encouragement of cooperation between audiovisual professionals in the Member States and other countries in Europe and the Mediterranean Basin, devoting particular attention to the countries of Central and Eastern Europe.

(Amendment No. 34)
Article 3, indent 6a (new)

- a permanent and widespread network of information provided by offices set up in the Member States and in third countries - with priority being given to the countries of Central and Eastern Europe - responsible for keeping those working in the profession abreast of developments regarding other specific projects;

(Amendment No. 35)
Article 3, indent 6b (new)

- in the administrative bodies of the autonomous structures set up to manage the individual projects, not only should the individuals and public and/or private bodies involved in their execution be represented but also authors and people working in the sectors involved.

(Amendment No. 36)

Article 5

The resources allocated to the measures provided for in the programme shall be determined in the framework of the budgetary procedure.

The resources allocated to the measures provided for in the programme shall be determined in the framework of the budgetary procedure. When the report on the results achieved by the programme in the first two years is presented in accordance with Article 8, the allocation of appropriations specified in Annex I may be amended to take account of developments occurring in the meantime.

(Amendment No. 37)

Article 7(2), first subparagraph

2. For the purpose of implementing the action programme the Commission shall be assisted by a committee of an advisory nature, consisting of the representatives of the Member States and chaired by the representative of the Commission.

2. For the purpose of implementing the action programme the Commission shall be assisted by a committee of an advisory nature, consisting of professionals or experts in the audio-visual sector appointed by the Member States and chaired by the representative of the Commission.

(Amendment No. 38)

Article 7(2), third subparagraph

The opinion shall be recorded in the minutes; in addition each Member State shall have the right to ask to have his position recorded in the minutes.

The opinion shall be recorded in the minutes; in addition, each member of the committee shall have the right to ask to have his position recorded in the minutes.

(Amendment No. 39)
Article 7(2), fourth subparagraph

The Commission shall take the utmost account of the opinion delivered by the committee. It shall inform the committee of the manner in which its opinion has been taken into account.

The Commission shall take account of the opinion delivered by the committee. It shall inform the committee of the manner in which its opinion has been taken into account and, if it departs substantially from it, shall be obliged to state the reasons why.

(Amendment No. 40)
Article 7(3), indent 7a (new)

- the consequences for pluralism: freedom for non-profit-making and social organizations in particular to supply services

(Amendment No. 41)
Article 8, new subparagraph a

The evaluation parameters, laid down in agreement with the committee referred to in Article 7, shall meet verifiable transparency criteria.

(Amendment No. 42)
Annex I, Point 1.1., first indent

- Significant development of action taken by EFDO (European Film Distribution Office) to promote the cross-frontier distribution of European films in cinemas; extension of this support system to works produced at a cost of up to ECU 4 500 000;

- Significant development of action taken by EFDO (European Film Distribution Office) to promote the cross-frontier distribution of European films in cinemas; extension of this support system to works produced at a cost of up to ECU 4 500 000; priority still to be given, when allocating support, to films produced at low cost and with modest means, as was the case during the pilot phase.

(Amendment No. 43)
Anex I, point 1.3., indent 3a (new)

Participation by the Community in financing a European multilingual television information channel and in promoting publicly and privately produced multilingual programmes.

(Amendment No. 44)

Annex I, point 1.4., first indent

- Intensification of the EURO-AIM scheme, a services structure which organizes the group presence of independent producers on international markets and gives them advice;

- Intensification of the EURO-AIM scheme, a services structure which organizes the group presence of independent producers on markets and at film festivals;

(Amendment No. 45)

Annex I, point 1.4., second indent (new)

- promote European-produced films at international film festivals;

(Amendment No. 46)

Annex I, point 2.3., third sub-indent

- by providing support for measures designed to promote the production of films and programmes using the European HDTV standard (in liaison with EUREKA-Audiovisual and EEIG 'Vision 1250').

- by providing support for measures designed to apply the most advanced audiovisual technologies, including high-definition television, in close coordination with EEIG 'Vision 1250', and in liaison with EUREKA-Audiovisual, to the largest possible number of low-budget productions of small and medium-sized undertakings.

(Amendment No. 47)
Annex I, point 2.4., second indent)

- turning this 'memory bank' to advantage by reissuing and rebroadcasting works or by using them for the production of new series;

- turning this 'memory bank' to advantage by reissuing and rebroadcasting works or by using them for the production of new series, so as to facilitate the distribution thereof, whilst abiding by current legislation regarding copyright;

(Amendment No. 48)
Annex I, point 2.4., third indent

- research into and experimentation with solutions for the problems concerning royalties, which hamper the use of archives

Deleted

(Amendment No. 49)
Annex I, point 3, title

3. Stimulation of financial investment 15

3. Stimulation of financial investment, devoting special attention to low budget productions and co-productions 15

(Amendment No. 50)
Annex I, point 4, before first indent, new indent a

- the creation of a network of offices and branch offices providing information on the Community's action programme in the Member States and in other European countries, priority being given to the countries of Central and Eastern Europe;

(Amendment No. 51)
Annex I, TOTAL

TOTAL 235

TOTAL 270

DRAFT LEGISLATIVE RESOLUTION

embodying the opinion of the European Parliament on the Commission proposal for a Council decision concerning the implementation of an action programme to promote the development of the European audiovisual industry

The European Parliament,

- having regard to the Commission proposal to the Council (COM(90) 132 final and final/2)¹
 - having been consulted by the Council pursuant to Article 235 of the EEC Treaty (C3-221/90),
 - having regard to the report of the Committee on Youth, Culture, Education, the Media and Sport and the opinions of the Committee on Budgets, the Committee on Economic and Monetary Affairs and Industrial Policy, the Committee on Energy, Research and Technology and the Committee on External Economic Relations (A3-0293/90),
 - having regard to the Commission position on the amendments adopted by Parliament,
1. Approves the Commission proposal subject to Parliament's amendments and in accordance with the vote thereon;
 2. Calls on the Commission to amend its proposal accordingly, pursuant to Article 149(3) of the EEC Treaty;
 3. Calls on the Council to notify Parliament should it intend to depart from the text approved by Parliament;
 4. Calls for the conciliation procedure to be opened if the Council should intend to depart from the text approved by Parliament.
 5. Asks to be consulted again should the Council intend to make substantial modifications to the Commission proposal;
 6. Instructs its President to forward this opinion to the Council and to the Commission.

¹ OJ No. C 127, 23.5.1990, p. 5

B

EXPLANATORY STATEMENT

The audiovisual sector is the product of complex relations between a range of disparate but overlapping activities and industries.

It also makes an essential contribution to the economy and cultural life, and neither of these two aspects can be ignored when it comes to analyzing and formulating the relevant policies.

It is a composite sector. Notwithstanding the gradual convergence of differing creative techniques and environments, cinema, television and videocassette production continue to be separate activities in terms of production methods and type of consumer.

Needless to say, the primary objective of measures to promote the European audiovisual sector is to boost the competitiveness of European production on the world market. It is an essential objective if only because of the need to meet the challenges of technologies which make it possible for countless more audiovisual works to be distributed far more rapidly than in the past (cable and satellites).

It is at once an economic and a cultural objective. On the world stage, industries capable of operating on large markets from the very start enjoy such dominance that they are liable to jeopardize, through their quantitative supremacy, the very survival of small-scale audiovisual production unless it is able to withstand the competition on the market.

A further objective, linked to the first, is to improve the cohesion of the European audiovisual industry. Carefully considered measures must be devised for the 'weak regions' with a view to encouraging the expression of their cultural potential.

According to a recent study by Global Media Italia for the Italian ministerial Observatory of the performing arts, the turnover of the undertakings in Europe working in the audiovisual sector is around US\$ 30 billion, out of an overall total worldwide of US\$ 90 billion. A considerable increase is expected for Europe between now and 1992, possibly as much as 30%.

It is in this context that we find, with all its peculiar characteristics, the 'crisis of the cinema' in the traditional sense, i.e. the public cinema halls which, apart from in the USA and some developing countries, are suffering a steady fall in attendances. There are signs of a recovery, but these cannot be relied upon to offset the widespread general trend, which is rooted in well-documented sociological factors: privatization induced by television, the inconvenience of urban life, the decline or marginalization of the cinema halls with no policy of support or revitalization. Where such a policy has been applied, the results have been successful. There are, in fact, some small signs of a revival which, with the usual time-lag, follow a phenomenon which has already been evident for the past decade in the United States.

But where the cinema, the appeal of the big screen and the characteristics of a public showing with its own rhythms and its own charm have survived, this has mostly been due to policies which have distinguished the cinema from

television and used well-planned industrial strategy to establish distribution tactics and networks to counteract the dangers.

The broadcasters have not become the main protagonists in the audiovisual sector, and where they have not gone in for production, or at least not too much direct production, the cinema has preserved its special character, while at the same time not ignoring the problem of maintaining a relationship with the medium of video. The first cinema showing of a film is still the crucial moment in its launch and contact with the public, the most important point in the life of a work of art which is not simply sent out for consumption in a frenetic desire for exploitation.

There is no question of comparing an American model with a European model that cannot be schematized. The European path may be very different. The presence of many large public and private broadcasters in the field of film production has and may still produce exciting and effective results. What is essential is a conscious mixture of political will, entrepreneurial intelligence and cultural creativity which transcends ideological disputes and that tired old nostalgia for a past that is dead and gone.

To place the 'audiovisual industry' in a category, therefore, and to take account of the overall factors which characterize its different parts does not mean to bring all its facets under one vague heading. Above all it does not mean putting blind faith in economic formulae, and attempting to achieve a really strong, new Europe, active and dynamic both within its own borders and on the international scene, by rushing into ever more dominating and intrusively large horizontal and vertical concentrations.

The statistics of the cinema are very worrying. The attendance figures speak for themselves. In the USA the ratio between the total population and the number of cinema tickets sold was 4.27% in 1980 and 4.63% in 1988 (an increase of 8%). In the Community, over the same period, the ratio has fallen dramatically from 3.04% to 1.65% (a drop of 46%). Individually, France has fared best, with a figure of 2.2%.

Now is the time to introduce joint strategies which go well beyond the borders of the Twelve to face the challenge in a new spirit and with a common purpose. There is no reason for inferiority complexes.

The weaknesses of Europe are also its main strengths; multilingualism and fragmentation can be appreciated for their positive attributes - variety and sensitivity, a taste for what is different and intellectual curiosity - which are also part of a tradition which must not turn into a state of inertia.

In short, the aim must be to encourage the development of a genuine European model, which is both sophisticated and dynamic and capable of guaranteeing its own survival in the 'global village'. It is essential for such a model to be based on the exploitation of the most original and most precious of Europe's natural resources: pluralism, diversity and the interconnection of different schools and languages.

In the light of the dramatic and exciting developments in the countries of Central and Eastern Europe, it should be remembered that no cultural policy can be implemented in Europe without taking account of the marked interdependence between the Community and the rest of the continent.

The actions of the Community must do nothing to revive the odious divisions of previous decades, which have affected Europe more than any other region of the world and the artificial and grotesque nature of which is nowhere more evident than in the cultural sector.

A dynamic European model cannot be simply a Community model: it must also be the means of discovering and reviving all the many different identities of Europe.

When we talk of 'Europe', we naturally mean first and foremost the European Community, as a body with (it is hoped) its own will, identifiable in its institutions. It is important not to ignore the warning and the proposals which were already being heard at the East-West Forum of authors held in Blois in March 1989: 'Western film-makers have the experience of a market economy. Those from the East don't want one form of totalitarianism to take the place of another. They all know that the market economy only brings one form of freedom: free enterprise.' However, the rules of the market, or markets, must be carefully assessed. It is no longer possible to continue, with pernicious naivety or obstinate ideology, to pit culture against the market and creative freedom against business interests.

Looking at things from the decisive point of view of the cinema, one sees the potential effect of coordinated action and measures which take in the whole of Europe, in the ideal and historical geographical form it is now rediscovering. The total number of cinema tickets sold in Bulgaria, Czechoslovakia, the former East Germany, Poland, Hungary and Yugoslavia is around 450 million per year, not much fewer than the 560 million in the Community. This is only a figure, but gives an idea of possibilities which should be borne in mind. No European strategy can succeed if it only works towards internal protection and addresses only intra-Community problems. Only a strategy of open collaboration not only with the East but also with the South, and especially the Mediterranean, will enable Europe to play a role which is neither subordinate nor imitative on the constantly changing world scene.

It would be fatal to adopt a colonialist or annexationist attitude towards the countries of Central and Eastern Europe, or towards the countries which border the Mediterranean. The role Europe is called upon to fulfil depends on the search for new, jointly-achieved and consistent opportunities for all, while respecting different capabilities and modes of expression which must be freed and helped to rediscover their full dignity and authenticity independently.

In the spirit of the MEDIA programme, which has certainly proved its worth, a number of strategic priorities will have to be defined with a view to formulating a long-term policy. These priorities may provide a yardstick by which to measure the resources needed to finance the policy.

The proposal made by the group of 'wise men', which examined the operation and the results of the experimental phase, that 'five-year plans' be established for the support programme is, despite the infelicitous term used, certainly to be welcomed, as is the proposal for a mid-term review two years after the Council's decision.

It is important for there to be precise stages at which the results are assessed in the light of the overall strategy and for appropriate changes to be made to that strategy, as and when necessary.

Before considering the individual pilot projects in the programme, this initial document is an attempt to define, in parallel with the main direction of the Community's activity, the principal strategic priorities.

Priorities

There can be no doubt that priority should be given to distribution. As the Commission document points out, 90% of all European audiovisual works remain within the frontiers of the country of origin. The EFDO experiment has proved a success and ought to be extended.

Energetic and effective measures to promote distribution and efforts to strengthen the instruments for the distribution and promotion of European works in third countries are crucially important. In 1986, the Community had a trade deficit of 1.3 billion ECU in the audiovisual sector. Intra-European trade accounts for 8% of exports of audiovisual products, while the equivalent figure for the United States is 57%.

In Europe, an average of 66% of the resources available are used for the production of a cinema film and 34% for its distribution, while in the United States the figure may be between 1% and 3%. Moreover, the penetration of the US and Japanese markets by European works is so insignificant as to be almost impossible to quantify (some estimates give 2% as the probable share of Community works in America).

The statistics must be broken down and analyzed. The deficit in television fiction does not have the same basis as the deficit in cinema film, at least in many instances. The expansion of the home-video market is so diverse that it is often difficult to make a straight comparison. For the sale of commercial rights for cinemas, television and cassettes the USA receives US\$ 1968 million from the countries of the EEC, while the Twelve receive just US\$ 203 million from the USA.

Distribution will have to be diversified by expanding the markets for industries, such as the videocassette industry, which are capable of increasing enormously the financial resources at the sector's disposal.

It has been found that in the United States the proportion of the earnings accruing to the audiovisual sector from the videocassette industry rose between 1980 and 1986 from 1 to 43%!

In this context, however, account must also be taken of the need for aid for the main infrastructure associated with the distribution of cinematographic works: the cinema.

It is crucially important that aid be made available for cinemas, with a view to freeing them from a crisis which brings most of them into the hands of broadcasters, thereby accentuating the vertical concentration that is the real scourge of the European industry.

Cinemas must not survive solely as a laboratory for the testing of products which are ultimately intended for television.

Television may act as the driving force or the locomotive of the sector, but cinematographic production must not be determined solely by the parameters of television.

But the locomotive may stop, slow down, or pull everything off the tracks. It depends on the harmony of the system which can be established among the various sectors. The cinema must remain a fundamental world, an essential and distinctive cornerstone of professionalism, experimentation and inventiveness, and nurture its relationship with the public. It would be anachronistic and misleading to set the idolizing of old and well-tried techniques against the new, and it would be just as much a mistake to rate small-scale film-making above large-scale production, and low-budget films above the more costly works. The demand is extremely diversified, with different cultures and different forms of expression. The market is governed by very different requirements, and the supply must also be geared to the diversity of the demand, without following a single path or getting bogged down in idle controversy.

The cinema must be afforded the autonomy needed to maintain its independence, and hence also the independence of its works, from the constraints and forms imposed by television broadcasting.

Up to now, Community directives in the cinematographic sector have proved to be limited approaches, aimed at removing the obstacles to freedom to provide services (Directive 603 of 15 October 1963) or restrictions on the non-paid activities in film-production, as in the case of the Directive of 29 September 1970. In the recent Directive of 3 October 1989 on 'television without frontiers', the cinema is affected by several implications related to television broadcasting; it is specifically affected by the provisions governing when works may be shown by the media (Article 7, which stipulates that, unless otherwise agreed, a cinematographic work may not be broadcast on television until two years have elapsed since it was first shown in cinemas in one of the Member States of the Community) and by the provisions relating to the protection of minors (Article 22) which, if correctly applied, will have important consequences.

The existing laws governing the cinema and the current aid mechanisms vary greatly from Member State to Member State. There are very different views on these aid mechanisms. A comparative study should be carried out as soon as possible to set the situation fully in perspective. The extreme laissez-faire policy aimed at removing all public support seems finally to have been abandoned. The correct goal would therefore appear to be a general directive on the cinema, which would probably be difficult to draw up at the moment.

This is rather the time to put maximum effort into setting up the European networks of which the five-year MEDIA programme forms the basis. From fruitful experiment MEDIA becomes a policy; one of the Community's strategic policies for culture and communications.

The distribution of television programmes is a separate problem.

There is no need to recall the complex debate which surrounded the complicated passage of the 'Television without frontiers' directive, much weaker and more vague in its final form than the text of the original proposal, and far short of what the European Parliament wanted, not least with regard to the crucial problem of support for independent production.

Precise conclusions will need to be drawn when it is possible to evaluate the methods and effects of implementation; always provided, of course, the directive is applied with a minimum of coherence and not basically circumvented, as has been done in Italy with the recent law regulating the public and private radio and television system (Law No. 223 of 6 August 1990).

While between 1986 and 1987 national productions televised by the member countries increased their share of total broadcasting time from 43 to 56%, the share of European productions whose origin was different from that of the country of transmission stayed at around 10%.

Thought will have to be given to the question whether specific mechanisms should be introduced to improve exchanges between broadcasters, over and above the support given to independent producers on the markets (EURO-AIM) and at cinema festivals at European level.

A decisive improvement of distribution in Europe depends on three different factors - measures to harmonize the rules applicable to copyright, effective mechanisms for the gathering of information on programmes and the rights linked to them, and rules to guarantee access to the market for newcomers, especially in the field of television broadcasting.

This last issue is connected with the need to promote the creation of a secondary market for the dissemination of audiovisual works. Such a market would have the economic task of increasing numbers of transactions and the earnings from them, as well as the cultural task of guaranteeing access to the media for a large number of small and medium-sized 'decentralized' operators located in the regions.

In television broadcasting, the secondary market would be based either on the retransmission of programmes 'premiered' by the principal television stations, or on the use of the archives, or, finally, on a small number of independent productions.

The role of the secondary market would also be such as to allow the principal stations to operate as a secondary market for productions first shown in other countries.

Up to now, all the new European television channels have obtained licences which are in no way different from those of the 'main' channels: all have been authorized to broadcast a large quantity of new material.

This has given rise to an unfair contest on the market, since competing with the State broadcasters for the same audience has obliged European investors to commit themselves straight away to diversified production and to the acquisition of a sizable stock of film catalogues. Such operations are obviously possible only if substantial investments are made at the very start.

It is not surprising, therefore, that only a few competitors should survive in Europe and that these should be the strongest - Murdoch, Maxwell, Bertelsmann, Hachette, Havas, Hersant, Berlusconi ... i.e. only those who were able to create from the start television networks large enough to compete with the State broadcasters.

The maximum number of principal stations for each individual market (including the United States market) is probably three. The legal position and the role of the secondary stations must be different and quite distinct from those of the main ones.

The principal measures to be adopted in these three areas are of a statutory nature. It is essential that they should be directed towards guaranteeing pluralism and freedom of expression.

The Commission's proposals on copyright have been awaited for some time, and we shall continue to stress the need for the early adoption of a specific Community regulation on amalgamations and mergers between undertakings in the media sector, to complement the legislation adopted by the Member States.

The texts adopted by representatives of the copyright management societies during the study days organized by the SIAE (Italian society of authors and publishers) and the ICSAS (International Confederation of Societies of Authors and Composers) in October 1990 in Rome, also as part of the fourth edition of 'EUROVISIONI', offer a comprehensive set of proposals which pave the way most usefully for a new phase of initiatives in this area. The timetable fixed by the Commission programmes suggests a period of intense work in drafting legislation capable of doing away with reservations and disputes, and thus establishing a process of approximation and harmonization acceptable to authors and in keeping with the new times and technology associated with the enjoyment and distribution of intellectual works.

The introduction of effective and transparent provisions into the multilateral GATT arrangements in order to safeguard and regulate intellectual property in international trade is an essential accompaniment to any Community initiative. It will be vital to devise machinery and structures to settle disputes and guarantee the reciprocal nature of the commitments entered into.

The Berne Convention, which precisely defines the moral rights of authors, provides an essential point of reference and should be used as the basis for all negotiations. Thought should be given to introducing machinery for assisting and supporting small-scale television stations and regional stations.

It has been said that television can and must operate as a key factor in productive growth. This will be the case only if new operators are ensured real freedom of access to broadcasting activities.

Small and medium-sized undertakings must be encouraged not only in the field of production, but also in broadcasting, by combating the vertical concentration of production and distribution, devising regulatory machinery and also directly encouraging and supporting small broadcasting companies.

In this context the plan, announced some time ago, to encourage audiovisual production in the regions where this sector is under-represented could offer great potential. As far as the centralization of information on programmes is concerned, there is an obvious need, in addition to the EURO-AIM initiatives, for general programme catalogues to be made available, indicating the rights connected with such programmes.

In addition to market research, which should be carried out by the European Audiovisual Observatory, and a study of the different national laws governing

the audiovisual sector, a catalogue of this kind would make an important contribution to providing a clear picture of the programmes on offer and facilitating exchanges.

These objectives constitute a minimum starting-point. Much of the future development of Community action in the audiovisual field depends on the work involved in setting up the Observatory being completed as soon as possible: in the not too distant future, this Observatory may form the basis of a sort of European High Authority, which would tackle some of the necessary measures from a supra-national point of view.

Undoubtedly, another priority is intervention in the area of financing for the central phase of audiovisual creation - production.

Under no circumstances must the MEDIA project become a subsidy machine, but this does not mean ruling out the possibility of creating an autonomous financing mechanism capable of eliminating the disadvantages linked with the relatively limited resources available for investment in the audiovisual sector, which is due to the fragmentation of the European market.

The production of cinema films and television fiction is considered a high-risk investment. A European fund operating at Community level is needed to provide sufficient capital and cover to launch broadly-based productions and co-productions which will 'drive' production forward. A strategy of massive and coordinated investment will also make it possible to minimize the risks connected with single large-scale productions by means of the simultaneous launch of 'portfolios' of projects, related and parallel as far as production is concerned, but diversified as regards format, chronology and type of distribution and destination.

The purpose of the MEDIA programme is to improve the potential of the European audiovisual industry by setting up networks of structures which transcend frontiers and help to establish a European production area.

A network of financiers for cinema films and television programmes is by no means a subsidy machine, and it would be paradoxical if the programme did not deal with the actual production stage.

The main strategic priorities for a Community audiovisual policy would seem to be distribution and the financing of production. Both these aspects serve the essential purpose of interaction between the Community and the rest of the continent - Central and Eastern Europe.

The MEDIA programme, both by itself and in close conjunction with Audiovisual EUREKA, must have a flexible structure which allows the countries of Central and Eastern Europe to be closely involved in the reaffirmation of European culture.

The audiovisual medium is set to become the language of the future. The talking images which have for some time occupied a leading position in communication and the formation of opinion will become, perhaps quite soon, even the main vehicle of communication.

Autonomy in this area will therefore coincide with the ability of different countries and cultures to express themselves in an original and unique way.

Central and Eastern Europe are undergoing very difficult changes. Pluralism is in a fragile state but there is enormous potential. The countries of the East look to the Community as an important reference point.

It is unthinkable for new Community cultural works to be produced independently of European cultures in general - it would be foolhardy as well as inconceivable.

To draw up geographical priorities is also unthinkable. The Community must offer dialogue and support to the audiovisual industry of the countries of Central and Eastern Europe since this is essential, above all, for its own success.

Audiovisual EUREKA, an initiative involving 26 countries, including the Soviet Union, and the Commission, takes on a different meaning in the light of the developments in Central and Eastern Europe, and is therefore more crucial than it was when it was first launched.

The MEDIA programme is to create a link between Community policies and those of the rest of the continent. It is to produce effective forms of contact, exchanges and active support for selected programmes. It must be constantly coordinated with EURIMAGES and Audiovisual EUREKA and establish the necessary links with the activities and objectives of the EEIG 'Vision 1250' and High Definition.

There is still at least one more point to tackle - the vital issue of information. The only television channel which broadcasts a single news programme to the whole European continent is CNN, a U.S. channel.

In the field of information, more than any other, it is vital to recognize the key role played by television as a public service for the citizens of Europe. The MEDIA programme is intended to encourage the launching of a European television information service which will be multilingual and managed jointly by State television companies, after the pattern of the EURONEWS project drawn up in the context of the European Broadcasting Union.

The State television service will, in future, lay down quality criteria for television broadcasting. Above all as far as information is concerned, its independence must be guaranteed and it must not be obliged to chase around after audiences already won over by commercial channels, which are concerned solely with sales and conquering the market but may dictate measures to which late-comers would have to conform.

Management of the MEDIA programme has proved very efficient during the pilot phase. Steps must be taken to guarantee that the essential revision and assessment procedures do not hamper or slow down action but are confined to careful and active monitoring with a 'light touch'. A programme designed for those engaged in the profession of audiovisual creation encounters the creative professions' perfectly natural 'mistrust' of institutions and bureaucracy.

The MEDIA programme has managed to avoid this kind of mistrust by operating directly in the audiovisual industry, moving around with agility and showing flexibility, swiftness and adaptability in the face of unexpected situations. This is the secret of its effectiveness.

The organizations and undertakings which carry out the various projects must be fully involved at all times. Personalities and authors representing the various areas must have an active and responsible role in management bodies.

Every call to order or bureaucratic delay constitutes an unscheduled stop and a retreat from where the action is.

Monitoring must be based on clear and transparent assessments, at regular intervals and in accordance with parameters established jointly within the Community institutions. However, it is important to avoid the permanent pairing of institutional authorities (one acting, the other monitoring), in order to ensure that the programme is supple and streamlined.

Coherent development of the programme within the Community must be ensured without the use of specific national quotas, which would be contrary to the very purpose of the programme. The periodic assessment of the programme should include criteria for judging the degree of cohesion and devising any remedies needed.

CONCLUSIONS

The MEDIA programme has proved indispensable and efficient during its pilot phase, which shows that its philosophy should be adopted and the programme should be expanded to make it the main Community measure for the support of the European audiovisual industry.

Below is a brief summary of some of the objectives to be proposed to strengthen and improve the activities under the MEDIA 1991-1994 programme, which it is to be hoped will be adopted very soon.

1. The total amount of funds mobilized for the five-year period must be increased, if possible, or in any case must not be less than the estimate formally announced by President Jacques Delors at the close of the Audiovisual Conference in Paris in October 1989, i.e. 250 million ECU. This is particularly important in view of the absolute need to take account of the serious problems facing society in Central and Eastern Europe, which must not be seen as easy prey to be exploited to reduce costs.

2. A broad-based information network should be set up to give professionals from all cultural and production areas involved the basic data and practical knowledge they need for proper acquaintance with and well-informed participation in the projects already being carried out or in the pipeline.

3. The programme must be a strong factor for cohesion in the whole of the Community and a means of raising the production and distribution capacity of the weakest and least-favoured regions.

4. Priority must be given to production and distribution, avoiding, as proposed, any bureaucratic tendency towards state aid, but strengthening the capabilities and chances outlined, without submitting to purely commercial criteria or the need for immediate profits.

5. Very close attention must be paid to exploiting the pluralism and the rich diversity of cultures and trends in Europe, including its regions, to offset the very real danger of production being reduced to the lowest common denominator as a result of the massive invasion of a few large, market-

"ominating groups, which often combine production, broadcasting and distribution in one conglomerate.

6. The role of small and medium-sized undertakings (SMUs) is crucial in encouraging new and far-reaching economic initiatives to support the complex structure of an audiovisual sector which must be exploited and opened up in all its resources.

7. An across-the-board raising of the budget ceilings which determine admission to the EFDO or MEDIA ventures could reduce the chances of support for low-budget films which are often (typical of a new generation of European production) original and very important in the search for new talent and new models for inventiveness and initiative.

8. Inter-regional cooperation, on the basis of linguistic and cultural areas which often straddle political and administrative boundaries, must be encouraged, in particular cooperation in those areas of Central and Eastern Europe and other non-Community European countries with a wealth of intellectual energies which must become part of a systematic collaboration with a truly European dimension.

9. The news-production sector with multi-lingual programmes must be one of the priority areas under MEDIA, given the serious deficit which exists and the fundamental role this service would play in developing a sense of European identity, which has one of its most obvious vehicles in information.

10. There is a strong need for specific measures to encourage the creation and development of multi-screen cinemas to show European works, in view of the serious crisis in the public cinema, which remains the most important, if no longer the exclusive venue for special, public contact with film.

11. Multi-lingual experiments must be pursued beyond the excellent results of BABEL, since the variety of languages is one of the main obstacles to the establishment of a unified and coherent audiovisual industry in Europe.

12. A project such as MAP-TV is interesting, but as well as exploiting archives it is extremely important to support appropriate measures for the restoration, safeguarding and protection of a wealth of images, often shamefully neglected or consigned to obscurity.

13. Radio must also be taken into account alongside the main lines of the MEDIA programme, and appropriate measures taken to preserve its historical role and to encourage new listeners.

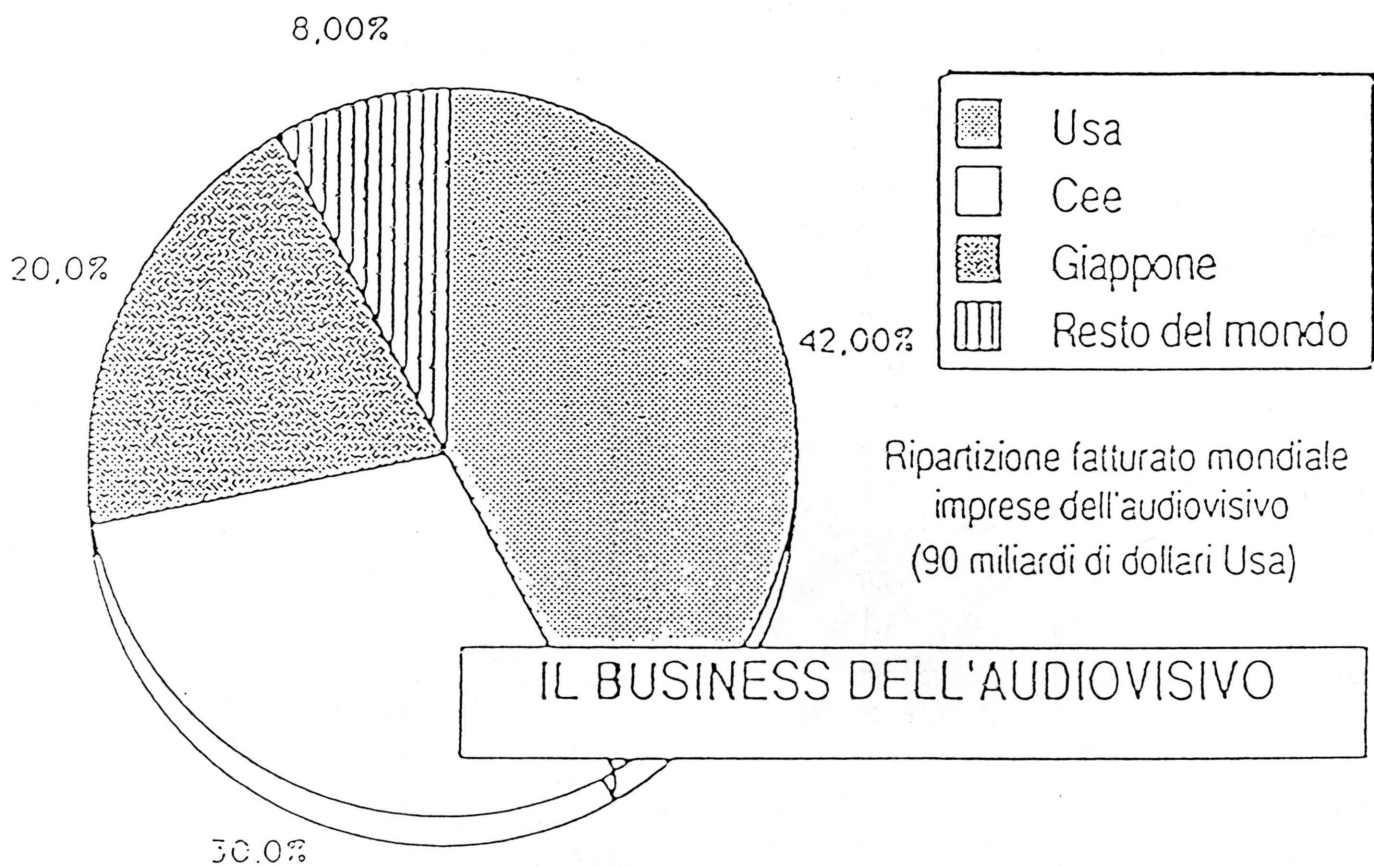
14. In the use of archive material (an extremely delicate area) in particular, but in fulfilling the various commitments involved in the MEDIA projects in general, it is essential to ensure absolute respect of authors' rights and other related rights, under a system which in no way limits contractual freedom or affects the inalienable nature of 'moral rights'.

15. After the first year, the management of the programme must be assessed, and the necessary corrections and changes made in a flexible, unbureaucratic manner.

16. There must be maximum collaboration with Audiovisual EUREKA and EURIMAGES and with the commitment undertaken on High Definition with the

setting up of the EEIG 'Vision 1250', to ensure that activities are coordinated, integrated and complementary.

17. Provided the MEDIA programme is aimed at creating new distribution circuits and new European networks linking the various elements of the audiovisual sector, while respecting particularities and encouraging cooperation, the better it will answer the need to meet the important technological, economic and creative challenges now facing Europe.



Fonte: GLOBAL MEDIA ITALIA, 1990

TV population in Europe

Country	Population (million)	TV homes (million)	TV homes /100
Austria	7.6	2.9	94
Belgium	9.9	3.5	98
Denmark	5.1	2.2	94
Finland	4.9	1.7	95
France	55.2	19.5	95
FR of Germany	61.0	23.1	97
Greece	9.9	2.9	81
Ireland	3.6	0.9	95
Italy	57.2	19.8	96
Luxembourg	0.4	0.1	98
Norway	4.1	1.5	96
Netherlands	14.4	5.3	98
Portugal	10.0	2.8	80
Spain	38.4	9.5	96
Sweden	8.3	3.3	96
Switzerland	6.5	2.1	89
UK	56.6	20.6	97

Source: M. MAGGIORE, AUDIOVISUAL PRODUCTION IN THE SINGLE MARKET, 1990

Production of feature films, 1970-87

Country	1970	1975	1980	1981	1982	1983	1984	1985	1986	1987
Austria	7	6	7	na	13	11	17	11	3	na
Belgium	4	9	6	7	6	12	8	7	5	12
Cyprus	0	0	0	0	0	0	1	1	3	na
Denmark	20	19	13	11	13	10	11	12	10	na
Spain	105	98	114	137	118	99	102	75	77	70
Finland	na	na	na	na	16	13	20	15	28	na
France	110	138	189	231	164	131	101	151	134	133
Greece	88	38	25	46	37	47	40	38	20	18
Ireland	5	2	0	1	1	3	2	2	1	na
Iceland	na	na	na	na	na	na	4	na	2	na
Italy	235	198	163	103	114	110	103	89	114	116
Luxembourg	0	0	0	0	0	0	2	0	1	0
Norway	11	12	10	10	na	6	5	10	9	na
Netherlands	4	16	7	11	13	15	12	16	11	na
Portugal	8	16	11	9	8	4	8	9	6	na
FR of Germany	113	73	49	76	70	75	80	65	64	70
UK	86	69	29	14	25	44	53	58	46	51
Sweden	22	23	22	25	23	23	17	12	20	24
Switzerland	5	30	na	11	na	na	20	15	22	na
Turkey	na	na	na	na	na	na	na	80	na	na
Yugoslavia	na	na	na	na	na	na	na	na	26	na
EEC	778	676	606	646	589	550	522	522	489	500
USA	443	425	321	338	307	342	313	330	315	378
Japan	423	335	320	332	322	317	310	300	319	311

Source: M. MAGGIORE, "AUDIOVISUAL PRODUCTION IN THE SINGLE MARKET, 1990
 Note: na = not available

Table II.1.12
Relation of low-budget films to the total production in the EC Member States

	Total production	Films of Cat. I (up to ECU 0.75 m)		Films of Cat. II (up to ECU 2.25 m)	
		Total	% of total production	Total	% of total production
Belgium	10	6	55	4	45
FR of Germany ¹	126	93	74	26	21
Denmark	11	2	14	8	77
France	142	31	22	62	44
Greece	14	13	93	1	7
United Kingdom	46	5	11	14	30
Italy ²	100	31	31	58	58
Netherlands	15	9	63	5	30
Portugal ³	7	7	100		
Spain ⁴	73	49	67	12	16
Total	544	246	45	190	35

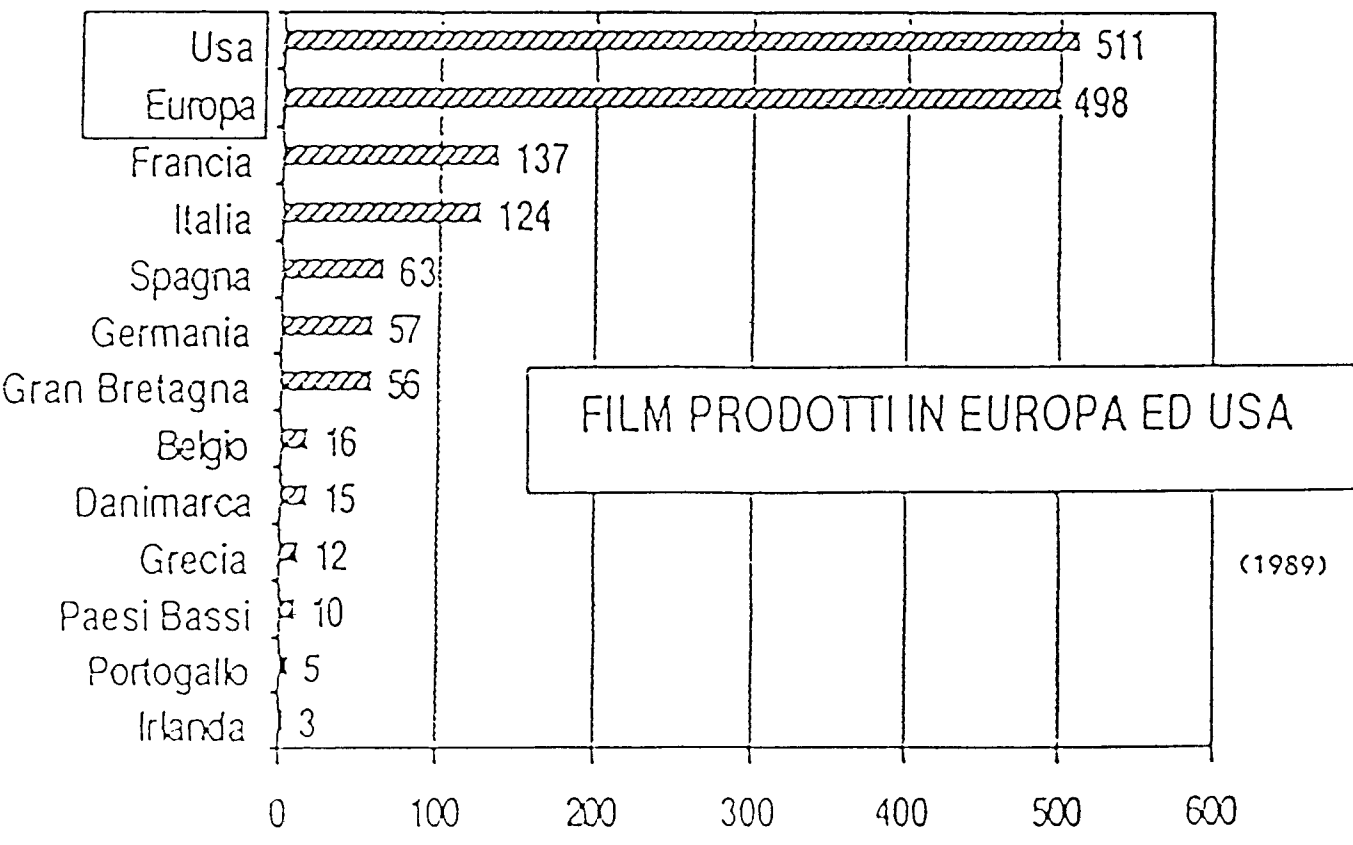
Source: M. MAGGIORE, AUDIOVISUAL PRODUCTION IN THE SINGLE MARKET 1990

¹ On the basis of a special survey undertaken for this study; the data collected by the SPIO records the premières of 70 films. It is generally accepted that in all countries there are more films produced than is statistically recorded, by whatever criteria. Thus, this finding seems more applicable if one wants the absolute number of films produced in the EC to be as near to reality as possible.

² Including 10 co-productions with estimated budgets of over ECU 2.25 million.

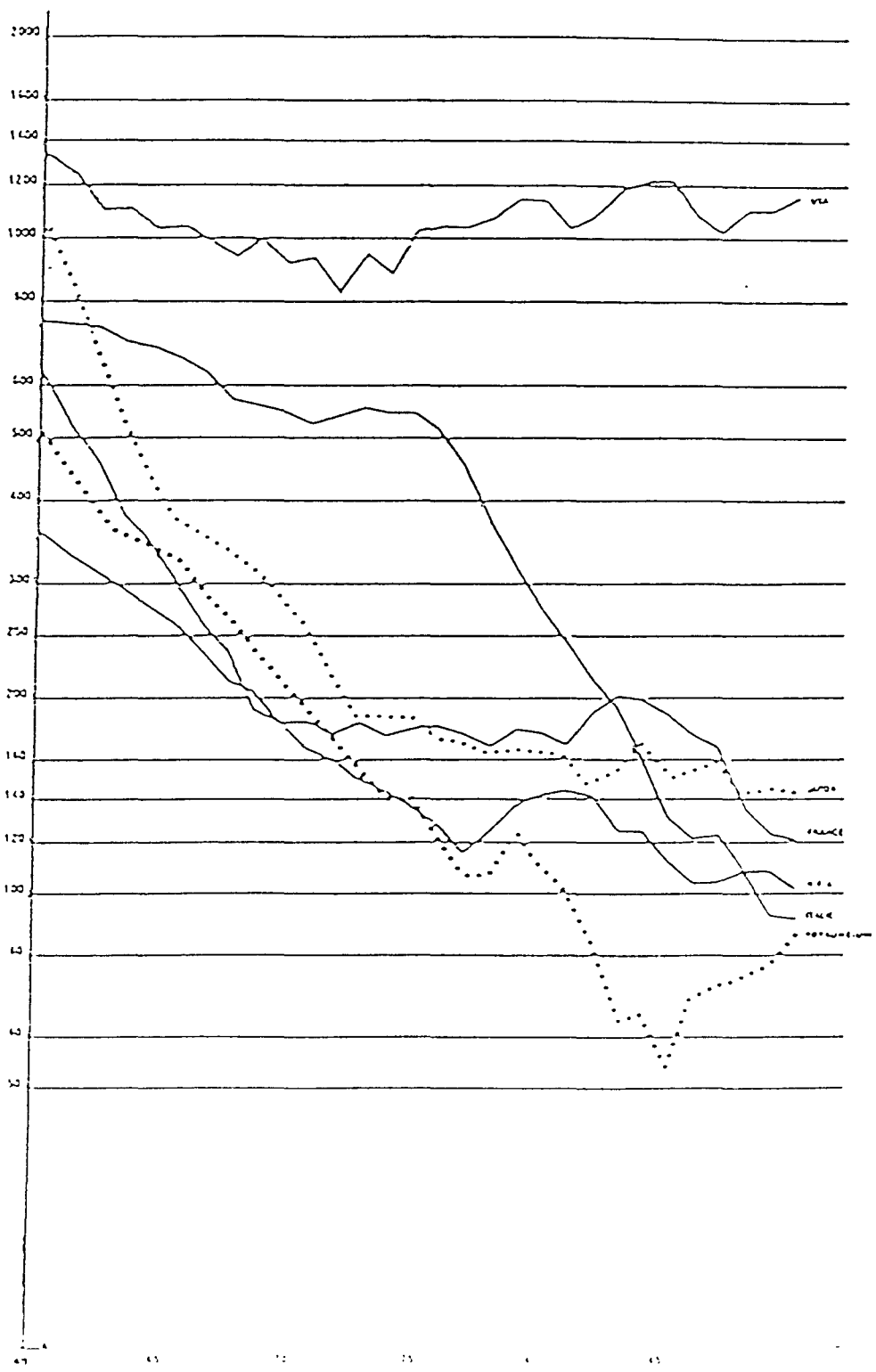
³ Not including co-productions, of which there were five between 1984 and 1987.

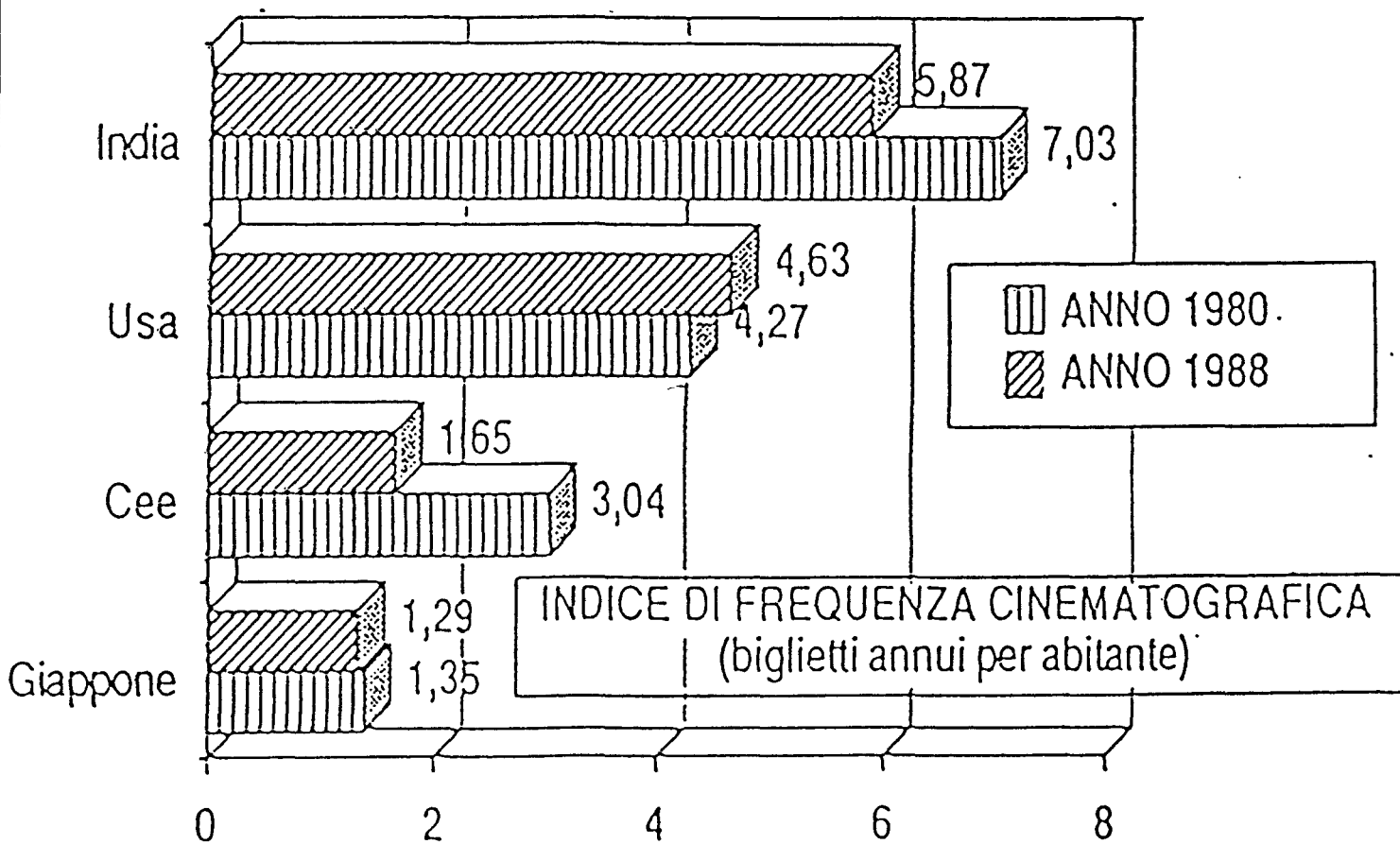
⁴ Including 12 co-productions with estimated budgets of over ECU 2.25 million.



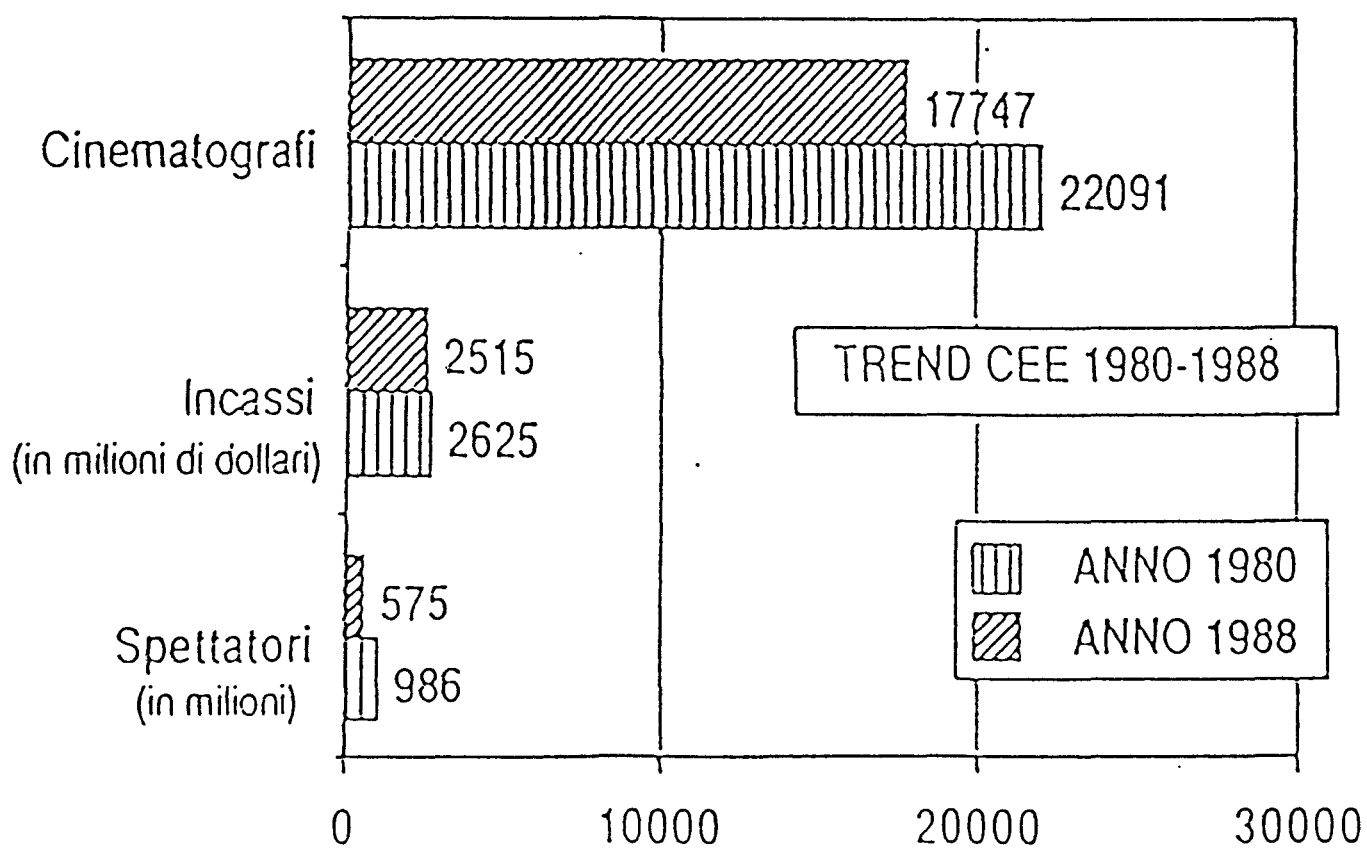
FONTE: GLOBAL MEDIA ITALIA, 1990

25 ANS DE FREQUENTATION CINEMATOGRAPHIQUE
DANS LE MONDE 1960-1989 (en millions)





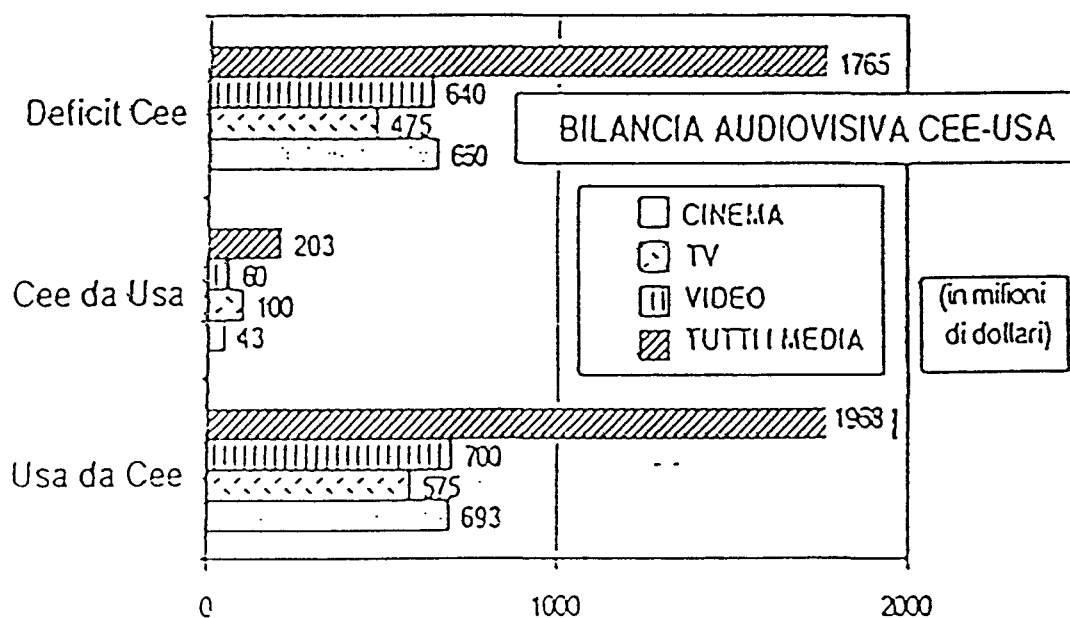
SOURCE: GLOBAL MEDIA ITALIA, 1990



FONTE: GLOBAL MEDIA ITALIA, 1990

Deficit Cee nei confronti degli Usa
(milioni di dollari,
cessione di diritti di commercializzazione mediale)

<i>Diritti (media)</i>	<i>Sale cinema</i>	<i>Tv</i>	<i>Video</i>	<i>Totale</i>
Ricavi Usa da Cee	693	575	700	1.968
Ricavi Cee da Usa	43	100	60	203
Deficit Cee	650	475	640	1.765



Fonte: GLOBAL MEDIA ITALIA, 1990

L'INVASIONE USA

(Export Usa di programmi televisivi, 1988,
milioni di dollari)

Europa occidentale	844
Giappone	318
Est Asia/Australia	42
America Latina	40
Stati Arabi	32
Africa	21
Resto del Mondo	21
Totale	1.318

FONTE: Screen Digest, Frost and Sullivan

