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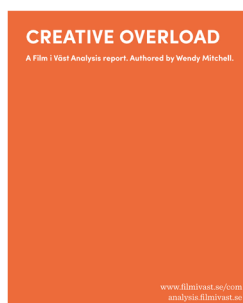
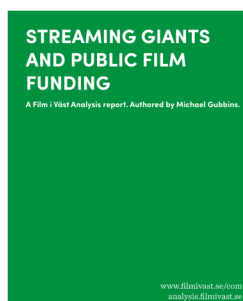
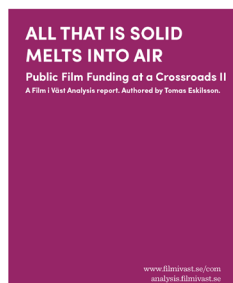
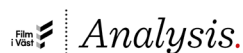
Analysis.

PUBLIC FILM FUNDING AT A CROSSROADS II

Focus group: The Nordics

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ABOUT PUBLIC FILM FUNDING AT A CROSSROADS

All that is solid melts into air – *Public Film Funding at A Crossroads II* was launched in Venice in August 2022. Along with the first report *Public Film Funding at A Crossroads* it can be downloaded at www.analysis.filmivast.se. Here you also find the ten territorial reports, executive summaries, with strong links to the main topics. There you also find **Michael Gubbin's** report *Streaming Giants and Public Film Funding* and **Wendy Mitchell's** study *Creative Overload*.

Appendix 1	Topics for the interviews
Appendix 2	Survey to filmagencies
Appendix 3	Status of Article 13's transformation across Europe
Appendix 4	Presentation of the experts

Focus group

Eastern Europe (Assistant Professor **Petar Mitric**, Producer Joanna Szymanska)

French speaking Europe (Senior Consultant **Vincent Leclercq**, Senior Consultant Philippe Reynaert)

German speaking Europe (Senior Consultant **Manfred Schmidt**)

The Nordics (**Katarina Krave**)

UK (**Bengt Toll**, Associate Professor **Lydia Papadimitriou**)

Close-up

Flanders (Producer **Ilse Schooneknaep**)

Italy (Senior Consultant **Rickard Olsson**)

Netherlands (Senior Consultant **Doreen Boonekamp**)

Portugal (Visiting Professor **Nuno Fonseca**)

Spain (Journalist **Irene Jiménez**)

French speaking Belgium (Senior Consultant **Philippe Reynaert**)

NORDIC FOCUS MEETING

Invited people from the Nordic film industry gathered for a meeting on 26 April in Gothenburg to discuss some of the most pressing issues facing the sector. In total, 45 actors participated, most of them from Sweden but there were also participants from Norway and Denmark. 14 of the participants represented public financiers at both national and regional level, from the industry mainly producers participated. The discussions were conducted as five round-table discussions. All issues were discussed at the various tables simultaneously. The discussions were introduced through five Keynotes that provided input and inspiration for the discussions.

The headlines of today's discussions were:

- The role and purpose of the public sector
- The support and how the public financiers can cohabit with the streaming services
- Audience
- Talent

These notes are a summary of the discussions around all the tables and highlight the views expressed by most of the participants. An important point has been that the participants' anonymity must be guaranteed in both notes from the discussions and in the report they form a basis for.

PURPOSE AND ROLE OF PUBLIC ACTORS

Purpose

The first discussion focused on what purpose and role the public actors should have in order to be relevant now and in a few years time. The majority of the participants agreed that it is extremely important

that the purpose is reviewed and, if necessary – probably in most cases – reformulated in order to make public actors relevant. The need for clearer, more concretely formulated objectives was also expressed.

However, it turned out to be relatively difficult for the participants themselves to be more concrete in their views.

The discussions can be summed up with the following quote – *“The focus should be on what taxpayers should get for their money. A broad repertoire, linked to the local language and culture.”*

Politics and politicians

Even when it comes to the view of the politicians who are set to run the policy, whether it is a film or an audiovisual one, and/or determine the purpose of the public actors’ activities, the participants were unanimous in their assessments and gave the politicians low marks.

- The basic attitude of politics is unclear, no uniform picture.
- Politicians are ignorant and need to be trained in the industry’s challenges.
- Politics and politicians are extremely important and must be integrated and trained, it is a joint industry responsibility.
- Strong political acceptance at regional level – yet extremely low knowledge.

A small group of the Swedish participants stated that they thought it was a mistake to terminate the film agreement. The film agreement ensured that there was industry expertise linked to decisions and measures.

Comments made during the discussions:

- Concerns about nationalism, xenophobia and that there is too little money.
- What the market can finance itself, the public sector should not get into.
- Important with analysis work.
- Feature films is difficult to motivate both politically and publicly, TV-series is easier.

Film Policy vs Audiovisual Policy

The vast majority of public actors in Europe are currently pursuing an audiovisual policy. If you scratch the surface a little, however, it turns out that the audiovisual is in reality relatively limited and often only means that TV series and games are included in the assignment in addition to film. The understanding of what an audiovisual policy stands for was – quite rightly – relatively diffuse. It was noted that the

concept of audiovisual is very untangible. And as one participant put it, *"We have to be brave enough to be concrete and define."*

Regardless of film or audiovisual policy, everyone agreed that a narrower focus towards traditional film, for the cinema, is important for the future.

When it came to the discussion about extending the tasks of the public actors beyond film and television series, great doubts were expressed. The gambling industry operates with a completely different financing model, which is difficult for the public sector to adopt. The market for computer games is also stronger, which makes it seem strange if the public sector were to prioritise supporting games.

Cultural policy or economic policy

Most of the participants believed that film is culture and economy in symbiosis. There is a general understanding of this even among politicians. However, it was suggested by some that too much focus on industry and the economy could be detrimental and threaten the system (selective support).

The incentives are one-sidedly argued in terms of economic policy and have no or weak links to cultural values.

Practice

Representatives of the public actors also agreed that they need to discuss and analyze purpose, mission and practice to a greater extent and, above all, make a reality check on the extent to which existing support systems/measures contribute to a desired effect/development or are even counterproductive.

The overproduction and the problems it entails is something that the majority of participants point out and call for measures to deal with these.

The industry is disappointed with the increased bureaucratisation and low competence of the public actors, something that was already highlighted in the first report.

Comments made during the discussions:

- There is a lack of vision.
- The public must dare to be elitist and choose the best. Instead they tend to choose what can be justified. A clearer repertoire thinking was called for and that greater trust must be given to those who make the films.
- Low levels of competence mean that the public sector is unable to take on the role of trainers of the industry.
- What responsibility should the public sector have for making the

film made with public support (tax payers money) more accessible?

- Is the domestic films accessible to the audience in the cinema, in relation to price and settings?

Public Service and feature film?

Public service is highly exposed to competition from streaming services, with the risk of a reduction in funding as a result of the tougher economic situation, the question of these actors' approach to the film is extremely interesting and central.

SVT - discusses whether they should continue to support (invest in) feature films. The current film promise is valid until 2025, but it's uncertain what will happen after that.

NRK – it is not in the mission to NRK to support feature films.

AI has emerged as one of the hottest social issues today and is also relevant for this industry. Knowledge about the impact AI may have on the sector in the future was, for obvious reasons, relatively limited and the discussions led to questions from the participants rather than views on the phenomenon of AI.

Comments made during the discussions:

- Interesting, but diffuse and not yet concrete.
- There is a great need for expertise, so as not to have to approach the area on your own.
- When it comes to AI's ability to work creatively (scripts, etc.) it is also a question of copyright, which must be handled at the parliamentary level.
- AI's ability to work with VFX will come first, already pretty soon.
- Is the development of VP an advantage for co-production? Obviously cheaper.

SUPPORT AND HOW PUBLIC ACTORS CAN COHABIT WITH STREAMING SERVICES

The Swedish Film Institute and the support schemes

Lena Glaser presented the review of the support that SFI is carrying out and gave an overview of existing support. Most of the participants were surprised by the amount of support that SFI has to handle. Spontaneously, many asked themselves whether the amount of support is really effective and achieves its purpose. Is there not rather a risk of fragmentation and a fragmented result? Consequently, most were in favour of the review in the hope that it will lead to fewer subsidies and a clearer focus, or as one participant put it: *"When I see the support overview – I admire the Swedish producer. Administrative services*

important for the Swedish producers to be able to handle the Swedish search support management.”

Some participants called for a clearer purpose (the what) as a starting point for the work on the design of the support (the how).

One suggestion put forward by many was to increase development support and make it more generous in the sense of what is accepted as development. Another more radical proposal was to merge existing production subsidies into one. Let all films compete for the big pot, instead of letting children's films and documentaries compete for the small pots. Distribute the money to the best projects, regardless of genre.

The one-stop shop of streaming services appears to the majority as an attractive financing model.

The new situation places higher demands on consultants than ever before, both in terms of their competence and understanding of the world around them. Now it is important to have courageous decision-makers who "can make decisions", which also means saying no to too low quality.

The market support in Norway works well and is attractive, which consumes "Etterhåndstilskudd". Which in turn undermines the selective support system. "The commercial projects sometimes get far too much money".

The participants shared the view that in a Nordic context, the situation is worst for Swedish film. As one participant put it: *"The situation in Sweden is much worse than it is only the film commissioners who are bad. It is the best projects that are supported, the level of projects is no better than what comes out."*

Suggestions made by participants on what public actors can do to improve the situation:

- Significantly strengthen their competence at all levels (increased professionalization).
- Increased cooperation:
 - Work more closely together – also between the Nordic countries.
 - Joinforces – to offer a more attractive proposal and create better room for negotiation.
 - Talk more with each other!
- • Increase efficiency and reduce bureaucracy.
- Collect and distribute data about your audience.

How will it be possible for the public financiers to cohabit with the streaming services?

While there are good and legitimate arguments that the public actors should not cooperate with the streaming services, we see that more and more public actors in various ways enter into direct or indirect collaborations with them. Consequently, there is in reality a great desire for pragmatism on the part of the public sector. What can such cooperation look like, and are there red lines that absolutely should not be crossed, not least in order to ensure acceptance by taxpayers?

Comments made during the discussions:

- Public selective support has lost its position due to streamers and incentives, etc.
- More money for fewer titles.
- Better to let the titles go to streamers instead of getting a very small amount at the cinema.
- Even streaming services are pressured and are more open to discussing and needing public funding.
- Continuity is short-term on streaming services and shake-up periods are shorter and shorter.
- The public financiers must agree on two to three parameters, for examples; rights, producers, window structures.
- It's wrong that public financiers' money goes to streamers.
- Public support should only go to films where the cinema is the first window. It was wrong that the window neutrality was introduced.
- Development investments should allow the streamers to co-finance.
- It then becomes a way to support local content with streamers.
- One way to get around is to negotiate so that the streamer's revenue will go back to the public financier (recoup of the stake). Not a particularly Swedish model but in the works in Denmark, Finland and Norway. The risk of such a model is that it makes such projects less attractive.
- Lack of transparency (statistics) a problem in cooperation between the public actors and streamers.

Who offers the independence to the filmmakers?

- Public money gives production companies creative freedom.
- You get more freedom with the streaming services compared to public financiers that often have different and conflicting opinions.
- If you have several different financiers, you are more free
- If we think we have a movie with a large audience, we make the most from going to the cinema. If not, it's safest to sell to a platform.
- We must keep the companies running so they survive and then the

rights are not always super important.

- Ownership is more important than the window.
- We as an industry are very unimportant in relation to the market and streaming services.
- Fewer films to choose from in the Market support in DK because many production companies are owned by global conglomerates and they have to deliver to “mom” – so they do not dare to take risks and invest in feature films, they make drama series instead as it is safer with profit

THE AUDIENCE

The market share of domestic films in the Nordic countries is low.

Audiences have not returned to the cinema after the pandemic, nor are they likely to do so. During the pandemic, audiences found alternative viewing windows and the cost of one or more streaming subscriptions appears to many, especially in these times of continued inflation, as a more attractive choice than the relatively high cost of a movie ticket. In addition, in the Nordic region, the majority of the audience has left linear TV and acquired one or more streaming services.

Swedish film has a weak brand and Swedes made 0.98 cinema visits per person last year. The domestic market share of cinema visits in our neighbouring countries was higher, in Denmark twice as high, in Norway almost twice as high, and in Finland the figure was also higher. Our desire for the great shared experiences is probably the strongest argument for the film to continue to be shown in cinemas in the future.

The participants agreed that the reason for the poor numbers in cinemas is explained by a mix of:

- that “we” have not made good enough films,
- the ticket price is too high,
- that the behavior of the audience has changed

We note a certain split when it comes to the question “Where will we see the film in the future?”. The cinema continues to have a strong position among the participants and a majority said that it will of course continue to be in a cinema. While some believed that there has been a paradigm shift where the audience’s consumption patterns have actually changed.

As regards the window structure, greater flexibility was requested from the financiers and reference was made to the flexibility that existed during the pandemic when it was possible to deviate from the planned distribution plan and shorten or completely refrain from distribution in cinemas.

Audience Design

Petar Mitrich presented TurinoFilmLab's Audience Design Fund and the results and experiences gained within the framework of this initiative. He also gave some direct input to the group discussions based on these.

Food for thought:

- Who can oversee the audience-development progress? Is it somebody within the film fund?
- Can some public funding be moved to designated audience development schemes?

Should these schemes be attached to development and production support schemes?

- How would you define an audience failure? Should audience failures be more thoroughly analysed? Should producers be held more accountable for audience failures?

It was argued that the producer must take greater responsibility for the audience and that Audience Design should be an obvious part of the production, as well as having a good understanding and analysis of the film's target audience. There are producers who have the know-how for and prioritize this work (here Philippe Bober and the Coproduction Office were highlighted as a good example), but it was found that many lack sufficient competence. As regards the question of whether public support for this work would be useful/necessary or not, opinions were divided.

Comments made during the discussions:

- The audience let down because the films have not been good enough.
- We have worn out the audience with remakes and movies based on existing IP.
- The changed consumption picture means that adjustment work is required
- Denmark (DFI) and Norway (FI) have a system for audience analysis, SFI don't have.
- SFI may be able to help to make it easier for the Swedish audience to find the Swedish film.
- The producer must take responsibility for the audience.
- The cinema owner decides what will be shown in the cinema. The producer has to fight for the film to reach the cinema. You need a bulldozer for the producer or someone else at the production company who works with marketing, typesetting at the cinema, etc.

- From the producer's perspective, information about audience behaviors is missing. Access to data would strengthen the producer knowledge.
- We can develop new schemes to support the producer in the audience work – with time and money. Maybe earlier in the process.
- It is not possible to figure out what will work, and the public financiers should not spend more money on marketing.
- Public window politics should be concentrated on the cinema.
- Not all movies are going to the cinema. Break the window model now.
- Smaller funds have difficulties in obtaining local distribution, which destroys credibility.
- In addition, we have few cinemas in the county that show anything other than blockbusters. Then streaming becomes incredibly important in rural areas, as a content carrier.
- During the pandemic, the window structure became more flexible.
- Rather money from Netflix than no box office revenue.
- The promotion of the film in cinemas is an important part of launching a film
- The streaming platforms will go back to the old financing arrangements.

TALENT

During the work on the second report in PFFC, talent is an area that almost everyone we interviewed believes is an area that needs to be invested more in. They have primarily referred to talent development of screenwriters and directors, but we also want to include producers in this work. The Young Nordic Producers Club, run by Noemi Ferrer and Tina I Dali Wagner, is a good example of strategic work to develop young producers.

Only a minority of national actors consider talent development to be a mission they have. While for most regional actors it is a central part of their mission and an important tool for developing and strengthening the regional industry. The majority of participants also felt that regional actors are better placed than national actors to be responsible for talent development.

Opinions differ on the short film as an effective tool for talent development. Some believe that it is still the most effective and appropriate tool, but the majority believe that it today has played out its role. Talent development today takes place in completely different ways and places. Digitalization has democratized talent development and equal forms of talent development are emerging.

Several believe that talent development is a responsibility for the industry, primarily the producers, with financial support from the

public. The importance of talent development being done on the talents' own premises was emphasized. "Talent Norway" is highlighted as a well-functioning model.

Even in terms of talent, streaming services are a competitor to the public sector. Today talent development programs are run all over Europe in collaboration with a global player and several expressed fears that they will "steal all talent".

What is the role of film schools when it comes to talent development - do they have the skills to develop tomorrow's talent?

Comments made during the discussions:

- Love short film as talent development.
- The new talents can have followers on Youtube and advertise their projects. They are not interested in public funding.
- Look more closely at previous models, such as having screenwriters write shadow scripts. There is a need for large series where young talents can be trained.
- We need to put more resources and time into keeping talent in the industry, especially at a time when they are starting to start a family and need more stability.
- We force interesting voices to adapt to current models, instead of identifying them, seeing what they need and creating conditions for them.
- It is difficult to retain young talent. Due to the lack of capacity, they are forced to take positions with greater responsibility than they have the knowledge and experience for.
- The intake and expectations are wrong with producer education.
- There must be practical training in the education.
- Denmark has apprenticeship programs, which works well.
- Long TV-series is needed where young talents can be trained.
- Money is needed for apprenticeship support.
- We need better film schools.
- Directors need to understand that making films is a joint effort.
- Skills are the task of the public sector – not just talent. To get better, and lifelong learning!
- We have one of the few industries that handles very high competence among its employees (A-functions) without the producers themselves being trained in work management and psychology. And there will be a need for greater awareness of different types of forms of distribution – without hierarchy. Both film, podcast, game, etc. Talent needs to be open-minded, generalists rather than specialists.