



Connecting Society through Culture

Europeana- Cost & Benefits

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This paper informs European policy makers on the business aspects of Europeana. It sets out, in plain terms, the purpose of Europeana, the costs of sustaining the service and its benefits

1. What is the purpose of Europeana?

For much of the past decade, European cultural institutions have been engaged in digitising the objects in their collections. This has created hundreds of thousands, if not millions, of digital assets many of which reside on institutional websites and databases.

Although the costs of digitizing this material is considerable, the economic, educational and cultural potential of these resources has been curtailed because insufficient effort has been put into their access and discovery. The result is that they are not used by the majority of European citizens.

Europeana was conceived in 2005 with the goal of unlocking the value of this collective European memory. Europeana is designed to make these resources easier to find, by acting as a conduit to the original. To do this, Europeana does not collect primary content. Instead, it collects and publishes a small subset of the information, sufficient to advertise it to users and to link them back to the source material.

As well as acting as an advertiser of the content held in Europe's cultural institutions Europeana also acts as a catalyst for change. Barriers to access will remain high if we don't find solutions for open content licensing and business models. Visible expressions of these efforts are the Public Domain Mark and the IPR and business model workshops that Europeana is conducting.

Europeana works to bring Europe's entire cultural heritage to the web and so inspire new generations of Europeans. With new tools at our disposal, existing views on cultural heritage can be challenged and new ones created and shared, facilitating discourse and mutual understanding of our cultural diversity. This leads to better understanding and creativity to stimulate social cohesion and economic growth

2. What are the costs of running the Europeana Service?

As outlaid in the forthcoming business strategy Europeana will focus its activities in the coming five years to four strands of activity:

1. **Aggregate:** to build the world's most comprehensive trusted source of European cultural material. This will be realised in several ways. Europeana aims to create



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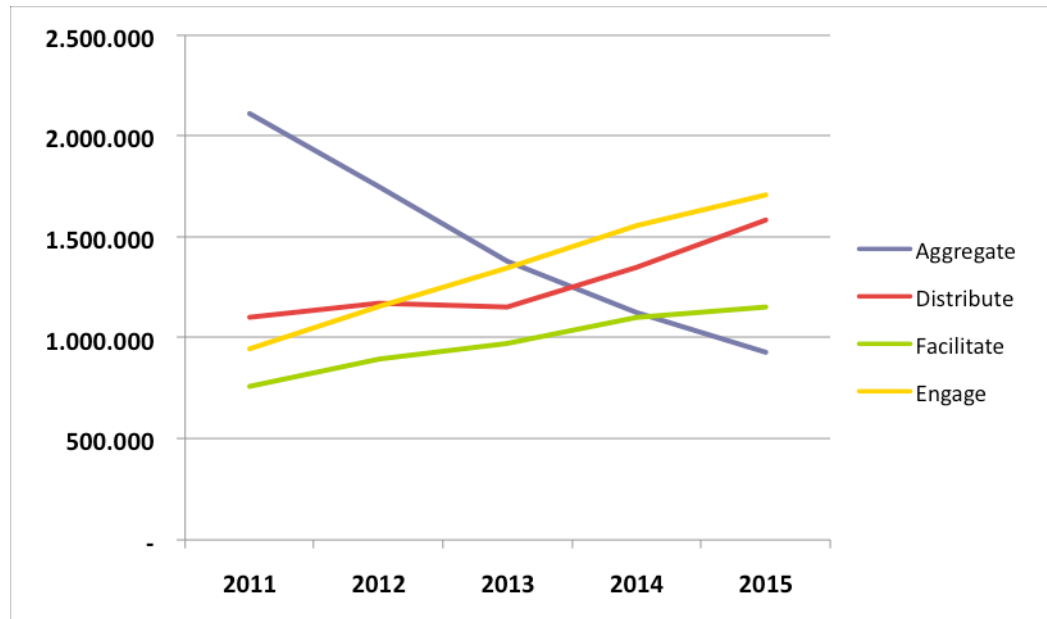
access to all the digital content, held in the leading cultural institutions of Europe, by 2025. The 1500 strong institution network and 35 National and domain aggregators will be cultivated and supported. Data quality will be significantly improved, by investing in multilingualism, linked data and persistent identifiers.

2. **Facilitate:** to support and inspire innovation in the cultural heritage sector. An active role will be played to help reduce operating costs via knowledge sharing workshops and training. The creation of new business models will be nurtured. Policies on IPR an related topics will be created.
3. **Distribute:** to make cultural material accessible to the user wherever they are, whenever they want it. Three kinds of activities designed to maximize Europeana’s role as an advertiser for cultural content are envisaged: improving the existing portal, third parties developing applications, and syndicating the material into other channels such as educational systems.
4. **Engage:** to create dialogue and participation between users and cultural heritage. The digital material needs to be linked to social media, but also brought to life via exhibitions, interaction and the encouragement of user generated content.

These activities will be reflected and expanded in the forthcoming Europeana Strategic Plan 2011 to 2015.

The costs of running these services, from the Europeana Office, are around 5 million per year for the period 2011 to 2015. (See appendix 1 for the budget overview 2011-2015). This budget will be allocated in different proportions, over the 5 years, to each of the four strands of the business.

Cost allocation:





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3. What are the Benefits of Investing in Europeana?

Some of the most important benefits of Europeana are considered economically intangible. These include the contribution to a European society connected through culture, the fostering of social inclusion and the furthering of a collective, pan-European understanding. Other benefits such as the economic return of increased visibility of our shared heritage, the cost reductions realized by developing and sharing open source code and the value that access to culture can contribute to the Educational Sector and the Creative Industries are potentially easier to quantify. Together these benefits can make the investment case for Europeana.

Key metrics are being developed to better track and measure some of these effects over the course of the coming years. In order to give an indication of the areas where positive returns on investment are to be expected we use the (social) cost-benefits classification guidelines developed by OECD of direct, indirect and external returns of investment¹.

External: External benefits are benefits that can be classified as positive consequences (externalities) of the actions of Europeana. Although hard to quantify, these effects are at the heart of Europeana's existence and judged to be an important contribution to the Digital Agenda of the European Union and an underpinning the Knowledge Economy. These include but are not limited to:

- The strengthening of a shared European Culture
- The promotion and enabling of diversity
- The increase of social inclusion
- The improvement of multimedia literacy

All are deemed of high importance and Europeana has a unique competitive advantage to be successful in developing these opportunities.

Indirect: Indirect benefits are benefits that, through market transactions, are transmitted to consumers and producers in other markets. By making the material accessible outside the cultural sector and by the development of new business models and public-private partnerships Europeana can plan an important role in reaping these indirect benefits. Expected benefits in this area include:

- Time saving by researchers
- Creation of new businesses in area's such as Tourism
- Creation of new jobs in the creative industries
- Cost savings in the educational market

Direct: Direct benefits refer to benefits for Europeana and its participating investors and partner institutions. Direct benefits include the following:

- increased visibility of the content of participating institutions, creating relevance and direct economic returns in use of online content and physical footfalls
- Decreased cost of providing access through the adoption of the open source code developed by Europeana (such as the portal and ingestion tools)
- Cost savings by standardization of metadata
- Cost savings through knowledge transfer

¹ OECD (2007) OECD principles and guidelines for access to research data from public resources



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Appendix 1 - Budget Europeana 2011-2015

Budget Europeana 2011-2015						All the number are in € 1.000's
Year	2011	2012	2013	2014	2015	
INCOME						
==> Operating Income	4,923	4,978	4,856	5,141	5,378	
* Long term subsidy European Commission	-	-	-	4,541	4,768	
* Subsidy from projects	4,061	4,336	4,241	480	488	
* Subsidy Ministries to support projects & overhead	857	637	610	110	112	
* Other Income	5	5	5	10	10	
Total operating income	4,923	4,978	4,856	5,141	5,378	
COSTS						
==> General operating costs	437	259	282	506	531	
* Personnel staff costs	202	212	223	234	246	
* Costs for housing	71	75	78	82	86	
* Operating costs	164	172	181	190	199	
* Covering overhead costs out of projects	-	200-	200-	-	-	
==> Europeana Operational Services	-	-	-	4,035	4,237	
* Personnel costs	-	-	-	2,004	2,104	
* IT Costs	-	-	-	576	605	
* Subcontracting	-	-	-	410	431	
* Marketing & Communication	-	-	-	748	785	
* Travel costs	-	-	-	128	134	
* Other material costs	-	-	-	169	177	
==> Direct project costs	4,486	4,719	4,574	600	610	
* Personnel project costs	2,566	2,948	2,819	510	515	
* IT Costs	472	611	648	-	-	
* Subcontracting	405	195	162	30	32	
* Marketing & Communication	338	445	455	-	-	
* Travel costs	335	300	270	60	63	
* Other material costs	240	20	20	-	-	
* Overhead costs	130	200	200	-	-	
Total costs	4,923	4,978	4,856	5,141	5,378	
Result	0	0	0	0	0	

Notes to the Budget

From 2013 onwards it is hoped that Europeana will be largely structurally funded not relying on project money. For this reason the budget shows a severe reduction in income from projects and their costs from 2014 onwards.

IT costs include the costs of hosting the service itself as well as any software licenses

Travel costs include the costs of travel to maintain the network and its working groups for knowledge transfer and communication.

Housing is assumed to remain heavily subsidised by the National Library of the Netherlands