EU media policy and/as cultural policy: economic and cultural tensions in MEDIA 2007

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Available online: 17 Feb 2011

To cite this article: Mary Erickson & Patricia Dewey (2011): EU media policy and/as cultural policy: economic and cultural tensions in MEDIA 2007, International Journal of Cultural Policy, DOI:10.1080/10286632.2010.544725

To link to this article: http://dx.doi.org/10.1080/10286632.2010.544725

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EU media policy and/as cultural policy: economic and cultural tensions in MEDIA 2007

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This article is an examination of the cultural and economic tensions that arise in the formulation and implementation of media policy in the European Union. Through an analysis of the MEDIA 2007 program, the authors investigate how the priorities of cultural policy and media policy interact and conflict. EU policy goals from the mid-2000s onwards have emphasized attention to the economic potential of the creative and cultural industries, which complicates the cultural potential of audiovisual media. MEDIA 2007 in particular demonstrates these tensions, as the design of this policy mechanism emphasized audiovisual media's potential for European economic growth as a precondition for achieving cultural objectives.

Keywords: media policy; cultural policy; cultural economics

Introduction

Much of the academic discussion about European Union (EU) media policy has centered on economic factors and implications, such as market liberalization, trade, and the development of competitive cultural industries. These discussions have mentioned cultural factors that arise within media policymaking, and rightly so: the central debate of EU media policy is the often-irreconcilable conflict between media’s economic use and its cultural value. However, most of these media policy analyses have neglected to investigate the tensions that arise between cultural and economic policy objectives.

This article provides an entry point into a discussion of the intersection and resulting tensions between the economic and cultural dimensions of EU media policy and cultural policy. Culture is an integral part of EU media policy, and media is specifically referenced in relation to culture in Article 167, Section 2 of the Treaty on the Functioning of the European Union (TFEU). We will investigate the various stages of media-cultural policymaking at the EU, using the MEDIA 2007 program as a case study to illustrate this process. We will first set forth definitions and legal bases of media and cultural policy, in order to lay the foundation for a conversation about the policymaking process of an integral program of the EU audiovisual sector. We will then provide a background of the MEDIA program, which first came into existence in 1991, followed by an analysis of policy’s key stakeholders and a five-phase policymaking process through which MEDIA 2007 was designed. Finally, we will discuss the implications that result from the tensions between media and cultural policy as
they manifest in the MEDIA program, which can provide a useful lens through which to examine the larger tensions that arise between culture and economics.

Overview of EU media policy and cultural policy

Media policy: defining media

In order to understand the arenas in which EU media policy operates, we must recognize the vast array of communication-related formats to which media policy applies. At its broadest, these formats include television, cinema, radio, books, magazines, newspapers, videogames, recorded music, telecommunications, and internet. However, most discussions of media policy at the EU level do not acknowledge this variety of media, and only careful exploration of EU websites uncovers that so many formats fall under EU policy jurisdiction. Rather, as de Smaele (2007) notes, ‘Media policy of the European Union (EU) is principally understood to mean audiovisual policy or indeed audiovisual broadcasting policy’ (p. 118, emphasis added). This is partly because of the ‘important strategic economic, cultural and social role of television and video as they dominate the entertainment scene in Europe’ (de Smaele 2007, p. 118). Television (broadcast, cable, and satellite) and cinema are indeed among the most often-researched media with regard to EU media policy, as well, because they are the subjects of the major EU media initiatives, including the Audiovisual Media Services Directive (AVMSD) and the MEDIA programs.

In the past few years, ‘audiovisual’ has expanded to encompass online platforms, particularly with the revision of the Television Without Frontiers Directive (TVWF) into the AVMSD. Issues of technological convergence have spurred this absorption, as digital and online formats can no longer be neatly separated from their analog or hard-copy versions. One can anticipate an increase in research attention on digital and online media as these formats become more central to the formation and implementation of overall media policy. For our purposes here, ‘media’ refers to audiovisual media encompassed in the MEDIA program, including film, television, and new media productions.

Media policy: legal basis

Media policy was not specifically addressed in the 1957 Treaty of Rome, nor does it have its own legal basis within the Lisbon Treaty and the TFEU. Indeed, as de Smaele (2004) notes, ‘Strictly speaking, there is not even such a thing as “EU media policy”’ (p. 164). Rather, jurisdiction over media policy is drawn from various articles within the TFEU in order to construct policies that reach the various sectors of media and communication technologies and to provide direction on basic features that underscore media policy. In recent years, however, direct attention in treaty revisions has shaped audiovisual policy.

Three economic-based components of the TFEU support the formulation and direction of media policy. Articles 28–37 TFEU reference the free movement of goods, while Articles 45–66 TFEU reference the free movement of people, services, and capital, and Articles 101–109 TFEU reference competition policy. Goods, services, and labor travel freely across borders, which includes those pertaining to media. As well, transmission via television or internet permeates national borders, which means that media goods are not necessarily impacted by physical border restrictions. We can look
to specific articles within these sets of articles to better understand the impact on media policy. The freedom of establishment (Article 49 TFEU), which allows for an economic entity to engage in economic activity, and the freedom to provide services in another Member State (Article 56 TFEU) allows for the production and distribution of media goods and services.

We can find additional sections of the treaty that might apply to media policy in Articles 114 (technological harmonization, or using similar technological standards, for instance, in internet productions), 165 (education), and 166 (vocational training). Additionally, media policy also incorporates Article 173 on industry, which provides that ‘the Union and the Member States shall ensure that the conditions necessary for the competitiveness of the Union’s industry exist’.

The EU does recognize implicitly and explicitly the power and influence of media, as EU Commissioner for Information Society and Media Viviane Reding (2005) noted: ‘Pictures in general and moving pictures combined with sound in particular go right to the heart of how people think, act and decide’ (p. 36). Furthermore, language in various media policies reflects the dual nature of media as both cultural and economic; the AVMSD, a revision of the TVWF, states, ‘audiovisual media services are as much cultural goods as they are economic goods’ (Hieronymi 2006). As such, audiovisual media is directly referenced in Article 167(2) TFEU (ex Article 151), which instructs the EU to support and supplement cooperation among Member States in the area of ‘artistic and literary creation, including in the audiovisual sector’. As well, according to Article 107(3d) TFEU, Member States are authorized to provide ‘aid to promote culture and heritage conservation where such aid does not affect trading conditions and competition in the Union to an extent that is contrary to the common interest’.

Therefore, the legal bases for the construction of media policy are varied, drawing on multiple sources. This is necessary given the complex nature of media goods and services, which rest neither solely as cultural goods nor as economic goods.

**Cultural policy: defining culture**

The preamble of the UNESCO Declaration on Cultural Diversity (2001) regards culture as ‘the set of distinctive spiritual, material, intellectual and emotional features of society or a social group … [that] encompasses, in addition to art and literature, lifestyles, ways of living together, value systems, traditions and beliefs’ (UNESCO 2001, p. 12). This Declaration intends that culture should be respected and valued at the individual level as well as at the level of ‘the common heritage of humanity’. The fundamental basis of Europe’s definition of culture aligns with UNESCO’s definition, and has thus been integrated into the EU Treaty in Article 167 TFEU (discussed below). In this article, we view culture in these terms.

Culture has been assigned another definition that extends its purpose and value into the economic realm. Culture, to some, is an asset of society that can and should be exploited for monetary or symbolic gain. Because culture can be used to make one’s living or to sell products (movies, books, etc.), culture has been cast as a commodity in contemporary society. In turn, culture-as-commodity has become naturalized to the extent that culture should be exploited; otherwise, it serves little purpose. We consider this definition of culture to be the antithesis of what culture is meant to be and what citizens deserve.

UNESCO (1998) posits that the essential aims of cultural policy are to ‘establish objectives, create structures, and secure adequate resources to create an environment
conducive to human fulfillment’ (p. 13). Miller and Yúdice (2002) define cultural policy as the institutional supports that channel aesthetic creativity and a collective way of life. Dewey (2008) refines the definition of cultural policy further, which we adopt in our argument, noting that it is ‘an arena of public policy that pertains to political choices, processes and governmental institutions involved in problem identification, agenda formation, and policy formulation, adoption, implementation, and evaluation actions made in the arts and culture sector’ (p. 281). Furthermore, policymakers responsible for the formulation and implementation of cultural policy must contend with a myriad of complex and competing interests, particularly at the level of international governance such as the EU; here, economic, social, and political concerns encroach upon cultural policy interests, often exacerbating challenges in respecting cultural diversity.

**Cultural policy: legal basis**

Culture is an integral part of the EU Treaty, as addressed under the Maastricht Treaty in 1992 as Article 151, and later revised as Article 167 under the Lisbon Treaty. Section 1 of the article states, ‘The Union shall contribute to the flowering of the cultures of the Member States, while respecting their national and regional diversity and at the same time bringing the common cultural heritage to the fore’. Section 2 addresses various fields in which culture should be protected and privileged; these include European culture and history, cultural heritage, cultural exchanges, and artistic and literary creation (which includes audiovisual creation). International interactions are addressed in Section 3, also requiring that cultural considerations be integral to conversations with third countries and international organizations, in order to protect European (both national and pan-European) identities and cultures.

These notions of cultural respect and prominence are further reinforced by Article 167(4), which encourages the mainstreaming of culture across the field of EU policymaking. Cultural considerations should be embedded in other policies and activities; as Psychogiopoulou (2006) notes, ‘culture has formally acquired a horizontal dimension, interacting with other Community policies and activities. Respecting and promoting cultural diversity has become a transversal concern’ (p. 576). But the integration of cultural respect and promotion has also created tensions in the goals and objectives of other policies. Because media is generally regarded as being a forceful cultural marker and promoter, media policy is significantly impacted by the imperative to respect and promote culture. But the oppositional conceptions of the purpose of culture create conflict and, in the case of the MEDIA program, we can witness considerable tensions that arise amid the pursuit of both media policy and cultural policy objectives.

**Tensions between media policy and cultural policy**

The imperatives of media policy and cultural policy often come into conflict with each other. Media policy, on the one hand, tends to emphasize the economic nature of media and its resulting impact in terms of jobs and revenue (hence, the legal basis of media policy rooted in primarily economic language). Cultural policy, on the other hand, emphasizes the cultural impact necessary to the lives of European citizens. The incongruities of economics and culture are exemplified by these contrasting priorities, which creates challenges of promoting overarching EU goals that allow for some combination of European, national, and plural culture. Most scholars of EU
media policy, and many policymakers themselves, recognize that media serves a dual role; as Raboy (2004) notes, ‘media policy is about politics, commerce and technology, but it is also about culture’ (p. 6). This idea of culture extends beyond the conventional UNESCO (2005) definition of culture, or ‘expressions that result from the creativity of individuals, groups and societies’. On a broader scale, media policymakers have a duty to provide citizens with information and knowledge so that they may be active citizens culturally, politically, and socially. ‘Media policy to a significant degree’, writes Hutchison (1999, p. 69), ‘is citizenship policy’. The EU media industries provide essential forums for cultural expression and diversity, but their strength and vitality is often framed to be contingent upon economic strength for their survival, particularly in the face of competition from multinational media conglomerates. The very nature of media in the twenty-first century is that it is jointly economic and cultural, and thus it cannot be easily separated or isolated from questions of trade or culture.

MEDIA 2007: support mechanism for a regulatory framework

One of the EU’s policy programs exemplifying the tension between economic and cultural imperatives is the MEDIA program. This program serves the dual role of promoting European filmmaking as a key economic industry and as a key cultural contributor. The following discussion provides the background to the MEDIA program, including its regulatory framework, basic structure, and key stakeholders.

Although EU media policy does apply to a broad range of media formats, as discussed above, the main force of policy applies primarily to audiovisual media. Within audiovisual media policy, the EU has instituted regulatory frameworks. Support mechanisms are then designed and employed to ensure that regulatory frameworks are implemented according to their intended design.

The primary regulatory framework pertaining to EU audiovisual media is the AVMSD, which was revised in December 2007 and formerly known as the TVWF. The AVMSD ‘offers a comprehensive legal framework that covers all audiovisual media services, provides less detailed and more flexible regulation and modernizes rules on TV advertising to better finance audiovisual content’ (European Commission, n.d.-b). Essentially, this directive provides a framework to eliminate border restrictions on trade in audiovisual goods, thereby creating a single market for EU audiovisual works. It also provides mechanisms to ensure that EU works are given primacy in distribution and exhibition within the EU, and that the public interest is safeguarded through attention to cultural diversity, access, advertising restrictions, and pluralism in content and ownership.

The MEDIA program, or ‘Mésures pour Encourager le Développement de l’Industrie Audiovisuelle’, was first instituted in 1991 as a support mechanism for the TVWF and has undergone various iterations in each budget cycle. This program offers a variety of support measures for the audiovisual industry, primarily focusing on film. The initial MEDIA I program (1991–1995) was created to promote the development and competitiveness of the EU audiovisual industry through improved distribution and promotion of audiovisual works. This program evolved to emphasize development and increased circulation of European works, along with professional training, in MEDIA II (1996–2000). MEDIA Plus (2001–2006) accentuated the strengthening of European works with the intention of preventing EU market domination by non-European, and primarily American, programs.
The most recent version of the MEDIA program, MEDIA 2007, implemented from 2007 to 2013, contains several economically oriented ‘action lines’ that update and strengthen the scope of MEDIA’s impact; these include professional training, development of production projects and companies, distribution and promotion of films and other audiovisual programs, and pilot projects that ensure the market competitiveness of EU audiovisual media. MEDIA 2007’s objectives are to create a stronger EU audiovisual sector with increased emphasis, in regard to industry, on increased circulation and increased competitiveness, and in regard to culture, on Europe’s cultural identity and heritage. While the MEDIA 2007 policy does pay more attention to cultural considerations than its MEDIA predecessors, these cultural considerations are more often than not couched in economic language that tends to subordinate culture to economic justification and impact.

**Key stakeholders involved**

Media policy falls under the auspices of the European Commission, which tends to focus on crafting the economic environment within which European media industries can compete. Within that body, media policy is directed by the Directorate-General for Information Society and Media and, in part, implemented by the Education Audiovisual and Culture Executive Agency (EACEA). This administrative relationship reveals tensions between economic and cultural priorities, particularly in regards to the MEDIA program (to be discussed later), as even within the European Commission, priorities have ‘never been univocal’, and tensions abound within this organization (de Smaele 2004, p. 165).

Other EU organizations that are involved with media policy include the European Parliament and the Council of Ministers, as well as various committees with interests in policy related to media. As has been argued by Sarikakis (2004, 2005), the European Parliament has historically worked towards safeguarding political and cultural expression and identity among European citizens. Sarikakis (2004) notes, ‘The EP remains an institution derived from the complex process of economic integration and acts as an agent that has shaped itself, expanding its reach to social and cultural areas. It has until now contributed to the making of an exceptional polity that puts the citizen as much as possible to the forefront of this process’ (p. 86). However, the EP’s advocacy for ‘soft’ objectives (i.e., strengthening culture) is often in opposition to the pursuit of economic objectives of other bodies like the DGs, which can be evaluated with hard numbers, as the very nature of culture is conceived in different terms: for the EP, culture is a vehicle for expression, and for the EC and the DG Information Society and Media, culture is a commodity ripe for exploitation. Increasingly, the EP has begun framing cultural strength in economic terms as well, as will be discussed below, translating the culture-as-culture viewpoint to engage with the culture-as-commodity viewpoint. This practice risks losing the identification of culture as a vehicle for expression almost completely.

Alongside the EP are various committees that play a role in developing the legal framework for media policy, which can have a direct impact on the structure and implementation of programs like MEDIA 2007. These committees can include the Committee on Culture and Education, Economic and Social Committee, the Committee on Civil Liberties, Justice and Home Affairs, the Committee on the Internal Market and Consumer Protection, and the Committee on Women’s Rights and Gender Equality, among others. Pursuant to the codecision procedure of EU policymaking,
these committees are consulted and allowed to offer revisions to the language of a given policy, and thus draw attention to culturally important factors like gender, ethnicity, freedom of expression, and so on.

In addition to the official bodies at the EU level, multiple stakeholders participate in the creation, implementation, and evaluation of media policy. These can be divided into several different groups, including national, supranational, corporate, and public interest groups, as well as individual audiovisual workers, each of which advocates for its own priorities and interests.

At the national level, lawmaking bodies in each Member State must align national laws and policy with EU policy (e.g., Germany’s Bundestag). EU Member States pursue their own objectives that may or may not coalesce with the goals of their neighbors. Some countries tend to value and promote cultural diversity more than others. For example, France, Italy, Belgium, and Spain favor cultural imperatives more strongly, while Germany, the UK, Luxembourg, and Denmark favor economic imperatives more (de Smaele 2004, p. 165). Even industry representatives are faced with conflicting objectives, with commercial broadcasters and advertisers favoring deregulation, which advances big business interests. On the other hand, many film industry practitioners, independent producers, and public service broadcasters tend to favor cultural imperatives, from which small-scale businesses and independent media producers more often benefit. MEDIA Desks (central offices in a given Member State) and Antennae (regional offices in a given Member State) have been established in order to promote and administer the program’s initiatives at the national level. Other organizations, such as the Danish Film Institute, the Malta Film Commission, and the UK Film Council, are involved with the program, supporting their national audiovisual industries and workers.

At the transnational level, many organizations are involved in some capacity with media policy. The World Trade Organization, the World Intellectual Property Organization, and others are primarily focused on economic issues, and UNESCO remains the main international organization that employs a cultural focus on media policy through the Convention on Cultural Diversity. However, although the UNESCO Convention is not subordinate to other treaties, it is not legally binding. In trade negotiations in which media goods are included, the Convention and WTO treaties are both impacted. As Puppis (2008) notes, however, ‘The chances that the WTO bodies take the UNESCO convention into account when deciding on conflicts are probably slim at best’ (p. 419).

Perspectives towards media in Europe can occupy two roles (among others): industry and public interest. Multiple organizations, which operate at national, European, and global levels, are active in their attempts to shape media policy in order to fit industry interests and to create conditions conducive to successful and profitable business practices. These interests are very vocal in their lobbying efforts, especially when the AVMSD was being designed, and these efforts impact the resulting MEDIA programs as well. Some of these industry interests include trade associations and corporations such as the Toy Industries of Europe, the World Federation of Advertisers, the Association of European Radios, QVC Deutschland, Telefónica, and Endemol. Most industry lobbyists were concerned about the extension of the AVMSD into the online realm, which might limit the economic exploitation potential and light regulation that was, at the time, currently placed on internet content production and distribution. Certainly, extending the directive to include online platforms would impact the MEDIA program, which would soon incorporate online content as well.
Other corporate interests have been concerned with how to encourage the production of diverse cultural content; Telefónica recommended that mechanisms like MEDIA Plus continue to be utilized, rather than content quotas, in order to foster competition. The elimination of content quotas potentially creates an environment in which content produced is more economically viable than culturally diverse.

Consumer and public interest groups attempt to balance the power and influence of these types of organizations, demanding that attention be given to how media plays a role in people’s everyday lives and how it may facilitate cultural expression and political and social awareness. The UK-based Media Smart, for example, called for the incorporation of media literacy into the objectives of the revised TVWF directive so that media consumers would better understand the context in which media operates, including critical awareness of advertising and other economic imperatives that shape media practices and content (Media Smart 2003).

Particularly with relation to the MEDIA programs, individuals and small- and medium-sized businesses (SMEs) are key stakeholders that are impacted by the structure of media policy. MEDIA’s reach is broad, as audiovisual workers benefit from MEDIA funding across the Union. For example, MEDIA-related professional training courses serve more than 1500 professionals every year (EU Business 2009). It is unclear, however, the extent to which SMEs and individual media professionals carry weight in the policymaking lobbying process, as they generally do not have the resources available to launch a dedicated lobbying effort.

Media policy is a complex process that directly or indirectly impacts almost every European citizen. With 495 million people living in the EU as of 2007 (Eurostat 2009, p. 137), there are multiple parties demanding a key stake in the shaping and implementation of that policy, in order to, on the one hand, gain access to markets, and on the other hand, safeguard cultural expression for all citizens. We turn now to a discussion of the stages of policymaking as they pertain to the MEDIA 2007 program, which emphasizes the tensions between cultural and economic objectives in the policymaking process.

Stages of policymaking: revising the MEDIA program

Here we will analyze the five-stage policymaking process that formed the MEDIA 2007 program: agenda-setting, policy formulation, policy decision, policy implementation, and policy evaluation. Discussion of these stages as they pertain to the MEDIA programs demonstrates the process of policymaking and how institutions and actors behave within that process, particularly in regard to the fundamental tensions between art and commerce.

Agenda setting

Article 12 of the Council Decision to approve the MEDIA Plus program, which entered into force on 1 January 2001, required that the program be evaluated in order to ensure its accessibility and transparency. Individual projects undertaken within the program were to be assessed periodically. As well, the European Commission would conduct evaluations approximately every two years, presenting findings first to the Media Committee and then to the European Parliament, the European Council, and the Economic and Social Committee. This evaluation was to ensure that MEDIA’s amendments that followed the MEDIA II program were applicable, relevant, and
accessible to the constituents intended to benefit from MEDIA Plus and MEDIA Training. Therefore, the program was evaluated in late 2003 and again in 2006.

At the time of the mid-term evaluation in 2003, the European Commission was already looking ahead to the next iteration of the MEDIA program. Recognizing the value and importance of this program, the Commission proposed to the Council and the European Parliament that MEDIA Plus and its corollary program, MEDIA Training, should be extended one year past their expiration date, thus expiring at the end of 2006 (Proposal for a Decision of the European Parliament and of the Council modifying Council Decision 2000/821/EC). The rationale of extending the program was to allow more in-depth analysis and evaluation of the MEDIA Plus and MEDIA Training programs and also to align with the EU’s new financial vision for the next seven-year budget cycle, which was set to begin in 2007. Additionally, the Commission proposed to adjust the program’s budget to €435.6 million, increased from the original €350 million budget (Proposal for a Decision of the European Parliament and of the Council modifying Council Decision 2000/821/EC). The Council of Ministers approved the extension in April 2004, the programs continued until the end of 2006, and the final evaluation of the program was published in 2007 (Euréval 2007).

In 2004, the Commission prioritized European citizenship for action in the Union (Commission communication of 10 February 2004) and specifically addressed how to accomplish this goal in its communication, ‘Making Citizenship Work: Fostering European Culture and Diversity through Programmes for Youth, Culture, Audiovisual and Civic Participation’. This 2004 communication sought to address some of the concerns affecting the future development and success of many European programs, particularly those related to culture. With 10 new member states joining the EU in May 2004, and a projected European population reaching 500 million by 2007, cultural programs faced the challenge of remaining relevant to their participants. Audiovisual media was targeted in this communication because of its ‘high cultural and social impact … [which] offers a unique platform for intercultural dialogue and for promoting mutual knowledge and understanding’ (Communication from the Commission 2004). Thus, the MEDIA program was targeted as a mechanism to continue to support European audiovisual media production, distribution, and exhibition.

Euréval Centre for European Expertise and Evaluation, based in France, conducted the final evaluations in 2006 of the MEDIA Plus and MEDIA Training programs. This organization is one of the primary bodies employed by the DG Information Society and Media to evaluate policies and programs. The final evaluation of the earlier MEDIA II program was conducted in 2001 by BIPE, another France-based consulting firm that provides evaluation expertise. Euréval conducted various modes of evaluation, including surveys, interviews, and focus groups. The final evaluation proposed several lines of inquiry in order to evaluate the effectiveness and adequacy of the programs. These assessed the appropriateness of tools, mechanisms, and human and financial resources used to implement the programs for Member States; as well, these assessed the capacity of MEDIA programs to meet and strengthen objectives set out in the MEDIA program policy. The evaluation also set forth recommendations for future iterations of the MEDIA program.

It was determined that the MEDIA Plus program needed to incorporate various developments of recent years, including the circumstances of new member states, technological changes, and the ability to respond more effectively to changes in the audiovisual industry (Euréval 2007). It was at this point that various stakeholders focused their interest in the program and mobilized their views.
Policy formulation

In preparation for a public consultation on the future of the MEDIA program, the
Commission established guidelines based on several research documents and information
sources; namely, it referenced the evaluations from previous MEDIA programs,
studies conducted by the European Audiovisual Observatory (EAO), and an externally
produced economic analysis of the European film industry. As well, it used
information from the Technical Assistance Office for the MEDIA program.

A wide public consultation was performed in 2003 in order to gather information
and feedback for the development of policy for the new MEDIA program. Stakehold-
ers were given the opportunity on several occasions to deliver feedback on MEDIA
Plus and MEDIA Training and to relay their preferred future policy design. The public
consultation was a multi-pronged effort. First, written consultation was solicited on
four themes: analysis and evaluation of existing program; analysis of the sector and
its emerging needs (with specific reference to economic and technological changes);
objectives to be pursued; and action at the Community level. The consultation period
lasted three months, from 12 May 2003 to 12 August 2003. Secondly, the MEDIA
website hosted an online consultation.

Thirdly, a public hearing was organized by the European Commissioner for Culture
and Audiovisual Media, Viviane Reding; approximately 40 people attended this hear-
ing, held in Brussels. The hearing was broadly based around two core themes of how
to integrate European enlargement into the new MEDIA program, and access to financ-
ing and credit for small and medium enterprises (SMEs), which form the bulk of film
production and distribution companies in Europe. More specifically, the public hearing,
held on 1–2 July 2003, would address six themes; a questionnaire was published online
prior to the hearing in order to facilitate a structured discussion. The themes included:

- Theme 1: Distribution of European audiovisual works
- Theme 2: Promotion of European industry in Europe and world-wide
- Theme 3: Development of European audiovisual works
- Theme 4: Training of European Professionals in the audiovisual industry
- Theme 5: Access to financing for SMEs active in the audiovisual sector
- Theme 6: Effects of enlargement of the European Union on the European audio-
visual market and possibilities for international co-operation. (European
Commission 2003b)

Fourthly, industry professionals joined focus group meetings to discuss specific
aspects of the MEDIA program; these focus groups were held in various Member
States and addressed such topics as pilot projects (sub-initiatives under the MEDIA
program, such as NODAL, which collates audiovisual archives, and ORPHEUS, a
network of digital cinemas) and the i2i Audiovisual Initiative (discussed below).

The European Commission recommended that, at its core, the MEDIA 2007
program should emphasize the economic potential of the cultural industries. This
strategy was in line with the objectives of the Lisbon Strategy outlined in 2000, which
aimed to achieve a dynamically competitive knowledge-based economy in the EU.
These priorities were set out in the introductory paragraph of the EC’s proposal for
MEDIA’s revision:

The European audiovisual sector has not only great political and cultural value but also
considerable social and economic potential. In the Lisbon European Council’s conclusions,
it was stated that the ‘content industries create added value by exploiting and networking European cultural diversity’. Community action to support the competitiveness of the audiovisual industry will contribute to achieving the objectives set by the Lisbon strategy. (European Commission 2004)

In order to achieve this exploitation, the Commission recommended incorporating dramatic changes that would address the changing technological and industrial environment in which film production, distribution, and exhibition occurred in the mid-2000s. The new MEDIA program would have to incorporate recognition of EU enlargement in 2004 (as well as future enlargements). Structurally, MEDIA changed; in its previous iteration, MEDIA Plus and MEDIA Training were two separately administered programs. In MEDIA 2007, these would be funded as one overarching program. Funding for the European Audiovisual Observatory and audiovisual policy evaluation would be merged under the same budget as MEDIA 2007 (European Commission 2004).

Proposed funding also dramatically increased for the new program. MEDIA Plus was budgeted at €400 million over five years, and the Commission proposed that MEDIA 2007 would receive €1.055 billion over the seven years of its operation (2007–2013). The majority of this funding would go to project development and to content distributors, signaling an increased commitment to the dissemination of films across Europe. Indeed, one of the proposed targets of the new program was to increase the European theater market share of European films from 11% in 2004 to 20% by the end of the MEDIA 2007 term in 2013 (Gorini 2004). In comparison, Hollywood studios received 63% of the European theater market share in 2007 (Macedo 2008).

The Commission integrated pilot initiatives from MEDIA Plus into the MEDIA 2007 program. The i2i Audiovisual Initiative was a partnership between the European Commission and the European Investment Bank to offer medium- and long-term financial help to organizations involved at all stages of filmmaking (production, distribution, and exhibition). This initiative would cut across all sub-programs of MEDIA 2007 and would emphasize the professionalization of the industry:

All MEDIA 2007 action must aim to strengthen the production structures of small and medium-sized businesses to make the European audiovisual industry more competitive, as they constitute its core. This will mean contributing to the spread of a business culture for the sector and facilitating private investments. (European Commission, n.d.-a)

The logic in these proposed changes is to first create and nurture an economic environment in which European audiovisual content can flourish; once that is established, cultural objectives can be addressed and attained. The implicit recognition that the audiovisual industry must be economically strong before it can be culturally and creatively significant is made clear in the introduction to MEDIA 2007 policy’s global objectives:

The audiovisual sector is an essential vector for conveying and developing European cultural values and for creating highly skilled future-oriented jobs. Its creativity is a positive factor for competitiveness and cultural appeal with the public. The programme is intended to strengthen the audiovisual sector economically to enable it to play its cultural roles more effectively by developing an industry with powerful and diversified content and a valuable and accessible heritage and to add value to national support. (Decision No. 1718/2006 EC, emphasis added)
Furthermore, culture could be recast in economic terms and put to work to achieve economic goals (rather than vice versa), as a Communication from the Commission proposed in 2004 with regard to MEDIA 2007: ‘New Community action for the audio-visual industry should contribute to translating European cultural values into a competitive worldwide industry’ (European Commission 2004).

**Policy decision**

The policy decision-making for MEDIA 2007 was subject to the codecision process, as indicated by Article 251 EC (now Article 294 TFEU); this procedure follows a formal chain of command to ensure that all viewpoints are adequately considered within a reasonable timeframe and that relevant organizational bodies within the EU participate in the decision-making process.

The Commission proposed its recommendation on 14 July 2004 for decision by the Council and the European Parliament, and the proposal was sent to the European Parliament’s Culture Committee and the European Council’s Audiovisual Working Group for discussion. A mandatory consultation was held with both the European Economic and Social Committee (EESC) and the Committee of the Regions.

Debate during the Council’s first reading of the recommendation on 15 November 2004 focused mainly on ‘positive discrimination measures in favour of operators from markets with a lesser production capacity or with a restricted language area; and involvement of broadcasters in the Media 2007 programme’ (Council of the European Union 2004). The objective here is to increase the potential for cultural diversity and preservation. By and large, the Council supported the proposed program.

The Committee of the Region’s Commission for Culture and Education evaluated the Commission’s recommendation and adopted its opinion on 23 February 2005. It applauded the general scope of the MEDIA 2007 program and called for additional attention to the creation and support of European identity and social cohesion. As well, it supported the improvement of professional training; the promotion of corporate involvement at the EU and global levels; and the targeting of young people, ‘who are essentially the future of the European audiovisual sector’ (Opinion of the Committee of the Regions 2005).

The EESC’s Section for Transport, Energy, Infrastructure and the Information Society evaluated the Commission’s recommendation and adopted its opinion on 6 April 2005. Generally, the EESC agreed with the Commission’s proposal, although it recommended additional attention to preventing concentration of media ownership, protecting copyright, and preventing piracy. As well, the EESC recommended that MEDIA 2007’s mid-term evaluation should assess whether the allotted resources were obtaining the program’s objectives adequately (Opinion of the European Economic and Social Committee 2004).

The European Parliament first read and adopted the proposal on 25 October 2005. Various committees engaged in discussion regarding the revised directive and submitted opinions; these committees included the Committee on Civil Liberties, Justice and Home Affairs; the Committee on Foreign Affairs; the Committee on Women’s Rights and Gender Equality; the Committee on Budgets; and the Committee on Industry, Research and Energy.

Some of the Parliament’s amendments served to further solidify audiovisual media’s role as a cultural force in promoting European identity and citizenship, yet the added language incorporated the economic dimension of media’s potential for
achieving that goal. While the EP has historically championed cultural goals (Sarikakis 2005), the following revision indicates the compromises in the rhetoric used to promote those goals. The EP recommended strengthening the statement, ‘Community support is designed to enable the European audiovisual sector to play its part in consolidating European citizenship’. The amended statement would read:

Community support is designed to enable the European audiovisual sector to promote intercultural dialogue, competitiveness and, in particular, to increase the market share in Europe of non-national European works, increase mutual awareness amongst Europe’s cultures and develop its political, cultural, social and economic potential, which constitutes genuine added value in the task of making European citizenship a reality. (European Parliament 2004, pp. 5–6)

This amendment, while incorporating language about the potential of Europe’s culture, also includes terms like ‘added value’ and ‘economic potential’, phrases that resonate with the economically oriented and that translate cultural value into economic value.

Other language emphasized audiovisual media’s potential for European economic growth. Various amendments sought to improve the success of audiovisual works both within Europe and abroad by strengthening a competitive market through opportunities for film financing and investment, increased attention to digital media, global distribution parameters, continued state aid to cinema, and protecting against over-liberalization of the audiovisual sector.

The Council arrived at a partial political agreement to approve MEDIA 2007 on 14 November 2005; however, the proposed €1.055 billion budget was not yet approved, as the overall budget for the EU needed to be adopted first. The Council affirmed the proposed legal basis for MEDIA 2007, invoking Articles 150(4) (vocational training policy) and 157(3) (competitive industry policy) of the Treaty (Council of the European Union 2005).8

The overall EU budget was adopted in December 2005, and funding cuts were made to numerous programs, including MEDIA 2007’s proposed figure. MEDIA 2007 was allocated €755 million for its seven-year period in a Council decision of 18 May 2006, substantially less than the originally proposed budget, but more than the budget of its predecessor program (UK MEDIA Team n.d.; Macedo 2008). As a result, the Commission had to reduce support in some areas; for example, it omitted support for international home video distribution of European works (MEDIA Desk Germany 2007, p. 1).

The Council adopted a common position on 24 July 2006 (Common Position (EC) No 13/2006) and, after the Parliament’s second reading on 24 October 2006 whereupon agreement was made without further amendments to the proposed MEDIA 2007 program, the Council and Parliament submitted a joint decision on 15 November 2006 to approve MEDIA 2007 (Decision No 1718/2006/EC). The new MEDIA program entered into force on 1 January 2007.

Policy implementation

The European Commission would be responsible for the implementation of MEDIA 2007. The EC would need to design specific guidelines and measures, including calls for proposals, definitions of criteria and procedures for project selection, monitoring and evaluation, and procedures for determination of funds allocation. These duties
would be accomplished by the DG Information Society and Media and the Education, Audiovisual and Culture Executive Agency, a partnership that exemplifies many of the cultural-economic tensions that abound in media policy. The MEDIA Desks would then implement the programs at the national and local levels, often working together on projects that involve more than one country.

The DG for Information Society and Media is responsible primarily for audiovisual content regulation and support, integrating technology into communication and media, research activities on information and communication technologies, and various online programs and activities. This body emphasizes competition and market-driven regulation in order to achieve a strong ‘information society’, which are economic goals that tend to favor attention to revenue streams and marketability of content over cultural imperatives and the public interest. With regard to the MEDIA program, this DG handles policy formulation, decision-making, and evaluation, and financing. It is significant to note that Unit A1, which handles the MEDIA program, was formerly the EC MEDIA Unit C6 within the DG Education and Culture. Responsibilities for this program were transferred in 2005 out of a culturally focused DG into an economically focused DG, which indicates a strengthening presence of economic imperatives in media policy.

The Education Audiovisual and Culture Executive Agency operates jointly under three Directorate-Generals: Information Society and Media, Education and Culture, and the EuropeAid Cooperation Office. The EACEA manages programs and activities relating to audiovisual media, education and culture; its sole specifically media-related program is the MEDIA program, for which it provides operational management. This activity includes preparing and launching calls for proposals, evaluating and pre-selecting applicants and projects, and contracting and monitoring project agreements, among other duties (UK MEDIA Team 2010). While the DG for Information Society and Media assumes authority over economic justification of the MEDIA program, the EACEA is responsible for implementing those decisions. In effect, the EACEA administers culturally focused programs that already exist within the economically driven parameters of the audiovisual policy: the potential for cultural achievement is predefined in economic terms.

The Commission has also designed monitoring and evaluation procedures. As described in Decision No 1718/2006/EC, the monitoring process involves an interim evaluation no later than 2010, a communication on the program’s continuation no later than 2011, and a detailed final evaluation report no later than December 2015. All monitoring and evaluation materials would be made available through the MEDIA Desks.

**Policy evaluation**

The European Commission (2007) defines evaluation as ‘judgment of interventions according to their results, impacts and needs they aim to satisfy’. The evaluation process enables the Commission to assess the effectiveness of policy, ensuring its intended reach and scope. A Communication on Evaluation has established a framework for evaluation, providing direction on how to address and incorporate necessary alterations to policy. Each Directorate-General maintains its own Evaluation Unit that implements the Commission’s evaluation and monitoring policy to ensure ‘sound and efficient management’ (Information Society and Media Directorate-General 2008).
Euréval (2010a) has been commissioned by the European Commission to produce an interim evaluation of MEDIA 2007, which was released in June 2010. Its evaluation should:

assess if the objectives of the program are still adapted to the needs of the European audiovisual sector, and its European added-value. It will also consider the efficiency of the management and the good implementation of the program. (Euréval 2010a, para. 9)

It is interesting to note that the evaluation, as reflected in much of the language around the policy itself, considers MEDIA’s cultural goals to be ‘added-value’ rather than integral to the program. The interim evaluation assessed the effectiveness of the program in its first three years, focusing primarily on quantifiable results. Because cultural diversity is hard to translate into these types of results, the interim evaluation reported it in terms of market share of member countries with low production capacity. The report noted that ‘the likely effects in terms of safeguarding cultural diversity tend to be positive at this stage of the programme’s implementation’ (Euréval 2010b, p. 81).

**Conclusion**

EU media policy initially emphasized a unified European identity in the early to mid-1980s, eventually shifting to an emphasis on diversity in the early 1990s (Collins 1994). It has arguably shifted again to accentuate European citizenship, but with acknowledgement of and respect for the plurality of cultures and languages in the EU. The basis of media policy has been the culmination of several years of debate over how to create and sustain a strong European Community. ‘If the Community were to survive’, the logic went, ‘it needed a common culture and a collective European identity’ (Collins 1994, p. 95). Media was recognized very early on as a powerful force in influencing culture and perception, and so it was targeted as a viable mechanism through which to promote a unified European culture.

With another striking emphasis in media policy in the mid-2000s, the EU has moved toward strengthening the economic potential of the cultural and creative industries, particularly as evidenced by recent studies like the European Commission’s 2006 report, *The Economy of Culture in Europe*. The rationale for working towards an ideal European citizenship and enabling respect for the plurality of cultures and languages rests in economic strength first and foremost.

We can expand these tensions that operate at the EU level to the global level, locating a broader conflict with and resistance to the encroachment of neo-liberal economic structures that have come to dominate and define global markets. The EU, a global leader in imports and exports, trading 20% of the world’s goods, has been an active participant in World Trade Organization talks that structure trade rules, reduce tariffs, and liberalize trade (Europa 2010). The EU faces consistent pressure, on the one hand, from the USA, the WTO, multinational corporations, and other entities set to benefit from liberalized trade. On the other hand, UNESCO’s Convention on the Protection and Promotion of the Diversity of Cultural Expressions, along with much EU activity, supports culture, integrating it into policies that run contrary to many economic policies. The Convention in particular, according to Chan-Tibergien (2006), represents a mode of resistance against the neo-liberal mechanisms and objectives (such as WTO trade rules) that permeate national and global media policies.
These tensions can be readily identified in EU media policy. For example, although MEDIA 2007 calls for ‘strengthen[ing] the competitiveness of the European audiovisual sector in the framework of an open and competitive European market’ (emphasis added), the policy also recognizes the need for what are often viewed (particularly by American companies) as protectionist measures: ‘Public support for cinema at European, national, regional or local level is essential to overcome the sector’s structural difficulties and allow the European audiovisual industry to meet the challenge of globalization’ (Decision No. 1718/2006/EC). Neoliberal advocates would likely call into question the compatibility of an open and competitive market with public industry support.

In its contemporary environment, the production of media and culture tends to be equated with the production of commodities to be exploited for monetary or symbolic gain, rather than simply as expressions of values and beliefs that are essential to a sense of cultural identity. This perception is forceful, as it can influence policy priorities and the language used to frame policy. A central struggle in the protection and promotion of cultural diversity is overcoming the reinforcement of culture-as-commodity over culture as a vehicle for expression. This article has provided a starting point for further exploration of this struggle as it manifests in policy design. Using the MEDIA 2007 policymaking process as an example, we have demonstrated the tensions that arise when cultural and economic objectives compete for equal footing. In this case, economic objectives seem to have gained a toehold in a thus-far irreconcilable debate.

Notes
1. The EU is presently structured under two treaties, the Treaty on European Union (TEU) and the Treaty on the Functioning of the European Union (TFEU). The TFEU is the successor to the Treaty Establishing the European Community (TEC). The TEU and TFEU are the foundation of the EU. According to the European law firm Herbert Smith LLP (2009), ‘the TEU sets out the objectives and principals of the EU and the TFEU provides the organizational and functional details’. Article 167, Section 2 TFEU was formerly Article 151, which was created under the Maastricht Treaty in 1992. Article 151 was revised into Article 167 under the Lisbon Treaty, which entered into force on 1 December 2009.
2. The publishing sector is another area of the media that has arrived under the jurisdiction of the DG Information Society and Media, which is primarily responsible for media and audiovisual policy. Books, magazines and newspapers are increasingly transitioning to offering online and/or digital formats.
4. Cultural policy in the EU shares many of the same stakeholders as media policy, especially as cultural policymaking takes on increased economic justification. For the purposes of this article, however, we focus specifically on media policy’s key stakeholders, which serves to illustrate the various and conflicting interests between economic and cultural imperatives as manifested in EU media policy.
5. According to the European Economic and Social Committee’s (n.d.) website, ‘The European Economic and Social Committee (EESC) is a consultative body that gives representatives of Europe’s socio-occupational interest groups, and others, a formal platform to express their points of views on EU issues. Its opinions are forwarded to the larger institutions – the Council, the Commission and the European Parliament. It thus has a key role to play in the Union’s decision-making process’.
6. In its final evaluation of MEDIA II, BIPE (2001) provides a diagram of its overall evaluation approach, which proves helpful in delineating the general process by which evaluation may generally occur for media policy.
7. The European Audiovisual Observatory is a public service research institution joint initiative with 36 Member States, the EU, and the Council of Europe. Established in 1992, it provides data about the audiovisual industry in Europe.

8. Article 150 on vocational training is now Article 16 TFEU and Article 157 on competitive industry is now Article 173 TFEU.

9. It must also be noted that neo-liberalism is driving many cultural policies as well, including the EU’s Capitals of Culture program. See McGuigan (2005) for a fuller discussion of the intersection of cultural policy and neo-liberalism.

References


