

A report prepared by ICF Consulting Services and commissioned by the members of the European social dialogue committee on Audiovisual services: CEPI, EBU, EFJ, EURO MEI, FIA, FIAPF, and FIM as part of the EU co-funded project '*Analysis of the EU Audiovisual Sector Labour Market and of changing forms of employment and work arrangements*' (VS 2015/0046)

# Analysis of the EU audiovisual sector labour market and of changing forms of employment and work arrangements

## Final report

June 2016



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## List of acronyms

Acronym	Term
<b>ACTE</b>	Association of Commercial Television in Europe
<b>AER</b>	Association of European Radios
<b>AVMS</b>	Audiovisual Media Services
<b>AV</b>	Audiovisual
<b>AWO</b>	Arbeidsmarkt Werkgelegenheids- en Opleidingsfonds voor de Omroep
<b>BBC</b>	British Broadcasting Corporation
<b>BFI</b>	British Film Institute
<b>CEPI</b>	European Coordination of Independent Producers
<b>CGIL</b>	Italian General Confederation of Labour
<b>CISL</b>	Italian Confederation of Workers' Trade Union
<b>CNMV</b>	National Securities Market Commission
<b>CZSO</b>	Czech Statistical Office
<b>DSM</b>	Digital Single Market
<b>DR</b>	Danish Broadcasting Corporation
<b>EBU</b>	European Broadcasting Union
<b>EBU MIS</b>	EBU Media Intelligence Service
<b>EFJ</b>	European Federation of Journalists
<b>ESSnet-CULTURE</b>	European Statistical System Network on Culture
<b>EU LFS</b>	European Labour Force Survey
<b>EUROCOPYA</b>	European Federation of Joint Management Societies of Producers for Private Audiovisual Copying
<b>EURO MEI/UNI Europa</b>	Global Union for media, entertainment and arts
<b>EVA</b>	European Visual Artists
<b>FIA</b>	Federation of International Actors
<b>FIAPF</b>	International Federation of Film Producers Associations
<b>FIM</b>	International Federation of Musicians
<b>FPCA</b>	Polish Audiovisual Centre Foundation
<b>GESAC</b>	The European Grouping of Societies of Authors
<b>ICT</b>	Information and communications technologies
<b>IFP</b>	International Federation of the Phonographic Industry
<b>ILO</b>	International Labour Organization
<b>IMPALA</b>	Independent Music Companies Association
<b>INE</b>	National Institute of Statistics
<b>IP</b>	Intellectual property
<b>ISFOL</b>	Institute for the Development of Vocational Training of Workers
<b>Istat</b>	Italian National Institute of Statistics
<b>IVF</b>	International Video Federation
<b>KIPA</b>	Polish Audiovisual Producers Chamber of Commerce
<b>MECD</b>	Ministry of Education, Culture and Sports
<b>NACE</b>	Statistical Classification of Economic Activities in the European Community
<b>NVJ</b>	Dutch Association of Journalists
<b>PSM</b>	Public Service Media
<b>SAA</b>	Society of Audiovisual Authors
<b>SBS</b>	Structural Business Statistics
<b>SMEs</b>	Small and medium-sized enterprises
<b>VOD</b>	Video on Demand

# EXECUTIVE SUMMARY

## Background and study objectives

The AV sector has seen profound changes since the last two decades, including the digital shift and technological innovations. Against this backdrop, social partners (management and labour) in the European Union (EU) audiovisual sectoral social dialogue committee<sup>1</sup>, represented by CEPI, EBU, EFJ, EURO MEI, FIA, FIAPF and FIM, commissioned a study as part of the EU co-funded project 'Analysis of the EU Audiovisual Sector Labour Market and of changing forms of employment and work arrangements' (VS 2015/0046).

The purpose of the report is to provide an overview of employment and work arrangements in the AV sector, map employment trends and explore drivers of change in the AV sector. Specifically, the study seeks to chart developments in contractual arrangements and employment terms and conditions and investigate how employment and work arrangements enable or limit access to professional training and lifelong learning. It also aims to assess the role played by social partners in the definition of terms and conditions for different employment and work arrangements, and analyse the impact of change on the density of employers' and trade union organisations as well as collective bargaining agreement coverage. ■

## Methodology

The study applied a mixed-method approach using primary and secondary sources to collect quantitative and qualitative data at European and national levels. The method included a literature review at European level and in-depth country studies in 10 Member States, namely, the Czech Republic, Denmark, France, Germany, Italy, the Netherlands, Poland, Romania, Spain and the United Kingdom. The country studies comprised desk research from relevant national sources as well as face-to-face interviews and focus groups with social partners and other relevant stakeholders. Data from the EU LFS (Labour Force Survey) and SBS (Structural Business Statistics) were also analysed. ■

## Major developments and trends in the AV sector

The AV sector is currently undergoing a series of major changes, principally due to the digital shift, other technological developments, changes in regulations and the emergence of new business models, all of which present new opportunities and pose new challenges for the sector. The economic downturn and subsequent public sector austerity have also made an important impact on recent trend developments.

There is a relative dearth of studies on the transformation of the sector, which makes it difficult to provide a clear picture of the changes occurring at national and European level. Nevertheless, it is possible to identify

<sup>1</sup> A full list of members can be found here: <http://ec.europa.eu/social/main.jsp?catId=480&intPageId=1825&langId=en>

some important cross-country developments and trends.

Among the most important developments are the changes to the regulatory framework that are currently being discussed at European level, including the proposals of the European Commission (EC) for adaptation of EU legislation applicable to the audiovisual market to the digital era. As part of the Digital Single Market strategy the EC proposed a regulation on the cross-border portability of online content services in December 2015. At the same time, a reform of the EU copyright framework was announced and will be presented during the course of 2016. The influence of the future copyright rules will also affect many aspects of the AV sector. It is particularly important that the sector should have an appropriate legal framework at EU level to be in a better position to fight the increasing number of infringements of intellectual property rights concerning AV products, which has increased significantly due to the rapid growth of digital content alongside online distribution channels.

Other key developments include significant market changes such as the digitisation of production, distribution and consumption methods, and cutbacks in public funding. Declining advertising revenues have been triggered by a shift in advertising budget streams from commercial TV channels to online media. Additionally, public and private broadcasters have come under growing pressure to diversify their content production and content access, due in part to the increasing use of on-demand streaming services and new online platforms. This development represents a business opportunity for the rapidly growing SMEs which continue to contribute significantly to job creation in the sector. Finally, the sector is experiencing a rise in production outsourcing and a growing internationalisation of the sector. ■

## Definition of the European AV sector

At European level, Eurostat defines the AV sector in line with the NACE classification which comprises: motion picture, video and television programme production, sound recording and music publishing activities (J59) and programming and broadcasting activities (J60). However, this classification is inadequate for capturing the complexity of AV in national contexts. One reason explaining the encountered complexity resides in the fact that radio and audiovisual are organised differently, also due to the nature of the media (with or without moving images).

At national level, a plethora of definitions of the AV sector co-exist due to the fact that different national stakeholders and official bodies have defined the AV sector in different ways linked to their own purposes and objectives. This is also influenced by different regulatory frameworks and methods of gathering statistics and data. Six countries (DK, ES, IT, PL, RO, UK) have no clear or precise definition of the AV sector, whereas the Czech Republic, France, Germany and the Netherlands have largely aligned their national definitions with the European NACE classification, but with subtle national differences. ■

## Businesses operating in the AV sector and employment levels

The European Audiovisual Observatory reported that total revenues for the European AV market in 2013 came to approximately EUR 133 billion. Broadcasters accounted for 54% of the market. Since 2009 there has been an overall 3% increase in total revenues.

According to European structural business statistics (SBS), in 2012 almost 110,000 companies operated in the AV sector. The majority of these (89%) were in the production sub-sector. These figures do not include the public sector, resulting in an underestimate of the actual size of the sector.

The highest concentration of enterprises can be found in France and the United Kingdom, each with more than 16% of Europe's AV sector companies, followed by the Netherlands and Spain, each with a share of approximately 8% of the enterprises.

The sector is growing. From 2008 to 2012 the number of active enterprises increased by 22%, driven mainly by the increase in the production sector.

Although it is not possible to provide a clear picture from national sources of the companies operating in the AV sector (due to the lack of national data on number of companies), some key features can be identified. In many countries the sector is characterised by micro and small businesses (mainly in production), including France, Germany, Spain and the United Kingdom.

From EU labour force survey (LFS) data, in 2013 the sector employed approximately 810,000 workers, more than half of whom (57%) were active in production. These figures include both the private and public sector. France, Germany and the United Kingdom are the countries with the highest concentration of workers active in the AV sector. Mirroring the trend in the number of businesses, according to European statistics recent years have seen an increase in the level of employment. The number of workers in the sector increased from approximately 739,000 in 2008 to 811,000 in 2013. The growth mainly involved the AV markets in France, Italy and the UK, while Germany and Spain experienced a contraction of the sector.

According to data provided by EBU Media Intelligence Service (MIS) in 2014, a total of 118,886 workers were employed in the Public Service Media, with a slight decreasing trend from 2012. France and the United Kingdom accounted for respectively 14% and 18% of the market.

Looking more closely at the profile of the workforce, the sector is male-dominated. 61% of workers in the AV sector in 2013 were men, compared to 54% across the entire European economy. The sector has experienced declining trends in female employment from 2008 to 2013, which is likely to be a direct effect of the economic turnaround.

The sector also has a younger workforce compared to the European average. In 2013, 59% of workers in the AV were aged between 25 and 44, compared to 48% of young workers in the whole economy. However, from 2008 to 2013 there has been a decline in the share of young workers aged between 25 and 34. Again, this may be a direct effect of the economic crisis.

The sector also is characterised by a highly educated workforce, in 2013, 57% of workers held a tertiary qualification, compared with 32% in the whole economy. Data also show that there is a steady increase in the number of workers with a high-level qualification, while the number of less educated workers has decreased.

Drawing on national sources it is not possible to provide a comprehensive picture of employment levels and trends in the AV sector across the ten countries analysed. Additionally, such data are not comparable between countries or with European statistics. However, on the basis of the available information some contrasting trends emerge: For example, in the United Kingdom, a decrease in employment was detected from national sources. Data from Germany and

Spain confirms the trend decline indicated by the EU LFS. At the same time in Denmark, according to national sources, the overall employment rate in the period 2009-2013 increased by 38% in the overall sector. ■

## The evolution of employment relationships in Europe and in the AV sector

In recent years, across all sectors in the economy, the European Labour Market has been impacted by significant changes linked to new forms of employment relationships.

The so-called 'typical' employment, characterised by the traditional open-ended full-time employment contracts is increasingly replaced by 'atypical' (or non-standard forms of) employment and work arrangements. Atypical working encompasses a wide range of work arrangements, from part-time, fix-term or agency contracts to different forms of work arrangements with flexible schedules (e.g. zero hours contracts), or work arrangements on the boundaries between labour law contracts and commercial or civil law contracts. There are growing concerns amongst unions that many forms of work arrangements do not provide workers with adequate protection and are increasingly resulting in precarious work.

Due to the very nature of the work in the AV, many different forms of work arrangements have been used for several decades, including part-time, casual and fixed-term contracts, temporary agency work, and different types of freelancing. However, there is evidence of increasing trends in the past few years towards even more atypical employment relations and self-employment. This development is driven by a number of factors, including technological developments, the digital shift, greater financial instability in the sector due

to reduced public funds, and decreases in advertising revenues. Conversely, however, very little research has been published on the level of precariousness or protection that these forms of work arrangements mean for workers. ■

## Contractual arrangements and conditions in the AV sector

According to EU LFS, the sector is characterised by higher levels of self-employment than average in the EU economy. This may be due to the nature and specificity of the work in the AV sector. In 2013, 78% of workers in the AV sector were employed and 22% were self-employed workers, compared with 15% of self-employed in the whole European economy. The AV sector has also experienced a higher than average growth in the share of self-employed without employees, from 16% to 19% compared to an increase of one percentage point across the whole European economy. This trend was mainly driven by the production sector, where the level of self-employment (without employees) increased from 22% to 27% between 2008 and 2013.

It is important to clarify that in EU-level data (EU LFS), the status of an employee or a self-employed person is self-assessed; therefore these categories are likely to include a wide range of work arrangements according to self-perception and national contexts.

Temporary employment is also more widespread in the AV sector, compared to the average in the EU economy. In 2013, the share of temporary workers was 20%, well above the European average of 14%. Additionally, increasing trends towards temporary employment have been observed from 2008 onwards, mostly in the production sector.

Although data from national sources do not provide a clear picture of work arrangements, an increasing trend in temporary work and atypical work arrangements has been confirmed.

The complexities of the different labour markets and the lack of available data make it difficult to provide a clear-cut picture of current employment and work arrangements in the AV sector. However, available data clearly points to employment being increasingly characterised by atypical contractual arrangements. ■

## Access to lifelong training in the AV sector and new skills requirements

National-level research has revealed that access to, and provision of lifelong professional training depend mainly on the type of employment relationship and work arrangement. In general, employees working under standard employment contracts governed by labour law have better access to training than self-employed, atypical or freelance workers.

Self-employed workers (as well as atypical workers in many countries) do not have easy access to paid lifelong professional training, given the nature of their contractual arrangements. Training programmes offered by public sector companies remain in most cases inaccessible to these groups of workers; they have to pay for their own training. However, the cost of training and the nature of their contractual arrangements render it difficult for these individuals to invest in their long-term professional development.

The audiovisual sector has wholeheartedly embraced technological developments and innovations. This evolution has opened the way to the creation of new professions in the audiovisual production and distribution

sectors. At the same time, technological and digital changes have deeply impacted the work environment and workers are obliged to adapt rapidly and be flexible, multi-deployable and digitally skilled. Linked to the digitisation of the sector is the emergence of new skills needs and new job profiles in the areas of information technology (e.g. computer engineering) and creative technology (e.g. graphic and web design or interactive media, audiovisual production and distribution). The constant evolution of technology has also contributed to a gradual, albeit slow, blurring of roles and broader job descriptions for certain occupations (e.g. journalists) across all investigated countries.

To address this situation, *Creative Skills Europe*, the *European Skills Council in the Audiovisual and Live Performance Sectors* adopted a series of reports in 2016, including a list of recommendations. ■

## Industrial relations in the AV sector

A great diversity of industrial relations systems in the EU Member States has been analysed in this study. Collective bargaining takes place at either company, or multi-employer or sectoral level. The scope of collective agreements (e.g. whether they cover the signatory parties only, or whether there are mechanisms in place to render collective agreements universally applicable to all workers in the sector, or whether self-employed are covered etc.) clearly affects the extent to which workers in the sector are able to benefit from comparable terms and conditions of employment. Sectoral bargaining tends to be more widespread in the Northern and some Western European countries, whereas in Eastern European countries and the United Kingdom, for instance, organisational/company level bargaining is more widespread. Overall,

employees who work in large public sector companies under standard employment contracts are predominantly covered by collective agreements designed to regulate their individual rights.

Self-employed workers, as well as workers outside standard employment contracts (open-ended full-time employment), are less likely to be covered by collective bargaining in those countries where the results of collective bargaining are not made universally applicable. The rise in numbers of self-employed and atypical workers is likely to

lead to a situation where increasing numbers of workers will not be covered by collective agreements; often these are likely to be the most vulnerable people in the labour market, including young professionals and women. In some countries steps have been taken by trade unions to cover atypical workers. For example, in the UK the Broadcasting, Entertainment, Cinematograph and Theatre Union (BECTU) has been successful in negotiating collective agreements with the BBC for freelancers in particular areas of work (e.g. cameras, sparks, lights, grips, costumes, and make-up for drama productions etc.). ■

## Executive summary

- Background and study objectives
- Methodology
- Major developments and trends in the AV sector
- Definition of the European AV sector
- Businesses operating in the AV sector and employment levels
- The evolution of employment relationships in Europe and in the AV sector
- Contractual arrangements and conditions in the AV sector
- Access to lifelong training in the AV sector and new skills requirements
- Industrial relations in the AV sector

# INTRODUCTION

This report has been prepared by ICF International and commissioned by EURO MEI, EBU, EFJ, FIA, FIAPF, FIM and CEPI as part of the EU co-funded project 'Analysis of the EU Audiovisual Sector Labour Market and of changing forms of employment and work arrangements' (VS 2015/0046).

## Purpose of the study

This study aims to map:

- Drivers of changes in the audiovisual sector (hereafter abbreviated as AV) contributing to shape employment trends;
- Labour market trends since 2008: evidence of the forms of employment and work arrangements and terms and conditions;
- How employment and work arrangements enable or limit access to professional training and lifelong learning schemes; and
- Role played by social partners in defining terms and conditions of different employment and work arrangements, impact of changes on density of employers and trade union organisations as well as on collective bargaining coverage.

## Methodological approach

This study applied a mixed-method approach:

- Literature review at European level
- Research at national level in 10 selected countries: the Czech Republic, Denmark, France, Germany, Italy, Netherlands, Poland, Romania, Spain and the United Kingdom, which included:
  - desk research and literature review of relevant national sources;
  - face-to-face interviews and focus groups with national members of CEPI, EBU, EFJ, EURO-MEI, FIA, FIAPF and FIM at the national level;
  - interviews with relevant stakeholders such as national skills councils in the AV sector or equivalent bodies, national statistical institutes, or Ministries where relevant to collect data on sectoral trends.
- Analysis of EU Labour Force Survey (LFS<sup>1</sup>) data.

<sup>1</sup> A key source of labour market statistics is the European LFS data, released by Eurostat. The Labour Force Survey is a large household sample survey providing quarterly results on labour participation of people aged 15 and over, covering all industries and occupations. The quarterly LFS sample size across the EU is about 1.5 million of individuals. The surveys are conducted by the national statistical institutes and are centrally processed by Eurostat. National statistical institutes are responsible for selecting the sample, preparing the questionnaires, conducting interviews and transmitting results to Eurostat.

To provide an overview of the AV sector, EU LFS data were analysed for the two following sectors at the two-digit level of the NACE classification (Rev.2):

- J59 - Motion picture, video and television programme production, sound recording and music publishing activities ('Production')
- J60 - Radio broadcasting, television programming and broadcasting activities ('Broadcasting')

Following the definition used by Eurofound (2013)<sup>2</sup> and the ILO (2014)<sup>3</sup>, and for the purposes of this study, the aggregate of these two sectors (J59 and J60) identifies the AV sector when presenting EU LFS data. All EU LFS data presented in this report include individuals aged 15 and above.

Information from the EU Structural Business Statistics (SBS<sup>4</sup>) was also provided. SBS data on the number of businesses and their size have been analysed at the three-digit level, following the NACE classification (Rev.2):

- J.59.1 - Motion picture, video and television programme activities
- J60.1 - Radio broadcasting and J60.2
- J60.2 - Television programming and broadcasting activities.

The EU LFS and the SBS data provide a broad picture of the AV sector in Europe and make comparisons between countries possible. However, it needs to be stressed that these data do not capture the diversity of country-specific features; therefore the EU LFS does not always provide a representative overview of the sector in all European countries.

## Structure of the report

The report is organised as follows:

- Chapter 1 provides an overview of the major developments in the AV sector in recent years
- Chapter 2 discusses the definition of the AV sector
- Chapter 3 provides an overview of the businesses operating in the sector and employment levels
- Chapter 4 provides an overview of the evolution of employment relationships in the AV sector
- Chapter 5 discusses contractual arrangements and conditions in the AV sector
- Chapter 6 presents an overview of the access to lifelong training in the AV sector and new skills requirements
- Chapter 7 addresses the industrial relations in the AV sector
- Chapter 8 provides key findings and recommendations.

<sup>2</sup> Eurofound (2013), Representativeness of the European social partner organisations: Audiovisual sector. <http://www.eurofound.europa.eu/observatories/eurwork/comparative-information/representativeness-of-the-european-social-partner-organisations-audiovisual-sector>

<sup>3</sup> ILO (2014), Employment relationships in the media and culture industries, Issues paper for the Global Dialogue Forum on employment relationships in the media and culture sector (14 and 15 May 2014). [http://www.ilo.org/wcmsp5/groups/public/@ed\\_dialogue/@sector/documents/publication/wcms\\_240701.pdf](http://www.ilo.org/wcmsp5/groups/public/@ed_dialogue/@sector/documents/publication/wcms_240701.pdf)

<sup>4</sup> SBS published by Eurostat describe the structure, conduct and performance of economic activities, presented according to the NACE activity classification. Structural Business Statistics datasets cover the business economy and do not cover public administration and non-market services. Data is collected by National Statistical Institutes by means of statistical surveys, business registers or from various administrative sources. In most Member States a combination of survey and administrative data is used, and different methods are used by Member States to ensure quality of statistics. Statistics are transmitted annually by the EU Member States to Eurostat.

# 1 MAJOR DEVELOPMENTS IN THE AV SECTOR

This chapter provides an overview of current developments and trends in the European AV sector by drawing upon European literature and the in-depth country studies. This study does not attempt to provide a complete overview of the wide-ranging and complex developments which have impacted the AV sector in the last decade. Similarly, a comparative assessment of different stakeholders' positions on past or ongoing legal developments affecting the AV sector is not within the remit of this study.

## Key findings

The AV sector is undergoing profound changes. Findings from European sources and country studies point to significant developments in this sector during the past two decades.

Technological developments (including the digital shift, the emergence of new business models, as well as the impact of the economic downturn) pose new challenges and opportunities leading to:

- increased digitisation of production, distribution and consumption methods;
- changes in the market, including an increased demand for diversified AV products and new consumption patterns;
- greater challenges relating to the protection and enforcement of intellectual property rights;
- increased outsourcing of production;
- a decline in public funding and in advertising budgets;
- increase in international coproduction.

While the digital transition is still in progress, and the AV content sector has proved to be successful in taking advantage of it, there is a significant pressure from decision-makers to reform the regulatory framework applicable to the AV sector, including rules on intellectual property rights. This has raised concerns among some stakeholders over the potential risk of undermining the current economic financing and distribution model of film and TV content production. This development is happening while the sector is experiencing a reduction in public funds granted by national authorities, reduced advertising budgets, and a reduction in the level of funds being raised via licence fees.

In order to capitalise on the changes currently observed in the AV sector, and in order to keep negative impacts on business and workers to a minimum, a great many stakeholders in the sector stress the need for the European Union to place greater emphasis on market development and skills foresight. They also urge the European Commission to carry out more comprehensive impact assessments of potential legislative changes on job creation.

## 1.1 Regulatory changes

Technological developments are significantly and rapidly changing the audiovisual markets in the European Union by introducing new types of services and user experiences. European audiovisual stakeholders are actively shaping the future of the AV sector by increasingly embracing the new opportunities offered by technological developments and convergence, either by proposing audiovisual content online directly to end users or by licensing third parties. A rapid growth in the online market for audiovisual products in Europe was observed, with consumer spending on digital online video content increasing by 52.5% in 2014 compared to the previous year<sup>1</sup>.

The European Commission (hereafter “the Commission”) has responded to these market developments by identifying the completion of the Digital Single Market as one of the political priorities of its 2015 Work Programme and by aiming to progressively adapt relevant EU legislation to the digital era. The main policy objectives of the Commission’s Digital Single Market strategy (DSM) for Europe include:

- 1) ensuring better access for consumers and businesses to digital goods and services across Europe by fostering cross-border access of contents online, while respecting the value of the rights for the audiovisual sector;
- 2) creating the right environment for digital networks and services to prosper by designing rules that match the pace of technology and support infrastructure development; and
- 3) maximising the growth potential of the digital economy by ensuring that economy, industry and employment take full advantage of digitalisation<sup>2</sup>.

The response of AV stakeholders across the EU to the Commission’s launch of the DSM strategy has been varied<sup>3</sup>. A consensus on the DSM has not been reached among stakeholders, which makes it difficult to provide a comprehensive picture of the sector’s stance on the Commission’s strategy. A common concern raised by several stakeholders (including producers, sports rights owners, publishers, broadcasters, distributors, and cinema exhibitors<sup>4</sup>) refers to the importance of upholding the concept of territoriality and the country-of-origin-principle which functions as an essential building block in the European film and audiovisual sector’s financing system<sup>5</sup>.

As a first step in implementing the DSM strategy, in December 2015 the Commission put forward a regulation on the cross-border portability of online content services and an action

<sup>1</sup> Total European consumer spending on digital online video was estimated at €1,807.4 million in 2014 compared to €1,185 million in 2013. International Video Federation (2014), Market information.

<http://www.ivf-video.org/new/index.php?category/Market-information>

<sup>2</sup> European Commission (2015), Digital Single Market.

[http://ec.europa.eu/priorities/digital-single-market\\_en](http://ec.europa.eu/priorities/digital-single-market_en)

<sup>3</sup> See for example: EBU (2015), EBU welcomes European Commission’s strategy for Digital Single Market between EU Member States.

<http://www.ebu.ch/contents/news/2015/05/the-ebu-welcomes-the-european-co.html>

<sup>4</sup> These included ACT, Bundesliga, CEPI, EUROCINEMA, FIAD, FIAPF, IFTA, IVF, MPA, PREMIER LEAGUE and UNIC.

<sup>5</sup> European Audiovisual Observatory (2015), Territoriality and its impact on the financing of audiovisual works.

<http://publi.obs.coe.int/documents/205595/8261963/IRIS+plus+2015en2.pdf/ad5c5a8f-4e85-4e3c-b763-9c763895da1e>

plan to modernise the EU copyright framework<sup>6</sup>. The proposed regulation aims to ensure that subscribers to online content services in the EU are able to receive these services on a portable basis while temporarily located in another Member State. Several stakeholders in the AV sector<sup>7</sup> have raised strong concerns about key elements of the current legislative proposal that could potentially interfere with the economic and legal system for financing and distributing audiovisual works and content in Europe<sup>8</sup>.

As part of its political roadmap, the Commission also plans to modernise EU copyright rules<sup>9</sup>. The Commission's action plan will be translated into concrete legislative proposals and initiatives in 2016. Several stakeholders in the AV sector have already raised strong concerns about key elements of the future legislative proposal and the Copyright Communication, especially regarding the need to maintain commercial freedom to license exclusive rights by territories. According to many stakeholders, territorial licensing remains fundamental to ensuring that funding is available to create, finance, market and distribute films and audiovisual content across Europe.

Other planned legislative EU actions include the reviews of the Audiovisual Media Services Directive and of the Satellite and Cable Directive, as well as initiatives regarding spectrum assignment.

The Audiovisual Media Services Directive<sup>10</sup> entered into force in 2007. It governs the EU-wide coordination of national legislation on all audiovisual media: both traditional TV broadcasts and on-demand services. At present, linear services and non-linear services coexist in the same environment, the former being regulated under the AVMS Directive while the latter is not covered by current regulations.

The public consultation on the review of the Satellite and Cable Directive closed in November 2015. The Commission is currently assessing whether there is a need to enlarge the scope of the directive to broadcasters' online transmissions and introduce further measures to ensure enhanced cross-border access to broadcasters' services in Europe.

The Commission has also announced that it intends to present proposals in 2016 that aim to overhaul the telecoms regulatory framework by focusing (amongst other actions) on introducing 'a consistent single market approach to spectrum policy and management' across Member States<sup>11</sup>.

<sup>6</sup> European Commission (2015), Commission takes first steps to broaden access to online content and outlines its vision to modernise EU copyright rules.

[http://europa.eu/rapid/press-release\\_IP-15-6261\\_en.htm](http://europa.eu/rapid/press-release_IP-15-6261_en.htm)

<sup>7</sup> These include the organisations of film directors, screenwriters, authors, film/TV producers, sports rights owners, publishers, distributors, and cinema exhibitors: Bundesliga, CEPI, Eurocinema, EUROPA DISTRIBUTION, FERA, FIAD, FIAPF, FSE, IFTA, FSE, IFTA, IVF, LaLiga, MPA, Premier League and UNIC.

<sup>8</sup> Making portability work: Key principles for the film and audiovisual sector (2016).

[http://www.ivf-video.org/new/public/media/AV\\_sector\\_position\\_paper\\_on\\_portability\\_proposal\\_18\\_January\\_2016.pdf](http://www.ivf-video.org/new/public/media/AV_sector_position_paper_on_portability_proposal_18_January_2016.pdf)

<sup>9</sup> European Commission (2015), Commission takes first steps to broaden access to online content and outlines its vision to modernise EU copyright rules.

[http://europa.eu/rapid/press-release\\_IP-15-6261\\_en.htm](http://europa.eu/rapid/press-release_IP-15-6261_en.htm)

<sup>10</sup> European Commission (2016), Audiovisual Media Service Directive.

<https://ec.europa.eu/digital-single-market/audiovisual-media-services-directive-avmsd>

<sup>11</sup> European Commission (2015), A Digital Single market Strategy for Europe, Communication from the Commission to the European Parliament, the Council, the European and Economic and Social Committee and the Committee of the Regions.

<http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1447773803386&uri=CELEX:52015DC0192>

The Commission believes that the absence of criteria for spectrum assignment at national level creates market entry barriers and hinders competition. At the same time, new consumption patterns have led to an increase in data usage. This is due both to growing quantities of data being transmitted over the internet and the increased use of wireless devices connected to the internet (e.g. mobile devices). Radio spectrum is also the essential infrastructure for TV and radio broadcasting. The increased use of spectrum for wireless data transmission is putting pressure on available spectrum resources. AV industry stakeholders have therefore urged the Commission to ensure that any decision on allocation of frequencies between the audio-visual and telecommunications sectors will not negatively impact the sectors' economic development<sup>12</sup>. As pointed out by members of the so-called Wider Spectrum Group<sup>13</sup>, reducing the spectrum for content creation and digital terrestrial television may have far-reaching consequences. It could result in a loss of EUR 38.5 billion to the EU economy, not counting the losses from the creative sector<sup>14</sup>. Assessing the potential impact of regulatory changes on the sector therefore requires a solid cost benefit analysis in order to examine the economic impact on the sector.

## 1.2 Technological change

### 1.2.1 Digitisation of production and distribution processes

The shift from analogue to digital has changed content production, product assembly and distribution in the AV sector, with multi-platform approaches to production and distribution of content becoming increasingly common<sup>15</sup>. Extending distribution across multiple platforms holds a number of benefits, including the facilitation of additional consumption of content across new outlets<sup>16</sup>. However, so far, the use of digital technologies in production, content management and distribution has not generated any significant revenue streams. This is mainly due to the ongoing problem of piracy<sup>17 18</sup>.

At the same time, the ongoing digitisation of the AV sector increases the importance of investing in skills development of the workforce in the AV sector<sup>19</sup>.

<sup>12</sup> For information see:

<http://www.widerspectrum.org/voicesacrossthespectrum/>

<sup>13</sup> These include the Association of European Radios, the Association of Professional Wireless Production Technologies, the Broadcast Networks Europe, the European Broadcasting Union, the European Federation of Journalists and UNI MEI.

<sup>14</sup> Aetha Study (2014), Future use of the 470-MHz band, in "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".

<http://static1.squarespace.com/static/54dedbace4b0ba8a736a2f1d/t/54def833e4b0e74b37c19796/1423898675291/150212+-+FINAL+-+A+fresh+start+for+Europe+-+The+Wider+Spectrum+Group.pdf>

<sup>15</sup> Doyle, G. (2010), From Television to Multi-Platform, The International Journal of Research into New Media Technologies, Vol. 16(4), pp.1-19.

<http://www.oecd.org/tad/services-trade/47559455.pdf>

<sup>16</sup> Ibid.

<sup>17</sup> Ibid.

<sup>18</sup> Creative Skillset (2004), Overview of Anticipated Trends in the Future Use of Skills in the Audiovisual Industry.

[http://creativeskillset.org/assets/0000/6247/Overview\\_of\\_anticipated\\_trends\\_in\\_the\\_future\\_use\\_of\\_skills\\_in\\_the\\_Audio\\_Visual\\_industry\\_2004.pdf](http://creativeskillset.org/assets/0000/6247/Overview_of_anticipated_trends_in_the_future_use_of_skills_in_the_Audio_Visual_industry_2004.pdf)

<sup>19</sup> European Commission (2015), A Digital Single Market Strategy for Europe - Analysis and Evidence, Commission Staff Working Document.

<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52015SC0100>

## 1.2.2 New consumption patterns and the increased demand for diversified AV products

New consumption patterns are blurring the lines between linear and non-linear audiovisual services<sup>20</sup>. While consumers remain attached to traditional consumption patterns, there has been a steady increase in the use of on-demand streaming services and the consumption of content via new platforms (i.e. different digital transmission networks as well as end devices). This presents both opportunities and challenges to the AV sector<sup>21</sup>. VoD (Video-on-Demand) services are developing rapidly, confronting traditional broadcasters (both private and public) with the need to invest in content creation and new platforms/channels of distribution in order to remain competitive. In 2014, VoD services accounted for 47% of the on-demand audiovisual media services available in the European Union<sup>22</sup>.

Major hubs for VoD services which serve several European countries include: the United Kingdom, Czech Republic (HBO), Luxembourg (iTunes) and the Netherlands (Netflix)<sup>23</sup>. At the same time, the overall access to AV content produced in the world has gradually increased, putting pressure on public and private broadcasters to diversify their content production and avenues to access content in order to retain their position on local markets. With the rise of over-the-top players such as Netflix and Amazon Prime, national providers are facing competition from new competitors<sup>24</sup>. Many national providers have responded to this new competition by launching on-demand services in order to compete for the attention of national audiences<sup>25</sup>. At the same time, it is important to underline that the number of viewers watching content via traditional linear channels still remains comparatively high.

**20** European Commission (2013), Preparing for a Fully Converged Audiovisual World: Growth, Creation and Values, Green Paper.

[https://ec.europa.eu/digital-single-market/sites/digital-agenda/files/convergence\\_green\\_paper\\_en\\_0.pdf](https://ec.europa.eu/digital-single-market/sites/digital-agenda/files/convergence_green_paper_en_0.pdf)

**21** European Audiovisual Observatory (2015), Territoriality and its impact on the financing of audiovisual works.

<http://publi.obs.coe.int/documents/205595/8261963/IRIS+plus+2015en2.pdf/ad5c5a8f-4e85-4e3c-b763-9c763895da1e>

**22** Fontaine, G. and Schneeberger, A. (2015). Origin and availability of On-Demand services in the European Union.

<http://www.obs.coe.int/documents/205595/264625/OBS+-+REFIT+-+Note+A.2+On+Demand+Audiovisual+Services.pdf/bce0ab38-2d40-461f-bf41-72a06c85b78d>

**23** Ibid.

**24** Council of the European Union (2014). Council conclusions on European Audiovisual Policy in the Digital Era, Education, Youth, Culture and Sport Council meeting. [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/educ/145950.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/educ/145950.pdf)

**25** European Audiovisual Observatory (2015), Territoriality and its impact on the financing of audiovisual works.

<http://publi.obs.coe.int/documents/205595/8261963/IRIS+plus+2015en2.pdf/ad5c5a8f-4e85-4e3c-b763-9c763895da1e>

## 1.3 Changes in the market

### 1.3.1 Reduction in public funding and decline in TV licence fees

In recent years, the AV sector has seen its public funding and TV licence fees significantly decrease and/or stagnate. Public broadcasters across the EU were hit particularly hard by the global financial crisis and national austerity policies.

In **Italy**, for instance, an overall budget reduction for the Italian public broadcasting provider RAI has led to a recruitment freeze, the introduction of early retirement schemes for permanent staff and the non-renewal of temporary employment contracts.

The public broadcasters and the subsidised sectors in the **Netherlands** saw a significant decrease in available funding following two rounds of budget cuts. The first round of cuts started in 2008. It amounted to EUR 128 million. The second round plans a cut of an additional EUR 50 million for the media industry as a whole, which will take effect from 2017 onwards. This means that approximately 600 public broadcaster employees will lose their jobs.

In **Romania**, the AV sector was also affected by the tense economic climate following the 2008 financial crisis. The public TV broadcaster TVR and the public radio broadcaster Radio Romania are both facing severe financial problems and possible bankruptcy. The television broadcasters' revenue decreased from 1.44 billion lei in 2009 to 1.28 billion lei (EUR 2.87 million) in 2013. Radio broadcasters' revenues have also decreased from 96.9 million lei in 2009 to 94.7 million (EUR 21.22 million) in 2013. Smaller television and radio stations have been less affected by the crisis. Linked to the economic recession, advertising revenues decreased, while VAT for the culture and media products increased (from 19% to 24% in 2010). Both had an additional negative impact on public service broadcasting and the entire AV sector.

Similar developments can be observed across **Spain's** public broadcasting sector. The implementation of widespread austerity measures reduced available public funding, resulting in the closure of public companies and mass dismissals. National stakeholders have reported that, as a consequence, many AV professionals have been forced either to move into self-employment or to look for job opportunities abroad. The introduction of new labour market reforms by the Spanish government in 2010 and 2012 were designed to restore competitiveness by aligning labour costs with productivity and allowing employers to exploit better internal flexibility measures as an alternative to layoffs. Layoff process requirements were lowered, contributing to an overall reduction in jobs and salary levels.

In the **United Kingdom**, the British Broadcasting Corporation (BBC) has experienced a significant staff reduction. Further job cuts are expected as the new licence fee settlement will result in a reduced budget for the corporation. In early 2015, the UK government adopted a new TV licence fee settlement making the BBC responsible for financing TV licences for viewers over the age of 75, as well as financing the BBC World Service and the Welsh language TV channel S4C Wales. Likewise, the United Kingdom Film Council was merged into the British Film Institute, following the government's "Quango" reforms which were aimed at curbing public spending.

### 1.3.2 Decline in advertising budgets

Shifting streams of advertisement budgets have contributed to a decrease in advertising revenues for TV channels; this has hugely impacted the AV sector<sup>26</sup>. Brands and advertisers are increasingly allocating advertising budgets to online advertising-financed videos and websites, including Google and Facebook<sup>27</sup>. This is due to the fact that online advertising is comparatively cheaper than traditional TV advertising<sup>28</sup>. In 2014, online advertising was the second medium in Europe for ad spending, just behind TV advertising, with **France**, **Germany** and **United Kingdom** accounting for 66.7% of online advertising in Europe<sup>29</sup>.

In addition, innovation in online advertising is bringing about major change. So far this has been driven by the rise in video ads, programmatic advertising, ad spending in social networks and the use of mobile device equipment<sup>30</sup>.

### 1.3.3 Protection and enforcement of intellectual property rights

Linked to this phenomenon is the problem of intellectual property right infringements which remain significant in the AV sector. The rapid growth of digital content alongside online distribution channels has led to an upsurge in digital piracy which is insufficiently addressed by existing copyright laws. The ability of users to easily copy and share content poses immense challenges to copyright enforcement. These practices deprive the industry of revenues and hamper the take-up of on-demand streaming services<sup>31</sup>.

<sup>26</sup> European Audiovisual Observatory (2015), Territoriality and its impact on the financing of audiovisual works.

<http://publi.obs.coe.int/documents/205595/8261963/IRIS+plus+2015en2.pdf/ad5c5a8f-4e85-4e3c-b763-9c763895da1e>

<sup>27</sup> Fontaine, G. and Grece, C. (2015), Online Advertising in the EU Update 2014, European Audiovisual Observatory.

<http://www.obs.coe.int/documents/205595/264625/DG+CNECT+-+Note+2-2015+-+Online+Advertising+In+T+he+EU+-+Update+2014.pdf/d2619e62-fede-4d27-8f04-4f1698286b34>

Ibid.

<sup>28</sup> Ibid.

<sup>29</sup> Ibid.

<sup>30</sup> Ibid.

<sup>31</sup> EY (2014), Creating growth - Measuring cultural and creative markets in the EU.

[http://www.ey.com/Publication/vwLUAssets/Measuring\\_cultural\\_and\\_creative\\_markets\\_in\\_the\\_EU/\\$FILE/Creating-Growth.pdf](http://www.ey.com/Publication/vwLUAssets/Measuring_cultural_and_creative_markets_in_the_EU/$FILE/Creating-Growth.pdf)

### 1.3.4 Production outsourcing

More and more TV productions are commissioned externally, thereby affecting employment patterns with budgets and staffing being transferred to independent producers<sup>32</sup>. One example is independent TV production companies in the United Kingdom, where rapid growth in technology and increased internal competition have led to a gradual deregulation of the AV market over the last 20 years, making it the most capitalised market in Europe.

According to national experts, the growing success of the independent sector in the **United Kingdom**, with small and medium sized independent companies still taking the majority of commissions, can be attributed to the Communications Act 2003, which allows producers to own their intellectual property (IP).

### 1.3.5 International coproductions

The European AV sector is characterised by a variety of differentiated incentives programmes designed to attract foreign productions to choose Europe for shooting locations. Such developments are likely to impact employment trends in the sector in the short, medium and long term.

<sup>32</sup> Creative Skillset (2004), Overview of Anticipated Trends in the Future Use of Skills in the Audiovisual Industry.  
[http://creativeskillset.org/assets/0000/6247/Overview\\_of\\_anticipated\\_trends\\_in\\_the\\_future\\_use\\_of\\_skills\\_in\\_the\\_Audio\\_Visual\\_industry\\_2004.pdf](http://creativeskillset.org/assets/0000/6247/Overview_of_anticipated_trends_in_the_future_use_of_skills_in_the_Audio_Visual_industry_2004.pdf)

## 2 DEFINITION OF THE AV SECTOR

This chapter presents the information collected in this study from European and national sources on the topic of finding a definition of the AV sector.

### Key findings

For the purposes of the collection of EU level statistics, the AV sector is classified under NACE Codes J59 Motion picture, video and television programme production, sound recording and music publishing activities and J60 Programming and broadcasting activities. However, these delimitations used by Eurostat do not seem to reflect the complexity of the sector either in Europe or in national contexts.

At national level, a plethora of definitions of the AV sector co-exist coming directly and indirectly from different sources. Furthermore, the current definition of the sector appears to be inadequate for fully capturing the developments which have affected the sector over the past few decades. This means that some of the increasingly ICT-based activities carried out in the sector are not necessarily captured.

The way in which data on employment and the number of businesses in the sector is gathered at the national level, together with the nature and level of detailed breakdown provided, is governed by national legal frameworks and the nature of organisations involved in data collection (e.g. social partners, industry organisations, national statistical offices etc.) and thus varies significantly from country to country.

At European level, the definition of the AV sector used by Eurostat does not seem to reflect the complexity of the sector either in Europe or in its national contexts<sup>1</sup>. At national level, a plethora of definitions co-exist which come directly and indirectly from different sources. Furthermore, the currently used definition of the sector appears inadequate for fully capturing the developments which have affected the sector over the past few decades.

Despite these limitations, Eurostat data still constitute the only available source of information that allows for meaningful comparisons across EU Member States.

<sup>1</sup> One reason explaining the encountered complexity resides in the fact that radio and audiovisual are organised differently, also due to the nature of the media (with or without moving images).

## 2.1 EU level definitions based on NACE classifications

At European level, Eurostat defines the sector according to the NACE Rev. 2. classification. The table below provides an overview of the NACE codes that correspond to the AV sector.

**Table 1.1** NACE codes comprising the AV sector

2-digit	3-digit	4-digit
J59 - Motion picture, video and television programme production, sound recording and music publishing activities	J59.1 - Motion picture, video and television programme activities	J59.1.1 - Motion picture, video and television programme production activities
		J59.1.2 - Motion picture, video and television programme post-production activities
		J59.1.3 - Motion picture, video and television programme distribution activities
		J59.1.4 - Motion picture projection activities
	J59.2 - Sound recording and music publishing activities	J59.2.0 - Sound recording and music publishing activities
J60 - Programming and broadcasting activities	J60.1 - Radio broadcasting	J60.1.0 - Radio broadcasting
	J60.2 - Television programming and broadcasting activities	J60.2.0 - Television programming and broadcasting activities

Source: Eurostat

European data on the number of businesses operating in the AV sector are available from the SBS survey and follow the NACE classification at three-digit level, which allows for a detailed analysis by subsectors:

- J.59.1 - Motion picture, video and television programme activities
- J60.1 - Radio broadcasting
- J60.2 - Television programming and broadcasting activities

Employment data in the AV sector are available from the EU LFS at two-digit level of the NACE classification.

- J59 - Motion picture, video and television programme production, sound recording and music publishing activities:
- J60 - Radio broadcasting and television programming and broadcasting activities

However, the analysis of EU LFS data on employment does not allow any distinction to be made between the subsectors radio (J60.1) and TV broadcasting (J60.2), neither can the sound recording and music publishing sector (J59.2) be distinguished from the rest of production activities. However, an analysis of data from the SBS suggests that in relation to employment figures this part only accounts for a small share of the audiovisual sector.

For the purpose of this study the subsectors will be identified as follows:

- J59: production and J60: broadcasting.

## 2.2 National-level definitions

The countries examined in this study present a substantial diversity in their definitions across and within the selected Member States. In six countries there is no clear or precise definition of the AV sector (DK, ES, IT, PL, RO, UK). The Czech Republic, France and the Netherlands<sup>2</sup> have largely aligned their national definitions with the European NACE classification. Germany's definition of the sector also corresponds to NACE sectors J59 (except for sound recording and music publishing activities) and J60 of the NACE Rev. 2 classification.

Three main types of mechanisms/organisations have been identified as relevant for their influence on definitions of the AV sector at national level, they are:

- Legislative frameworks;
- Key national organisations involved in data collection; and,
- Other organisations, including federal ministries and social partners (management and labour).

### 2.2.1 Legal frameworks

In some countries, national legal frameworks provide a definition of activities in the AV sector:

In **Poland**, interviewees pointed to the need for certain relevant legal acts, such as the Law on cinematography of 30 June 2005, to be updated to better reflect the changing reality in which the Polish AV sector operates, in particular the role of the Internet as a medium where AV content is broadcast<sup>3</sup>. At the same time the Polish Constitution acts to “safeguard the freedom of speech, the right to information as well as safeguard the public interest regarding radio broadcasting and television”<sup>4</sup> via the establishment of an independent institution, the National Council of Radio Broadcasting and Television.

In **Romania**, AV law<sup>5</sup> does not define the sector but defines the audiovisual media service as “a service under the editorial responsibility of a media service provider, whose main objective is the provision of programs in order to inform, entertain or educate the general public by electronic communications networks. Such an audiovisual media service is either a program service radio/television broadcasting, as defined in Section 2 or an audiovisual media service on request, as defined in Section 3 and/or service media is an audiovisual commercial communication, as defined in Section 15”.

<sup>2</sup> The Czech AV consists of activities classified under NACE Re 2 J59 and J60, thus using a slightly broader definition.

<sup>3</sup> Act on cinematography of 5/06/2005.

<sup>4</sup> Constitution of the Republic of Poland (Art. 213).

<sup>5</sup> According to the National Council of the Audiovisual (NCA), in Romania the AV domain is regulated by two normative acts: Audiovisual Law 504/2002 (including changes to the date) and The Regulation Code of the Audiovisual Content of the NCA (2006).

In **Spain**, Article 2 of the 2010 Law on Audiovisual Communication<sup>6</sup> defines the sector as “services delivered to promote programmes and content aiming at informing, entertaining or educating the general public as well as broadcasting commercial content”. These services

include AV communication services for TV and on-demand television, AV content for mobile platforms, AV communication services for radio including on-demand content while the recently approved Royal Decree of May 2015 (modifying the former 2007 Law on Cinema) specifically regulates cinema.

Similarly, laws in the **United Kingdom** contain definitions encompassing activities relevant to the AV sector, namely the 2003 Communications Act which is the main piece of legislation that gives a framework to the British AV sector<sup>7</sup>.

## 2.2.2 National organisations involved in data collection

National statistical offices provide definitions of the AV sector directly or indirectly through the collection of statistics.

The **Czech** National Statistical Office (CNSO) defines the AV sector according to the NACE Rev. 2 J59 and J60 classifications, while grouping AV activities under the information and media sector. This sector includes publishing and other informational activities in addition to the AV sector.

In **France**, the classification of activities (NAF) has a similar structure to NACE. The economic activities corresponding to the AV sector include: NAF 59 - Motion picture, video and television programme production and sound recording and music publishing activities. NAF 60 - Programming and broadcasting activities (radio and TV).

The Federal Statistical office in **Germany** (Destatis) uses definitions which correspond to NACE sectors J59 (except sound recording and music publishing activities) and J60 of the NACE Rev. 2 classification. Activities include: motion picture, video and television programme production activities; radio broadcasting; and television programming and broadcasting activities.

<sup>6</sup> Law on Audiovisual Communication (2010), Article 2.  
<https://www.boe.es/buscar/act.php?id=BOE-A-2010-5292>

<sup>7</sup> Meaning of ‘electronic communications networks and services’: References to the provision of an electronic communications network include references to its establishment, maintenance or operation. ‘Content service’ refers to that part of any service that comprises one or both of the following: the provision of material with a view to its being comprised in signals conveyed by means of an electronic communications network; the exercise of editorial control over the contents of signals conveyed by means of such a network. References to the conveyance of signals include references to the transmission or routing of signals or of parts of signals and to the broadcasting of signals for general reception. ‘Signal’ includes: anything comprising speech, music, sounds, visual images or communications or data of any description; also signals serving for impartation of anything between persons, between a person and a thing or between things, or for the actuation or control of apparatus.

In **Italy** the Italian National Institute of Statistics (Istat) compiles statistical data on cultural industries in the sectors of publishing industry (editoriale e stampa), live performance (spettacolo dal vivo), audiovisual, mass media and new technologies (audiovisivo, mass media e nuove tecnologie), culture, economics and wellbeing (cultura, economia e benessere). Employment data are available under the categories culture, economics and wellbeing.

In the **Netherlands**, national statistics have been aligned with the European definition of the AV sector comprising sectors J59 and J60 according to the NACE Rev. 2 classification. The AV sector as defined by the NACE classification forms part of the so-called 'creative sector' category, which was introduced by the Dutch cabinet Rutte I in 2011. The creative sector includes the subsectors design, architecture, fashion, gaming, advertising, media and entertainment, as well as music and film.

In **Spain**, while the National Institute for Statistics does not provide information for the AV sector as such, it is possible to group categories of activities under the CNAE-2009 classification<sup>8</sup> at the three-digit level and it includes the same general categories as in France

### 2.2.3 Other organisations, including federal ministries and social partners (management and labour)

Other organisations operating at national level are involved in compiling information about the sector (e.g. ministries, national statistical institutes, etc...) or defining the sector for operational reasons (e.g. trade unions and employers' organisations). Again, a variety of sources involved in defining the sector and varying definitions used within and across countries may be observed.

Created by social partners in the sector and funded by employers<sup>9</sup>, the French bipartite *Commission Paritaire Nationale Emploi et Formation de l'Audiovisuel* (CPNEF-AV) brings together representatives of employers and employees involved in the production, broadcasting or delivery of technical services for radio, cinema and television, in both public and private sectors<sup>10</sup>. The *Commission Paritaire's remit does* not cover distribution and projection activities or sound recording and music publishing activities. Another key source of data at the national level is Audiens, the institution in charge of managing social insurance for all professionals active in the sectors of culture, communication and media, including the AV sector. Data collected by Audiens distinguishes between various areas of activity<sup>11</sup>.

<sup>8</sup> CNAE-2009 is the National Classification of Economic Activities resulting from the international revision process known as Operación 2007, and has been compiled according to the conditions set out in the Regulation passing NACE Rev.2.

<sup>9</sup> Based on a percentage of the payroll.

<sup>10</sup> The CPNEF-AV covers the following activities as defined in the French NAF classification: 59.11A, 59.11B, 59.11C, 59.12Z, 60.10Z, 60.20A and 60.20B. See:

[http://www.cpnef-av.fr/docs/pdf/Tableau\\_correspondance\\_NAF\\_2008.pdf](http://www.cpnef-av.fr/docs/pdf/Tableau_correspondance_NAF_2008.pdf)

<sup>11</sup> Within the sector of spectacle enregistré, Audiens also collects data on the sound recording industry (édition phonographique).

The following industries are relevant to this study and are classified within the category of *spectacle enregistré* (recorded performance): production of TV programmes (production audiovisuelle), motion picture production (*production cinématographique*), technical industries (*prestations techniques*), radio broadcasting (radiodiffusion), TV broadcasting (*télédiffusion*), animated films production (*production de films d'animation*), the music sector (*édition phonographique*). Although it is not distinguished within the French classification of economic activities, the production of animated films/series is considered as a specific subsector of the AV industry due to its substantial presence in France and the existence of specific professional organisations bringing together producers of animated films<sup>12</sup>.

In Italy, Isfol<sup>13</sup> defines the AV sector indirectly through its classification of professional profiles (*Orientaonline*)<sup>14</sup> in the occupational area of 'audiovisual, performance and advertising' (*audiovisivi, spettacolo e pubblicità*). The Lazio Region provides a classification of occupational profiles in the sector of 'cinema production and audiovisual' (*produzione cinematografica e audiovisiva*), mapping each job profile against other national classifications: Istat, ISCO classification, EXCELSIOR, Ministry of Labour and Isfol. The Italian General Confederation of Labour (CGIL) defines the sector of cultural production as comprising of artistic production which includes live performance and cinema and the audiovisual industry (i.e. television and radio broadcasting). The Italian Confederation of Workers' Trade Unions (CISL) defines the AV sector as comprising of RAI, the two major private companies (Mediaset and Sky), as well as all local broadcasting stations and cinema. The industry is identified as *industria televisiva e dello spettacolo*; the concept of *spettacolo* was interpreted by interviewees as including the film industry. Existing collective agreements provide additional definitions of the TV and Radio broadcasting sector and film industries.

In the **Netherlands**, the Dutch journalist union defines the AV sector as broadcasting parties and production companies that supply them. It was noted that more and more digital platforms are becoming part of the activities within the sector. The union FNV KIEM describes the sector as the production of radio, television and films, and this description covers production, technical services provision and broadcasting activities.

In **Romania**, the main federation of trade unions in the field (Culture and Mass Media Federation FAIR MediaSind) uses the definition contained in the National Classification of Economic Activities<sup>15</sup>, where the AV industry is called 'Culture and mass media'.

In **Spain**, apart from the activities of the National Institute of Statistics (INE) in gathering and providing data on the sector, two other sources of information include the Ministry of Education, Culture and Sport's (MECD) annual reports and the National Securities Market Commission's (CNMV) reports. The MECD uses a more general concept of 'cultural industries'.

<sup>12</sup> Employers are represented by the SPFA (Syndicat =des Producteurs de Films d'Animation).

<sup>13</sup> The National Research Institute for vocational education and training employment and social policies (Isfol).

<sup>14</sup> Isfol (2016). [www.isfol.it/orientaonline](http://www.isfol.it/orientaonline)

<sup>15</sup> See Law 62/2011 and Governmental Decision 1260/2011.

It publishes an Annual Report on Cultural Statistics<sup>16</sup> where the AV sector is sometimes included as part of the '*Books and AV*' category or in other cases as a specific sector (excluding cinema production). The National Market Commission (CNMV), which supervises and inspects the Spanish Stock Markets, includes the telecommunication sector in its AV sector definition.

The United Kingdom industry skills body Creative Skillset covers all creative media industries, i.e. film, television, radio, animation, facilities<sup>17</sup>, interactive media, computer games, VFX, commercials production and corporate production. A number of key technical professions in film and TV are covered by special grading schemes that require evidence of experience and qualifications before people can be employed in the grade. The schemes are jointly administered by social partners (management and labour) in the AV sector (BECTU, BBC, Equity, ITV and PACT).

<sup>16</sup> Ministry of Education, Culture and Sports, 2014. *Anuario de Estadísticas Culturales, Subdirección General de Documentación y Publicaciones*.

<sup>17</sup> This includes the following activities: Post production, Studios & Equipment Hire, Outside Broadcast, System Integration, Special Physical Effects, Manufacture of Audio Visual Equipment, Processing Laboratories, Transmission, and Other Services for Film & Television.

# 3 BUSINESSES OPERATING IN THE AV SECTOR OF THE AV SECTOR AND EMPLOYMENT TRENDS

This chapter provides information on the size and composition of the AV sector in Europe and in selected Member States.

## Key findings

EU level data available for the sector makes it possible to follow key developments in economic trends, employment and number of businesses. National information is not comparable but can add nuance and address some of the shortcomings of EU-level data.

It is clear that in some cases there are significant differences between the data collected at national level and that available from Eurostat. Reasons for this include, among others:

- the exclusion of employment data for public broadcasters in many countries from Eurostat data;
- different definitions for the AV sector;
- different data collection methods.

According to the European Audiovisual Observatory in 2013, the total revenues of the European AV market amounted to almost EUR 133 billion. Net revenues from broadcasters accounted for 54% of the total revenues, followed by consumer expenses for AVMS distribution services which accounted for 27%. Overall, from 2009 to 2013 in the European AV market there has been a slight 3% increase in revenues. However, consumer expenses for AVMS distribution increased significantly by 30%.

According to EU SBS, 110,000 companies were active in the sector in 2012; however this does not include the public broadcasters. Nearly 90% of this employment was linked to the motion picture, video and TV production activities. The ten Member States covered in detail by the study (CZ, DE, DK, ES, FR, IT, NL, PL, RO, UK) host 74% of businesses in the sector. The total number of enterprises in the sector increased by 22% between 2008 and 2012.

There is a strong polarisation in the sector with some very large businesses (public operators and in some countries where large private providers of content) and small and micro-businesses, with few medium-sized companies. There is also a strong degree of geographical concentration with activities generally focused in and around capital cities (or other major cities).

According to Eurostat data, 810,000 individuals were active in the sector in 2013, of whom 53% worked in production and 43% in broadcasting. According to these data, employment in the sector grew by 72,000 between 2008 and 2013; however, this disguises some major differences between sub-sectors, countries and the nature of the enterprise.

Data for Public Service Media (PSM) providers alone, which tend not to be included in European data for the sector, show that in 2014 a total of 118,886 workers were employed in the Public Service Broadcasters (data from EBU). Between 2012 and 2014 there was a contraction of 6,088 employees in this market segment, which reflects not only outsourcing trends but also the reduction of public funding.

AV work remains male dominated with a 39% share of women (compared to 49% in the whole economy). Workers in the sector are also younger than in the average EU workforce. This remains the case although their share of total employment declined between 2008-2013, due to the generally more precarious nature of their contractual arrangements (and the use of “last in, first out” principles when workforce reductions are made).

Workers in the AV sector are on average more highly educated (57% have tertiary education compared to 32% in the whole economy) and recent years show an increasing trend towards the employment of highly skilled workers.

Greater clarity and harmonisation of business and employment statistics for the sector would be conducive to allowing stakeholders and policy-makers to monitor trends in the sector as well as the impact of policy changes.

The size of the sector is first defined by the businesses operating in the production and broadcasting of AV content. The level of employment is another key indicator of the importance of this sector across Europe. Information is drawn from Eurostat and national sources.

Data from European sources allow for a level of comparison of trend developments across Member States, whereas data at national level do not provide a clear picture in numbers of the size and characteristics of the sector in terms of companies and employment. However, national data do add nuance to the trends experienced across Europe against the context of national specificities.

When comparing European data with national data it is evident that an accurate picture of real employment levels cannot be provided and that national and EU data vary significantly. For example, while European data depicts an overall increase in employment for the period 2008-2013, national data show a decrease in employment in several Member States that was not captured by European statistics.

These discrepancies are the result of the plethora of definitions of the AV sector across Europe, as well as of the significant differences in collection methods, periodicity, subsectors covered and sources used at EU and national level.

The absence of a centralised European system for audiovisual statistics means that data collected at EU and national level cannot be compared<sup>1</sup>. Attempts to address this issue are already under way.

<sup>1</sup> ESSnet-CULTURE (2012), European Statistical System Network on Culture, Final Report. [http://ec.europa.eu/culture/library/reports/ess-net-report\\_en.pdf](http://ec.europa.eu/culture/library/reports/ess-net-report_en.pdf)

Following the recommendations of the ESSnet-Culture project<sup>2</sup>, Eurostat started a four-year work plan in 2014 which aims to develop EU common statistical concepts and methods in order to produce and disseminate harmonised statistics that accurately depict business and employment trends in the cultural sector<sup>3</sup>. ESSnet-Culture proposed to focus on ten cultural domains when redefining the framework for cultural statistics, namely: heritage, archives, libraries, books and press, visual arts, performing arts, audiovisual and multimedia, architecture, advertising, and art crafts.

Interesting examples of data collection methods used across Europe which generate detailed employment data on the AV sector include those of France and the United Kingdom.

In **France**, the institution Audiens, which is in charge of managing social insurance for all professionals in the culture, communication and media sector, collects employment data at national level.

In the **United Kingdom** survey data which cover all creative media industries are collected by the industry skills body Creative Skillset. The latest survey (eighth Creative Skillset Employment Census of the creative media industries, 2012) is based on responses from 832 major employers and small companies. Final estimates were calculated by applying a weighting methodology based on using data on the population of employers in each sector to gross up the responses per sector. When considering the industries of television, radio, facilities, film, animation and VFX, the size of the combined AV workforce can be estimated as 138,850 in 2012 (excluding freelancers in film production and performers, who are not covered by the survey), while the total size of the creative industries workforce is 192,200.

### 3.1 The size of the European AV sector

In 2013 the total revenues of the European AV market amount to almost EUR 133 billion. Net revenues from broadcasters accounted for 54% of the total revenues, followed by consumer expenses for AVMS distribution services which accounted for 27%.

Overall, from 2009 to 2013 in the European AV market there has been a slight 3% increase in revenues. Remarkably, consumer expenses for AVMS distribution increased by 30% and the VoD market, although it represents only 1% of the market, grew by over 615%, from EUR 248 million to EUR 1,526 million.

Between 2012 and 2013 there has been a decline in all sub-sectors, except for consumer expenses for AVMS distribution services (plus 3%) and VoD online revenues (plus 46%).

<sup>2</sup> The European Statistical System network on Culture (ESSnet-Culture) was initiated in 2009 for a two-year period. The network consisted of various organisations that form part of the European Statistical System (ESS). ESSnet-Culture's objectives were to revise the European framework for cultural statistics and to improve the existing methodological base to develop more harmonised EU statistics on culture in the following domains: expenditure on culture; cultural industries and cultural employment; cultural participation.

<sup>3</sup> European Commission (2016). Culture, ESSnet.

<http://ec.europa.eu/eurostat/cros/content/culture-finished>

**Table 3.1 AV sector revenues in EUR billion (2009-2013)**

	2009	2010	2011	2012	2013	Total %	Changes in % from 2009 to 2013	Changes in % from 2012 to 2013
<b>Broadcasters' net revenues</b>	69,594	72,622	74,158	72,284	71,596	54%	3%	-1%
<b>Cinema gross box-office</b>	6,087	6,373	6,445	6,570	6,285	5%	3%	-4%
<b>Physical video (incl. taxes)</b>	8,359	8,037	7,405	6,758	5,991	5%	-28%	-11%
<b>Consumer expenses for AVMS distribution services (incl. taxes)<sup>1</sup></b>	27,950	31,417	33,362	35,427	36,374	27%	30%	3%
<b>VoD online revenues (incl. taxes)</b>	248	462	648	1,045	1,526	1%	515%	46%
<b>Games (offline and online, excluding mobile and Apps)</b>	10,642	11,146	11,264	11,141	10,936	8%	3%	-2%
<b>Total</b>	<b>122,881</b>	<b>130,057</b>	<b>133,281</b>	<b>133,223</b>	<b>132,708</b>	<b>100%</b>	<b>3%</b>	<b>0%</b>

Source: European Audiovisual Observatory, Yearbook 2014

## 3.2 SBS data on businesses operating in the AV sector

According to the EU SBS (Table 3.2), in 2012 almost 110,000 companies were active in the AV sector (motion picture, video and television programmes activities, radio broadcasting and TV programming and broadcasting activities) in the EU. However, the SBS dataset do not include public companies, therefore these numbers could present an underestimate of the number of companies operating in the sector, since public broadcasting services, for example, would not be included in several countries, depending on their legal status<sup>4</sup>. However, given the complexity of national legal frameworks applicable to Public Service Media (PSM), it is unclear whether PSM are systematically excluded across all Member States.

<sup>4</sup> SBS datasets cover the business economy, and do not cover public administration and non-market services.

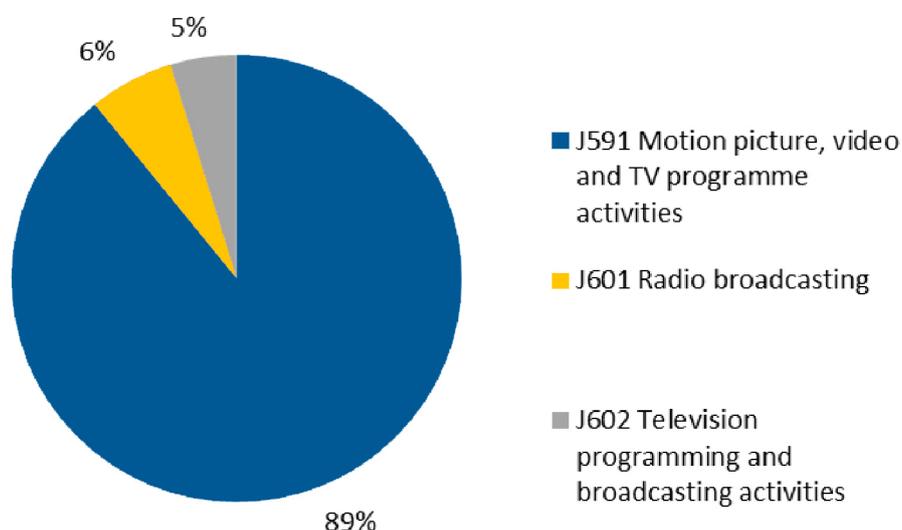
**Table 3.2** Number of enterprises in the AV sector in 2012

	J591 Motion picture, video and TV programme activities	J601 Radio broadcasting	J602 Television programming and broadcasting activities
<b>EU-28</b>	97,132	6,619	5,191
<b>CZ</b>	2,190	69	105
<b>DE</b>	6,515	251	140
<b>DK</b>	1,875	60	85
<b>ES</b>	6,953	959	682
<b>FR</b>	18,108	421	196
<b>IT</b>	6,204	912	489
<b>NL</b>	9,091	260	54
<b>PL</b>	5,197	144	365
<b>RO</b>	1,349	169	288
<b>UK</b>	16,050	934	981

Source: Eurostat, SBS

The majority of these enterprises (89%) were involved in motion picture, video and television programmes activities, while businesses operating in radio broadcasting represented 6% of the total, and TV programming and broadcasting activities another 5% (Figure 3.1).

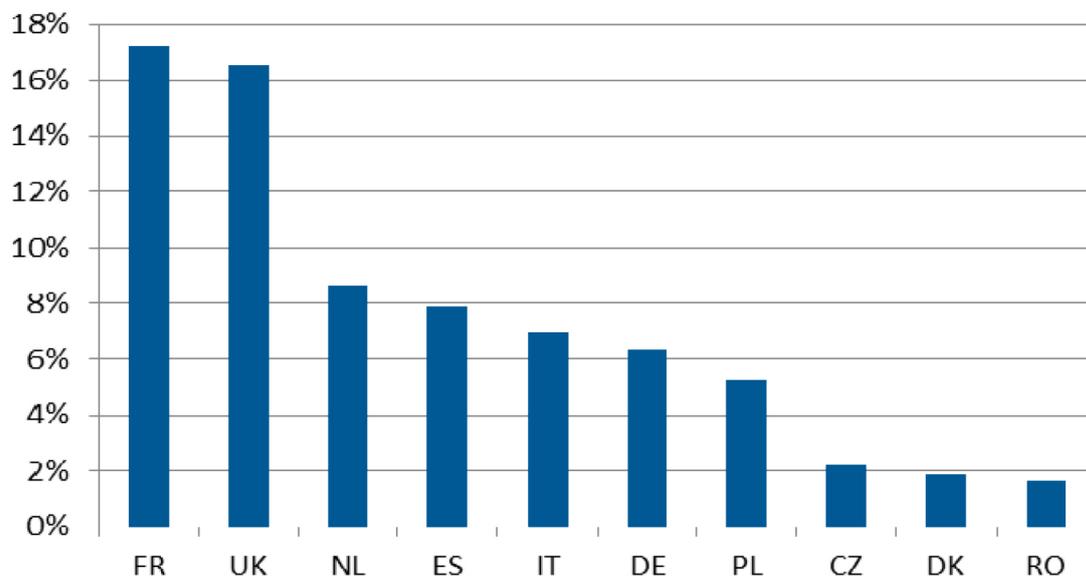
**Figure 3.1** Number of enterprises in the AV sector (J591, J601 and J602), EU-28 (2012)



Source: Eurostat, SBS

The ten Member States selected for an in-depth assessment in this study represent in total 74% of the business operating in the sector in the EU. France and the United Kingdom have the largest national sectors in Europe with respectively 17% and 16% of businesses operating in the AV sector (Figure 3.2).

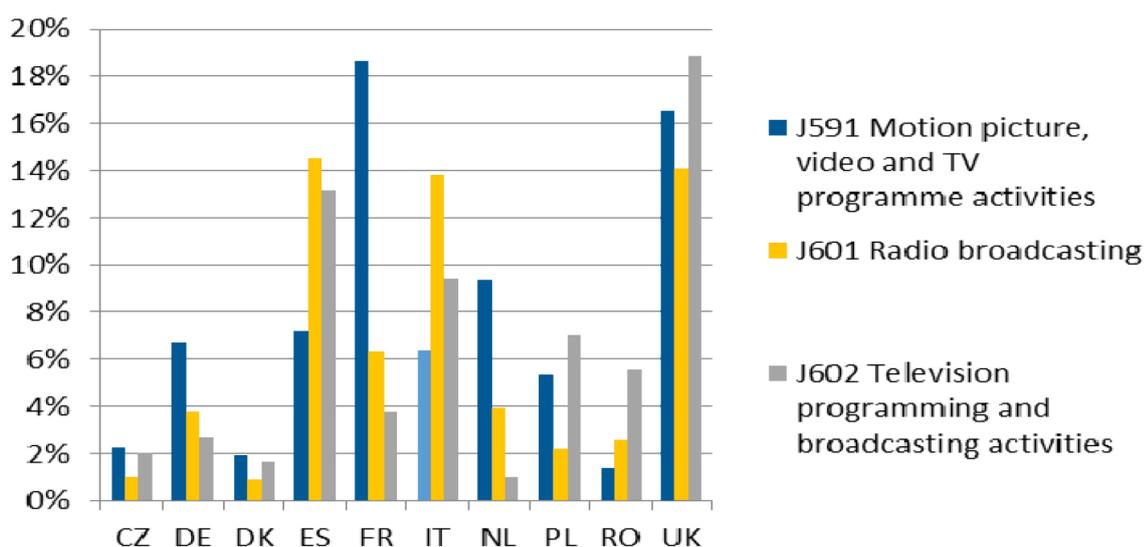
**Figure 3.2** Percentage of enterprises in the AV sector in EU-28 operating in selected Member States (2012)



Source: Eurostat, SBS

France and the United Kingdom have the highest concentrations of enterprises operating in motion picture, video and TV programme activities (a subsector of production), with respectively 19% and 17% of businesses. While Italy, Spain and the United Kingdom are the countries with high percentages of companies operating in television broadcasting, respectively 19% in the United Kingdom, 13% in Spain and 9% in Italy. Companies operating in radio broadcasting are concentrated mainly in Spain, Italy and the United Kingdom, with 14% of companies operating in each country (Figure 3.3).

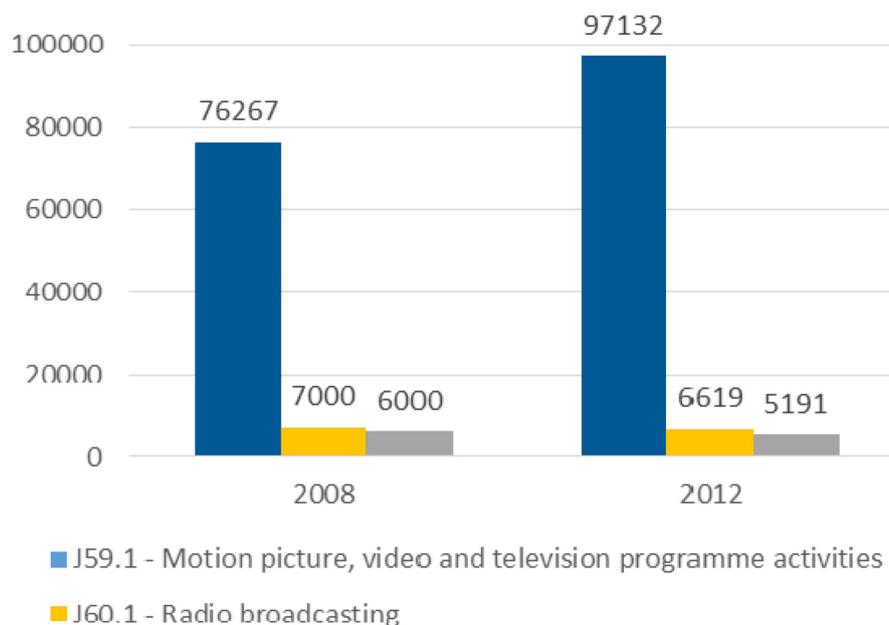
**Figure 3.3** Percentage of enterprises in the AV sector (J591, J601 and J602) operating in selected Member States (2012)



Source: Eurostat, SBS

The total number of businesses in the AV sector across Europe increased by 22% between 2008 and 2012 (Figure 3.4). This reflects the growth in the number of producers (with an additional 20,900 enterprises created), while the number of radio broadcasters remained relatively stable and the number of TV broadcasters declined by about 800.

**Figure 3.4** Number of enterprises in the AV sector (J591, J601 and J602) in the EU-27 (2008) and EU-28 (2012)



Source: Eurostat, SBS

### 3.3 National data on businesses in the AV sector

This section attempts to provide an overview of the AV sector across countries on the basis of national sources and for some core characteristics such as size of the sector, geographical location, size of the firms, importance of independent companies and international demand. It is not possible to provide a comprehensive picture of the sector in terms of number of businesses from national sources as data are lacking or fragmented due to the diversity of sources and different definitions of sector. Additionally, national data are not comparable with European statistics and sometimes findings are contradictory.

Nevertheless, some common features stand out from the country studies. For example, there is evidence of strong international demand in some countries. Another clear finding is that the businesses operating in the AV sector tend to be located in or in close proximity to capital cities or large cities. Some countries report that many firms involved in the sector are small in size, with a polarisation between large national broadcasters and a high number of SMEs supplying the sector. Finally, independent companies feature strongly in a few of the countries studied.

### 3.3.1 Size of the sector

At national level, the size of the sector can be defined on the basis of financial information and/or the number of companies active in the sector. When looking at these figures it is important to bear in mind that national data are not collected in a comparable way. Also, across Member States, national data is not always available, therefore the national country reports of this study do not provide consistent data (e.g. the number of enterprises in the sector is not always available).

According to data from the Czech National Statistical Office (CNSO), the AV sector accounted for approximately 0.2% of the national Gross Value Added (GVA) in 2012. In 2012, a total of 3,832 businesses operated in the Czech AV sector. Programming and broadcasting activities accounted for 60% and the motion picture, video and television programme production for 40% of the overall GVA of the AV sector in 2012.

In Denmark, public/publicly owned radio and TV are by far the most important individual employers in terms of financial turnover and employment. DR and TV2 represent 71% of total employment in the sector and 68% of total turnover (video games excluded). Motion pictures represent 13% of turnover, and 7% of employment. In 2013, DR, TV2 and independent producers contributed to an annual turnover of DKK 9,728.30 million (EUR 1303.57 million).

The **French** AV market is large and dynamic and, according to recent estimates released by the Ministry of Culture, total production in the sector (including radio, cinema, TV, video and recording industries) amounted to EUR 28.4 billion in 2013. It contributed EUR 12.5 billion of added value, or 0.66% of added value generated by the French economy (growing from 0.57% in 1995)<sup>5</sup>.

The **German** sector, including motion picture, video and television programme activities (NACE J59), is made up of approximately 11,000 companies<sup>6</sup>, while the radio and TV broadcasting activities sector (NACE J60) is made up of public and private companies with 22 large companies holding over 80% of the market share. There is also a small number of non-profit radio broadcasting organisations.

In **Italy**, according to 2014 data from the Chambers of Commerce of Rome, a total of 16,669 companies are operating in the AV sector in Italy.

In the **Netherlands**, in terms of contribution to the Dutch economy, it is estimated that in 2011 the combined film and audiovisual-industry contributed EUR 1.7 billion, equivalent to 0.29% of the EU economy<sup>7</sup>.

<sup>5</sup> Ministère de la Culture et de la Communication (2013). Département des études, de la prospective et des statistiques (2014-2015), Le poids économique direct de la culture en 2013.

<sup>6</sup> Eurofound (2013), Germany: The representativeness of trade unions and employer associations in the audiovisual sector.

<http://www.eurofound.europa.eu/observatories/eurwork/comparative-information/national-contributions/germany/germany-the-representativeness-of-trade-unions-and-employer-associations-in-the-audiovisual-sector>

<sup>7</sup> Eurofound (2013), Representativeness of the European social partner organisations: Audiovisual sector.

In **Poland**, no official data have been identified concerning the size and structure of the AV sector. A database originally built in the early 2000s by KIPA (the Polish Audiovisual Producers Chamber of Commerce) and FPCA (the Polish Audiovisual Centre Foundation (FPCA) remains the most comprehensive list of AV sector enterprises<sup>8</sup>. The sectoral coverage of the list is defined as production output of film, television programmes, commercials, internet productions, computer games or enterprises co-operating in such activities. The list is available on-line and as of early October 2015 included 544 entries<sup>9</sup>. In the early 2000s the database listed 400 independent AV production firms as active and with combined employment figures of around 7,000 workers (which include all types of contractual arrangements, including self-employed workers) and an annual turnover of USD 340 million<sup>10</sup>. These numbers do not include public companies (public television, radio).

According to the data provided by **Spain's** Ministry of Education, Culture and Sport (MECD), AV and multimedia (cinema, video, music recordings and television) account for 24.2% of all cultural industries<sup>11</sup> in Spain and could be estimated to account for around 0.8%-1% of the national GDP<sup>12</sup>. In 2013, 8,182 companies were active in the AV sector.

In relation to the contribution of the **United Kingdom's** film industry, the British Film Institute (BFI) reports that it held 14.2% of the global market share in 2010, worth around EUR 3.5 billion (USD 4.5 billion) as at 17 January 2012 and puts the 2009 trade surplus for United Kingdom films at EUR 1.12 billion (GBP 929 million). Domestic demand for filmed entertainment in the United Kingdom is the third highest in the world (behind the US and Japan) and stood at EUR 4.56 billion (USD 5.8 billion).

### 3.3.2 Size of enterprises

One common feature in many countries is the small size of the enterprises involved in the sector.

In **Germany**, the sector (NACE J59) is made up of approximately 11,000 companies, 93% of which are microbusinesses<sup>13</sup>.

<sup>8</sup> The lists, typically with contact details of enterprises are available on the Polish version of KIPA website: <http://www.international.kipa.pl>.

<sup>9</sup> The database is available at:

<http://www.audiowizualni.pl/index.php/rynek-filmu/produkcja-audiowizualna>

In addition, information was available for 23 enterprises that stopped operations. There is, however, no easy way to establish which of the 544 other enterprises remain active in the AV sector.

<sup>10</sup> KIPA (2016), <http://www.audiowizualni.pl/index.php/kipa>.

<sup>11</sup> MECD (2014), *Anuario de Estadísticas Culturales 2014*, *Subdirección General de Documentación y Publicaciones*.

<http://www.mecd.gob.es/cultura-mecd/areas-cultura/libro/mc/observatoriolect/redirige/destacados/mundo-libro/Anuario-Estadisticas-Culturales-2014.html>

<sup>12</sup> Own estimation taking into account that the cultural industry accounts for 3.4% of the national GDP according to the MECD.

<sup>13</sup> Eurofound (2013), *Germany: The representativeness of trade unions and employer associations in the audiovisual sector*. <http://www.eurofound.europa.eu/observatories/eurwork/comparative-information/national-contributions/germany/germany-the-representativeness-of-trade-unions-and-employer-associations-in-the-audiovisual-sector>

In **France**, there are about 700 enterprises in the technical industry supporting the production of motion picture, video and television programmes, , most of them SMEs<sup>14</sup>.

Similarly, the **Spanish** AV sector is characterised by a large number of micro and small companies. Indeed, 99,3% of all AV companies have 0 to 10 employees and more than half of these have no employees.

The **United Kingdom** also reports that the AV sector has a high proportion of small firms: around 90% of firms in motion picture, video and television programme production, sound recording and music publishing activities and 80% in programming and broadcasting activities have four or fewer employees. The largest employers, by number of employees in the sector, are the major terrestrial and satellite broadcasting firms who operate national television and radio channels. In the independent production sector, 20% of businesses are very large companies (e.g. Endemol, Warner Bros), another 20% are mid-sized companies; but the majority of companies are small (i.e. employing two or three people) and tend to make one programme a year.

### 3.3.3 Importance of independent producers

Independent producers seem to be more important or dominant in some countries than in others.

This is the case for **Denmark**, where the strong presence of independent producers was highlighted as a key feature of the market. Overall the Danish AV sector has not been substantially affected by the 2009 financial crisis. On the contrary, the sector has experienced a positive development in the last years both in terms of turnover and employment. This positive development is driven especially by independent producers. Some interviewees refer to the sector as 'exploding', benefitting from, among other things, the high levels of popularity of Danish AV content, both nationally and internationally. In the period 2009 to 2013 independent producers' turnover increased by almost 80% while employment increased by 38%. Turnover and employment figures for the public broadcasters TV2 and DR are likewise positive, albeit more modest than for independent producers.

In **France**, the existence of independent producers in the sector has been helped by the fact that public authorities favour the separation between TV broadcasting and production of TV programmes; the production of most TV programmes is outsourced, which gives a key role to independent producers. The French cinema sector also includes many independent producers; about 250 films are produced per year.

In **Poland**, around 400 independent AV production firms were active with a combined employment of around 7,000 workers (which include all types of contractual arrangements and self-employed workers) and an annual turnover of USD 340 million<sup>15</sup>. Interviewees

<sup>14</sup> Annual activity report from social partners in the field of technical industries: *FICAM (2014), SYNPASE Rapport de la branche des Entreprises Techniques au service de la Création et de l'Évènement- Livre I Entreprises Techniques au service de la Création et de l'Évènement Secteur de l'AV et du cinéma.*

<sup>15</sup> KIPA, <http://www.audiowizualni.pl/index.php/kipa>

suggest that the number of companies has been growing slowly for the last few years. This, however, does not necessarily reflect a growing market but rather a shift in contractual arrangements as some people previously working on the basis of labour law contracts have become self-employed workers

The **United Kingdom** AV sector has a high proportion of small firms: around 90% of firms in motion picture, video and television programme production, sound recording and music publishing activities and 80% in programming and broadcasting activities have four or fewer employees. The largest employers, by number of employees in the sector, are the major terrestrial and satellite broadcasting firms who operate national television and radio channels (see section below). In the independent production sector, two-thirds of the companies are small-sized (with an annual turnover of up to £10m) and 19% are mid-sized (with an annual turnover between £10m and £25m). Large independent production companies (with an annual turnover between £25m and £70m) make up 8% of the sector, so do larger companies (i.e. “super indies” – with an annual turnover of £70+ million).

### 3.3.4 Geographical location of the sector

Most AV activities are located near the capital cities or larger cities, while some countries experience more regional based activities.

The **Czech** AV sector is concentrated in the country's capital Prague.

In **Denmark** too, more than 70% of all independent producers of films, commercials and TV are located in the region of Copenhagen. This share is higher when looking at independent producers of motion pictures and documentaries only (90%), and producers of TV production only (80%)<sup>16</sup>. The Danish Broadcasting Corporation (DR)<sup>17</sup> headquarters are likewise located in Copenhagen, as is most of its production. There are however some exceptions. TV2 Denmark<sup>18</sup> is located in the city of Odense (Denmark's third largest city) and part of DR's production (children and youth programmes) is located in Aarhus. DR also has regional newsrooms in several cities and towns outside Copenhagen<sup>19</sup> as does TV2 Regions. Interviewees note the current and previous political attempts to move public sector AV production businesses outside Copenhagen. In practice however, Denmark is considered too small for regional AV clusters. As a result there is a tendency to move production into Copenhagen.

In some countries the concentration of employment by location will vary depending on the activities involved. In Italy, employment is heavily concentrated in a few regions, especially in the sectors of production and distribution of films, video and television programmes and TV broadcasting, while employment in radio broadcasting was spread relatively wider across the regions. The region of Lazio (Rome) accounts for about 50% of total employment in the three subsectors, and the region of Lombardy takes another 25%.

<sup>16</sup> Danske Indholdsproducenter, Film, TV og Computerspil I tal, 2013

<sup>17</sup> There are three main producer categories in Denmark: The public service producer and broadcaster DR (Danish Radio and TV); TV2, a publicly owned limited company, broadcasting nationally on a commercial basis; Private sector producers of TV programmes, motion pictures, TV advertising (and video games).

<sup>18</sup> One of two main publicly owned broadcasting companies together with DR.

<sup>19</sup> Aalborg, Holstebro, Aarhus, Vejle, Esbjerg, Aabenraa, Odense, Næstved and Ronne.

The **French** AV labour market is highly concentrated in the Paris region; other clusters of activities are located in the regions of Rhone-Alpes and Provence Alpes Cote d'Azur.

Media and AV activities in the **Netherlands** are highly concentrated in the northern part of the urbanised region of the country known as the Randstad Holland<sup>20</sup>. This area includes cities such as Amsterdam, Amersfoort, Haarlem, Almere, Hilversum and Utrecht. Of the total number of jobs in the broadly defined category 'media and entertainment', 45% can be found in this northern part of the Randstad Holland. The concentration of creative jobs is highest in Amsterdam, but the leading 'media city' in the Netherlands is Hilversum, which comes out top because it provides the highest proportion of media jobs in the total Dutch economy.

**Poland's** largest cities are preferred locations, with Warsaw playing host to the headquarters of many major TV stations. Other large cities with a more significant presence of the sector are Łódź, Poznan and Wrocław.

In 2015, one-third of all AV employers in **Spain** were established in the region of Madrid. Together, the regions of Madrid and Cataluña concentrate more than half of the total number of companies. This concentration in both regions is even more significant in the case of AV producers.

The **United Kingdom's** AV industry is concentrated mostly in London and the South East of England, with more than half of the workforce based in these regions alone<sup>21</sup>, although there have been recent significant moves of staff to the North West of the country. There are also important bases in Glasgow, Belfast, Cardiff and Bristol, each with its own strengths and future growth potential. In Scotland in particular, investment in original production has grown in recent years; Scotland now has a base of scale producers able to compete nationally and internationally across multiple genres<sup>22</sup>.

### 3.4 Employment trends in the sector: comparative data at EU level

This overview on levels of employment levels for the EU-28 and the AV sector is based on EU LFS data. It covers the sector as identified in the NACE Rev.2 classification at the 2-digit level:

- J59 - Motion picture, video and television programme production, sound recording and music publishing activities ('Production'); and,
- J60 - Radio broadcasting, Television programming and broadcasting activities ('Broadcasting')<sup>23</sup>.

<sup>20</sup> Rutten, P. and Koops, O. (2014), *Monitor creatieve industrie*, Stichting iMMovator.

<http://www.immovator.nl/system/files/documents/monitorcreatieveindustrie2014.pdf>

<sup>21</sup> Creative Skillset survey (2012), Creative Skillset Employment Census of the Creative Media Industries.

[http://creativeskillset.org/assets/0000/5070/2012\\_Employment\\_Census\\_of\\_the\\_Creative\\_Media\\_Industries.pdf](http://creativeskillset.org/assets/0000/5070/2012_Employment_Census_of_the_Creative_Media_Industries.pdf)

<sup>22</sup> Pact (2015), A new model: building a sustainable independent production sector in Scotland.

<http://www.pact.co.uk/news/news-detail.html?id=support-tv-scot>

<sup>23</sup> The sector of sound recording and music publishing sector (J592), although not in principle covered by the scope of this study, is included in the LFS datasets presented in this report (as part of J59). Furthermore, at Member State level it is not possible to publish data at the two-digit level of the NACE Rev.2 due to the limited size of the EU LFS sample in most countries. In accordance with Eurostat's guidelines concerning the publication of EU LFS data, values for J59 and J60 have been aggregated when disaggregated statistics were not reliable. When some values were missing for some countries and specific variables, data was not displayed on the charts.

In the context of this study, it is important to provide a brief explanation of how employment levels are measured by the EU LFS. The EU LFS is a large household sample survey providing quarterly results on labour participation of people aged 15 and over, covering all industries and occupations. The quarterly EU LFS sample size across the EU is about 1.5 million individuals and the survey size varies from country to country. The surveys are conducted by the national statistical institutes and are centrally processed by Eurostat. National statistical institutes are responsible for selecting the sample, preparing the questionnaires, conducting interviews and transmitting results to Eurostat.

The EU LFS regulations define the principles to be respected when providing data to Eurostat, but countries are free to choose the wording of the questions in their national LFS.

Survey respondents are asked a series of questions about their work activities during a specific reference week. The LFS identifies people in employment as those that did some work (one hour or more) for pay or profit during the reference week, or were not working during the reference week but had a job or business from which were absent during this week. It is important to note that the levels of employment in the sector according to the LFS can therefore vary from other estimates using different data collection methods, reference periods, variables and/or definitions.

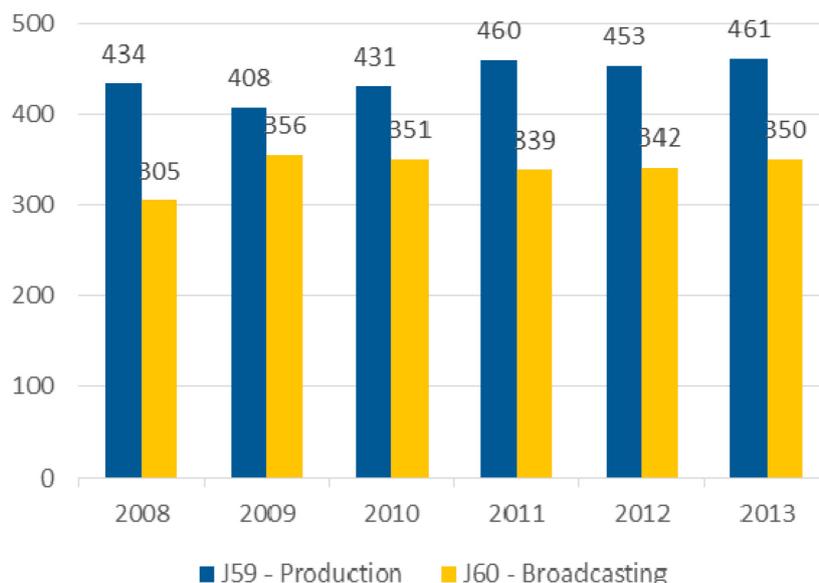
### 3.4.1 Employment levels

In 2013, according to the EU LFS, the AV sector (J59 and J60) accounted for approximately 810,000 workers across the EU-28; more than half of them (57%) worked in production and 43% in broadcasting (*Figure 3.5*)<sup>24</sup>.

From 2008 to 2013, the AV sector was characterised by increasing employment trends, with additional 72,000 workers between 2008 and 2013. This growth was mainly in the broadcasting sector which saw an increase of 15% (additional 45,000 workers); in the production sector the increase was 6% (27,000 additional workers).

<sup>24</sup> As mentioned above, the analysis of LFS data at the 2-digit level of the NACE classification does not allow distinction to be made between some subsectors such as the sound recording and music publishing sector (J592). Data on the number of people employed in the sound recording and music publishing sector is available from other sources such as EU SBS. In SBS, the number of people employed is defined as the total number of persons working in the observation unit (inclusive of working proprietors, partners working regularly in the unit and unpaid family workers), as well as persons who work outside the unit who belong to it and are paid by it (e.g. sales representatives, delivery personnel, repair and maintenance teams). It excludes manpower supplied to the unit by other enterprises, persons carrying out repair and maintenance work in the enquiry unit on behalf of other enterprises, as well as those on compulsory military service. According to SBS, in 2012 private businesses in the sound recording and music publishing sector (J592) employed 25,700 people in the EU-28.

**Figure 3.5** Number of workers in the AV sector (J59 and J60) in the EU-28 (thousands)

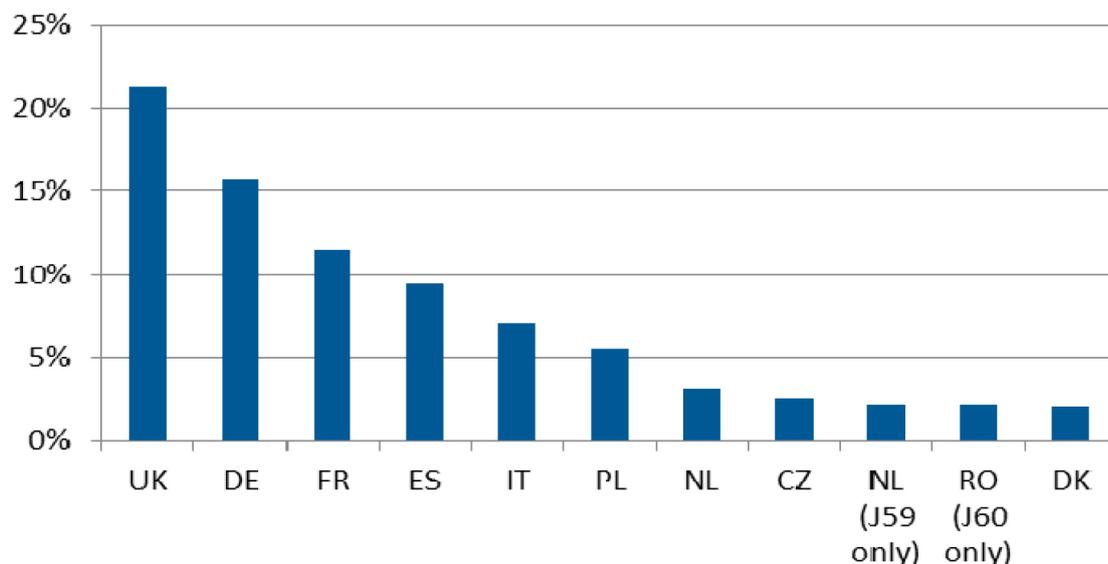


Source: ICF calculations based on Eurostat, EU LFS

In 2013, the **United Kingdom** accounted for more than 20% of the workforce in the European AV sector, followed by **France** and **Germany** with percentages above 15% and 10% (Figure 3.6). **Denmark**, the **Netherlands** and **Romania** represented the smallest markets in terms of employment.

**Figure 3.6** Percentage of EU-28 workers in the AV sector from selected Member States (2013)

Source: ICF calculations based on Eurostat, EU LFS



Employment trends by country (Table 3.3) show that the AV sector has experienced a strong growth in the **United Kingdom** with additional 26,600 workers since 2009, followed by **France** with an additional 11,100 workers and **Italy** with 9,400 more workers. However, a contraction of the sector was seen in **Germany** and **Spain**, with a decrease of more than 20,000 workers and almost 6,000 fewer workers since 2008 respectively.

**Table 3.3** Number of workers in the AV sector (J59 and J60) in selected Member States (in thousands)

	2008	2009	2010	2011	2012	2013
<b>EU-28</b>	739.6	763.1	781.9	799.2	794.9	811.5
<b>CZ</b>	15.2	16.2	17.0	15.1	10.1	17.4
<b>DK</b>	14.1	11.6	13.4	14.6	13.2	16.8
<b>DE</b>	123.3	133.0	129.1	121.3	125.8	117.4
<b>ES</b>	92.5	85.2	79.3	83.6	77.9	71.8
<b>FR</b>	87.5	89.7	95.9	95.3	97.9	98.6
<b>IT</b>	41.9	38.7	44.3	62.2	63.4	51.3
<b>NL</b>						26.2
NL (J59 only)	20.2	26.1	26.4	28.5	25.0	18.0
<b>PL</b>	39.8	41.9	39.0	37.8	38.5	39.5
RO (J60 only)	16.3	16.3	17.3	18.4	15.9	13.6
<b>UK</b>		145.1	147.6	167.4	170.7	195.8

Source: Eurostat, EU LFS.

### 3.4.2 Gender profile of the workforce in the AV sector

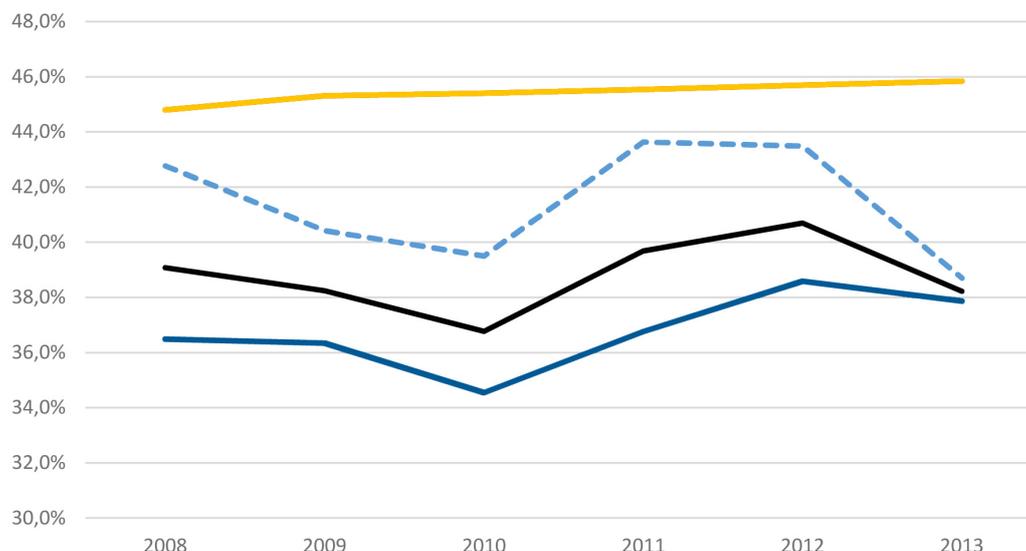
The AV sector is male-dominated. In 2013 about 39% of women worked in this sector compared with 46% across the entire European economy (Figure 3.7).

Overall, the gender gap has widened slightly, increasing from 6% in 2008 to 8% in 2013.

Between 2008 and 2013, female employment in the broadcasting sector decreased by 5% (from approximately 43% to 38%), while in the production sector there was a 2% increase in female employment.

It is difficult to gain a clear understanding of the reasons for these different trends. Although European statistics provide a picture of increasing employment trends in the broadcasting sector, it emerged from national sources that cuts to public funds have had a negative impact on the broadcasting sector. Therefore, it would be interesting to investigate further whether or not the decrease of female employment in public broadcasting is linked to the adverse impact of the economic crisis.

**Figure 3.7** Trends of share of women working in the AV sector (J59 and J60) and the whole economy, EU-28

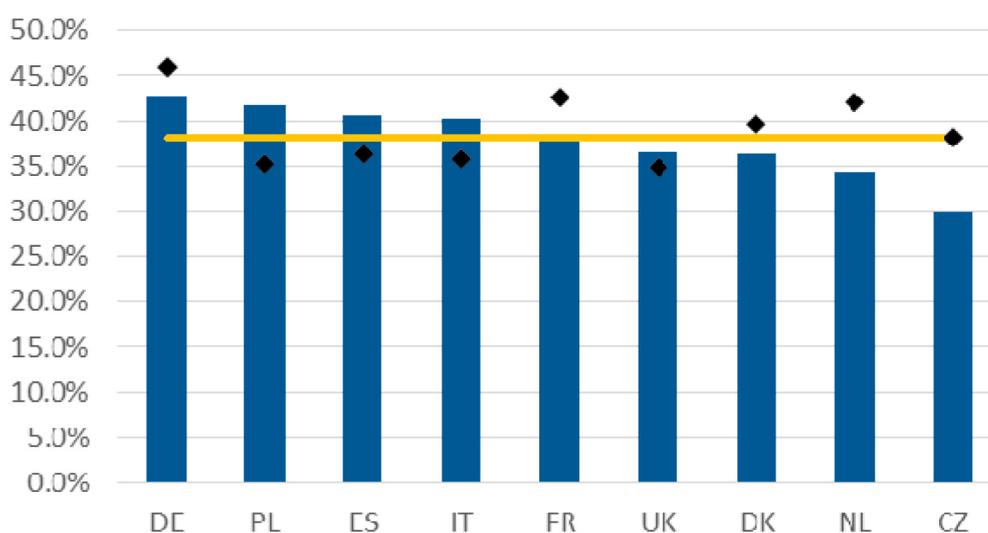


Source: ICF calculations based on Eurostat, EU LFS

In 2013, **Germany, Italy, Poland** and **Spain** all had a higher share of women working in the AV sector than the EU-28 average. In contrast, during the same period, in the Czech Republic and the Netherlands, the sector was more male-dominated than the average (*Figure 3.8*).

It is interesting to note that in **Italy, Poland** and **Spain** the percentage of women working in the AV sector has increased since 2008, while in countries such as the **Czech Republic, Denmark, France, Germany**, and the **Netherlands** female employment has decreased.

**Figure 3.8** Share of women in the workforce of the AV sector (J59 and J60) in selected Member States and in the EU-28 (2008 and 2013)



Source: ICF calculations based on Eurostat, EU LFS. Notes: no data available for Romania, 2008 data for the Netherlands and the United Kingdom only covers J59.

### 3.4.3 Age profile of the workforce in the AV sector

The AV sector has a younger workforce than average (Figure 3.9). In 2013, individuals aged between 25 and 44 accounted for 59% of workers in the AV sector against 48% of the whole economy in Europe.

Overall, the production subsector has a younger workforce than broadcasting. In production 12% of workers are aged 15-25 compared with 6% in broadcasting, while in broadcasting workers aged 45-54 account for 24% compared with 19% in production.

**Figure 3.9** Composition of the workforce by age groups in the AV sector (J59 and J60) and the whole economy in the EU-28 (2013)



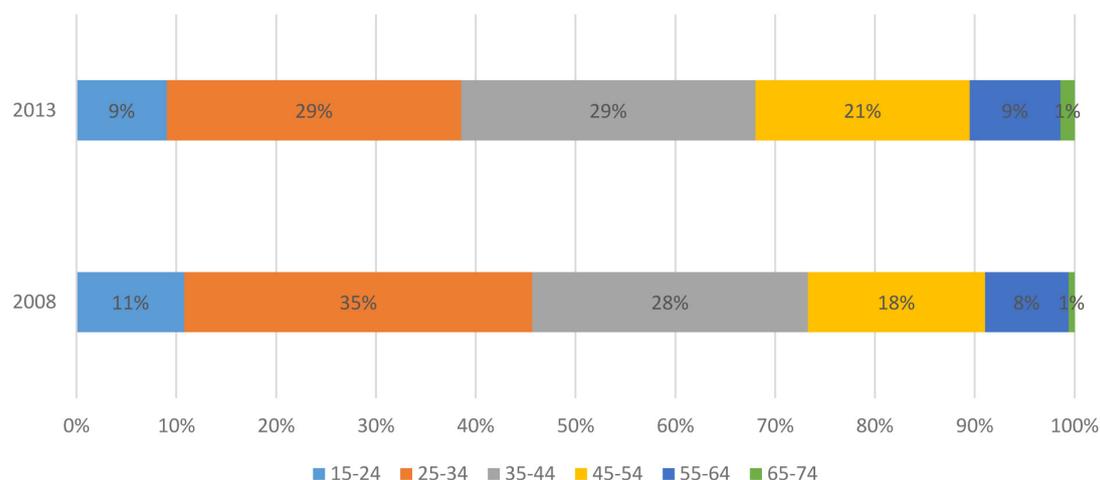
Source: ICF calculations based on Eurostat, EU LFS

Between 2008 and 2013, the shares of 15-24 and 25-34 year olds have decreased, from 11% to 9% for the younger age group and from 35% to 29% for workers aged between 25 and 35 (Figure 3.10).

Keeping in mind that project-based work arrangements are common in the AV sector, the decrease in the younger workforce in the AV sector could be related to the fact that young people are more likely to work in non-standard work arrangements and hold more often atypical work contracts compared with older workers. There is also evidence that young people, more than other groups, have been severely impacted by the economic crisis, across Europe and in all industries. The OECD reports that “as youth are more likely to be on temporary contracts than on permanent ones, they have been disproportionately hit by the crisis”. The report presents the case of Spain, where the rise in unemployment was primarily related

to dismissal of young workers in temporary employment. The report also highlights that even in situations where young people hold a permanent contract they are more likely to be dismissed than older workers. This is because the former group is generally more protected by employment protection legislation (EPL) (e.g. “last-in-first-out” rule)<sup>25</sup>. With this in mind, and considering that the AV sector is likely to attract young high skilled workers due to the need of new digital skills, it would be interesting to investigate further whether this group has been disproportionately affected by the economic crisis compared with other industries.

**Figure 3.10** Composition of the workforce by age groups in the AV sector (J59 and J60) in the EU-28 (2008 and 2013)

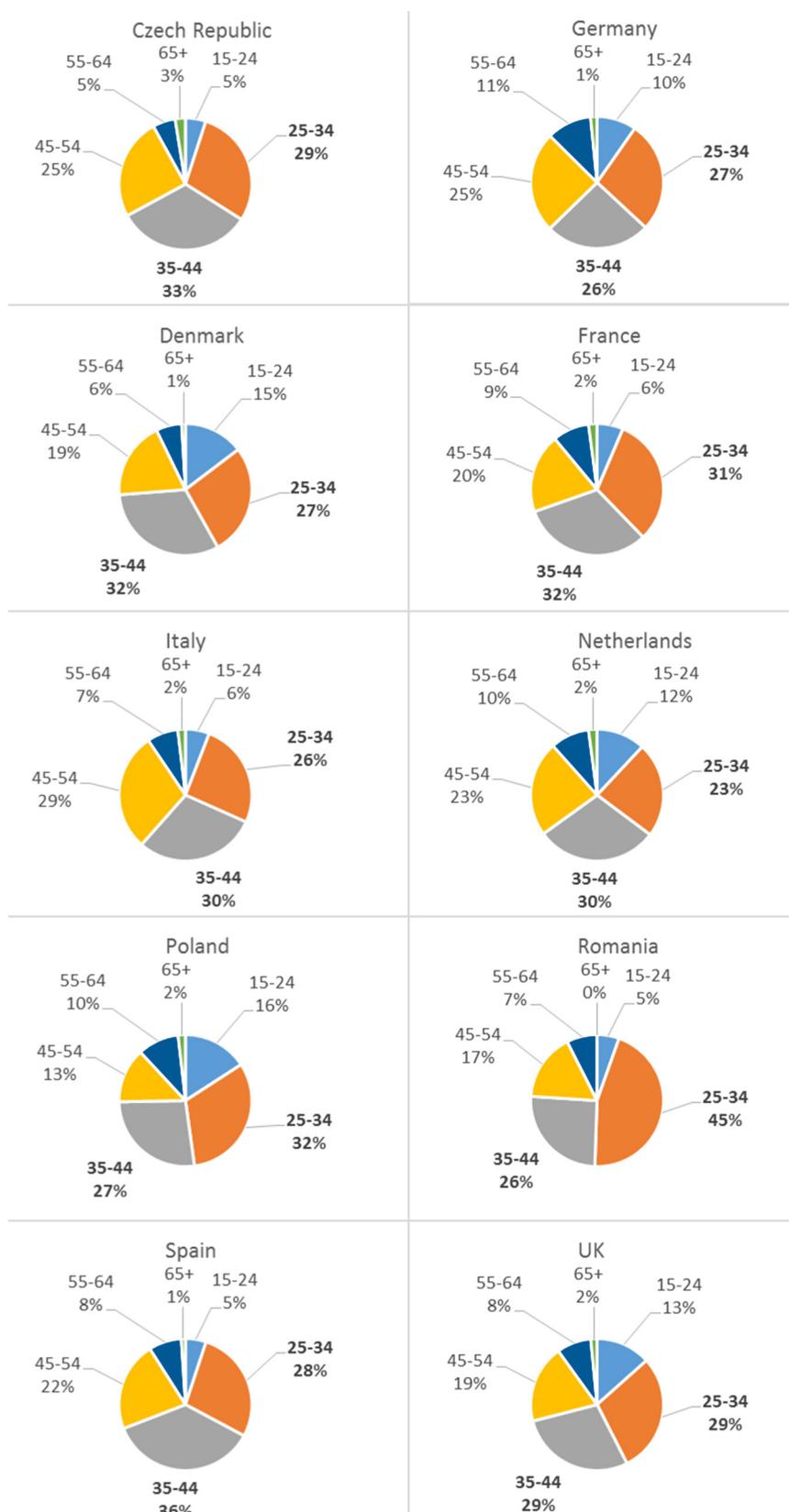


Source: ICF calculations based on Eurostat, EU LFS

Across the ten countries analysed in depth in this study, the composition of the workforce in each country reflects the overall average in the AV sector in the EU-28 (Figure 3.11). Some countries have a higher proportion of under-24s working in the sector; these include **Denmark** (15%), the **Netherlands** (12%), **Poland** (16%) and the **United Kingdom** (13%). Countries with a relatively older workforce and with at least a third of workers aged 45 and above include the **Czech Republic**, **Germany**, **Italy** and the **Netherlands**.

<sup>25</sup> OECD (2015), OECD Skills Outlook 2015: Youth, Skills and Employability, OECD Publishing. <http://dx.doi.org/10.1787/9789264234178-en>

**Figure 3.11** Composition of the workforce by age groups in the AV sector (J59 and J60) in selected Member States (2013)

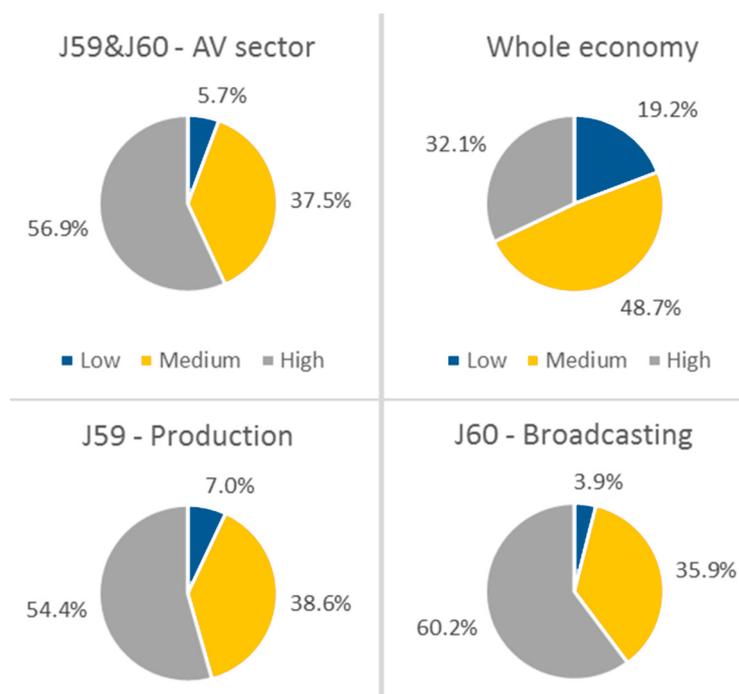


Source: ICF calculations based on Eurostat, EU LFS

### 3.4.4 Educational profile of the workforce in the AV sector

One notable feature of the AV sector is its highly educated workforce<sup>26</sup>. In 2013, 57% of workers in the sector had an educational level equivalent to tertiary education, against 32% across the whole economy. The broadcasting sector employs a slightly higher share of workers with a high level of education (60%) compared with the production sector (54%) (Figure 3.12).

**Figure 3.12** Level of educational attainment of the workforce in the AV sector (J59 and J60) and the whole economy (EU-28) (2013)



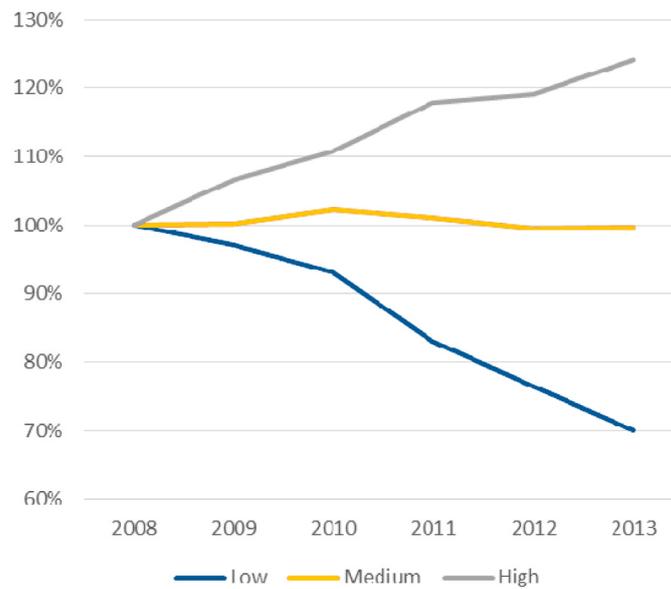
Source: ICF calculations based on Eurostat, EU LFS

When looking at the trends since 2008, the number of highly qualified workers in the sector grew by about 25%, while the number of low-educated workers dropped by about 30% and the number of workers with a medium level of education remained stable (Figure 3.13).

These findings are likely to reflect the significant changes that have occurred in the sector in the past few decades. For example, the digital shift, internationalisation of the market and increasing levels of competitiveness require companies and workers to operate in a more multi-skilled environment, to provide innovative and creative solutions which in turn lead to an increasing need for a highly qualified workforce. However, this opens a debate on whether workers with lower educational levels are being pushed out of this market and whether something should be done to support the employability of this group of workers (see also section 6 of this report).

<sup>26</sup> Note: 'Low education' refers to less than primary and lower secondary, 'medium education' refers to upper secondary and post-secondary non-tertiary, and 'high education' includes short-cycle tertiary, bachelor or equivalent, master or equivalent and doctoral or equivalent.

**Figure 3.13** Evolution of the number of workers by level of education since 2008 (2008=100) in the AV sector (J59 and 60) (EU-28)

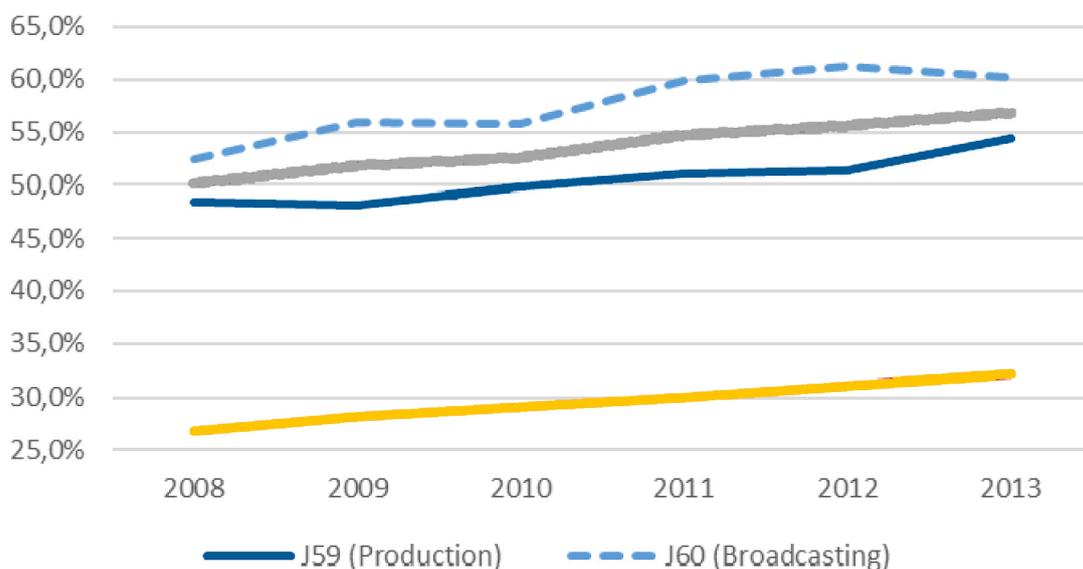


Source: ICF calculations based on Eurostat, EU LFS

Between 2008 and 2013, the share of highly educated workers in the AV sector increased by 7 percentage points (from 50% to 57%). In the broadcasting sector, this proportion grew by 8 percentage points (from 52% to 60%) (Figure 3.14).

When looking at these overall trends for the AV sector, it is worth noting that during the same period the level of education also increased for the whole workforce in the economy. Considering that skills gaps and mismatches have been highlighted in this sector, it would be interesting to further assess whether the job profiles and tasks performed in the AV sector correspond to the workers' qualifications in terms of both level and content.

**Figure 3.14** Evolution of the share of workers with a high level of education in the AV sector (J59 and J60) and the whole economy, EU-28



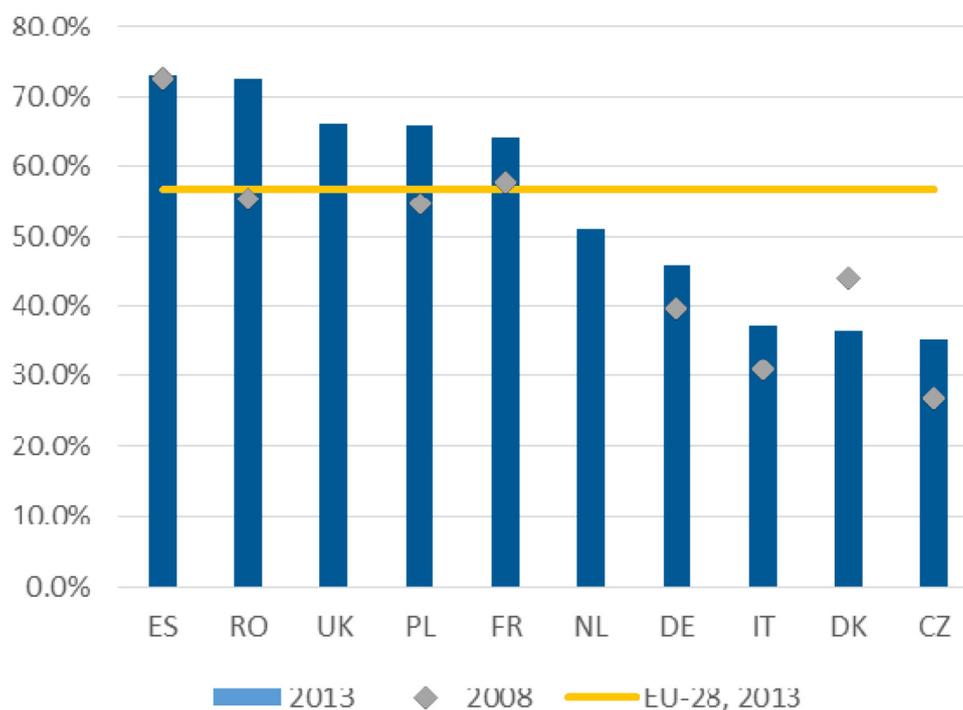
Source: ICF calculations based on Eurostat, EU LFS

Looking at the educational profile in some of the ten selected EU Member States, a highly diverse picture appears:

In **Romania** and **Spain**, for instance, in 2013 the share of workers with a high level of education in the AV sector was well above the European average; similarly in **France**, **Poland** and the **United Kingdom**, workers with a high level of education accounted for about two thirds of the workforce in the AV sector. The **Czech Republic**, **Denmark** and **Italy** had the lowest proportion of highly educated workers, which was also well below the EU-28 average (Figure 3.15).

Looking at trends since 2008, the share of highly educated workers in the AV sector has clearly increased in the **Czech Republic**, **France**, **Germany**, **Italy**, **Poland** and **Romania**; at the same time decreasing trends are found in **Denmark**. The exact causes and reasons underlying these changes would need to be further analysed. Further research could look into the level and quality of labour demand and supply in the AV sector in those countries with increasing shares of highly educated workers, analysing if and how the AV sector is producing a surplus of highly qualified workers leading to a mismatch in the labour market.

**Figure 3.15** Share of the workforce in the AV sector (J59 and J60) with a high level of education in selected Member States and in the EU-28 (2008 and 2013)



Source: ICF calculations based on Eurostat, EU LFS. 2008 data not available for the Netherlands and the United Kingdom due to incomplete coverage.

### 3.5 National data on employment

Due to different sectoral definitions and data collection methods, also different availability, accuracy and validity of national sources, the data on employment at national level differs significantly across Member States. This means that it is not possible to provide a clear picture of the exact employment levels in the AV sector at national level. A comparison of national employment levels in the AV sector across European countries is equally difficult to make as national sources (which include data from national statistical institutes, surveys or independent reports) on employment levels are not comparable across countries or with EU level sources.

The only data which are comparable across countries have been provided by EBU Media Intelligence Service (MIS) and refer to the Public Service Media (PSM). The table below provides an overview of the number of employees in the PSM and trends from 2012 to 2014 in the 10 selected countries for this study. In 2014, a total of 118,886 workers were employed in the PSM. The **German** PSM market employed 30% of these workers, followed by **France** (14%) and the **United Kingdom** (18%). **Denmark** and the **Netherlands** represented the smallest markets with 3% of employees.

Looking at the trends over time, overall from 2012 to 2014, there has been a contraction of 6,088 employees. Decreasing trends have affected mainly the **Romanian** market (-2,417), followed by **Germany** (-1,828) and **Poland** (-1,530). At the same time, the PSM markets in the **Czech Republic** and **Denmark** have experienced a growth of approximately 300 employees.

**Table 3.4** Number of employees in Public Service Media

Country	2012	2013	2014	2014 % on total %	Change (2012-2014)
<b>CZ</b>	4,498	4,709	4,782	4%	284
<b>DE</b>	37,728	37,257	35,285	30%	-2,443
<b>DK*</b>	3,061	3,184	3,371	3%	310
<b>ES</b>	6,319	6,321	6,302	5%	-17
<b>IT</b>	11,849	11,661	11,631	10%	-218
<b>FR</b>	17,340	16,975	17,093	14%	-247
<b>NL</b>	3,529	3,443	3,338	3%	-191
<b>PL</b>	9,491	9,606	7,961	7%	-1,530
<b>RO</b>	9,751	7,488	7,334	6%	-2,417
<b>UK**</b>	21,408	20,863	21,174	18%	-234
<b>Total</b>	<b>124,408</b>	<b>121,502</b>	<b>118,886</b>	<b>100%</b>	<b>-6,088</b>

Source: EBU MIS (Media Intelligence Service): \*DR only (TV2 not included); \*\* Channel 4 not included

However, based on available information from national sources it seems that a decrease in employment levels can be identified in the **Czech Republic, Germany, the Netherlands, Spain** and the **United Kingdom**.

In 2012, in the **Czech Republic**, the two public broadcasters Czech Television and Czech Radio employed approximately 4,400 employees (full-time and part-time employees). According to the Czech National Statistical Office (CNSO), the number of employees in the AV sector decreased by almost 700 between 2008 and 2012, i.e. from 3,641 to 2,960. This is most likely due to layoffs in the private sector given that public sector reported a stable number of employees during that period. However, the extent to which the data provided by the CNSO represent an accurate reflection of employment and occupation levels in the AV sector cannot be stated with certainty, due to the fact that the data excludes certain occupations, e.g. self-employed actors, directors and technicians.

National and European data for employment in the AV sector in **France** differ significantly, which may be due to differences in the definitions used. For example, Audiens reports that 200,000 people worked in France's AV sector in 2013<sup>27</sup>. The report however does not provide any estimates for full-time equivalents. For the same year, Afdas reports different data focusing on certain specific professions<sup>28</sup>.

Germany provides information on employment trends in its sectors J59 and J60, reporting a contraction from a peak of 130,000 workers in 2010 to 117,000 in 2013<sup>29</sup>.

In **Italy** official statistics from ISTAT<sup>30</sup> on cultural sectors estimate that in 2010 around 60,500 individuals were working in the AV sector. These data seems to be confirmed by the Italian Association of TV producers (APT) which estimates that around 63,000 individuals are active in the sector. However, if we compare the number of registered workers in the national pension fund for workers (including self-employed workers) in the entertainment sector (ENPALS) by professional group and industry sector, in 2013 workers in cinema and radio-television accounted for a total of 97,604 workers registered with the fund. These figures are differ substantially from those provided by Istat, which is the direct result of using different data collection methodologies<sup>31</sup>.

Similarly, the **Netherlands** provide three different estimates of employment in the AV sector from three different sources. According to the first official source, the Dutch statistics bureau CBS estimates that 28,000 people were working in 2014 in the film, TV and radio industries. According to GOC (the Dutch expert-centre on creative industries), 26,000 people were employed in 2013 in the AV sector (not including sound recording and music publishing). These figures compare to a report by Oxford Economics<sup>32</sup> estimating that in 2011 around

<sup>27</sup> [http://www.cpnf-av.fr/docs/pdf/Audiens\\_2013.pdf](http://www.cpnf-av.fr/docs/pdf/Audiens_2013.pdf)

<sup>28</sup> Données Observatoire des métiers de la presse - Afdas / CCIJP, <http://data.metiers-presse.org/overview.php#sector/alljournalists/2014/2008>

<sup>29</sup> Eurofound (2013), Germany: The representativeness of trade unions and employer associations in the audiovisual sector. <http://www.eurofound.europa.eu/observatories/eurwork/comparative-information/national-contributions/germany/germany-the-representativeness-of-trade-unions-and-employer-associations-in-the-audiovisual-sector>

<sup>30</sup> See [www.istat.it](http://www.istat.it)

<sup>31</sup> ENPALS is a pension fund. It therefore includes all contributors paying into the fund, regardless of whether or not they continue to pay and/or work in the sector.

<sup>32</sup> Oxford Economics (2013), Economic contribution of the Dutch film and audiovisual industry, Oxford Economics. [https://www.filmfonds.nl/nl/media/inline/2015/3/12/dutch\\_film\\_industry\\_final\\_report\\_26\\_september\\_2013\\_final\\_original.pdf](https://www.filmfonds.nl/nl/media/inline/2015/3/12/dutch_film_industry_final_report_26_september_2013_final_original.pdf)

32,300 people were directly employed in the Dutch film and AV industry which equals 0.44% of overall employment in the Netherlands (these data exclude sound recording, publishing and radio broadcasting). It is difficult to say whether these differences are linked to a significant contraction in the sector or are mainly the result of differences in definitions and methods of data collection.

In **Poland**, the Institute for Structural Research (Instytut Badań Strukturalnych, IBS) provides indicative estimates of employment in the AV sector as defined in this study for 2010<sup>33</sup>. In total the sector was estimated to employ around 33,500 workers, around 0.3% of total employment<sup>34</sup>. TV and audio broadcasting was the largest subsector in terms of employment.

In the case of **Romania**, the National Institute of Statistics reports that the number of workers in the 'culture and mass media' amounted to 65,870 in 2010.

Data from the National Institute of Statistics (INE)<sup>35</sup> in **Spain** reports a contraction in its employment levels from 75,000 in 2008 to 60,000 in 2013, accounting for a 21.5% fall in employment across the period. Employment in the AV sector is relatively low compared to employment in cultural sectors as defined by the Ministry of Education, Culture and Sports (MECD), totalling around 485,000 workers<sup>36</sup>.

In the **United Kingdom**, there has been considerable variation in the evolution of employment between 2009 and 2012. Radio, visual effects (VFX) and film production have experienced job losses; while the number of jobs in the sectors of post-production and special physical effects has increased since 2009.

<sup>33</sup> IBS (2010), Economic role of the cultural sector: Introduction to the analysis.

[http://ibs.org.pl/files/publikacje/projekty/znaczenie\\_gospodarcze\\_sektora\\_kultury\\_-\\_raport\\_IBS.pdf](http://ibs.org.pl/files/publikacje/projekty/znaczenie_gospodarcze_sektora_kultury_-_raport_IBS.pdf)

<sup>34</sup> No estimate is provided in terms of full time equivalent.

<sup>35</sup> Using the subsector categories (591, 601, 602) explained above.

<sup>36</sup> Ministry of Education, Culture and Sports (2014), *Anuario de Estadísticas Culturales, Subdirección General de Documentación y Publicaciones*.

## 4 THE EVOLUTION OF EMPLOYMENT RELATIONSHIPS IN EUROPE AND IN THE AV SECTOR

This chapter analyses major changes in employment relationships and work arrangements which have occurred in Europe in the past few decades, more specifically in the AV sector. It also looks at how these changes are likely to further impact the AV labour market.

### Key findings

In recent years, researchers and policymakers have paid increasing attention to the emergence of new forms of employment relationships in the EU labour market.

So-called 'typical' or standard employment, which tends to have open-ended, full-time labour law contracts, is being increasingly replaced by 'atypical employment'. The latter ranges from relatively well regulated part-time, fixed-term or interim agency employment contracts, through to many different forms of work arrangements involving flexible schedules (from 'on-call' to 'zero hours' contracts) to contracts that increasingly blur the boundaries between labour law and commercial or civil law-based contracts.

Such trends have raised concerns that existing provisions in labour law and social security are not capable of ensuring adequate protection for workers on such 'atypical' contracts; this further increases precariousness, inequality and segmentation of the labour market. So-called 'non-standard' employment does not always necessarily translate into precarious employment. Although there is no agreed definition of precariousness at the EU level, it can be argued that the essential factors for identifying precarious work are entitlement to employment and social rights (or indeed the absence of them), and the intention and perception of workers (i.e. the extent to which such employment is freely chosen and covered by appropriate rights).

Due to its very nature, the AV sector has always required greater flexibility from both employers and workers. For this reason, the AV industry is traditionally characterised by a variety of employment contracts and work arrangements, including high shares of non-standard employment relations and self-employment. For many activities and workers in the AV sector the traditional full-time, open-ended work for one single employer is not applied; instead, many forms of atypical employment relationships are used, including mainly part-time and fixed-term employment contracts, temporary agency work, and different types of freelancing (under various kinds of legal status).

Project-based work is very common, which often goes hand in hand with a fixed-term nature of contracts and work arrangements. Nonetheless, in the last decade the AV sector has seen an increasing trend towards atypical employment relations, freelancing and self-employment. Additionally, former employees of broadcasters are more and more often working as freelancers and for independent producers. This is related to a number of factors, such as the financial instability in this sector, including cuts to licence fees, cutbacks in public funding, and decrease of advertising revenues.

## 4.1 New forms of employment relationships and work arrangements in Europe and beyond

A growing body of research is attempting to define and analyse emerging forms of employment relationships, new contractual arrangements and new groups of workers across Europe. Numerous studies are increasingly focusing on the area of employment relationships outside the standard form of employment with an open-ended/permanent full-time contract and the genuine self-employment. The complexity of the issue is mirrored in the variety of classifications, linguistic terms and absence of common terminology in identifying new forms of employment and workers at EU level and across EU Member States. Examples of terminology include new employment relationships versus standard employment relationships, standard forms of employment and contracts versus non-standard forms of employment and contracts; and typical versus atypical forms of employment/contracts/workers.

Different dimensions have been used to classify and cluster new forms of employment, new contracts and workers outside the standard employment relationships.

At International level, the International Labour Organisation (ILO) divides employment relationships into '*regular employment*' and '*non-regular employment*'. Regular employment refers to employment relationships with three characteristics: full-time, indefinite and subordinate. In the category of non-regular employment at least one of the three characteristics is missing. Within non-regular employment ILO classifies three main groups (which sometimes overlap):

- non-standard working time arrangements which include part-time, on-call, zero-hours etc.;
- non-permanent contracts, which include fixed-term, project or task-based work, and casual or seasonal work;
- non-dependent employment relationships, which include contracted or subcontracted work, economically dependent self-employment and agency work<sup>1</sup>.

The ILO has also raised serious concerns on "*a progressive crisis regarding the legal framework for determining whether are or not in an employment relationship and thus entitled to a range of protections under labour law.*" The ILO highlights that traditional subordinate employment and genuine autonomous self-employment are becoming less common; instead a grey area between dependent work and self-employment is spreading that makes it difficult to establish whether or not proper employment relations exist. Changes to the '*standard employment relationships*' have significant influence on the application and implementation of labour legislation. However, the risk is that legal frameworks are failing to adapt to the rapid changes of the world of work, thus leaving workers without adequate protection. According to the ILO, substantial gaps exist in relation to the updating of legal frameworks, also the interpretation and application of existing legislation<sup>2</sup>.

<sup>1</sup> ILO (2014), Employment relationships in the media and culture industries, Issues paper for the Global Dialogue Forum on Employment Relationships in the Media and Culture Sector.  
[http://www.ilo.org/wcmsp5/groups/public/@ed\\_dialogue/@sector/documents/publication/wcms\\_240701.pdf](http://www.ilo.org/wcmsp5/groups/public/@ed_dialogue/@sector/documents/publication/wcms_240701.pdf)

<sup>2</sup> Casale, G. (2011), The employment relationship: A comparative overview, ILO.

In recent decades new forms of employment relationships have also developed across Europe leading to work arrangements with fuzzy boundaries between employment contracts and civil /commercial law-based contracts. Employment contracts are traditionally regulated by labour law and are contracts where the rights and duties of employers and employees are clearly defined. These govern, among others, remuneration, definition of working hours, entitlement to holidays and sick leave, pension rights etc. Commercial/civil law-based contracts instead regulate the supply of services and the relationships between a supplier who is selling a good or service and a buyer; there is therefore an assumption of genuine self-employment. However, the establishment of new forms of labour contracts – and their increasing use – is shifting employment relationships far away from the traditional employment relations, to the point that in some EU Member States civil/commercial law-based contracts are increasingly used to regulate employment relations<sup>3</sup>.

In 2009, the European Foundation for the Improvement of Living and Working Conditions (Eurofound) defined ‘atypical work’ related to the level of security thus: *“Atypical work refers to employment relationships not conforming to the standard or ‘typical’ model of full-time, regular, open-ended employment with a single employer over a long time span. The latter in turn is defined as a socially secure, full-time job of unlimited duration, with standard working hours guaranteeing a regular income and, via social security systems geared towards wage earners, securing pension payments and protection against ill-health and unemployment<sup>4</sup>”*.

In a study published a year later (2010), Eurofound stressed the importance of adapting working rights and protection to the evolving world and the increased use of ‘atypical or non-standard’ work arrangements<sup>5</sup>. Eurofound classified different categories of atypical or non-standard work arrangements along a range of security and flexibility. Starting from the notion of standard contracts (full-time open-ended contractual arrangements) with high security and low flexibility, all other forms of working arrangements were identified as non-standard with different levels of security and flexibility. The latter group included a variety of forms of work arrangement; these were classified into two groups distinguishing between atypical forms of work and ‘very atypical’ contractual arrangements. The identified ‘atypical’ forms of work include fixed-term, part-time and temporary agency work arrangements. The fixed-term and part-time work derived from an adaptation of the standard contract guaranteeing a similar level of protection, while the agency work arrangements replicated the basic features of a typical contract. The ‘very atypical’ contractual arrangements identified the following categories: ‘very short’ fixed-term work (less than six months, which may also include agency work); ‘very short’ part-time work or less than ten hours a week; non-contract work; zero hours or on-call work. According to Eurofound, across EU Member States, legislators and collective agreements attempt to regulate different forms of contractual arrangements leading to a very complex European scenario in relation to categorisations of work arrangements and rights attached to them<sup>6</sup>.

<sup>3</sup> European Commission (2015), Employment and social developments in Europe 2015, Luxembourg 2016

<sup>4</sup> Eurofound (2009), Atypical work.

<sup>5</sup> Eurofound (2010), Flexible forms of work: ‘very atypical’ contractual arrangements.

<sup>6</sup> Ibid.

Finally, in a study published in 2015, Eurofound identified nine broad new forms of employment based on models of employment relationships between employer and employees (or client and workers). This includes, for example, having multiple employers for one employee or multiple employees for one employer, as well as new work patterns, for example provision of work on a discontinuous or intermittent basis. On the basis of this classification that runs on a continuum between employees and self-employed, Eurofound identified the following new forms of employment: employee sharing, job sharing, interim management, casual work, ICT-based mobile work, voucher-based work, portfolio work, crowd employment and collaborative employment<sup>7</sup>.

This classification shows the complexity of the new forms of employment in relation to work autonomy, risk sharing, decision-making and hierarchical relations.

## 4.2 Is atypical work precarious work?

This change of paradigm in employment and work arrangements, together with the conditions between employer and workers with regard to who bears the risks and who are entitled to what rights, leads to a discussion of whether (and to what extent) new forms of employment or working relationships are increasing the precariousness of workers .

A growing body of literature is looking into the boundaries between atypical employment and precariousness, not only aiming to define 'atypical employment' but also trying to gain a better understanding of the different circumstances and implications for workers.

At EU level there is no legal definition of 'precarious work' and the debate is still open on whether atypical work can be classed as precarious work and what constitutes precariousness. A study carried out by the European Commission in 2012<sup>8</sup> states that the "*association between precarious work and the absence of social rights is irrefutable. Individuals in precarious work are more likely to be excluded from social rights.*" Across EU Member States a variety of employment relations exist, in association with different levels of objective or perceived precariousness. According to the Commission, individual perceptions and circumstances and also socio-economic contexts are key elements for assessing whether a work arrangement can be defined as precarious. For example, part-time and fixed-term work arrangements are not necessarily precarious; however when linked to the increase of involuntary part-time and evidence of the conclusion of long services of consecutive fixed-term contracts, this may be indicative of a situation where workers are forced to accept undesirable conditions in order to remain employed.

Therefore, according to the Commission, entitlement to employment and social rights (or indeed the absence of them), plus the intention and perception of workers are essential factors in identifying precarious work. However, other major features play a significant role in identifying precarious situations in new forms of atypical work arrangements, thus distinguishing between 'desired flexibility' and 'forced precariousness'.

<sup>7</sup> Eurofound (2015), New forms of employment, Publications Office of the European Union, Luxembourg

<sup>8</sup> European Commission (2012), Study on Precarious work and social rights.

In its report on *Employment and social developments in Europe in 2015*, the European Commission identified a number of issues around new forms of work relationships and atypical work arrangements. Workers in atypical work arrangements are more likely to have lower incomes, fewer career prospects, more in-work poverty and limited access to social protection<sup>9</sup>. For example, part-time workers are more likely to face poverty than full-time workers, and involuntary part-time working is strongly correlated with a higher risk of poverty. The risk of poverty varies significantly across countries. For instance, part-time workers in Italy and Greece face the highest risk of poverty compared with other European countries. Women working part-time in Portugal have the highest risk of poverty whereas women in the Netherlands face the lowest risk<sup>10</sup>. The Commission also stated that contract segmentation lead to labour market segmentation where groups of workers coexist in the same labour market but with different working conditions (e.g. wages, job security, social protection, training, career opportunities etc.). This segmentation separated labour markets in primary labour markets with better working conditions from secondary labour market where workers face much worse working conditions (e.g. lower wages, lower job-security etc.). Groups which are more likely to be found in the secondary labour market include women, young people and ethnic minorities. These groups were also found more exposed to precarious work arrangements<sup>11</sup>.

### 4.3 New forms of employment relationships in the AV sector

The AV industry is traditionally characterised by a variety of employment contracts, high shares of non-standard employment relations and self-employment. For many activities and workers in the AV sector the traditional full-time, open-ended work for one single employer is not applicable as project-based work is particularly common. Many forms of atypical employment relationships are used, including part-time, causal and fixed-term contracts, temporary agency work, and freelancing under different types of contracts<sup>12</sup>.

During the last decade, the AV sector in Europe has seen a significant increase in atypical work arrangements such as project-based and freelance work as well as self-employment<sup>13</sup>. For example, in the broadcasting industry there is a clear shift towards the use of independent production and outsourcing of programmes, partly due to the reduced availability of financial resources. This shift implies an increase in work opportunities in independent AV productions, which is often available only in non-standard forms of employment and work arrangements.

<sup>9</sup> European Commission (2015), *Employment and social developments in Europe 2015*, Luxembourg 2016.

<sup>10</sup> Horemans, J. and Marx, I. (2013), *In-work poverty in times of crisis: do part-timers fare worse?*, ImPROvE, Discussion Paper No. 13/14.

<sup>11</sup> European Commission (2015), *Employment and social developments in Europe 2015*.

<http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7859&furtherPubs=yes>

<sup>12</sup> European Commission (2010), *European Sectoral Social Dialogue: Recent developments*; ILO (2014), *Employment relationships in the media and culture industries*, Issues paper for the Global Dialogue Forum on Employment Relationships in the Media and Culture Sector.

[http://www.ilo.org/wcmsp5/groups/public/@ed\\_dialogue/@sector/documents/publication/wcms\\_240701.pdf](http://www.ilo.org/wcmsp5/groups/public/@ed_dialogue/@sector/documents/publication/wcms_240701.pdf)

<sup>13</sup> Creative Skills Europe (2015), *Skills for tomorrow*.

<http://www.creativeskillseurope.eu/skills-for-tomorrow/>

The growing influence of rapid technological change in the AV sector has also greatly impacted employment relationships and work arrangements. The development of information and communications technologies (ICTs) has created new work opportunities, while simultaneously leading to important changes in the sector's composition and employment relationships. For example, the number of self-employed or freelance journalists has increased as a result of the rapid development of new technologies.

Chapter 5 of this study and the country reports provide a deeper insight into the new forms of employment and work arrangements in the AV sector.

## 4.4 Addressing problems linked to atypical working

Similar to other sectors, workers in non-standard employment relationships in the AV sector generally do not enjoy the same protection and are not entitled to the same benefits as those of workers in standard employment (full-time open-ended contracts). These workers often pay very low social security contributions and are not entitled to sick leave, maternity or unemployment benefits.

The economic crisis has seriously impacted on labour markets and work arrangements in all sectors of the economy in Europe. Due to the weaker status of their employment relationships, atypical workers are more likely to be adversely affected by negative economic cycles. For example, although fixed-term work is regulated at EU level by the Directive 1999/70/EC on Fixed-Term Work, ever since the beginning of the crisis there has been a tendency across EU Member States to lower the threshold of protective measures (which had previously exceeded the requirements of the Directive) by amending national legislation and introducing new policy measures. Amendments at national level include expanding the reasons for renewal of temporary contracts, increasing the possible number of renewals as well as extending the durations of successive temporary contracts. Another example of how the crisis has impacted labour markets can be seen in the significant increase of atypical work arrangements such as zero-hours contracts, project-based work and self-employment<sup>14</sup>.

In general, across all economic sectors in Europe, changing work arrangements often go hand in hand with changing working conditions, and translate into increased workloads, changes in the pace of work, longer working hours, and new skills requirements. The change in work arrangements also affects the health of workers as they experience increasing levels of stress<sup>15</sup>.

<sup>14</sup> Lang, C. et al, (2013), Atypical forms of employment contracts in times of crisis, ETUI Working Paper. <https://www.etui.org/Publications2/Working-Papers/Atypical-forms-of-employment-contracts-in-times-of-crisis>

<sup>15</sup> Gita, S. et al (2013) Violence and stress at work in the performing arts and in journalism, ILO Working Paper No. 201. [http://www.ilo.org/wcmsp5/groups/public/---ed\\_dialogue/---sector/documents/publication/wcms\\_242865.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/publication/wcms_242865.pdf)

In the AV sector, according to Eurofound, non-standard forms of work arrangements are often related to long working hours, more flexible work schedules, increasingly irregular income and unpredictable short-term work arrangements<sup>16</sup>. Journalists in particular are increasingly required to face constraints in budgets, time and staffing levels while balancing their high workload.

‘Bogus self-employment’ remains an important issue across several sectors of the EU economy, as it often remains undetected and unreported. It has important consequences for the social protection of workers, and also raises concerns in terms of unfair competition between undertakings. Bogus self-employment can also occur in the AV sector, though it is not specific to this sector. Comparable cross-country and sector specific data is still missing.

Some EU Member States have taken specific measures applicable across all sectors to address the problem of the precariousness of atypical working. In Germany, for example, changes made to existing social security legislation in 2008 allow those who are employed under short-term contractual arrangements to claim unemployment benefits. At the same time, with the introduction of labour market reforms (*Hartz IV*), the German government aims to further promote entrepreneurship, supplying unemployed individuals with a transition benefit and a start-up grant in order to encourage self-employment.

In the Netherlands, since 1 July 2015 employers are subject to stricter regulations when it comes to fixed-term contracts. The new regulations no longer allow employers to employ a worker for a period longer than two years on a fixed-term contract. After this period employers have to provide a permanent contract or otherwise wait for six months to rehire the employee.

At European and international level, the following initiatives provide recommendations on how to address the problems linked to atypical working across all sectors of the economy: In 2013, the European Parliament issued a study<sup>17</sup> investigating economically dependent self-employed workers. The study called for:

- Better data at European level to enable a correct assessment of the phenomenon and inform policymakers;
- Refined definitions at European and Member State levels to be included in the legal framework providing boundaries and guidance for clearer rules in labour law and social security contributions;
- Universal social protection for all workers regardless of the type of employment relationship; and,

<sup>16</sup> Eurofound (2013), Representativeness of the European social partner organisations: Audiovisual sector. <http://www.eurofound.europa.eu/observatories/eurwork/comparative-information/representativeness-of-the-european-social-partner-organisations-audiovisual-sector>

<sup>17</sup> European Parliament (2013), Social protection rights of economically dependent self-employed workers. [http://www.europarl.europa.eu/RegData/etudes/etudes/join/2013/507449/IPOL-EMPL\\_ET\(2013\)507449\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/etudes/join/2013/507449/IPOL-EMPL_ET(2013)507449_EN.pdf)

- Sectoral approach to social dialogue, European social partners have a key role to play in studying and analysing and put forward practical solutions tailored to the peculiarities of each sector.

The ILO Conclusions of the Meeting of Experts on Non-Standard Forms of Employment in March 2015<sup>18</sup> also provide interesting insights into possible areas for further investigation of the issue of atypical employment across sectors as follows:

- Existing legal frameworks at European and national level are insufficient to protect workers in non-standard forms of employment. However, new legislation needs to be stable and adaptable to the changing world where the enforcement of legislation and adequate controls are of paramount importance;
- Decent work and equal treatment need to be guaranteed to all workers with an extension of social rights;
- The new and non-standard forms of employment are not properly captured by existing statistics, making it difficult if not impossible to understand either these phenomena or their trends. Countries should regularly collect data on workers in non-standard forms of employment; and
- Collective bargaining is crucial to support workers in non-standard employment and high standards of social dialogue need to be ensured. Mechanisms to ensure a wider coverage of workers in collective bargaining should be explored.

More specifically for the AV sector, the Global Dialogue Forum on Employment Relationships in the Media and Culture Sector was held in 2014 with the aim of discussing employment relationships in the sector. It adopted the following points of consensus to a view to publicising the development of policy measures on non-standard forms of employment at international, regional and national level<sup>19</sup>:

- The media and culture industry is a key growth sector in many countries; the industry has the potential for significant business and employment opportunities. Due to the specific nature of its work, this industry has always been characterised by a wide spectrum of employment relationships outside the open-ended full-time contracts. Research should be carried out to gain full understanding of the potential of the sector for business development and employment creation.
- However, the type of employment relationships should not hamper access to the fundamental rights and principles which apply to all workers. More effort should be devoted to promote and ensure fundamental rights and principles at work. Social security schemes should take into account the specific nature of employment relationships in the media and cultural industry.

<sup>18</sup> [http://www.ilo.org/gb/GBSessions/GB323/pol/WCMS\\_354090/lang--en/index.htm](http://www.ilo.org/gb/GBSessions/GB323/pol/WCMS_354090/lang--en/index.htm)

<sup>19</sup> ILO (2014), Global Forum on Employment Relationships in the Media and Culture Sector - Final report of the discussion. [http://www.ilo.org/sector/activities/sectoral-meetings/WCMS\\_309859/lang--en/index.htm](http://www.ilo.org/sector/activities/sectoral-meetings/WCMS_309859/lang--en/index.htm); ILO (2014), Global Forum on Employment Relationships in the Media and Culture Sector - Points of consensus. [http://www.ilo.org/global/docs/WCMS\\_243842/lang--en/index.htm](http://www.ilo.org/global/docs/WCMS_243842/lang--en/index.htm)

- Adequate and robust legislation, including labour legislation, is needed to ensure that the nature of employment relationships are not a cause of labour market segmentation, thereby introducing discrimination and limiting workers' access to fundamental rights. A transparent regulatory framework is critical for both workers and employers in order to enable business development and decent working conditions. A robust and sustainable legal framework is also needed in public broadcasting and should also address issues such as subsidies to independent producers, airwave licences and intellectual properties.
- Governments should promote the essential role of the media and culture industry in society. They should also foster business development and employment opportunities through providing adequate funding to the sector.
- Social dialogue plays a key role and in this sector it is shaped by a variety of relationships and occupational categories. Further efforts should be made to further strengthen social dialogue and promote extension to a wider range of workers.
- Training workers is of paramount importance to ensure decent work, career prospects, mobility, labour market match and response to the sector's evolving skills needs. Governments and social partners should develop common strategies to guarantee access to training and lifelong training to all workers.
- A holistic approach is needed to address the challenges posed in the sector by the changing scenario of employment relationships. This would require better coordination and matching between labour demand and supply and also the provision of training tailored to the needs and structure of the industry. To this end, precise labour market information is required, given that the sector suffers from the lack of statistics and quantifiable information of a nature to provide a clear picture of its labour market. There is a need to understand and assess the nature of employment relationships and work arrangements in the sector (i.e. to assess which constitute a civil or commercial relationship and which are employment relationships). It should be borne in mind that such an exercise should not interfere with true civil and commercial relationships, while at the same time ensuring that individuals in any employment relationship have the protection due to them.

## 5 CONTRACTUAL ARRANGEMENTS AND CONDITIONS IN THE AV SECTOR

This chapter provides an overview of contractual arrangements and conditions in the AV sector from European and national sources. Whenever possible, trends over time are also discussed.

### Key findings

Eurostat data can provide an insight into the level and trends in employment, self-employment, part-time and temporary employment and other types of contractual arrangements. However, they cannot provide a full picture of the exact number of jobs in the AV sector, or of the nature and development of contractual arrangements and conditions in the sector. This is partly because of a lack of consistency in the data that Member States are able to provide, and also due to the different definitions and emerging contractual forms in different EU Member States, with which statistical monitoring at this level struggles to keep pace.

Eurostat data show that the majority of individuals active in the AV sector are employees (78% in 2013). At 21%, the share of self-employed workers is significantly higher here than across the whole economy (15%). This share is higher in AV production (at 32% in 2013). There has been an upward trend in this share since 2008.

Similarly, the share of temporary workers in the AV sector is above the EU average (20% and 14% respectively in 2013) and there has also been an increase here, specifically in the production sector. However, more detailed assessments reveal significant differences between the Member States; for example, the share of temporary workers in the sector ranges from 40% (Poland) to 10% (Czech Republic).

The share of part-time workers in the sector is similar to the EU average for the overall economy and national variations tend to mirror differences which exist across the economy (e.g. the Netherlands has a particularly high share of part-time workers).

Workers in the AV sector are more likely to hold more than one job in order to make up an adequate household income than workers in the rest of the economy (6% and 4% respectively in 2013).

National information indicates that standard open-ended contracts in the sector are still widespread, but their share is declining. The use of such 'regular' contractual forms is more common among large (public) broadcasters, with small independent production companies more likely to use fixed-term and other 'irregular' employment. However, even in relation to the share of standard open-ended contracts among the workforce, there can be significant differences between different broadcasters even within the same country (e.g. in Denmark).

When looking at the conditions of standard open-ended employment contracts, it is also worth noting that in some countries the conditions associated with such contracts have also deteriorated in the period since the economic crisis (e.g. in Spain).

General changes in labour market regulation – often implemented in an effort to reduce segmentation – have also impacted the sector. In the Netherlands, for instance, the use of successive fixed-term contracts has been restricted, while dismissal protections on open-ended contracts have been relaxed. Similar legislative trends can also be found in other EU Member States.

The conditions of the different contractual arrangements depend on the applicable legislative framework, as well as their coverage (or not) by collective bargaining agreements. The coverage of collective bargaining agreements is linked to the structure of the broader industrial relations framework in the EU Member States, but in some countries specific efforts have been made to cover particular groups such as freelancers (e.g. in Germany and Denmark).

Among different Member States differences still exist as to the extent to which self-employed workers are covered by social insurance. This can significantly impact their employment conditions and level of social protection.

As in previous chapters, the lack of harmonised statistics and comparable data is an issue that needs to be highlighted and taken into account when analysing and comparing European statistics and national data. Findings are often difficult to interpret and different sources provide contradicting information.

Nevertheless, European statistics present a picture which is to some extent confirmed by the data presented in the country studies, this mainly in relation to the increase in self-employment and non-standard forms of work arrangements.

## 5.1 EU LFS data on contractual arrangements and conditions

The following sections present an overview, based on EU LFS data, of the different forms of contractual arrangements and conditions in the AV sector. The EU LFS variables used for this analysis are related to the occurrence of salaried employment and self-employment, of temporary and permanent employment, of part-time and full-time employment and the extent to which workers in this sector hold down more than one job.

It is worth bearing in mind that the EU LFS offers useful pointers on developments in the AV sector across Europe and allows a comparison with the overall economy. However, it cannot provide a comprehensive picture of contractual arrangements in the sector, due to the complexity of contractual forms in place in this sector and differences in national legal frameworks and labour markets across EU Member States. The legal definitions of self-employment and of the different types of employment contracts (as well as terms and conditions attached to them) still vary too significantly between EU Member States.

There are inherent limitations linked to the EU LFS survey, like, for instance, the fact that the professional status of respondents, or the type of contract they hold, are self-assessed, which means that the data can contain significant variability across countries.

## 5.1.1 Salaried employment and self-employment

The EU LFS investigates the professional status of respondents who report that they have performed some kind of work in the reference week, by asking whether they are employees, self-employed (with or without employees) or family workers<sup>1</sup>. As different legal definitions of self-employment and freelance work can be found within and across European countries, those who report that they are self-employed could, in practice, be covered by different types of work arrangements.

In 2013, salaried employment is the dominant form of work arrangement in the audiovisual sector (78%) (Figure 5.1). However, self-employment is more widespread in this sector than in the rest of the economy. In 2013, 15% of all workers in Europe were classified as self-employed in the EU LFS, while this percentage increased to 21% in the AV sector. This represents about 177,000 self-employed workers in the sector, of whom 154,000 had no employees.

Importantly, the prevalence of self-employment across the two subsectors of production and broadcasting differs significantly. In the production sector, 32% of workers are self-employed, compared to 10% in broadcasting.

**Figure 5.1 Professional status of workers in the AV sector (J59 and J60) and the whole economy in EU-28 (2013)**



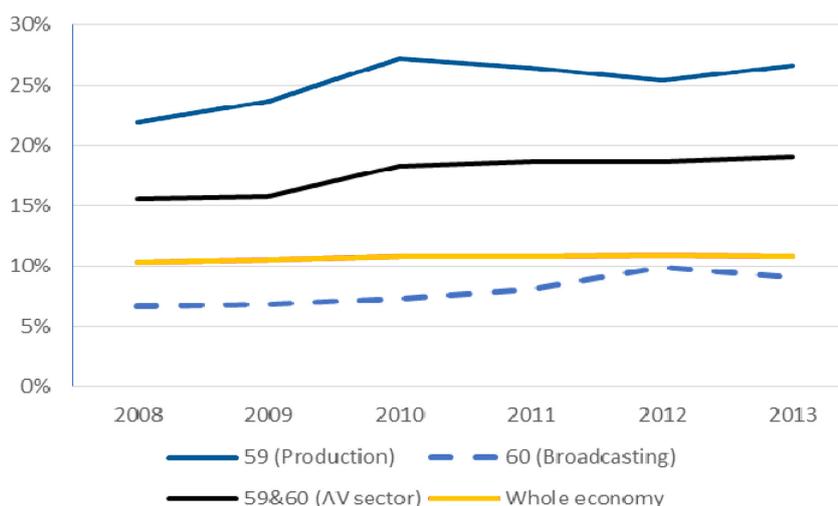
Source: ICF calculations based on Eurostat, EU LFS.

Note: the proportion of family workers is not displayed if equal to zero.

<sup>1</sup> EU LFS variable: STAPRO (Professional status).

Since 2008, the share of self-employed workers without employees in the AV sector increased from 16% to 19%, which is slightly higher than the European average in the overall economy which increased by one percentage point. This increase was mainly driven by the growth of the share of self-employed workers (without employees) in the production sector, which increased from 22% in 2008 to 27% in 2013 (Figure 5.2).

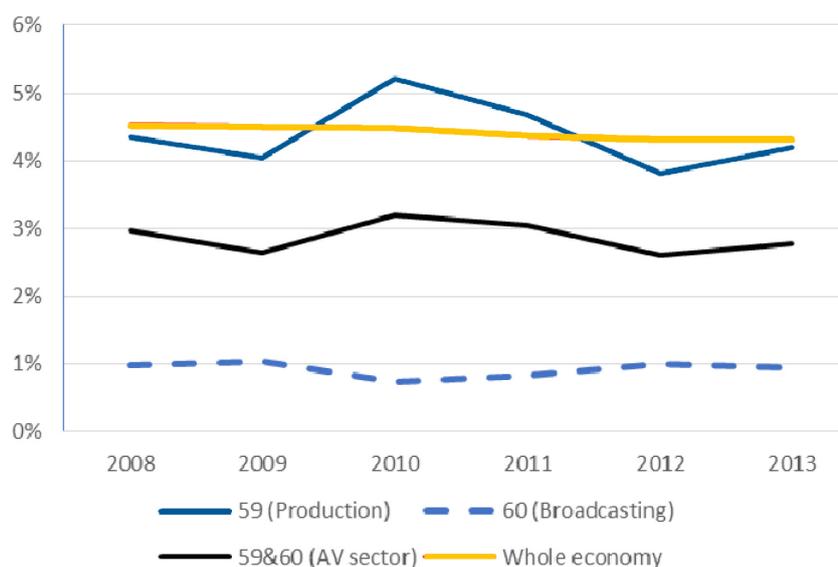
**Figure 5.2** Share of self-employed workers without employees in the AV sector (J59 and J60) and the whole economy in the EU-28 (2008 to 2013)



Source: ICF calculations based on Eurostat, EU LFS

As Figure 5.3 shows that overall, the proportion of self-employed workers with employees in the AV sector has remained either the same or consistently below the European average, due to the fact that self-employment with employees in the broadcasting sector is almost non-existent. This is not surprising since broadcasting is characterised by few large broadcasting companies.

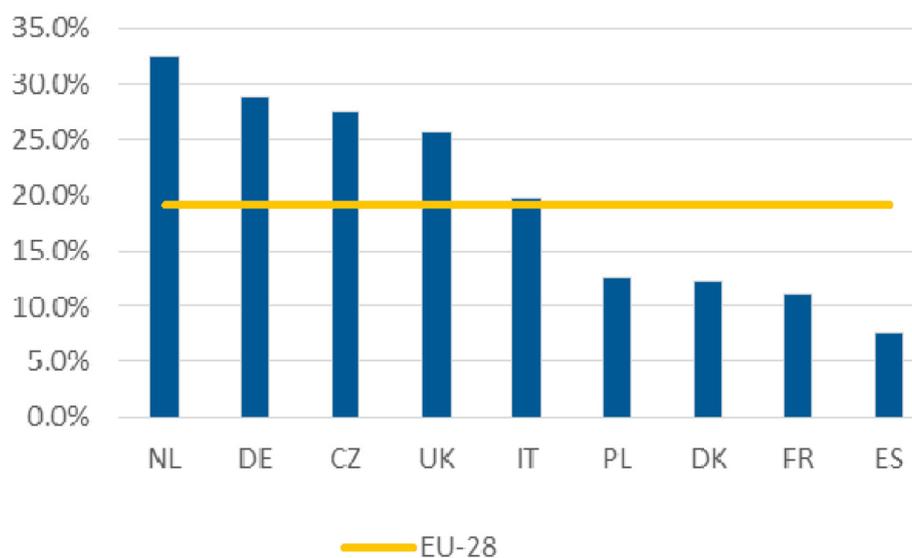
**Figure 5.3** Share of self-employment with employees in the AV sector (J59 and J60) and the whole economy in the EU-28 (2008 to 2013)



Source: ICF calculations based on Eurostat, EU LFS

Among the ten countries analysed in-depth in this study, the largest share of self-employment (without employees) in the AV sector in 2013 was found in the Czech Republic (27%), Germany (29%), the Netherlands (32%), and the United Kingdom (26%), with shares well above the EU-28 average (19%)<sup>2</sup> (Figure 5.4).

**Figure 5.4** Share of self-employed workers without employees out of the total workforce in the AV sector (J59 and J60) in selected Member States and in the EU-28 (2013)



Source: ICF calculations based on Eurostat, EU LFS.

## 5.1.2 Temporary employment

The EU LFS investigates the permanency of the job, i.e. whether the “person has a permanent job or work contract of unlimited duration”, or whether the “person has temporary job or work contract of limited duration”<sup>3</sup>.

In 2013, the share of temporary workers in the AV industry was 20%, well above the European average, against 14% in the whole economy. (Figure 5.5) These data are driven by the high proportion of temporary workers in the production subsector (26%) while the share of temporary employment in broadcasting is in line with the European average of the whole economy (14%). (Figure 5.5)

Over the years, the share of temporary workers has increased in the production subsector from 22% in 2008 to 26% in 2013, while the broadcasting subsector has experienced a decrease in temporary employment from above 18% in 2008 to 14% in 2013.

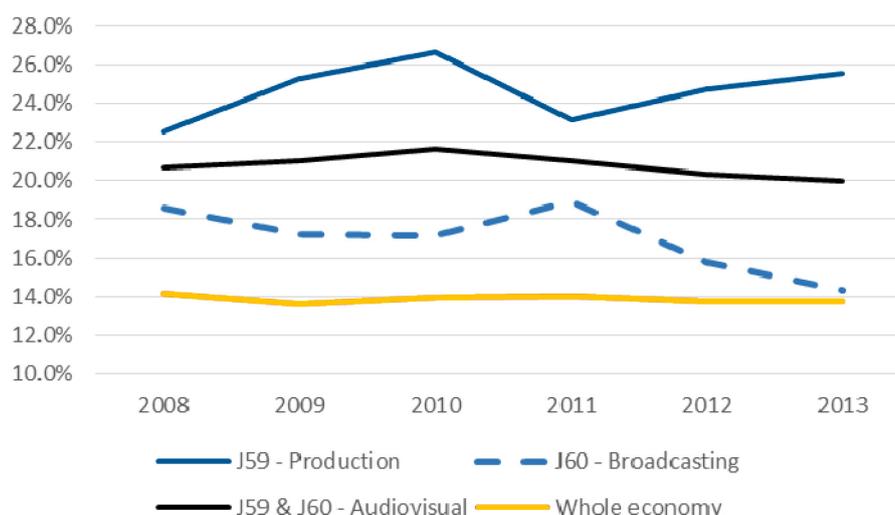
This general trend of temporary employment increasing mostly in the production sector has been at least partly confirmed for some countries (cf. country studies).

<sup>2</sup> The proportion of total self-employment (self-employed with and without employees) out of all workers could only be calculated in four of the countries considered in 2013: Denmark (16%), Germany (28.8%), Spain (9.9%) and the United Kingdom (28%).

<sup>3</sup> EU LFS variable: TEMP (Permanency of the job).

It would be interesting to investigate further the reasons behind this phenomenon, notably whether or not the reduction in temporary employment in the broadcasting sector is partially related to the economic crises, which has affected more of the workers with less stable contractual arrangements. Additionally, there could also be a link with the increase in films produced by small-sized companies. In relation to the growth in the production sector, further analysis would be needed to identify the characteristics of workers and their work arrangements. For example, it would be interesting to look at whether temporary employment in this sector affects mainly young people and women, as it does in other sectors.

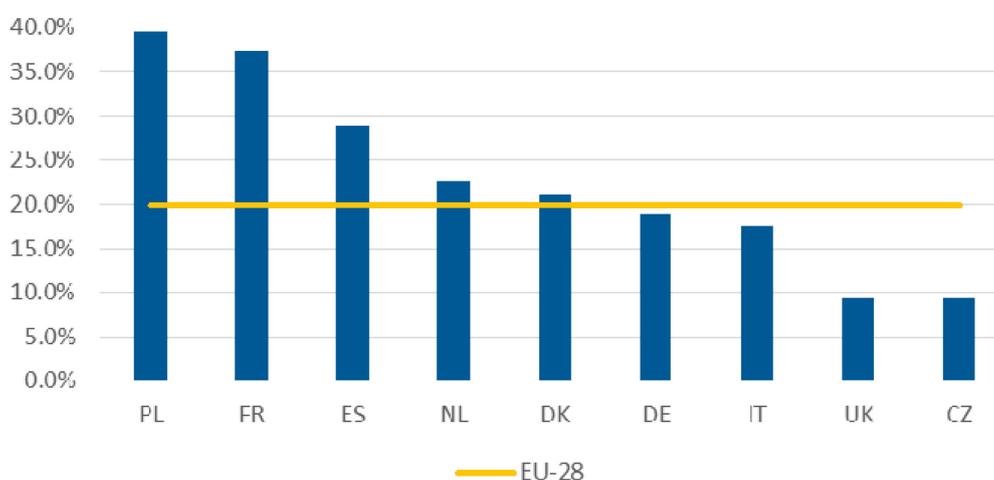
**Figure 5.5** Trends in the share of temporary workers in the AV sector (J59 and J60) and the whole economy (EU-28)



Source: ICF calculations based on Eurostat, EU LFS

In 2013, among the countries covered in-depth by this study, the highest shares of temporary workers in the AV sector were observed in France (37%), the Netherlands (23%), Poland (40%) and Spain (30%). While in both the Czech Republic and the United Kingdom the share of temporary workers was below 10%, i.e. well below the European average (Figure 5.6).

**Figure 5.6** Share of temporary workers in the AV sector in selected Member States and in the EU-28 (2013)



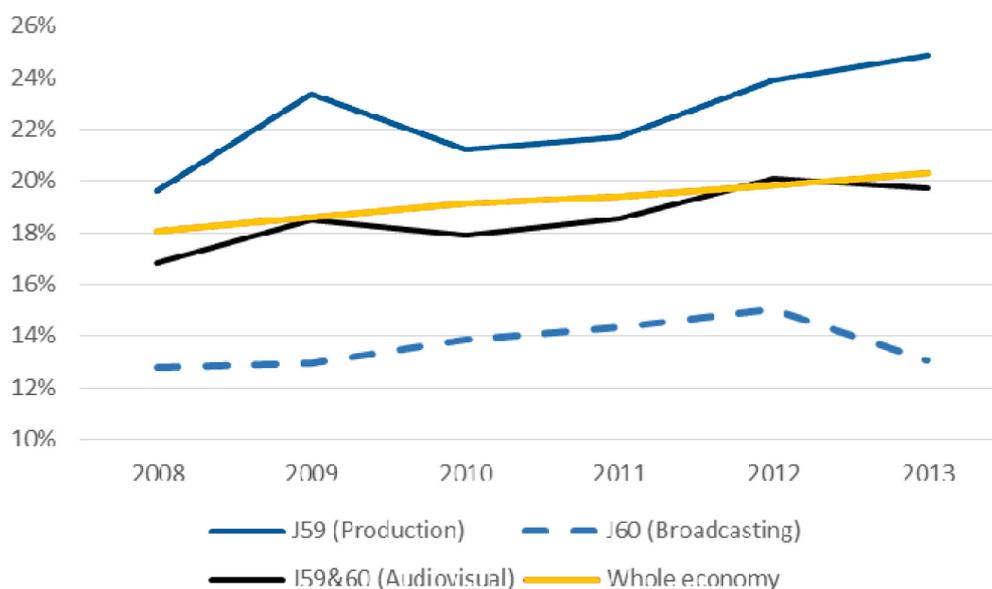
Source: ICF calculations based on Eurostat, EU LFS.

### 5.1.3 Part-time employment

Overall, the proportion of part-time employment<sup>4</sup> against total employment in the AV sector is very similar to the European average. Significant differences exist across AV subsectors: in 2013, part-time work accounted for 25% in the production sector, while it was much less widespread in broadcasting (13%). (Figure 5.7)

Looking at the trends from 2008, in the production subsector there has been an increase in part-time employment from just below 20% in 2008 to 25% in 2013, while it has remained stable in broadcasting.

**Figure 5.7** Share of part-time workers in the AV sector and the overall economy, EU-28

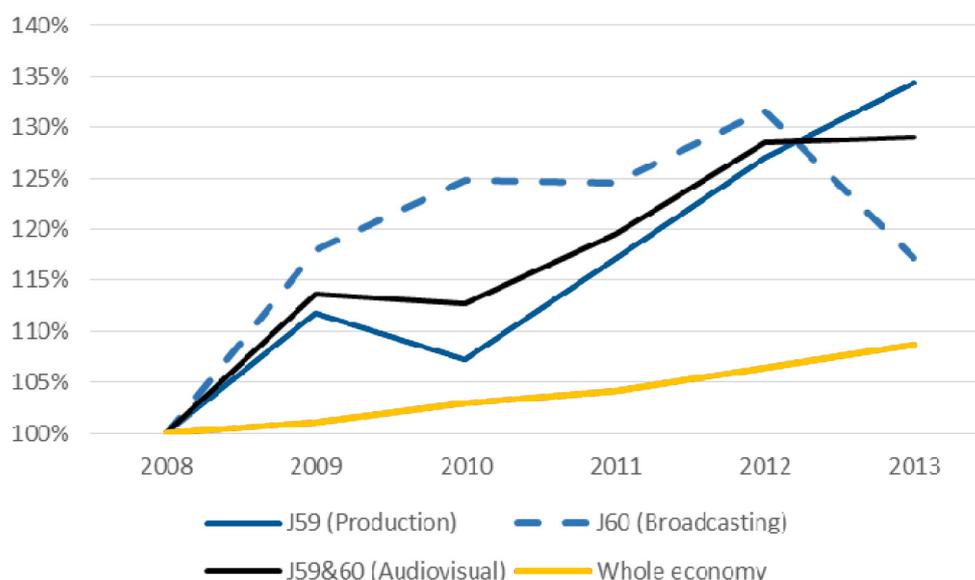


Source: ICF calculations based on Eurostat, EU LFS

When taking the levels of part-time workers in 2008 as the starting point, Figure 5.8 shows that in the AV sector there has been an increase of almost 30% in the number of part-time workers, while against a roughly 10% increase in the overall European economy. This increase in the AV sector has been driven mainly by the growth in the production subsector where the number of part-time workers has risen by 35% from 2008.

<sup>4</sup> EU LFS variable: FTPT (Full-time / Part-time distinction).

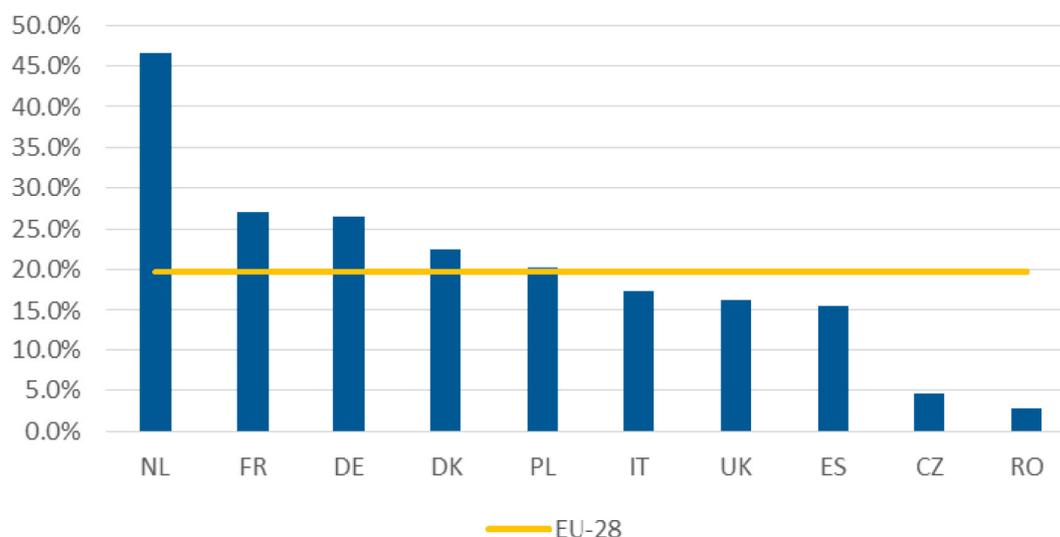
**Figure 5.8** Growth in the number of part-time workers since 2008 (2008=100), in the AV sector and the overall economy, EU-28



Source: ICF calculations based on Eurostat, EU LFS

In 2013 (Figure 5.9), part-time employment in the AV sector was well above the European average in the Netherlands with over 45%; this reflects the prevalence of part-time employment across the whole country. In contrast, part-time work is uncommon in the AV sector in the Czech Republic and in Romania, as it concerns only 4% and 3% of workers respectively. In the remaining eight countries analysed in this study, the proportion of part-time workers ranges from 15 to 25%.

**Figure 5.9** Share of part-time employment in the AV sector (J59 and J60) in selected Member States and in the EU-28 (2013)

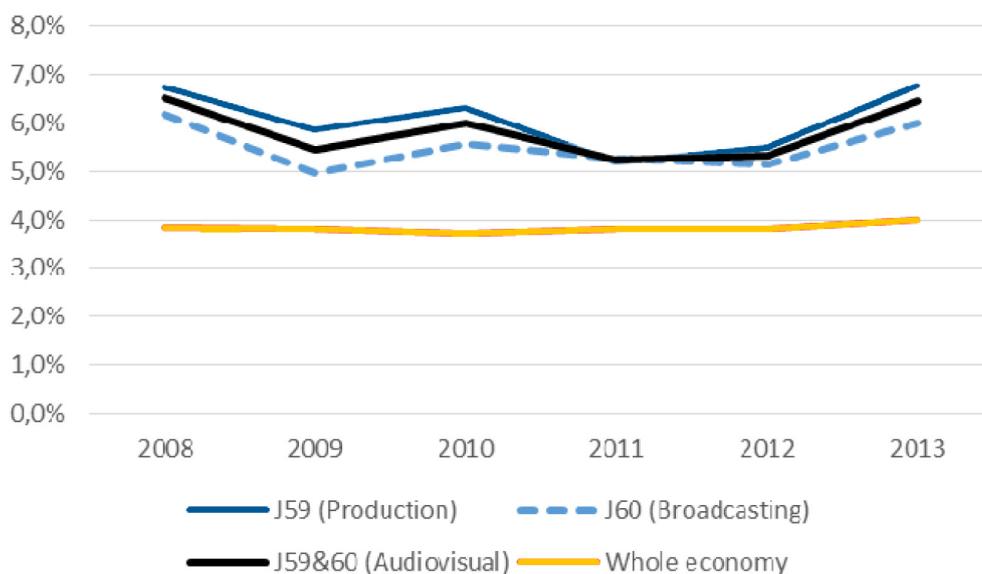


Source: ICF calculations based on Eurostat, EU LFS.

## 5.1.4 Workers with more than one job

In 2013, around 6% of workers in the AV sector reported that they had more than one job, compared to 4% across the overall economy<sup>5</sup>. This proportion is slightly higher for those working in production (6.8%) than those in broadcasting (6.0%). In both sectors, the shares of workers with more than one job have experienced minor fluctuations since 2008, following a very similar pattern (*Figure 5.10*).

**Figure 5.10** Share of workers with more than one job in the AV sector (J59 and J60) and the overall economy, EU-28



Source: ICF calculations based on Eurostat, EU LFS

## 5.2 National data on contractual arrangements and conditions

### 5.2.1 Specificities of the AV labour market across selected countries

Due to the complexities of the national labour markets and the lack of available data, it is difficult to provide a clear-cut picture of current employment and work arrangements in the AV sector across countries. For the purposes of this study, and to gain a better understanding of the subsequent sections, this section provides a short introduction to the differences that have been identified across countries in contractual arrangements and forms of employment.

As already specified in the previous section in relation to European data, it is important to bear in mind that statistics at European and national levels are based on national legal frameworks and labour markets regulations. Across the EU, each Member State represents a wide range of economic contexts, legal structures and labour markets.

The main impact of this is that information collected and contained in national statistics is inconsistent, meaning it is not comparable across countries and often difficult to interpret.

<sup>5</sup> LFS variable: EXIST2J

Additionally, the complexity of national legal frameworks coupled with the characteristics of the sector (e.g. the wide spread use of project-based work and non-standard forms of work arrangements) means that in many cases it is also difficult to collect data in the AV sector. One clear example is the definition of self-employment and the boundaries of self-employment. The definition of self-employment differs across Member States and in some cases there is no clear legal definition. In recent years, there has been an increase across the different sectors of the economy in the use of a hybrid form of so-called '*dependent self-employment*'. However, while in some countries (e.g. Austria, Germany, Italy) this has been legally recognised as providing certain labour rights, this is not the case in many other EU countries. '*Freelance working*' is another example. The expression 'freelance worker' or 'freelance working' does not relate to any legal status, but rather refers to a way of working which can be governed by different contractual arrangements. No consistent definition exists across countries: in many countries freelance working overlaps with dependent self-employment, whereas in other countries it actually means self-employment<sup>6</sup>. Therefore, in official statistics, freelance workers can fall either into the category of self-employed workers or into other forms of work arrangements, depending on the applicable legal definition, or on the perception of the worker or on the methods of data collection.

A table at the end of this section provides a rough overview of the main types of employment and work arrangements in the ten selected EU Member States.

## 5.2.2 Standard employment contracts (full-time or part-time, permanent contracts)

Standard employment contracts in the AV sector are widespread across the countries studied and do not vary significantly according to variables such as gender, level of education or age of workers. However, in many countries detailed data on different variables (i.e. gender, age, level of education) is relatively limited or non-existent.

Standard employment contracts in the **Czech** AV sector are most prevalent in the public broadcasting sector. Between 2008 and 2014, Czech TV and Czech Radio together employed a stable number of 4,400 core employees, around 90% of whom were on standard employment contracts. A much smaller number of standard employment contracts exist in the private sector, which relies more frequently on self-employed workers.

Full-time standard permanent contracts in **Denmark** are prevalent mainly with the broadcasters DR and TV2 and regulated by collective agreements. The share of permanent employment is significantly higher in TV2 than DR. In 2014, 70% of DR employees had regular open-ended contracts against 92% of TV2 employees in 2012. The latter data set only refers to professionals with full membership of the Danish Union of Journalists. The share of employees working full-time in the production sector is significantly lower. While there is no data available on the scale of standard permanent employment, stakeholders indicated

<sup>6</sup> European Parliament (2013), Social protection rights of economically dependent self-employed workers. <http://www.europarl.europa.eu/committees/en/supporting-analyses-search.html>

that employees with this type of contract only represent a small share of total employment of independent producers (estimates range between 5% and 10%). Standard work contracts are likely to be more prevalent among the age category 35-50.

In **France**, standard work contracts prevail among the largest employers (TV and radio broadcasters). The total number of staff employed under open-ended contracts in the AV sector has increased since 2008. In 2013, approximately 38,500 permanent staff (open-ended contracts) were employed by different industries in the AV sector<sup>7</sup>. In the majority of cases, standard work contracts are most prevalent among support functions such as Human Resources and administrative jobs, and tend to occur more often in the broadcasting than in the production sector.

In **Germany**, around 68,000 individuals were employed under open-ended contracts in the AV sector in 2013, compared to 71,000 in 2008. A decline in the number of permanent employment contracts has been observed in favour of more flexible contractual arrangements (e.g. fixed-term, temporary agency contracts and self-employment). Furthermore, it was noted by stakeholders that jobs vacated by those retiring or leaving their positions are no longer filled, due to rising production costs. Public broadcasters like the SWR/SDR underwent significant staff reductions, cutting 2,000 jobs respectively.

In Italy, the following professional categories work under open-ended contracts: managers, administrative personnel, journalists and technicians. The public broadcaster RAI employs some 10,000 people under open-ended contracts.

In the **Netherlands**, 73% of workers in the AV sector were working under a permanent contract in 2013<sup>8</sup>. Whereas standard work contracts are more widespread across public broadcasters, they are less widespread in private companies (e.g. production companies). Likewise, it was noted that this type of employment arrangement also largely depends on the age group, with older employees more often working under standard contracts than their younger counterparts.

In **Poland**, standard employment contracts are mostly found in the public broadcasting, production and post-production sectors.

In Spain, full-time and open-ended contracts are still the most frequently used employment arrangements in the sector. However, according to social partners, since the economic crisis, workers with permanent contracts have been affected by salary cuts and new hires are less often offered standard employment contracts. Employers such as RTVE, Canal+ or Cadena SER have implemented salary reductions of 5% on average. In addition, recent labour market reforms have decreased the level of job security regarding newly negotiated permanent contracts.

Standard employment arrangements prevail among the major employers of the audiovisual sector in the **United Kingdom**. While the proportion of employees in the United Kingdom AV industry has diminished over the years, there are no precise estimates as to their exact number. In the BBC, 80% of employees are on permanent contracts.

<sup>7</sup> Audiens.

<sup>8</sup> This figure includes part-time and fixed-term contractual arrangements.

Standard work contracts are relatively widespread in **Romania** in public service broadcasting. Reliable data on the use of part-time contracts across the selected countries is not readily available.

While stakeholders in the **Czech Republic, Denmark, the Netherlands<sup>9</sup>, Poland** and the **United Kingdom** consider part-time employment to be very rare in the AV sector, there is not always data available to confirm this. However, in the United Kingdom, the public broadcaster BBC is increasingly employing individuals on 'casual contracts' or 'flexi-contracts', which are considered as extremely short part-time contracts. Individuals employed under these type of contracts enjoy the same benefits entitlements as under standard employment contracts for full-time or fixed-term staff.

A similar picture emerges for **France<sup>10</sup>, Italy** and **Spain**. In **Germany**, in 2013, 37,000 workers worked part-time, representing about 30% of the workforce. According to national stakeholders, part-time working, particularly among women, has increased and amounted up 40% for employed women in 2013.

### 5.2.3 Fixed-term contracts

In general, data from national sources are inconsistent or non-existent or unreliable. It is therefore difficult to compare the level of temporary employment, its nature and the corresponding contractual conditions across countries.

Based on estimates provided by stakeholders in the **Czech** AV sector, employees on fixed-term contracts are subject to the same employment conditions as those working on standard contracts. Such contracts are limited to a maximum of three years. Although not widespread across the sector, public broadcasting companies reported that fixed-term contracts are used as a form of probation period (Czech Radio), in longer-term projects (Czech TV) or as a substitution for workers on sick leave (long-term illnesses) or maternity leave (both Czech Radio and Czech TV).

Fixed-term contracts in **Denmark** are regulated by collective agreements, with terms and conditions for the most part being the same as those in standard work contracts. Some rights are limited by the length of employment, including rights of extra-legal paid holidays/leave, paid training and paid maternity leave. As fixed-term contracts are included in the collective agreements covering standard work contracts, separate collective agreements on fixed-term contracts do not exist. One exception is a collective agreement concluded between the Television Works Union and the Danish Producers Association on TV series fiction production. Data providing an overview on the total number of fixed-term contracts is not available. However, together with freelance contracts (contracts of less than a month), fixed-term contracts seem to be most prevalent among the independent production sector, representing 90% to 95% of all work arrangements in this sector.

<sup>9</sup> Dutch labour statistics treat part-time workers on equal basis as standard and fixed-term workers.

<sup>10</sup> According to national statistics, 20.9% of audiovisual and multimedia employees worked part-time in the period between 2008 and 2010. INSEE (2013), *Enquete emploi in Cereq, Portraits Statistiques de Branche, YB- Audiovisuel et multimedia*.

In the **Netherlands**, changes to the Dutch labour law prescribe that fixed-term contracts cannot be renewed more than three times within a period of two years. After these two years either a standard contract has to be offered, or the employee cannot be rehired by the same company before a period of at least six months has passed (taking into account certain exceptions stipulated in collective agreements). An exact number of fixed-term contracts within the sector is not known since fixed-term contracts are treated equally in labour market statistics. A newly negotiated collective agreement (from 2015) commits broadcasters and the NPO<sup>11</sup> to a maximum share of 25% of fixed term contracts for the amount of guaranteed funds.

In **Germany**, in the AV sector the use of temporary contracts, both fixed-term and temporary agency contracts, has increased. According to the National Statistical Office, women represented 51% of temporary workers in the AV sector in 2013.

In **France**, two types of fixed-term contracts exist: the so-called *usual* fixed-term contract CDDU (*contrats à durée déterminée d'usage*) and *standard* fixed-term contract CDD (*contrats à durée déterminée*). The former type of fixed-term contract has been in widespread use in the AV sector. CDDU can be used without a specific reason, but are limited to certain sectors, including the AV sector<sup>12</sup>. The use of CDD is limited to specific cases such as the temporary replacement of an employee. AV professionals working under CDDU are called *intermittents du spectacle*. *Intermittent* workers are covered by unemployment insurance, provided they meet certain conditions (e.g. the minimum amount of working hours). They are also entitled to a specific holiday pay fund, have access to lifelong training schemes and are covered by specific occupational health services. The CDDU is the dominant form of employment in the production and public radio sector. According to Audiens, 188,000 workers worked at least once under a CDDU in the AV sector in 2013 (against 15,600 workers employed on CDD during the same year). According to the unions, the recurrent use of CDDUs in the AV sector to workers fully eligible to long-term contractual arrangement has led to an abusive use of this instrument.

In **Italy**, no reliable data are available on the use of fixed-term contracts in the AV sector. The Italian public broadcaster RAI uses temporary contracts to support temporary employment peaks.

In **Poland**, there are no major differences between permanent and fixed term contracts except for the termination procedure. The Labour Code only allows for two successive fixed-term contracts with the same employer.

In **Spain**, during the period 2008-2015, the Spanish government introduced labour market reforms to promote flexibility in the labour market and to facilitate the use of fixed-term contracts across all economic sectors. Available data shows that the AV sector has a slightly higher occurrence of fixed-term contracts (26%), in particular among young AV professionals.

<sup>11</sup> The NPO represents the national broadcasting organisations.

<sup>12</sup> Various collective agreements stipulate the professions for which CDDU contracts may be used.

Given the harsh economic climate, fixed-term contracts have increasingly been used, providing for less favourable working conditions, including lower salaries and longer working hours. In the United Kingdom, fixed-term contracts in the AV sector are the most common work arrangement, given that the nature of work is project or production-based. Successive fixed-term contracts are relatively common.

## 5.2.4 Freelance work

Due to a lack of data and/or information, a comprehensive overview of the prevalence of freelance work in the countries studied for this report cannot be provided. However, for the purpose of this study it is also important to provide an outline of the different definitions of 'freelance work' used in different countries, where available. Unfortunately, unless specifically mentioned below, clear definitions of the concept of 'freelance work' are often missing. The expression 'freelance worker' or 'freelance working' does not relate to any legal status, but rather to a way of working which can relate to different contractual arrangements.

In **Denmark**, 'employee' freelancers (non-independents) are covered by a set of collective agreements. While existing collective agreements do provide for adequate wages, they do not provide for any paid sick leave, maternity leave or statutory pension insurance for these workers.

Freelance working has become more widespread across the **Dutch** AV sector. A recent Oxford Economics report estimates that as many as one in three people working in the film and AV industry<sup>13</sup> were working as freelancers in 2013.

In **Germany**, the increase in freelance workers is considered to be the result of budgetary pressures due to reduced advertising revenues (for commercial broadcasters). Moreover, it was noted that, in order to increase content diversity, public broadcasters such as ARD and ZDF are increasingly employing freelance workers. According to the Collective Agreement Act (*Tarifvertragsgesetz*), collective agreements can only be negotiated for freelancers (*freie Mitarbeiter*) who belong to the group of quasi-subordinate workers (*arbeitnehmerähnliche Personen*). The company-level agreements that have been negotiated between the public broadcasting sector and the trade unions provide agreed rates of pay and benefits entitlement, including holiday pay, paid sick leave, and parental leave.

Freelance working is increasingly common in the **Spanish** AV sector. According to national trade unions, freelancers generally profit from less advantageous working conditions than permanent staff, including lower wages and irregular working hours.

In the **United Kingdom**, the term 'freelance' is not legally defined. Freelancers are independent workers who enjoy certain statutory employment rights (excluding statutory sick or redundancy pay). Freelance employment is common and widespread in the United Kingdom AV industry. Freelancers are contracted on a project basis and may work for the same employer on a long-term basis (on different projects). The 2012 Creative Skillset census estimates that

<sup>13</sup> The definition of the audiovisual sector used in this report excluded parts of the NACE categories J59 and 60.

the sectors employing the largest proportion of freelances are the TV sector (39%), facilities (30%) and animation (30%).

## 5.2.5 Self-employment

Some information on self-employment was gathered from national sources, although it is important to take into account that countries may use different legal definitions of self-employment. National data supports EU LFS findings. Whereas self-employment is widespread in the AV sector Czech Republic, Denmark, Germany, the Netherlands, Poland, Romania and the United Kingdom, it is almost non-existent in France. Similar to freelance work, unless specifically mentioned below, clear legal definitions of the concept of self-employment are often missing.

The number of self-employed workers in the AV sector in the Czech Republic rose from 2,475 in 2008 to 2,807 in 2012 according to the CNSO data. This may be a direct result of private sector businesses reducing the number of regularly employed workers and increasing the use of self-employed workers. Self-employment is the dominant form of employment in the private AV sector. No provisions exist for paid sick leave or paid holidays. Contracting self-employed workers for activities that fulfil the definition of dependent work is strictly forbidden by law; however, the practice seems to be relatively common among employers in the private sector.

In Denmark, a precise overview of the total number of self-employed workers in the AV sector does not exist. However, stakeholders indicated that a relatively low number of workers operate as self-employed. Self-employed workers are not covered by collective agreements and are able to claim sickness benefits only if they join voluntary insurance schemes.

Self-employment is not widespread in the AV sector in **France**. The main reason for this is that the existing institutional and legal framework in France has favoured the development of salaried employment in the AV sector via the use of CDDU (open-ended fixed term contracts). Recent survey data from the French Ministry of Culture covering the period between 2008 and 2011<sup>14</sup> suggest however a modest increase in the number of self-employed workers in the AV sector, with 5,100 'traditional' self-employed workers and 3,100 so-called auto-entrepreneurs (solo-entrepreneurs) in 2011.

In **Germany**, the number of self-employed workers has risen in the last couple of years. Self-employment is not defined in German labour law but exists according to tax law. Whereas it was formerly excluded from collective social security systems, recent years have seen a change concerning the social protection of self-employed workers. Self-employed workers are required to join a health insurance scheme (private or statutory) as of 1 January 2009. Since 2006, self-employed workers may, under certain conditions, contribute to the public

<sup>14</sup> Source: INSEE, Acof, base non salariés / DEPS, Ministère de la Culture et de la Communication, 2015, in preparatory report for the Conference on employment 'Diagnostic de l'emploi dans le spectacle vivant et enregistré' (15-16 October 2015).

unemployment insurance scheme<sup>15</sup>. In addition, social insurance for self-employed artists is provided for by the so-called *Künstlersozialkasse* (artists' social insurance) which was introduced in 1983. The artists' social insurance provides for social security and regulates health, pension and disability insurance<sup>16</sup>. Overall the trend towards sub-contracting work to self-employed professionals (similarly to an increase of short-term employment contracts compared to permanent employment contracts) has grown due to increased budget constraints.

In **Italy**, self-employment is widespread amongst performers in the AV sector. The recent trend towards outsourcing business as a result of budget constraints has led to an increase in self-employment, particularly in the TV sector. In Italy there is also a widespread use of co-operatives, which often work with self-employed workers in the delivery of outsourced services. In general, the self-employment category comprises intellectual, artisanal and entrepreneurial professions as well as free professionals (*liberi professionisti*) such as freelance workers (VAT-registered workers).

In the **Netherlands**, self-employment is becoming more widespread across the AV sector. Exact statistics on the precise number of self-employed workers however do not exist. The contractual conditions differ significantly from those stipulated in standard work arrangements, in particular with regard to benefits entitlement. In the AV sector in Poland, self-employment is often used as an alternative to standard employment arrangements.

Self-employment is also an increasing phenomenon in the AV sector in **Spain**. Despite a lack of data, the rise in self-employment in the sector has been noticeable and is the result of labour market reforms that were introduced in response to the economic crisis. With the 2007 reform of the Statute of Workers Rights, the status of the '*economically dependent*' self-employed worker was created. As a means of reducing costs, internal structures were reformed and business was increasingly outsourced. Economically dependent self-employed workers are entitled to 18 days of non-paid holidays per year. According to trade union representatives, self-employed workers in the AV sector generally benefit from fewer advantageous contractual conditions than employees. In general, earnings are lower and working hours are not clearly defined.

## 5.2.6 Other forms of atypical work arrangements

The use of other forms of atypical contracts varies across the selected countries. Given the data inconsistencies and/or lack of data, a detailed overview cannot be provided. However, it can be stressed that the use of atypical contracts is particularly high in Italy and Poland.

<sup>15</sup> The following conditions have to be met: 1. Self-employed workers must work at least 15 hours per week in their own business; 2. Self-employed workers must have contributed to the unemployment insurance scheme for at least 12 months within the past two years (or must have received unemployment benefits within the same period).

<sup>16</sup> [Eurofund](#)

Agreements to 'Perform Work or Work Activity' are commonly used in the context of temporary work arrangements in the Czech AV sector. These agreements are used within the context of one-off actor/presenter performances, short-term tasks for technicians or delivery of training activities. These agreements are covered by the same legal provisions as standard employment contracts, with the difference that they allow more flexible work time arrangements yet do not provide for paid holidays or employee compensation in case of contract termination.

In **France**, another form of atypical contracts used in particular in the journalism sector is the so-called 'pige'. Journalists working as *pigistes* are remunerated per task (typically by number of days) and can thus work simultaneously for different employers. Their employment contract is open-ended unless specified otherwise. *Pigistes* are covered by the national collective agreement for journalists and they are entitled to annual leave and benefits such as unemployment insurance, lifelong training, etc.

In **Germany**, the public and private broadcasters stressed that the use of temporary agency workers increased as a result of German labour market reforms (*Hartz IV*), which opened the way to more flexible employment contracts. The Federal Ministry of Labour and Social Affairs presented a draft bill in 2015 aimed at reforming terms and conditions of temporary work arrangements. So-called *crowdworking* has also seen a slight increase in the German AV sector<sup>17</sup>.

The **Italian** labour market uses a wide range of atypical contractual arrangements. A 2014 study published by Inca-CGIL<sup>18</sup> highlighted 26 different typologies of subordinate work divided into the sub-categories 'fixed-term' and 'part-time' contracts<sup>19</sup>. A 2013 study by the European Parliament stressed that some countries, including Italy, have introduced hybrid legal categories that fall midway between dependent employment and self-employment<sup>20</sup>. So-called *para-subordinate employment relationships* belong to this category, within which quasi-dependent freelance work has become the most widespread work arrangement in recent years in the Italian labour market. All these categories of employment relations were also reported by interviewees as being used in the AV sector, although there are no official statistics or studies that assess the extent of this phenomenon.

<sup>17</sup> The process of distributing work by breaking it down into smaller tasks to crowdworkers via digital platforms.

<sup>18</sup> Inca Cgil, (2014), The 'place' of atypical work in the European social security coordination: a transnational comparative analysis, Final report.

[http://www.osservatorioinca.org/section/image/attach/Accessor\\_EN.pdf](http://www.osservatorioinca.org/section/image/attach/Accessor_EN.pdf)

<sup>19</sup> Within these two categories the following atypical contractual arrangements can be found: "dependent fixed-term work; fixed-term work; fixed-task work; seasonal; special contract terms in agriculture; indeterminate, part-time horizontal; indeterminate part-time mixed; indeterminate part-time vertical; fixed-term part-time horizontal; fixed-term, part-time mixed; fixed-term, part-time vertical; training contracts; retraining contracts; work and training contracts; apprenticeships: 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> type; fixed-term management contracts; indeterminate length management contract; on call work; zero hours contracts without the obligation to take up work; job sharing; private household work; and homeworking".

<sup>20</sup> European Parliament (2013), Social protection rights of economically dependent self-employed workers. [http://www.europarl.europa.eu/RegData/etudes/etudes/join/2013/507449/IPOL-EMPL\\_ET%282013%29507449\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/etudes/join/2013/507449/IPOL-EMPL_ET%282013%29507449_EN.pdf)

In the **Netherlands**, examples of atypical contracts used in the sector are temporary work and payroll contracts. Working conditions of temporary workers are regulated under collective agreements for temporary agency workers. The terms and conditions of employment of payrollers are somewhat comparable to those of freelance workers.

In **Poland**, the use of atypical employment contracts is widespread, including in the AV sector. They take the form of civil law contracts such as *specific-task contracts* and *commission contracts*. As both types of contract are regulated by civil law, the labour code does not apply, resulting in a very limited amount of social security benefits. Under the specific-task contracts, which are common among creative workers, there are no entitlements to sick, annual or paid leave and employees are not subject to social insurance contributions. It was noted by interviewees that higher-earning professionals increasingly shift from civil contracts to self-employment following a tax rate increase that took effect in 2013<sup>21</sup>. While commission contracts are aimed at facilitating the labour market entry of young people, they have increasingly been used in situations where de facto work relations would justify a regular employment contract.

In the AV sector in the **United Kingdom**, other forms of work arrangements are considered as being atypical. So-called *zero-hours contracts* usually do not concern the AV sector directly<sup>22</sup>.

## 5.2.7 Traineeships, internships and apprenticeships

The provision of apprenticeship, traineeship and internship services in the AV sector differs significantly among the selected countries for this study, yet is often in line with the wider use of such arrangements in the national labour market. The lack of reliable data makes it difficult to provide a comprehensive picture detailing the prevalence of such training schemes.

Stakeholders in the **Czech Republic, France, Italy, Poland** and **Romania** considered apprenticeships, internships and traineeships to be uncommon in their respective countries. In contrast, these schemes seem to be more widespread in Denmark, Germany, the Netherlands and the United Kingdom.

Employment and work arrangements in apprenticeship schemes in **Denmark** are regulated by collective agreement. Similar regulatory frameworks for volunteering and internship schemes are only in place in certain subsectors, such as programmes for volunteer workers in the independent production sector. Volunteers and interns are not entitled to wages.

In **France**, apprenticeships and traineeships are subject to strict regulations. They are not particularly widespread in the AV sector. Trainees have to be remunerated and undergo formal training. In addition, social partner organisations support the development of *alternance* training, which includes so-called professionalisation schemes.

<sup>21</sup> This applies to individuals who earn above EUR 21,000 annually.

<sup>22</sup> Under zero-hours contracts employers have no obligation to offer work and workers have no obligation to accept it.

The '*professionalisation contract*' was created in 2004 for people under the age of 26. Unlike apprenticeship contracts, professionalisation contracts must not exceed 6 to 12 months. Concerns have been raised by trade unions in relation to the possible abuse of interns in the film industry.

The AV sector in **Germany** is characterised by a wide variety of apprenticeship, traineeship and internship programmes. The public and private sectors offer diverse apprenticeships, traineeships (such as so-called *Volontariate*) and internships with different thematic foci, e.g. in the areas of design, development, programming and production. A similar phenomenon is occurring in the **Netherlands**, where interns are replacing salaried employees. This applies in particular to the commercial sector. A number of broadcasting organisations are currently developing traineeship schemes using government funds available to them.

Following the onset of the economic crisis, Spain saw a general increase in the use of traineeship and internship schemes as a way to reduce staff costs. This is also the case in the AV sector.

In the **United Kingdom**, large broadcasters tend to provide their own training schemes. In addition, social partner organisations (management and labour) provide training schemes to facilitate the entry of young people into the AV labour market.

**Table 5.1 Overview of main forms of employment and work arrangements in the AV sector**

Country	Standard (open-ended, full-time) employment contracts	Part-time (open-ended) employment contracts	Fixed-term employment contracts	Self-employment and atypical work arrangements	Apprenticeships, traineeships and internships
<b>Czech Republic</b>	Widespread	Almost non-existent	Uncommon	Widespread	Uncommon
<b>Denmark</b>	Dominant form	N/A	Relatively widespread	Self-employment: uncommon Freelance work: widespread (in particular among employees working for independent producers)	Mandatory for journalists (forms part of journalistic education)
<b>France</b>	Dominant (mostly in TV/radio broadcasting)	Uncommon (limited data available)	Intermittent workers: (all sectors, but mostly production and radio)	Almost non-existent	Uncommon (limited data available)
<b>Germany</b>	Dominant form	Relatively widespread	Widespread	Widespread	Widespread
<b>Italy</b>	Dominant form	No information available	No information available	No information available	Almost non-existent (information gathered from qualitative interviews)
<b>Poland</b>	Relatively widespread	No reliable information	Relatively widespread	Relatively widespread	No reliable information
<b>Netherlands</b>	Relatively widespread	No reliable information available (moreover treated as equal to standard contract in statistics)	Relatively widespread (although the approximate proportion relative to standard employment contracts is not known; in labour statistics different contract are treated equally)	Widespread	Relatively widespread
<b>Romania</b>	Relatively widespread	No reliable information available	Relatively widespread	Relatively widespread (independent workers can work as Authorized Physical Persons, i.e. freelancers, or based on cession contract of copyrights or contracts for provisions of services)	Uncommon
<b>Spain</b>	Dominant	N/A	Widespread	Relatively widespread	Depending on the sector
<b>United Kingdom</b>	Relatively widespread	Uncommon	Dominant form	Dominant form	Relatively widespread

Source: ICF based on national country reports

## 6 ACCESS TO LIFELONG TRAINING IN THE AV SECTOR AND NEW SKILLS REQUIREMENTS

Given the changes that technology is bringing to the AV sector, the continuous professional training of workers is a central element in enhancing, maintaining and improving the competitiveness of the AV industry.

### Key findings

Eurostat data show that, on average, 15% of workers in the AV sector had access to lifelong learning. This does not differ significantly between sub-sectors or indeed from the rates found in the wider economy.

Differences exist as to the extent to which workers with regular and irregular contracts and self-employed workers have access to such training. In many countries such training is limited to workers with regular employment contracts (as well as part-time employees), but some countries like Denmark, for instance, explicitly seek to ensure broader access to training opportunities.. In most of the ten countries selected for this study, self-employed workers and those on fixed-term contracts generally have to fund their own training, which can put them at disadvantage.

The digital shift has heavily impacted on the AV sector, where the emergence of new job profiles has brought about new skills requirements. New job profiles relate to high-end technical skills in a number of areas including, among others, creative technology, information technology but also business development, management and marketing. Therefore, the AV sector is currently experiencing a skills gap which needs to be addressed.

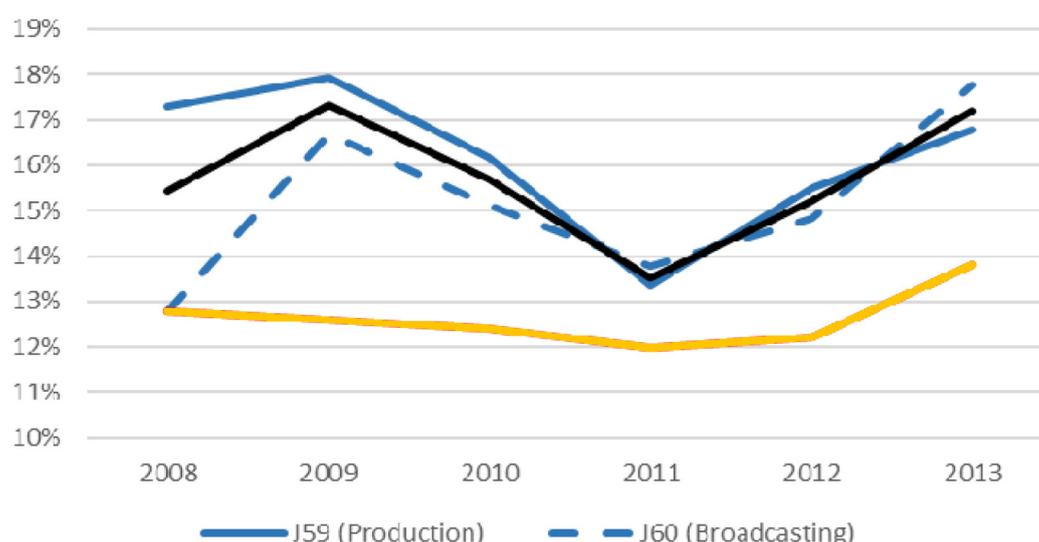
There is a need for better alignment of training schemes content with emerging skills needs, and also for updating the training models and improving the offer of access to training.

## 6.1 Access to lifelong training in the AV sector: evidence from the EU LFS

The EU LFS measures the level of participation in lifelong training by asking all respondents if they have received some education and training in the four weeks prior to the survey<sup>1</sup>. In the whole AV sector, this was the case for an average of 17% of workers across the EU 28 in 2013. This compares to 15% in 2008. As illustrated in Figure 6.1, the levels of participation in lifelong training in 2013 are comparable across motion picture, video and television programmes activities and the broadcasting sector.

In both cases, participation had slightly decreased between 2009 and 2011, probably due to the economic crises.

**Figure 6.1** Share of workers who have received some education and training in the last 4 weeks in the AV sector (J59 and J60) and the whole economy (EU-28)

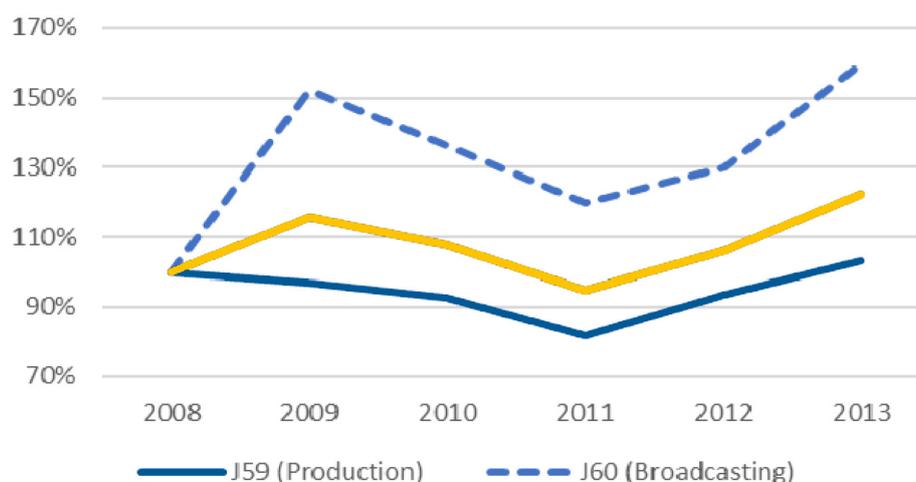


Source: ICF calculations based on Eurostat, EU LFS

Since 2008 (Figure 6.2), the total number of workers in the broadcasting sector participating in continuous education and training across Europe has increased, despite a drop in participation between 2009 and 2011. With regard to motion picture, video and television programmes activities, the number of workers receiving education and training also decreased between 2009 and 2011, but 2013 levels in participation are similar to 2008 levels.

<sup>1</sup> EU LFS variable: educ4wn (Education or training received during previous four weeks: Received no education or training, Received some education or training, or Not applicable (child less than 15 years). The exact wording, as for every variable, can vary slightly from country to country.

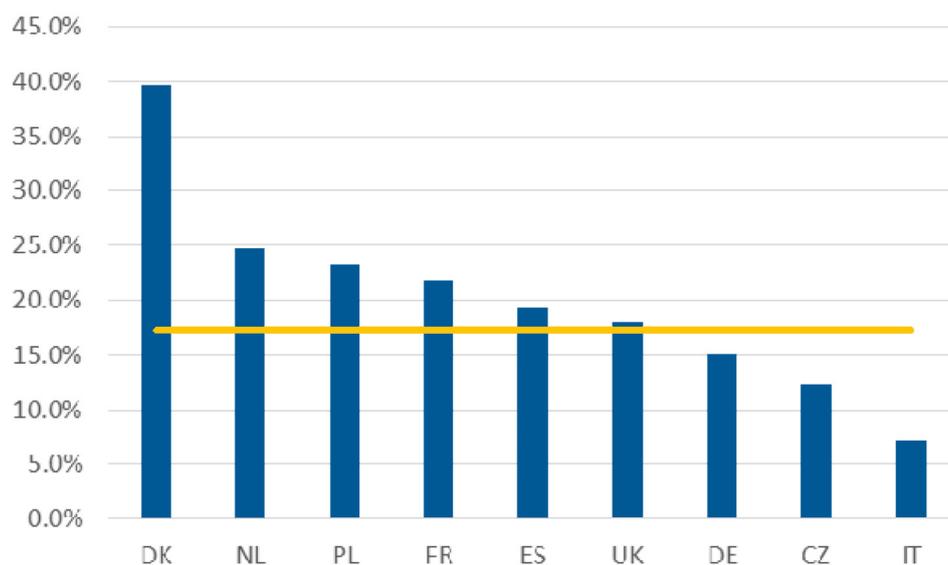
**Figure 6.2** Growth of the number of workers who have received some education and training in the last 4 weeks since 2008 (2008=100) in the AV sector , EU-28



Source: ICF calculations based on Eurostat, EU LFS

When considering the Member States covered in detail by this study and for which data is available, the proportion of AV sector workers taking part in education and training ranged between less than 10% in Italy to close to 40% in Denmark (Figure 6.3). In 2013, the share of participation reported by workers was above the EU-28 average for the sector (17%), except in the Czech Republic, Germany and Italy.

**Figure 6.3** Percentage of workers in the AV sector (J59 and J60) who participated in education and training in the four weeks prior to the survey in selected Member States and in the EU-28, 2013



Source: ICF calculations based on Eurostat, EU LFS.

Note: no data displayed for Romania due to the missing data for J60.

## 6.2 Access to lifelong training in selected EU Member States

Access to lifelong training differs substantially according to existing employment arrangements in the countries analysed. Employees working under standard employment contracts governed by labour law tend to have better access to training.

In general, there is little information on the level of access to and provision of lifelong training in the AV sector outside the public sector.

Self-employed or freelance workers usually do not have easy access to lifelong training facilities given the nature of their contractual arrangements. The gradual increase of atypical contractual arrangements in the consulted countries puts self-employed workers and atypical workers at disadvantage regarding the access to lifelong training. Across many countries, these groups of workers are expected to pay for their lifelong training out of their own pockets.

The extent to which existing work arrangements impact access to lifelong training varies across countries:

In **France**, institutional arrangements are in place to allow intermittent workers (workers under CDDU) to have access to lifelong training. However, a growing numbers of actors are not eligible to benefit from training due to the shorter duration of contracts.

In Spain the economic crises has led to limited investments in training thus reducing the offer of training in the AV.

In the **Netherlands**, training programmes offered by public broadcasting organisations are accessible to self-employed and freelance workers, at their own costs. However, a heavy workload and the cost of training programmes render it difficult for these individuals to invest in their long-term professional development.

Whereas access to lifelong training is fairly limited in the cases of the Czech Republic and **Poland**, the remaining eight countries analysed for this report (DK, DE, FR, ES, IT, NL, RO, UK) have organisational or legal structures (i.e. collective agreements or country-specific legislation) in place that allow workers with employment contracts to access lifelong training.

In the **Czech Republic**, lifelong training paid by employers is uncommon and mostly limited to public broadcasting companies. The allocation of funds for lifelong training are regulated on the basis of the collective agreements negotiated between public broadcasters (Czech TV and Czech Radio) and trade unions. Another source for funding is the National Fund for Cinematography, which has access to an annual budget for the provision of lifelong training of AV sector employees.

In the case of **Denmark**, employees on standard and temporary employment contracts governed by collective agreements are entitled to at least one week of training per year of employment. Freelancers and employees on limited contracts generally do not have such entitlements (with the exception of journalists working under freelance contracts with the national broadcaster, TV2). Funds for lifelong training stem from royalty payouts or direct employer contributions provided under collective agreements. The existing funds are mainly managed by trade unions.

Salaried workers in **France** have a recognised right to lifelong training regardless of the type of contract (open-ended, standard fixed-term contract or CDDU). Based on the pooling of funds from employers, training is delivered via sectoral schemes with larger employers providing training through their own training departments. The training fund AFDAS collects mandatory contributions paid by employers in the AV sector as foreseen by law and collective agreements. The March 2015 collective agreement foresees an increase in contributions to ongoing training made by employers.

In **Germany**, public broadcasting institutions conduct most of the lifelong training. In addition, so-called media academies (*Medienakademien*) run by the public broadcasters ARD and ZDF and the Media Academy DW (*Deutsche Welle*) provide lifelong training opportunities. Employees on a permanent employment contract are legally entitled to paid educational leave (*Bildungsurlaub*), in most of the country's 16 federal states. In addition, employees can benefit from an education grant (*Bildungsprämie*), which is co-financed by the European Social Fund. This grant allows employees over the age of 25, who work at least 15 hours per week and earn less than EUR 20,000 per year, to participate in lifelong training. In general, budgetary and workload pressures make it more difficult for employees to access lifelong learning opportunities.

Lifelong training in Italy is entirely provided by companies. Private companies such as Mediaset and Sky, for example, fund their training through *Fondoimpresa* (a joint inter-professional fund for lifelong professional training). Workers in the AV who do not hold an open-ended employment contract can access training at their own costs. However it was noted by stakeholders that the training offer across the country is patchy and localised at regional level. There are no studies on whether and to what extent workers with non-open-ended contracts access training in the AV sector.

The AWO (*Arbeidsmarkt Werkgelegenheids- en Opleidingsfonds voor de Omroep*) fund in the Netherlands provides training programmes to employees of the major public broadcasters. The educational organisation is funded partly through the budget of the AWO Fund. The remaining funds are drawn from subsidies requested for the different programmes initiated by the AWO Fund. In addition, private parties such as the Media-academie and the NVJ-academy (academy of the Dutch Association of Journalists) offer training programmes targeting specifically freelancers by offering them accessible programmes to invest in their continuous development.

In **Poland** formal obligations for employers to provide lifelong training is limited. As a result, the lifelong training activity in the AV sector is relatively low compared to other EU countries, with figures below ten percent. Individuals wanting to participate in lifelong training typically have to cover the costs of such training themselves.

Lifelong training in **Spain** has traditionally been the responsibility of the Tripartite Foundation for Training. This body is in charge of coordinating the lifelong training to company employees as well as to job-seekers. Large public and private AV sector companies have established their own company-level collective agreements and training plans in collaboration with employees' representatives. For instance, the public TV and radio broadcaster, RTVE, has an Institute which offers since its foundation in 1975 in-house and external training. Since the onset of

the recession, limited investment in training has had a noticeable effect on workers in the AV sector. The Spanish government has announced plans to change the lifelong training system, creating uncertainty among social partners. In some subsectors, workers are expected to dedicate their free time and their own financial resources to self-learning. According to unions, performing artists have limited access to lifelong training and training plans do not reflect their needs. Additionally, performing artists usually have short-term contractual arrangements, thus limiting their capacity to access lifelong training schemes.

In the **United Kingdom**, large broadcasters such as BBC and ITV facilitate training through company-based schemes. Additionally, the Sector Skills Council (Creative Skillset) offers subsidies for specific courses aimed at freelancers and independent producers. In the independent production sector the provision of training by employers is less common. Employers in the United Kingdom AV sector have seen an increase in the demand for training needs in the areas of multi-platform content and new digital technology.

The table below provides an overview of access to lifelong training provisions across countries.

**Table 1.2** Access to lifelong training provisions for employees in the AV sector, paid by the employer, by type of work and employment arrangements

Country	Open-ended employment contracts	Fixed-term employment contracts	Other forms of contractual arrangements
<b>Czech Republic</b>	Yes (uncommon and are limited almost exclusively to the public broadcasting companies)	N/A	No
<b>Denmark</b>	Yes  (Employees on regular contracts/standard employment and temporary employment contracts under collective agreements are entitled to a week of training per year)	Yes	No (but main Danish public broadcaster TV2 provides journalists under freelance contracts the possibility to participate in international trainings with pay if worked more than 1000hours/125 days within a year)
<b>France</b>	Yes	Yes (includes intermittent workers)	N/A
<b>Germany</b>	Yes	N/A	N/A
<b>Italy</b>	Yes	Limited (no information available)	No
<b>Poland</b>	Yes (limited)	N/A	No
<b>Netherlands</b>	Yes	N/A	No
<b>Romania</b>	N/A	N/A	N/A
<b>Spain</b>	Yes	Yes	No
<b>United Kingdom</b>	Yes	N/A	N/A

Source: ICF from national country reports

## 6.3 New skills requirements in the AV sector

The emergence of new job profiles, which require diverse and wide-ranging skill sets, has contributed to the blurring of roles and broader job descriptions, placing additional pressure on the sector's workforce. New job profiles are linked to high-end technical skills in the area of information technology (e.g. computer engineering), the area of creative technology (e.g. graphic and web design or interactive media) and the use of social media (e.g. social media marketing or management). In order to accommodate the demands that derive from digitisation, audiovisual professionals will increasingly be expected to develop diverse digital skills.

In the **Netherlands**, for example, the demand for people who are multi-deployable, i.e. with the ability to switch easily between tasks, has increased. The so-called '*cross media development*' phenomenon has taken root across the Dutch media sector. Similar trends are observed in other countries. Companies no longer focus on one single platform, but use different (digital) platforms to deliver their content. The digital shift has affected in particular journalists who are faced with having to produce content for different media outlets (e.g. TV, radio or print media).

A recent report of the *European Skills Council in the Audiovisual and Live Performance Sectors*<sup>2</sup> highlights the fact that the digital shift has had a clear impact on all sub-sectors of the creative and cultural industries in terms of skills development and new skills requirements. The AV sector has been largely affected by the shift in skills needs due to the multiplatform presence in addition to traditional media. Therefore, a wide palette of new skills is needed, not only for creating and producing content, but also business skills for developing new business models and strategies, as well as expertise in the management of intellectual property rights etc.

The digital shift, changes in demand for labour and skills and the evolution of job profiles together mean that workers are likely to face rapid skills obsolescence. Additionally, workers with non-standard employment relationships have limited access to training, skills development and career development opportunities.

With the demand for new skills in the sector continuing to grow, both employers and employees in the EU need to work together to address the skills mismatches and shortages, to develop ways of detecting skills needs and updating the skills profiles of the labour force in line with technological advances<sup>3</sup>.

In the **United Kingdom**, employers in the digital and creative sector have reported that current skills gaps among AV workers and the consequent challenges of filling vacancies for technical roles, especially programmers and web developers, is harming the competitiveness of digital and creative firms<sup>4</sup>. Employers' demand for workers with specific digital skills in new

<sup>2</sup> Creative Skills Europe (2016), Trends and skills in the European audiovisual and live performance sectors: <http://www.creativeskillseurope.eu/>

<sup>3</sup> European Commission (2015), A Digital Single Market Strategy for Europe – Analysis and Evidence, Commission Staff Working Document. <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1447773803386&uri=CELEX:52015SC0100>

<sup>4</sup> UK Commission for Employment and Skills (2015), Sector insights: skills and performance challenges in the digital and creative sector, Evidence Report 92. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/433755/Skills\\_challenges\\_in\\_the\\_digital\\_and\\_creative\\_sector.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/433755/Skills_challenges_in_the_digital_and_creative_sector.pdf)

areas such as cyber security, content development across different platforms, mobile and cloud computing, big data and social media etc is likely to continue to grow. It is therefore imperative to anticipate better and map out current and future skills, as well as training needs<sup>5</sup>. This can be achieved by developing informed and structured training programmes in close cooperation and coordination with employers, employees, national and EU policymakers and social partners as well as training institutions. In addition, high-quality apprenticeship programmes tailored to current and future skills needs will help support the better matching of skills to labour market needs.

The emergence of new occupations (which in many cases are yet to be defined) also poses challenges to social partners. For example, in the United Kingdom's video gaming industry a limited number of collective agreements exist. In an attempt to improve working conditions and rates for visual effects workers, the media and entertainment trade union BECTU conducted a survey and organised special sessions to encourage dialogue among the parties involved.

Finally, professional mobility within the sector has increased and there is a clear onwards trend towards greater flexibility and mobility of workers<sup>6</sup>. At the same time, many occupations in the AV sector require industry-specific expertise and professional mobility remains to a large extent dependent on the type of occupation.

In **France**, the status of *intermittents du spectacle* working under fixed-term contracts (CDDU) has resulted in creating professional mobility opportunities across industries.

In **Germany**, the increase in professional mobility can be attributed to an oversupply of available labour and increasing production costs, leading individuals to take up various short-term contracts.

<sup>5</sup> Ibid.

<sup>6</sup> European Commission (2016), Sectoral social dialogue – Audiovisual.  
<http://ec.europa.eu/social/main.jsp?catId=480&intPageId=1825&langId=en>

## 7 INDUSTRIAL RELATIONS IN THE AV SECTOR

This section provides information on the key facets of industrial relations in the AV sector in the ten selected EU Member States, including the key stakeholders involved and the importance of collective bargaining at different levels. It also looks at the impact of changing work arrangements on trade union density, employers' organisations and the coverage of collective agreements.

### 7.1 Diversity of industrial relations models in the AV sector

There is a great diversity of industrial relations' models among the EU Member States analysed in this study. In most EU Member States, social partners play a key role in defining the terms and conditions in relation to the different types of employment and work arrangements, with differences in the levels at which such negotiations take place and which groups of workers are covered.

Due to the nature of the AV sector and the diversity of professional profiles, it is common in most of the EU Member States studied that trade unions are linked to specific professions (craft unions).

Three elements play a key role when determining the coverage of workers by collective agreements: type of contract, employer size, and whether the employer is a public or private enterprise. In addition, the level of coverage is determined by the density of trade union and employers' organisations and the level of negotiation and applicability of collective agreements (e.g. only to the negotiating parties or the sector more broadly).

- As in other sectors of the economy, workers in the AV sector who have a standard employment contract are more likely to be covered by collective bargaining and collective agreements than workers on temporary contracts. Self-employed and atypical workers are generally not included in collective agreements.
- Generally speaking, workers from larger companies are more likely to be covered by collective agreements, particularly in countries where only members of negotiating parties are covered by collective agreements. In the case of large companies, company- level agreements are common and tend to include better working conditions than national/sectoral level agreements.
- Workers in the public sector are generally more likely to be represented by trade unions and covered by collective agreements than those in the private sector. Even in EU Member States with a weak trade union coverage, workers in public television and radio broadcasting companies benefit from greater protection.

As mentioned above, each EU Member State has its own characteristic industrial relations model. However, it is possible to identify three groups of Member States with similarities in their collective bargaining arrangements:

**(1)** Denmark, France, Germany, Italy, Spain, and the Netherlands combine wide-ranging sectoral or multi-employer agreements with the company level agreements prevalent in large organisations.

In **Denmark**, industrial relations in the AV sector are based on the key role played by social partners in the country as well as the sector. Nearly all workers and companies are covered by collective agreements in their area of activity.

In **France**, the representation of employees and employers within the AV sector is carried out by multiple organisations. Around 21 trade unions and 25 employers' organisations are active in the sector<sup>1</sup>. Working conditions in the French labour market are generally established through collective bargaining covering specific subsectors within the AV activities. Generally, these agreements are binding for all employers (are made universally applicable). Specific company collective agreements are also in place in large organisations (e.g. France Television). Most workers (around 70%<sup>2</sup>) are therefore covered by collective bargaining. However, self-employed workers are generally not covered.

In **Germany**, trade unions and employers organisations have high density and collective agreement coverage (around 50%<sup>3</sup>) within the AV sector. Each public service broadcasting corporation being part of ARD and ZDF is covered by a separate collective bargaining agreement. Collective agreements also cover a specific type of freelancer (with conditions similar to those of standard employees), however not all of them.

In **Italy**, social partners are involved in negotiating multi-employer collective agreements in the sector for specific professions. In addition, large organisations and their employee representatives have signed company level agreements.

Collective bargaining in the **Netherlands** is mainly two-fold: multi-employer collective agreements are used for public national and regional broadcasting companies while company-level agreements are generally used in the larger private AV companies.

In **Spain**, five sectoral or multi-employer collective agreements cover most workers in the AV sector and are universally applicable<sup>4</sup>. In addition, large public and private AV companies have adopted their own company-level agreements that improve the conditions established in sectoral agreements.

<sup>1</sup> Eurofound (2013), Study on the Representativeness of the European Social Partner Organisations: Audiovisual Sector.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> Collective agreements on Audiovisual Production; Actors; Commercial Radios; Daily Press; and Non-daily Press.

(2) In some EU countries, there are no multi-employer collective agreements but social partners play a relevant role in negotiating company-level agreements in the AV sector.

In the **Czech Republic**, there are no specific collective agreements for the AV sector. Two company agreements have been negotiated with the public television and radio broadcasters which only cover their employees. However, there are no specific trade unions representing workers in the private AV sector.

In the **United Kingdom**, there is a strong presence of trade unions and employers associations. The system is based on ad-hoc collective bargaining which covers only the signatories. In contrast with other countries, social partners' negotiations are carried out at company level as there is no sectoral or multi-employer bargaining. Unions have specific departments linked to the major AV companies (e.g. the BBC and ITV) with whom they negotiate the company agreements defining the terms and conditions for employees on working hours, pay, shift patterns, location of work, job descriptions. Recently, an agreement with the BBC was reached that covers freelancers. Employers' associations support companies in negotiations at company level.

(3) Finally, in several EU Member States the role of social partners in collective bargaining in the AV sector is limited.

In **Romania**, trade unions face many barriers to negotiating collective agreements. For instance, a legal reform in 2011 reduced the capacity of trade unions to negotiate collective agreements by setting a threshold of representativeness for them to be a legitimate part of the negotiations.

In **Poland**, collective bargaining in the AV sector is virtually non-existent. Working conditions for employees are established by the general Labour Code. Recently, a sectoral collective agreement was negotiated but the process was stopped and there has been no progress in the last couple of years. Trade unions very rarely cover workers from the private sector and mainly represent employees of the public TV broadcasting company.

The following table summarises different types of industrial relations models in place in the sector in the study countries.

**Table 7.1. State of play on industrial relations with the AV sector: main characteristics**

Country	Sectoral (multi-employer) agreements	Company agreements	Collective agreement coverage	Social Partners' role in collective bargaining	
				Employee representatives	Employers organisations
<b>Czech Republic</b>	No	Yes – both TV and radio public organisations are covered by company agreements.	Limited	No relevant trade unions organisations for workers of AD private sector	Variety of associations. Very small companies rarely take part.
<b>Denmark</b>	Yes	Yes	High, covered by area agreements	Extensively engage in setting up conditions and negotiating collective agreements	Relevant role
<b>France</b>	Yes	Yes	High-extension principle	Relevant role	Relevant role
<b>Germany</b>	Yes	Yes	High	Relevant role	Relevant role
<b>Italy</b>	Yes	Yes	High, for workers with standards contracts	Relevant role	Relevant role
<b>Poland</b>	No	Practically inexistent	Limited	Marginal role	Limited role
<b>Netherlands</b>	Yes, for public broadcasters	Yes – common in some subsectors	High	Relevant role	Relevant role
<b>Romania</b>	No	Limited	Limited	Very limited role	Limited role
<b>Spain</b>	Yes	Yes – large public and private companies	High – universally binding principle	Relevant role	Relevant role
<b>United Kingdom</b>	No	Yes – the model is based on company agreements	High – only signatories parties are bound	Relevant role in negotiating company agreements	Relevant role in the negotiation of agreements of their members

*Source: ICF from national country reports*

## 7.2 Impact of changes in employment and working arrangements on the density of trade union and employers' organisations and on the coverage of collective agreements

Social partner density and collective bargaining coverage rate are defined as follows<sup>5</sup>:

- Social partner density expresses union membership as a proportion of the eligible workforce and this can be used as an indicator of the degree to which workers are organised.
- Collective bargaining coverage rate measures the number of workers in employment whose pay and/or conditions of employment is determined by one or more collective agreement(s) as a proportion of all those who are eligible to conclude a collective agreement.

As indicated above, many EU countries are experiencing changes in the structure of employment and the work arrangements within the AV sector. One generally observed consequence is a decline in trade union density. Coverage of collective agreements has equally been affected in several EU countries, due to increased levels of self-employment and atypical work arrangements, but also due to technological changes and the impact of the economic crisis.

### 7.2.1 Organisational density of social partners (management and labour)

According to the information gathered, the density of trade union organisations in the sector is decreasing in several EU Member States. This trend is generally explained by changes in work arrangements and the increased use of the so-called *non-standard forms of employment*, as a consequence of the sector's changes (e.g. technological shift, digitisation, etc.), as well as the impact of the economic crisis. Trade union stakeholders across European countries report that the increase in self-employment, freelance arrangements and atypical contracts has negatively impacted the representativeness of trade unions.

However, other socioeconomic factors are contributing to the decline in union memberships. It is also important to bear in mind that levels of union density are remarkably different across Member States. Declining trends in trade union density have affected major EU Member States since the 1980s. This is true, for example, in Austria, Germany, the United Kingdom, and the Netherlands; while in Nordic countries the level of unionisation has remained fairly stable.

Factors contributing to declining trends in union memberships have been clustered in the literature under the headings 'external' and 'internal' factors. One of the external factors identified in some of the literature relates to changes in the labour market, i.e. the shift from an industrial economy to economies based on private sector services. Rising levels of unemployment have been found as being associated with a reduction in union density, while this has not been the case in countries with union-administered unemployment insurance (e.g. Finland and Sweden). In several countries, demographic change and the perception young people of trade unions as 'old-fashioned' appear to be the most significant factors.

<sup>5</sup> Hayter & Stoevska (2011), Social Dialogue Indicators. Technical Brief. International Labour Office. <http://laborsta.ilo.org/applv8/data/TUM/TUD%20and%20CBC%20Technical%20Brief.pdf>

Reduction of the size of companies and resistance from employers are also contributing factors, together with more individualistic approaches evident in the world of work and the changes in employment relations (i.e. new forms of contractual relations). Internal factors identified in the literature include a certain level of resistance from some trade unions to adapt to external changes<sup>6 7 8</sup>.

In the **Netherlands**, trade unions believe that the increase in fixed-term and freelancer contracts in the AV sector is impacting their membership. This situation has triggered an internal debate within '*traditional employees*' organisations on their capacity to represent the interests of freelancers effectively.

**Spanish** and **German** trade unions are concerned by the decrease in their level of representativeness. Employers and unions recognised that this trend could affect their capacity to reach agreements and could ultimately weaken social dialogue.

Although this trend is found in many of the countries in the study, it is not universally applicable.

In **France**, work arrangements in the sector have not evolved significantly and therefore social partner density has not changed in recent years. The development of self-employment in the AV sector is limited and has not impact on trade union coverage or density.

In **Denmark** there is no evidence that the increase of self-employment and freelance arrangements has negatively impacted the density of the trade union organisations. This is mainly explained by the fact that self-employed workers in Denmark are also members of trade unions.

In the **United Kingdom**, while trade union density has decreased due to the increase in atypical contracts, trade unions have at the same time been able to attract more freelance workers to join their organisations. In this way, trade unions have in recent years recovered a part of their lost membership.

In **Poland**, a slight increase in workers' affiliation to professional associations can be identified. Indeed, the existence of many new forms of working arrangements has encouraged workers to reach out to unions to improve their understanding of their working conditions and employment rights. In this context, the Trade Union of Polish Actors is working on a proposal for a collective agreement with the aim of extending coverage also to self-employed workers and workers with atypical contracts.

<sup>6</sup> Schnabel, C (2012), Union membership and density: Some (not so) stylized facts and challenges, IZA DP, No. 6792.<http://ftp.iza.org/dp6792.pdf>

<sup>7</sup> Schnabel, C. (2013), Trade unions in Europe: Dinosaurs on the verge of extinction? <http://voxeu.org/article/trade-unions-europe>

<sup>8</sup> Visagie, J. C., Uys, M., Linde, H. M. and Havenga, W.(2012), A comparative analysis of current trade union trends in the European Union and South Africa, African Journal of Business Management, Vol.6 (44), pp. 11095-11109 . <http://www.academicjournals.org/AJBM>

Employers' associations have also been negatively impacted. In several countries, the increase in the number of very small companies (which tend to be less involved in employers' associations) and the closure of a significant number of companies has reduced the number of members in employers' associations. This is the case in the Czech Republic, for example, where most businesses in the sector are micro-enterprises.

## 7.2.2 Decreasing coverage of collective agreements

Analysis of the information gathered reveals a trend of the lower coverage of collective agreements among the AV sector of the countries analysed. Similarly, as in the case of social partner density, the underlying factors are the increase in self-employment and atypical work arrangements.

In **Italy**, where collective bargaining only covers workers with standard contracts, the increase in atypical work arrangements and self-employment has reduced the coverage of workers by collective agreements.

Additionally, in some countries social dialogue has also been affected by changes in the legal and institutional framework. Several reforms have been adopted during the period of analysis, especially in those EU countries that have been most deeply affected by the recent economic crisis.

**Spain** is a relevant example of the adoption of several reforms specifically affecting the AV sector and the labour market regulations in general. In 2010 and 2012, relevant reforms of the labour market were adopted. The 2012 reform included important changes in the collective bargaining model, such as putting a stop to the automatic renewal of collective agreements.

In **Romania**, the role of the social partners has also been altered within the period of analysis. In 2011, labour legislation was reformed, resulting in a reduction of collective bargaining. The capacity of trade union organisations was curbed by modifying the criteria for being considered as a union representative and by decreasing the right to negotiate a collective agreement with employers.

# 8 KEY FINDINGS AND RECOMMENDATIONS

## 8.1 Definition of the sector and key factors shaping market trends

The AV sector is undergoing profound changes. The digital shift, other technological developments, the emergence of new business models, as well as the impact of the economic downturn pose new challenges and opportunities leading to the following:

- Increased digitisation of production, distribution and consumption methods;
- Changes in the market, including increased demand for diversified AV products, and new consumption patterns;
- Greater challenges relating to the protection and enforcement of intellectual property rights;
- Increased outsourcing of production;
- A decline in public funding and advertising budgets and a reduction of TV licence fees;
- Growing internationalisation of the sector.

While the digital transition is still in progress – and the AV sector is proving successful in taking advantage of this – there is a significant pressure from decision makers to reform the regulatory framework, including its copyright regime as a pillar of the creative content industries. This has raised concerns among many AV sector stakeholders right across Europe over the potential undermining of the current economic funding models of AV content production. This unwanted development is coinciding with a noticeable reduction in public funds to the sector granted by national authorities and the level of funds being raised via licence fees.

For the purposes of the collection of EU level statistics, the AV sector is classified under NACE Codes J59 Motion picture, video and television programme production, sound recording and music publishing activities and J60 Programming and broadcasting activities. However, these delimitations employed by Eurostat do not seem to reflect the complexity of the sector either at European level or in the national contexts. At national level, a plethora of definitions exist that come, directly and indirectly, from different sources.

Furthermore, the current definition of the sector appears to be too out-dated to fully reflect the developments which have affected the sector in recent decades; in particular, some of the increasingly ICT-based activities carried out in the sector are not always captured.

The way in which data on employment figures and the number of businesses in the sector is gathered at national level (including the nature and level of detailed breakdown provided) depends on national legal frameworks and also the nature of the organisations involved in data collection (e.g. social partners, industry organisations, national statistical offices etc.). As a result, data from national sources varies significantly from country to country.

EU level data made available to the sector makes it possible to follow key developments in economic trends, employment and number of businesses. Although national data is not comparable, it still can add nuance which can address some of the shortcomings of EU level data. In some cases significant differences have been observed between the data collected at national level and that available from Eurostat. Reasons for this include, among others:

- the exclusion of public service media from Eurostat data;
- different definitions for the AV sector;
- different methods of data collection.

## 8.2 Number of businesses and employment trends in the AV sector

According to EU SBS, 110,000 companies were active in the sector in 2012. However, this figure does not include public broadcasters. Nearly 90% of this employment concerns the motion picture, video and TV production activities. The ten EU Member States covered in detail by the study (CZ, DE, DK, ES, FR, IT, NL, PL, RO, UK) host 74% of businesses in the sector. The total number of enterprises in the sector increased by 22% in the period 2008-2012. There is a strong polarisation in the sector with some very large businesses (both public operators and large private providers of content in some countries) and small and micro-businesses, with a few medium-sized companies. There is also a strong degree of geographical concentration with activities generally focused in and around capital cities (or other major cities).

According to Eurostat data, 810,000 individuals were active in the sector in 2013, of whom 53% were working in production and 43% in broadcasting. According to these figures, between 2008 and 2013 employment in the sector grew by 72,000. However, this disguises strong differences between sub-sectors, countries and the nature of the enterprise.

Data for Public Service Media (PSM) providers alone, which are usually not included in European data for the sector, show that in 2014 a total of 118,886 workers were employed in the PSM (data from EBU). Between 2012 and 2014 there was a contraction of 6,088 employees in this market segment, which reflects not only trends towards outsourcing but also cutbacks in public funding and national/regional policies for austerity.

AV work remains male-dominated with a 39% share of women (compared to 49% in the whole economy). Workers in the sector are also younger than in the average EU workforce. This remains the case, although their share of total employment in the sector declined between 2008 and 2013, due to the generally more precarious nature of their contractual arrangements and the use of the 'last in - first out' principle when workforce reductions are made.

Compared to other sectors, workers in the AV sector are on average more highly educated (57% have tertiary education compared to 32% in the whole economy) with an increasing trend towards the employment of highly skilled workers in recent years.

## 8.3 Trends in employment contracts and conditions

In recent years, increasing attention has been paid by researchers and policymakers to the emergence of non-standard forms of employment relationships in the EU labour market (across all sectors).

So-called '*standard* employment' (based on labour law and which tends to be characterised by being open-ended and full-time) is increasingly being replaced by '*non-standard forms of employment*'. *Non-standard forms of employment* range from more common (and in many countries no longer *atypical*) and relatively well regulated part-time, fixed-term or interim agency contracts based on labour law, through to many different forms of work involving flexible schedules (from *on-call* to *zero hours* contracts), to contracts increasingly blurring the boundaries between labour law-based contracts and civil/commercial law contracts.

The AV industry is traditionally characterised by a variety of employment contracts, high shares of non-standard employment and working arrangements and self-employment. For many activities and workers in the AV sector the traditional full-time, open-ended contracted work for one single employer arrangement is not applied, and instead many forms of atypical employment relationships used; these including part-time, casual and fixed-term contracts, temporary agency work, and different types of freelancing. Project-based work is also particularly common, which often implies a fixed-term nature. Nonetheless, in the past decade the AV sector has seen an increasing trend towards atypical employment relations and self-employment.

Eurostat data can provide an insight into the level and trends in employment, self-employment, part-time and temporary employment and other types of work arrangements, but cannot provide a full picture of the nature and development of contractual arrangements and conditions in the sector. This is partly because of the existence of different definitions and emerging contractual forms in different Member States with which statistical monitoring struggles to keep pace.

Eurostat data show that the majority of workers active in the AV sector are employees (78% in 2013). However at 21%, the share of the self-employed is significantly higher than that across the whole economy (15%). This share is even higher in production companies (at 32% in 2013). There has been an upward trend in this share since 2008.

Similarly, the share of temporary workers is above the EU average (20% and 14% respectively in 2013) and there has also been an increase here, specifically in the production sector. However, there are significant differences between Member States and in the countries assessed in detail with regard to the share of temporary workers in the AV sector, ranging from 40% (Poland) down to 10% (Czech Republic).

The share of part-time workers in the sector is similar to the EU average and national variations tend to mirror differences which exist across the economy (e.g. the Netherlands has a particularly high share of part-time workers).

Workers in the AV sector are more likely to hold down more than one job in order to constitute an adequate household income than workers in the rest of the economy (6% and 4% respectively in 2013).

National information indicates that standard, open-ended contracts in the sector are still widespread, but their share is declining. The use of such standard contractual forms is more common among large (public) broadcasters, while small independent production companies are more likely to use fixed-term and other non-standard forms of employment and work arrangements. However, in relation to the share of standard open-ended contracts among the workforce, there can be significant differences even within the same country (e.g. in Denmark).

When looking at the working conditions of workers on standard open-ended contracts, it is also worth noting that in some countries the conditions associated with such contracts have also deteriorated in the period since the crisis (e.g. in Spain).

General changes in labour market regulations (often implemented in an effort to reduce segmentation) have also impacted the sector. For instance, in the Netherlands, the use of successive fixed-term contracts has been restricted, while protection against dismissal in connection with open-ended contracts has been relaxed. Similar legislative trends can also be found in other EU countries.

Thus, the quality of working conditions of individual on regular and irregular contracts is essentially shaped not only by the quality of the legislative framework but also by the coverage of different categories of workers by collective bargaining. This includes the extent to which efforts are being made to curb the abusive use of certain types of fixed-term contracts (e.g. in situations where work commitments are effectively long-term).

The coverage of different categories of workers by collective bargaining is linked to the structure of the broader industrial relations framework in the EU Member States, but in some countries specific efforts have been made to cover particular groups such as freelancers (e.g. in Germany and Denmark).

Each EU Member State is characterised by different models of industrial relations. It is however possible to identify three groups of EU Member States that have similarities in their collective bargaining arrangements.

- Denmark, France, Germany, Italy, the Netherlands and Spain combine wide-ranging sectoral or multi-employer agreements with company-level agreements prevalent in large organisations;
- In some Member States, multi-employer collective agreements are not used but social partners can play a relevant role in negotiating company-level agreements in the AV sector (e.g. the Czech Republic and the United Kingdom); and
- Finally, in some Member States the role of social partners in collective bargaining in the AV sector is limited (e.g. in Romania and Poland).

There is a particular diversity in arrangements for the self-employed. Among the arrangements recognised in national legislation there are still differences regarding the extent to which self-employment workers may be covered by social insurance, and this can significant impact their working conditions and level of social protection.

Eurostat data show that on average 15% of workers in the AV sector are able to access lifelong learning. This does not differ significantly between sub-sectors or indeed from the rates found in the wider economy.

Differences exist as to the extent to which workers with standard employment contracts or other types of work arrangements and self-employed workers have access to such training. In many countries such training is limited to individuals on regular contracts (as well as part-time employees), but some countries explicitly seek to ensure broader access to training opportunities (e.g. in Denmark). In most of the countries studied, freelancers, self-employed individuals and workers on fixed-term contracts generally have to fund their own training, which can put them at a further disadvantage.

## 8.4 Recommendations

The ILO Global Dialogue Forum on Employment Relationships in the Media and Culture Sector was held in 2014 with the aim of discussing employment relationships in the sector and adopt points of consensus to inform the development of policy measures at international, regional and national level<sup>1 2</sup>. Its recommendations can provide useful guidelines for further actions for the AV sector in Europe:

- The media and culture industry is a key growth sector in many countries; the industry has the potential to provide significant business and employment opportunities. Due to the nature of the work this industry has always been characterised by a wide spectrum of employment relationships outside the usual open-ended full-time contracts. Research should be carried out to gain full understanding of the sector's potential for business development and employment creation.
- However, different types of employment relationships should not hamper access to fundamental rights and principles which apply to all workers. More efforts should be devoted to promote and ensure the application of fundamental rights and principles at work. Social security schemes should take into account the specific nature of employment relationships in the media and cultural industry.
- Adequate and robust legislation, including labour legislation, is needed to ensure that the nature of employment relationships are not a cause of labour market segmentation thereby introducing discrimination and limiting workers' access to their fundamental rights. A transparent regulatory framework is critical for both workers and employers enabling business development and decent work. A robust and sustainable regulatory legal framework is also needed in public broadcasting, one which should also address issues such as subsidies granted to independent producers, airwave licences and intellectual properties.

<sup>1</sup> ILO (2014), Global Forum on Employment Relationships in the Media and Culture Sector - Final report of the discussion. [http://www.ilo.org/sector/activities/sectoral-meetings/WCMS\\_309859/lang--en/index.htm](http://www.ilo.org/sector/activities/sectoral-meetings/WCMS_309859/lang--en/index.htm)

<sup>2</sup> Ibid

- Governments should promote the essential role of the media and culture industry in society. They should foster business development and employment opportunities through providing adequate funding to the sector.
- Social dialogue plays a key role and in the AV sector it is shaped by the variety of relationships and occupational categories. Further efforts should be made to further strengthen social dialogue and promote extension to a wider range of workers.
- Training of workers is of paramount importance to ensure decent working conditions, career prospects, mobility, labour market matching and response to the evolving skills needs in the sector. Governments and social partners should develop common strategies to guarantee access to training and lifelong training to all workers.
- A holistic approach is needed to address the challenges posed to the sector by the changing scenario of employment relationships.. This would require better coordination and matching between labour demand and supply, and provision of training that is tailored to the needs and the structure of the industry. To this end, gathering of precise labour market information is required, while the sector suffers from the lack of statistics and information capable of providing a clear picture of its labour market. It is essential to understand and assess the nature of employment relationships and work arrangements in the sector i.e. to assess which constitute a civil or commercial and which are employment relationships. It should be borne in mind that such an exercise should not interfere with true civil and commercial relationships, while at the same time it should ensure that individuals in an employment relationship have the protection to which they are entitled.

The absence of a centralised European system for statistics focused on the AV sector means that the data sets currently collected at European level do not capture the complexity of the sector across EU countries. Europe-wide data are not comparable with data from national sources. This is due not only to differences in the definition of the AV sector, but also to significant differences in collection methods, periodicity, subsectors covered and the sources used.

In order to improve the validity, reliability, accuracy and comparability of data at European and national level, action is needed to harmonise the definition of the AV sector across European countries. There is also a need to develop a European statistical infrastructure and to mobilise relevant national bodies to collect comparable statistics in the AV sector. The recommendations of the ESSEnet project should be taken into account in developing sectoral statistics for the AV sector.

The difficulty of accessing lifelong training hinders the employability of workers with the weakest positions in the labour market, since the digital shifts are creating demand for new skills in the labour market and to the phenomenon of rapid skills obsolescence. To address this situation, a recent report of *Creative Skills Europe*, the *European Skills Council in the Audiovisual and Live Performance Sectors*<sup>3</sup> has drawn up a list of recommendations, including the following:

<sup>3</sup> *Creative Skills Europe* (2016), Trends and skills in the European audiovisual and live performance sectors: <http://www.creativeskillseurope.eu/>

- The need for the EU and national funding schemes to provide adequate support to the skills development in the AV sector.
- The need for policymakers to re-think and re-design their training offer and tools to guarantee equal access to training for all workers (regardless of their employment status) and to provide an offer tailored to the changing needs of the sector.
- Platforms for cooperation could be set up between stakeholders in the sectors, including social partners, education providers, training organisations at national, local and sectoral level, to identify skills needs, and design an adequate offer as well as innovative methods of delivery to all workers regardless of their work arrangements.

## Annex 1

The table below summarises the information presented in the report.

**Table 1.1** Characteristics of workers in the AV sector (J59 and J60) in selected Member States (% of all workers in the AV sector), 2013

	% of women	% of workers with high level of educational attainment	% of part-time workers	% of temporary workers	% of self-employed (without employees)	% of workers with more than one job	% of workers participating in LLL
<b>EU-28</b>	38	57	20	20	28	6.4	17
<b>CZ</b>	29.9	35.3	4.5	9.3	27.6		12.3
<b>DE</b>	42.6	45.9	26.5	18.9	28.8	7.1	15.1
<b>DK</b>	36.3	36.5	22.4	21.0	12.3	13.3	39.7
<b>ES</b>	40.5	73.1	15.5	28.9	7.7	1.9	19.2
<b>FR</b>	38.2	63.9	27.0	37.3	11.1	9.5	21.9
<b>IT</b>	40.2	37.3	17.3	17.6	19.7	4.7	7.1
<b>NL</b>	34.4	51.1	46.5	22.6	32.4	14.3	24.7
<b>PL</b>	41.8	65.6	20.3	39.5	12.6	12.7	23.3
<b>RO</b>		72.4	2.8				
<b>UK</b>	36.6	66.1	16.3	9.3	25.8	4.9	18.0

Source: ICF calculations based on Eurostat, EU LFS.