

A fresh start for Europe: building an industrial strategy for creative and cultural industries based on growth, innovation and jobs

A shared vision from the members of the Wider Spectrum Group



Europe's unique audiovisual model sustains its creative and cultural sector's economy and jobs. It is a huge asset for Europe's competitive position in the digital world, cultural diversity and media pluralism.

The creative and cultural sector, acknowledged as a leading employer and value driver in Europe, deserves a strong industrial strategy that reinforces the pillars it rests on. Spectrum allocation is one of those pillars. Free-to-air TV and radio make available to the general public local, diverse and plural European works and information.

The Lamy report¹, amongst others², made explicit the need for a change of mindset from platform convergence to co-existence³. This in order to meet different consumer expectations, support Europe's cultural diversity, support original content creation, promote media pluralism and sustain the development of an inclusive audiovisual and radio sectors.

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European leaders have called for a fresh start for growth and jobs⁴, resting on investments surpassing €300 billion and a priority on Digital. The cultural, creative and media industries are an essential pillar of the digital economy and one of the key assets of Europe, in every dimension:

- Accounting for 6.8% share of GDP (€860 billion) and 6.5% of Europe's employment (approximately 14 million direct and indirect jobs)⁵;
- Combining the forces of flagship European-based companies competing in a global market alongside more than 1.4 million small and medium sized enterprises⁶ (who generate over 80% of the total revenue for the sector);
- Employing a highly skilled, non off-shorable and well-educated workforce that is deeply rooted within local territories, economies and cultures;
- Creating and investing in digital platforms and leading in technological innovations; Europe's digital market for cultural products and services are providing more and more choice to consumers.

European enterprises and employees from the creative and cultural industry stand together at the forefront of Europe's fresh start to provide more growth and jobs for Europeans. A fresh start based on:

- **A vision** for its future digital economy and society that integrates all existing components to optimise opportunities and potential rather than drive fragmentation and conflict between sectors and players;
- **A strategy** that embraces cultural diversity and pluralism as valuable assets in the EU;
- **A commitment** to enshrine fair access and support for creation, innovation and finance.

¹ Pascal Lamy, Report to the European Commission, [Results of the work of the high level group on the future use of the UHF band \(470-790 MHz\)](#), September 2014

² See recent RSPG opinion and ECC report 224

³ Co-existence' in the sense of simultaneous deployments of terrestrial broadcasting and mobile broadband platforms.

⁴ Jean-Claude Juncker, [My priorities](#), Priority 1 "put policies that create growth and jobs at the centre of the policy agenda of the next Commission"

⁵ Laurent Benzoni and Philippe Hardouin, The economic contribution of the creative industries to EU GDP and employment - Evolution 2008-2011, Paris, September 2014

⁶ Idem

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EU policy-makers in close consultation with all stakeholders and civil society need to define a European industrial policy, which will recognise the cultural, creative and media industries as a growth enabler for Europe and as a key component of European construction. This means policies that:

- **Acknowledge the business, investment and funding⁷ models** for the works produced; including content creation, distribution and licensing models that ensure sustained levels of efforts and investments in content from employees and enterprises; and infrastructure investments to spark innovations that meet evolving EU audience expectations;
- **Uphold the importance of local/national works⁸** as supporting European employment, diversity and plurality with a thorough consideration of the added value these industries, driven by broadcasters, create through contextualising works⁹ and investing¹⁰ for citizens;
- **Enshrine guaranteed access to critical resources such as spectrum** for services that enable and sustain Europe's creative and cultural industry, to maintain free-to-air as a capacity for citizens to participate in the public discourse, have choice and preserve their local identity.

Europe's preference - Low cost, accessible, local, reliable, regulated, plural

250 million Europeans choose television via the digital terrestrial television (DTT) broadcasting platforms as one of their preferred means of media consumption. 80% of the EU population listens to the radio for 2 to 3 hours a day, mostly through broadcasting (analogue and digital). Traditionally and increasingly PMSE¹¹ equipment is used to create this content.

Television and radio are the most intimate, most trusted and most economic rational means to address the reality of national identities and to uphold Europe's unique, comprehensive and virtuous model. This model spreads the production base across Europe creating jobs and growth. Broadcasting platforms, and in particular DTT and radio platforms, will continue to play a crucial role in delivering linear broadcast content to European citizens.

This diversity of supply ensures a diversity of choice to Europeans allowing for platform competition, innovation and investment over the long-term. Reducing spectrum for content creation and terrestrial broadcasting has far-reaching consequences beyond just arbitrating between broadcasting and mobile. Moving away from DTT would result in a loss of €38.5 billion to the EU economy¹² before any account of losses to the creative sector.

The current debate has pitched mobile services against terrestrial broadcasting when in reality these services should be seen as complementary and supporting different needs.

⁷ For example, recognising public contributions as well as advertising revenues' key role in funding content in Europe, especially for media; e.g., almost 100% of commercial radio revenues come from advertising, and up to 90% for commercial free-to-air TV

⁸ Dr Alice Enders, [The value of territorial licensing to the EU](#), October 2013

⁹ Pr Olivier Bomsel, [Why territories matter](#), October 2013, "'contextualisation' [...] is a complementary good that enhances the meaning value of the copyrighted expression"

¹⁰ Enders on conclusions of [AVMS 2011- Final Study Report - 13 December 2011](#), "every euro of net broadcaster revenue funds 54 cents of investment, of which about 29 cents to mainly national works"

¹¹ Programme Making and Special Events / SAP/SAB (radio microphones, wireless "in ear" monitor system, and wireless communication systems)

¹² Aetha study, Future use of the 470–694MHz band, October 2014

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Mobile services ensure one-to-one communications (phone calls, mobile internet...). Terrestrial broadcasting is indispensable for spectrum-efficient one-to-many transmissions (free-to-air TV and radio, coverage of major live events, emergency communications...). The latter makes the platform more cost effective and self-sustaining due to the economies of scale involved with equal quality.

Europe's broadcast industry has scale and can invest to deliver high impact / quality cultural and creative works.

Scale is manifested in reach, coverage of the service, which enables low cost delivery of media works on consumer devices affordable to all. Scale raises advertising income enabling more money to be re-invested in cultural oriented creation and national / local distribution.

The benefits of terrestrial broadcasting are recognised in European law as an integral part of the general interest.

More specifically as promoting "social, regional or territorial cohesion" and "cultural and linguistic diversity and media pluralism"¹³. For many European countries, no terrestrial broadcasting would equate to significantly weakening this general interest objective with the loss of the national media industry and no production of local works and hence jobs.

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In 2015, European policy-makers can bring about an industrial policy that will:

- 1. Position creative and cultural industries at the heart of Europe's Digital Single Market objectives**
- 2. Guide new and sustain existing investments to increase certainty for employers, employees and the public alike as well as to maintain innovation, plurality and diversity**
- 3. Take decisions on critical resources such as spectrum allocation on the basis of a comprehensive examination of the impact on cultural and creative sector growth and jobs, particularly in forming common positions for EU in reviewing the RSPP¹⁴ and for global negotiations at the WRC-15¹⁵**

It is urgent to adopt a wider vision, an industrial strategy, a fresh start for Europe.

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About the Members of the Wider Spectrum Group

About the Association of European Radios: The Association of European Radios (AER) is a Europe-wide trade body representing the interests of over 4,500 private/commercial radio stations across the EU27 and in Switzerland. AER's main objective is to develop and improve the most suitable framework for private commercial radio activity. AER constantly follows EU actions in the fields of media, telecommunications and private radio transmission, in order to contribute, to enrich and develop the radio sector. www.aereurope.org

¹³ [Electronic Communications Framework Directive](#), 2009/140/EC, 2009

¹⁴ The Radio Spectrum Policy Program (RSPP) defines common policies within the European Union

¹⁵ The World Radio Conference 2015 (WRC-15) will take crucial decisions on spectrum matters

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About the Association of Professional Wireless Production Technologies: The APWPT promotes, on an international level, the efficient and demand-driven provision and use of production frequencies for professional event productions, as well as safeguarding such production frequencies for professional users, in the longer term. www.apwpt.org

About Broadcast Networks Europe: BNE is a trade organisation for Terrestrial Broadcast Network Operators for Radio and TV in Europe based in Brussels. BNE's 16 members operate in 21 European countries. Members are Abertis (Spain), Arqiva (UK), České Radiokomunikace (Czech Republic), Digea (Greece), Digita (Finland), ETV (Serbia), Elettronica Industriale (Italy), Norkring (Norway), OiV (Croatia), ORS (Austria), Swisscom Broadcast (Switzerland), Radiocom (Romania), Rai Way (Italy), RTENL (Ireland), TDF (France) and Teracom (Sweden). In addition Terrestrial Network Operators in Belgium, Denmark, Germany, Estonia, and Monaco are represented by their respective parent (and BNE member) company. www.broadcast-networks.eu

About European Broadcasting Union: The European Broadcasting Union (EBU) is the world's foremost alliance of Public Service Media, providing television, radio and online services. The EBU has 73 active members in 56 countries in Europe and beyond. The organisation provides technical expertise in order to drive media innovation and coproduction across every entertainment genre and advocate the values of Public Service Media organisations. www.ebu.ch

About the European Federation of Journalists: The European Federation of Journalists (EFJ) is the largest organisation of journalists in Europe, representing over 320.000 journalists in 60 journalists' organisations across 39 countries. The EFJ was created in 1994 with the aim to fight for social and professional rights of journalists working in all sectors of the media across Europe through strong trade unions and associations. www.europeanjournalists.org

About UNI MEI: UNI MEI represents 170 national unions & guilds affiliating more than 375 000 creators, technicians and other workers in the media, entertainment and arts worldwide. Media and entertainment workers and their trade unions affiliated to UNI MEI believe that the European Union needs to strengthen its commitment to social inclusiveness and cultural diversity. European citizens need a European Union with a progressive policy blue print that invests in people, ensures solidarity, respects and cherishes their cultures and puts quality employment at the heart of a sustainable growth agenda. <http://www.uniglobalunion.org/>

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