

Creative Destruction as Economic Pattern of Europe's Small-Scale Audiovisual Media Markets and Minority-Language Film Industries

Margarita Ledo-Andión, Antía López-Gómez, Enrique Castelló-Mayo
University of Santiago de Compostela, Galicia, Spain

The small cinematography model as well as its incorporation into creation of the European digital space emerges as a paradigm of the creative destruction phenomenon in the way that Sombart spoke about and, afterwards, Schumpeter disseminated it seven decades ago. Working from this perspective, the University of Santiago de Compostela (USC)' audiovisual research group has been looking for the barriers the small cinema in original version must overcome and has even tested some of its findings in different geopolitical areas such as Lusophony, Latin America, or Europe. The European case, which has been currently worked on within the Europe Creative Program 2014-2020, recognized the explicit contribution of the national cinemas to the cultural and linguistic diversity as brand image of the current Europe, promoting spaces of exchange that overcome its endemic problems of fragmentation and visibility. Our theoretical frame of reference responds to the thematic complexity of a symbolic materialization of the contemporary culture such as the cinema, though without forgetting its economic aspects and the implementation of the current public policies. In this way, based on the theory of the authors such as Morley (2007) and his concept "Average, Identity & Technology", our methodological suggestion brings together empirical aspects of the reception studies with the poll of axiological values shared. At the same time, it analyzes the role of the intellectuals and experts in the construction and dissemination of the intercultural exchange according to the postulates of Schlesinger (1991). In regard to the methodology implemented, it is necessary to highlight that GEA's studies contemplate a synergistic analysis of multiple types of the sampling of data and information management from online multiplatform surveys, viewed of samples, discussion forums, etc.. Our registered system combines two types of software: a data platform chain management system (CMS) with the predictive analysis software (PASW) Statistics 19. As main conclusions, it would be advocated for the small and pluralistic European film industries to become an exponent of a cultural fusion to the detriment of the European cinema, as a whole, which would be the exponent of the cinema of standards.

Keywords: audio-visual policy, minority-language film, cultural industries, European identity and diversity, Europe Creative Program, small-scale audiovisual

Margarita Ledo-Andión, Ph.D., Full Professor at Department of Communication Sciences, University of Santiago de Compostela.

Antía López-Gómez, Ph.D., Associate Professor at Department of Communication Sciences, University of Santiago de Compostela.

Enrique Castelló-Mayo, Ph.D., Associate Professor at Department of Communication Sciences, University of Santiago de Compostela.

Correspondence concerning this article should be addressed to Margarita Ledo-Andión, Facultade de Ciencias da Comunicación (Campus Norte), 15.782 (Santiago de Compostela), Spain. E-mail: margarita.ledo@usc.es.

Introduction

The expansion of innovation and its practical consequences towards the conceptual field as well as the introduction of the notion of creative destruction in the way of thinking about the meaning and function of certain objects have led us to question the appropriateness of the development model promoted by the EU 2020 Agenda in relation to the film industry: a cumulative model with hegemonic pretensions. This paper will advocate the possibility of replacing this model with one that is based on the rights of the diversity of cultures to free expression, creation, access, and interaction. It will examine the role of the small-scale minority-language film industries as exponents of the European diversity policies and as part of the economy of culture, based on the case study of the Welsh, Finnish, and Galician cinemas.

This paper proposes that the process of creative destruction can take place in the European audiovisual industry to favor the organization of small-scale film industries. This idea guides the research study currently developed by the multidisciplinary Audiovisual Studies Group (Grupo de Estudios Audiovisuais) directed by professor Margarita Ledo Andión from the University of Santiago de Compostela (Galicia): *Hacia el espacio digital europeo. El papel de las cinematografías pequeñas en versión original (Towards the European digital space. The role of the small-scale minority-language film industries)*. The Audiovisual Studies Group has a long trajectory researching issues related to identity and has incorporated researchers from Europe and Latin America in recent years to become more international.

Research Variables and Objectives

This paper presents the first results of the aforementioned study, which examines the so-called Digital Agenda for Europe. A Europe 2020 Initiative (Retrieved from <http://ec.europa.eu/digital-agenda/en/scoreboard>) is still in the making. The research variables and objectives of this examination are:

- The identification of the actions aimed at improving the visibility and accessibility of small-scale minority-language non-hegemonic film industries in the European digital space, as it is being outlined in the framework of the aforementioned Digital Agenda;
- The identification of: (1) The barriers are currently preventing the consolidation of the original-version minority-language film industry as one of the main exponents, or even the protagonist, of the policies included in the Digital Agenda for the promotion and preservation of (cultural) diversity in Europe, and (2) The exponents used by the European Commission (EC) to promote and preserve cultural diversity;
- Identification, in consequence, of the way in which the policies of the EC treats the small-scale film industries in view of the new digital technological territory.

This paper will address the abovementioned three objectives, beginning with the latest position adopted towards original version films (OVF) in the European media legislation, and the paper will develop these three issues, starting with the third issue related to the most recent Community position.

The Widespread of the Original Versions in the Current European Audio-Visual Context

In this regard, in June 2011 the Education, Audiovisual and Culture Executive Agency (EACEA) published the final report *Etude—Study on the use of Subtitling: The potential of subtitling to encourage foreign language learning and improve the mastery of foreign languages* (sur l'utilisation du sous-titrage. Le potentiel du sous-titrage pour encourager l'apprentissage et améliorer la maîtrise des langues.

EACEA/2009/01). This report reflects the interest that the EC has shown since 2003 in the development of multilingualism. This interest has been translated in the promotion of language learning among European citizens to develop a multilingual economy, and it has been with this, rather pragmatic, notion that the linguistic diversity has been promoted in the EC discourse.

Let's say it: The linguistic diversity is an indisputable reality in Europe, and the EC must operate with it. It should be noted, in any case, that it is not so much a question of the relative prevalence of the monolingualism or the linguistic homogeneity, but rather the idea of how the multilingualism is a necessary condition for mutual understanding both in the European and global economic context. On the contrary, the very concept raised by the European authorities is a controlled and limited multilingualism, and exactly tailored to the demands of Europe where the diversity is therefore a right, but it is a right that should not be institutionalized.

Along this line of thought, and prior to the development of the aforementioned report, in September 2008 the EC published a communication with a very suggestive title: *Multilingualism: an asset for Europe and a shared commitment*. In this communication the EC praises the benefits that the investment in language training can bring to citizens, enterprises and the European society as a whole. It is in this context where the audiovisual sector is presented as facilitator of the informal learning of languages.

The study's report published by the EACEA in 2011 is a follow up to this communication and proposes the development of a study aimed at identifying the potentialities of subtitling OVF to stimulate learning and improve the teaching of foreign languages, which highlights the pedagogical, instrumental, and functional aspects of multilingualism and the cultural industries. From our perspective, however, multilingualism should have been linked to its capacity to produce and transmit difference.

This one-year study started to be developed in May 2010 and covered 33 countries: the 27 EU member countries, three countries members of the European Economic Area—Iceland, Norway and Liechtenstein, as well as Switzerland, Croatia, and Turkey. One of the nine objectives established in this study is very relevant to the objectives of our work: to identify the barriers to the use of subtitling and to determine whether subtitling plays a major role in the building of a language-friendly environment in Europe.

In this aspect, our interest centres on location of the inequality gaps, which massively call into questioning the democratic nature of the impossible European delirium: It would thus have the existence of a plurality of cultures with a mutual and harmonious connection, insofar as they are subordinate to superior cultures, in the economic and political common interest.

As the study's report points out, in Europe three main practices are used to translate foreign audiovisual work—films, documentaries, fiction, and animation—into the national language, here is important to note that the report assumes that there is a single national language—subtitling, dubbing, and voice-over. Apart from these practices, there is self-description intended for blind or sight-impaired viewers and subtitling for the deaf or hearing-impaired. Language translation practices vary from country to country and even within the same country depending on the features of the broadcast medium—film or television, and the target audience—general public, cinema-enthusiast public, young people, and people with accessibility problems.

The report offers a map of the language transfer practices in cinema and television across countries. This map has allowed us to distinguish between subtitling countries, dubbing countries, voice-over countries, and mixed-practices countries. Subtitling is the most widespread language transfer practice in Europe, since it was used in 28 countries but not in Spain.

Critical Analysis of the Dominant Discourse on Audiovisual Translation

Our research focuses on this fact, on the margins of the report, on the identification of the relationship between the four types of language transfer practices and the small-scale minority-language nationalities, whose languages are sometimes recognized as co-official and whose film industries demand the right to keep their integrity and particularly their linguistic integrity, that is, the right to not be dubbed and to use the language of their cultural territory—as much as the official language of the State of which they are parts—to translate films produced somewhere else in other languages.

This is the case of the Spanish Autonomous Community of Galicia, who has its own official language and whose film industry is located in a broader context, the Spanish State, where dubbing is the dominant practice, for both European and American films. Of all the European box-office release films in 2009, 53% were exclusively released in a dubbed version and 29% in both versions—dubbed and subtitled—(EACEA, 2011). The share of American films exclusively released in a dubbed version was even greater with 69% (EACEA, 2011). A second feature of the Spanish cinema industry is that it is dominated by American films.

However, the study of the EACEA dismisses the specific conditions of language transfer practices in the multilingual environment of the Spanish State, as it only mentions the case of Catalonia, whose Cinema Law, approved by the Autonomous Parliament of Catalonia on 30 June 2010, establishes that foreign films released to box offices must have the same percentage of prints dubbed in Catalan as in Spanish. With this measure, the government of Catalonia, undoubtedly, aims to put the Catalan and Spanish languages at the same levels in all the social areas, but is not against the policy of dubbing, which is in itself a regressive policy with respect to the survival and preservation of the multilingual environments.

The study concludes that in all countries audiences predominantly prefer the audiovisual translation mode they are used to, i.e., the preference depends on the tradition of the country. However, it should be remarked that the population of each country is not homogeneous and that, as it is well known, the heterogeneity of the audiences has been exploited by the cultural industries at least since the 1990s and particularly now when the content distribution platforms have become greatly diversified. The study, however, only differentiates preferences between urban and rural inhabitants, people with and without university studies, foreign-language speakers and people who only speak the mother tongue. The methodological simplification leads us to think that the study consciously conceals the reality, plurality and heterogeneity of the European space (Retrieved from <https://www.estudiosaudiovisuais.org>).

Regarding the conclusions of the report, the most important in general terms are as follows (EACEA, 2011).

- There is a complex correlation between subtitling and the knowledge of other languages—and for this reason the pedagogical issue does not seem to justify the determination to expand subtitling to the detriment of dubbing. There is no negative correlation between the dubbing tradition and the knowledge of foreign languages: The population of the countries where dubbing is the dominant practice speaking languages in addition to the mother tongue, although do not speak more foreign languages than the people from countries where subtitling is more common;
- On the one hand, in countries with a tradition of subtitling, the majority of respondents stated that their foreign language proficiency level (particularly in English) was very similar to that of their mother-tongue, i.e., a level of four or five on a scale of five. On the other hand, in countries with a tradition of dubbing, the majority of

respondents evaluated their foreign language proficiency level at three on a scale of five. Here is important to note that, from our perspective, multilingualism is not the same as speaking just another foreign language used in most films in Europe;

- The last striking conclusion is that the majorities of the European population trust on the educational potential of subtitling (71.8%, particularly among the youngest population between 12 and 25 years of age) and are willing to watch films in their original language with subtitles if these are broadcast by television channels.

Our conclusion is that content in their original version and with subtitles (as a means of pedagogical support) should be promoted but just as much as: (1) the incorporation in the EC of audiovisual content produced by small-scale film companies to achieve real multilingualism; (2) the provision of good distribution infrastructure; and (3) the taste/commitment to watch cinema as a diverse cultural form. All of this would counteract the fact that the cinemas in practically the majority of European countries are dominated by English-language and American productions.

The Status of the Small-Scale Film Industries in the EC's Audiovisual Policy

The following section focuses on identifying, now that the Digital Agenda has been established: (1) Which are the current factors that prevent the small-scale film industries that are part of the European socio-cultural and industrial sectors from becoming the protagonist actors in the promotion and preservation of diversity; and (2) which are the actors that have been considered as valid exponents in this new project.

In general terms, the EU authorities acknowledge the technological revolution whereby the convergence between Internet and the traditional sources of information and cultural content have modified the consumption habits of the people, who as they relate to each other, consume contents produced by all kinds of providers. In view of the changes circumstances, the task of the EC and the Council will be the positioning the European creative industries in the 21st century. Three specific fields will be concentrated on:

- A regulatory framework: In particular the Audiovisual Media Services Directive (AVMSD), aimed at creating a single European market for all types of media (EC, 2007a); the European recommendations on the protection of children and minors (Retrieved from http://ec.europa.eu/avpolicy/reg/minors/rec/index_en.htm); and recommendations on the film heritage (Retrieved from http://ec.europa.eu/avpolicy/reg/cinema/index_en.htm);

- Funding programs as the MEDIA (Retrieved from http://ec.europa.eu/culture/media/index_en.htm) program: The European Fund provides a long-term financial framework complementing national and other sources of finance;

- Measures destined to promote distribution of distributing online content and media pluralism, respectively;
- Measures aimed at defending Europe's cultural interests at the heart of the World Trade Organization.

Although the following steps do not exhaust the field of information to be analyzed, in July 2011, the EC published the *Green Paper on the online distribution of audiovisual works in the European Union (EU): opportunities and challenges towards a single market*, an initiative of M. Michel Barnier (Single Market Commissioner), Neelie Kroes (Vice-President for the Digital Agenda), and Androulla Vassiliou (Commissioner for Education, Culture, Multilingualism and Youth). This paper was intended to become the basis for the debate to decide whether it was necessary or not to adapt and how the regulatory framework allowed companies in the sector to develop new operation models in order to allow content creators to find new distribution channels, and to allow consumers to benefit from better access to contents across Europe.

However, the paper focuses on the European Television (TV) market, which is the protagonist of the audiovisual industry and the second most important market in the world, just after the USA. In fact, in 2010 the European TV market represented around 29% of the total market (EC, 2011). Given these conditions, the EC established that one of the main objectives of the digital single market is to contribute to the development of major European actors in the global audiovisual sector. Thus, the single market should serve as a trampoline for large companies in particular to take over the global market. Disappointingly, in this international and globalizing project of the EU the small-scale film industries are not stimulated to strengthen their areas of influence, or at least not as much as the major media groups.

Another concrete action that arises in the context of the Digital Agenda is the constitution and implementation of the High Level Group on Media Freedom and Pluralism, which is responsible for the report titled *A Free and Pluralistic Media to Sustain European Democracy*. As the title suggests, this last report addresses precisely the role that the media can play to sustain of European democracy, through the guaranteeing of the freedom of expression and pluralism.

The report includes a chapter titled *Diversity*, which is very relevant for our research study because it acknowledges the diversity of the European media landscape, which according to the High Level Group is based on the historical, cultural, political, and economic specificities, and also the diversity of the media intervention policies in the EU Member States. Thus, the enlarged role attributed to the EC is to ensure diversity—this notion is closely linked to the idea of political democracy, which takes specific form in the plurality of opinions and in its representation in the media, as well as what the principles referred to should be applied to different regulatory mechanisms in each country through the development of different political cultures.

In addition, the Digital Agenda includes a staff working paper on media pluralism aimed at promoting media pluralism in the member states. This paper includes a section on Internal and external pluralism, which highlights the need to examine not only the external pluralism, related to media ownership rules, but also the internal pluralism, which is considered to be essential for small markets. The working paper particularly refers to the audiovisual field, where a regulated market, internal pluralism, should be developed, so that content diversity can be stimulated and monitored by imposing programs requirements and obligations in the law or licenses or even by imposing structural obligations such as the composition of management bodies or bodies responsible for the selection of programs or contents.

Consequently, the fundamental point having in mind here is: Europe has made enormous economic progress, thanks to the single market, but nothing or next to nothing has been done in the field of its cultural pluralism. In that regard, the concept of pluralism can only be understood as a tacit agreement between the economic system (capitalism) and the political system (liberal democracy): a common understanding that seems to sustain the EU's institutional framework.

Europe 2020 Program and the International Dimension of Audiovisual Policy

Finally, in order to conclude our analysis of the Digital Agenda, it is important to mention that the section titled *The International dimension of audiovisual policy* (Retrieved from <http://ec.europa.eu/digital-agenda/en/international-dimension-audiovisual-policy>) addresses all the aspects related to the Creative Europe Program (Retrieved from <http://ec.europa.eu/culture/creative-europe/>) developed by the EC on 23 November, 2011, to support the European cultural and creative sectors, from 2014 to 2020. Basically, the programme proposes, first of all, that its implementation is justified by Europe's need to invest

more in the cultural and creative industries, since they contribute significantly to economic growth, employment, innovation, and social cohesion. Here it is important to note the aspects with which the cultural and creative sectors are related in the political discourse of the EU.

Based on this statement, the EC indicates that the program is aimed at safeguarding and promoting the cultural and linguistic diversity, and strengthening the competitiveness of the cultural and creative sectors, by taking advantage of the conditions of the digitisation and economic globalisation era. The objective is, thus (1) to enable the sectors to reach their full potential by seizing the opportunities of the digital age and globalisation so that they can contribute to the general objectives of the Europe 2020 program: sustainable growth, employment, and social cohesion; (2) to provide new international perspectives, markets, and audiences; and (3) to build on the success of the previous MEDIA and culture programs.

Now it is important to establish that the peculiarity of creative Europe is the fact that it is an enhanced funding program that will simultaneously:

- Support artists and cultural professionals to develop their skills and to work outside their national borders;
- Provide more funding for transnational cultural activities organised between EU and non-EU countries;
- Support the audiovisual and culture sectors of the EU with schemes tailored to their specific needs;
- It will facilitate the access to private funding through guarantees which can generate more than €1 billion in loans and will seek to strengthen banking expertise in the cultural and creative industries.

The EC's framework Creative Europe Program will be accomplished through the development of guidance and practical tools benefiting 300,000 artists and cultural professionals in their respective countries. Also, more than 1,000 European films will benefit from a specific support for cinema distribution, in Europe and beyond, in both ordinary distribution services and in digital networks. Finally, the program specifies that around 2,500 European movie theatres will be helped to ensure a public display on at least 50% of European movies.

Because there can be no doubt about the EC intention in order to further the distribution process, to ensure that European contents are indeed available worldwide, as well as its intention to increase the number of European small market players with a sufficient overall presence in global market. Our question is whether these conditions of incorporation to that global circulation model is the only way to promote cultural diversity, that is, by incorporating it to the conditions of global connectivity in which the Digital Agenda translates.

By Way of Conclusion: Towards an Assumption of Creative Destruction Economic Principle

After the previous analysis, now it is time to address the central issue proposed by this paper: *Creative Destruction*. As it is widely known, in the 1990s Joseph Alois Schumpeter (1883-1950) played a major part in an economic debate: Political economist of Austrian origin, Schumpeter's name has been closely associated with the creative destruction process.

At that time, such a concept was used to describe the process whereby Information Communication Technology (ICT) replaced the previous technological solutions and gave way to new approaches. The creative destruction idea, as is well known, also is at the heart of the economic cycles theories (H. Reinert & E. S. Reinert, 2006). Thus, in the capitalist economic evolution, the choice is between creating and destroying or preserving. The first option ensures the survival of the system in renovated conditions, while the second leads to decadence.

This would be a similar approach to a biological model: "the life desire for self-betterment" is further

spurred by competition, or continues as it does, in a slow continual decline. This is based on Schumpeter's identification of the periodic industrial mutation processes that constantly transform the economic structure by continuously destroying the previous economic orders and creating new elements. This process of creative destruction is the essential fact about capitalism (Schumpeter, 2009; Sombart, 2001).

It is Schumpeter's notion on which the central proposal of our research is based: the proclamation of the end of the model of integration of the particular (in the case of our subject matter: the small-scale film industries that operate in Europe) into the global (that European-style market, global showcase of an infinity of content through a virtual or digital artery that extends across the whole planet). This is the objective of the approach of the cultural industries, and ultimately of culture itself, as an abundant, inexhaustible, and flexible cultural fusion.

As Schumpeter himself pointed out, the capitalist machine was always a mass-production machine, which meant that was also a mass-production machine for the masses. The author places before us the illustrative example of Queen Elizabeth and her silk stockings: Capitalist perspective would not produce more silk stockings for Queens, but makes them accessible to a large number of factory girls (Schumpeter, 2009).

By contrast, and because the old logic of this audiovisual industry needs to be renewed, the paper proposes the possibility, or at least the contemplation, of a fragmentary survival model, i.e., a model for the audiovisual industries that coexist in an integral manner but not necessarily in a integrated way in their differential condition, subsisting not at the same level but above the large-scale film industries. In conclusion, the paper advocates for the small and pluralistic European film industries to become an exponent of a cultural fusion to the detriment of the European cinema, as a whole, which would be the exponent of the cinema of standards.

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