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Creating our future: creativity and cultural heritage as strategic resources for a diverse and democratic Europe

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Policies for Diversity and Pluralism – enabling International
Drama Series co-productions: The Budapest Drama Series
Process

Policies for Diversity and Pluralism enabling International Drama Series co-productions: The Budapest Drama Series Process

High-end Series

Series have become a cultural and social phenomenon in the last few years. Popular hits such as *Game of Thrones* or more recently *La Casa del Papel* and *Squid Game* have become worldwide references, the subject of books, multidisciplinary academic research (from sociology to philosophy or even geopolitics) and even soft power enablers¹.

However, these developments have led to a position of non-European dominance within Europe, an imbalance which combines with the use of the predictive algorithms to pose a significant **challenge to the freedom of artistic creation, pluralism** and to cultural diversity.

Series have existed since television was born. The “daily soaps” or “telenovelas” were used to create loyalty with a codified and predictable format. Even if this standardised production is still present, increasingly qualitative – so-called “high-end” - series are becoming predominant and are now considered as artistic works with a prominent place in the world of cultural creation.

In a study published in 2020², the European Audiovisual Observatory defined high-end series as short series (from 2 to 13 episodes) made for prime time with a significant financial investment. The format is the result of a unique mix of highly skilled writers working alongside experienced creative producers. Currently it accounts for roughly half of all European fiction titles produced annually and this number increases every year.

This quantitative and qualitative upgrade of episodic storytelling can be explained by technological developments and digitalisation on the one hand, and the streaming revolution on the other. Demand has also rapidly adapted to new ways of consuming audiovisual products and particularly series. With access to multiple screens and a personalised offer, young audiences seem to favour watching unlimited content anytime, anywhere, on any device.

Rapid shift

In under 10 years, the number of **subscribers to SVOD** services in Europe has grown from less than **1 million in 2011 to 140 million by the end of 2020**. This trend has been reinforced by Covid-19 pandemic restrictions, including the closure of the cinemas. During lockdowns due to the sanitary measures, citizens around Europe, and elsewhere, have had reduced access to culture generally and to films in particular, experiencing them mostly if not solely through the services of streaming or broadcast providers.

Such shifts both on the demand and the offer side also accelerated the appetite for international series, with local stories made for global audiences – so-called “glocal” series –, generating interest and sales abroad³. However independent producers and authors have increasingly become subcontractors with close to no creative decision-making power within the production process, while non-European companies own European intellectual property and to a certain extent European talent through exclusivity-based contracts. With no alternatives, all talents from creators to producers are in fact forced to choose such unsustainable options.

¹ Kwun A.(2021), *When a Track Suit Embodies a Nation*, The New York Times available at <https://nyti.ms/35Tg8io>, accessed on February 10th, 2022

² *European high-end fiction series: State of play and trends*, European Audiovisual Observatory, 2020 available at <https://go.coe.int/uijv2>.

³ Baujard T., Tereszkievicz R., de Swarte A.(2019); *Entering the new paradigm of Artificial Intelligence and Series Executive Summary*, Strasbourg, France, a study commissioned by the Council of Europe and Eurimages, available at <https://bit.ly/3c41IRH>, p.34

Language has gradually become less of a barrier as young audiences are used to subtitling, with the success of *Squid Game*, a natural example, following the Oscar and box office achievement *Parasite*, the Spanish hit, *La Casa del Papel* or the recent *Lupin* and *Dark*.

Rapid developments within the sector govern the urgency of the proposed public intervention. In 2021, Netflix became the most significant single commissioner of new European scripted content, according to a study⁴ conducted by Ampere Analysis, and as such, **for the first time ever, a non-European company takes the lead ahead of major European public and private broadcasters.**

The same company is forecast⁵ to spend more on original programming than ever before, splitting its global content budget almost evenly between that and acquisition costs. In four years, 46.5% of the streaming giant's projected \$18.92 billion budget will go toward original content, compared with 37.8% in 2020. At the same time, Disney recently announced it would increase its 2022 spending to 33 billion dollars. This boost is driven by Disney's intention to expand its reach through its streaming platforms like Disney Plus, Hulu and ESPN Plus, rather than through the company's linear businesses in television and film.⁶

Consequences - solutions

Under the auspices of the Hungarian Presidency of the Council of Europe, an exploratory conference on "Preserving Independent Production, Diversity and Pluralism in Drama Series in Europe: Can International Cooperation be Part of the Solution?"⁷ was held in Budapest, on September 30th – October 1st, 2021.

The conference built on a study⁸ commissioned by Eurimages in 2019 from an independent consultant in order to better understand the changing environment created by the emergence of VOD platforms and the use of AI in the distribution of audiovisual content.

Broadcasters, producers, sales agents and film fund representatives confirmed in their conference conclusions⁹ the importance of the role of the Council of Europe in preserving cultural diversity and pluralism in the audiovisual sector. They also highlighted the necessity for international co-productions to offset the fragmentation of the European audiovisual market, especially for smaller countries with limited financial means. Creative and technical co-operation amongst professionals from different countries also positively affects the quality and originality of drama series. They underlined the need to codify the rules of drama series co-production through a legal instrument, similar to the Convention on Cinematographic Co-production.

Such a standard-setting tool would make the market more transparent and allow independent producers to protect their rights – including their Intellectual Property – in negotiations with broadcasters or global platforms.

The legal instrument should establish a shared understanding and use of the term 'co-production' in the context of drama series, reflecting the following core principles: shared intellectual property, shared responsibility, and shared financial and above all creative contributions. Further, the legal instrument should also facilitate bridging the different legal approaches to co-operation in the drama sector and emphasise the relevance of national film agencies and public broadcasters. As such, the legal instrument aims to provide a commonly agreed framework

⁴ Bison G, (2021), *Netflix now the largest commissioner of Scripted European content*, Ampere Analysis, London, available at <https://bit.ly/3EYZGJK> accessed on November 2nd, 2021

⁵ Lebow S.(2021), *Netflix throws itself further into original content*, Insider Intelligence, New York, available at <https://bit.ly/3BYRsPT> , accessed on November 5th, 2021

⁶ Murphy J. Kim (2021), *Disney to Spend \$33 Billion on Content in 2022*, Variety, available at <https://bit.ly/3BX9BiC> , accessed on February 26th, 2022

⁷ Acknowledging the groundwork carried out during this conference and the future steps to be taken during successive presidencies of the Committee of Ministers, the Hungarian authorities named this initiative "The Budapest Drama Series Process".

⁸ Baujard T., Tereszkievicz R., de Swarte A.(2019); [Entering the new paradigm of Artificial Intelligence and Series Executive Summary, Strasbourg, France](#), a study commissioned by the Council of Europe and Eurimages, available at <https://bit.ly/3c41IRH>

⁹ [BudapestDramaSeriesProcess Conclusion Paper](#)

for the parties involved, allowing independent producers and creators to retain intellectual property and find themselves in a balanced co-operation with more commercially-driven partners. Such measures would enable producers and creators to provide greater cultural service to society, while remaining diverse and independent.

Participants, in addition, also underlined the need for a **financial tool** to cover part of the higher budgets required at critical moments in the production chain, complementary to the legal instrument and to other national or EU financial support programmes.

To preserve cultural diversity and pluralism in the audiovisual sector, the Council of Europe should consider financial support for international drama series co-productions and create the conditions for strengthened cooperation between independent producers, broadcasters, streamers and national funds on a pan-European level playing field.