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## Public Consultation “Assessing State aid for films and other audiovisual works” A contribution from the Federation of Screenwriters in Europe (FSE)

Brussels, 30 September 2011

**“In the beginning there is the script”**

*Stories are at the heart of humanity and are the repository of our diverse cultural heritage. They are told, retold and reinterpreted for new times by storytellers. Screenwriters are the storytellers of our time. **European writing talent should be trusted, encouraged and supported.** The European film industries need to find ways to attract and keep its screenwriters in the cinema and in their craft.*

The European Screenwriters Manifesto, November 2006

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Fédération des Scénaristes d'Europe // Federation of Screenwriters in Europe

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## Executive summary

The Federation of Screenwriters in Europe (FSE) is the voice in Europe for some 7 000 professional screenwriters working mainly in the film and television industry. It is a federation of currently 25 associations, guilds and unions of screenwriters in 19 countries. We thank the European Commission for consulting us in its valuable effort to assess existing State aid for film sector in Europe.

1. FSE supports the extension of State aid.
2. FSE believes that support for script development – the research and development phase of the audiovisual industry – should be enhanced and extended.
3. FSE believes that the principle of State aid should be extended beyond traditional film and television to include web drama – audiovisual products made directly for the web.

## Introduction

As the Commission points out in the issues document<sup>1</sup> published in connection to the review of the Cinema Communication of 2001, film and television programmes are both economic goods and also cultural goods “which mirror and shape our societies”. Were films and television programmes merely economic goods, there would be considerably less of an argument in favour of state aid in this sector. **It is their cultural status which is fundamental to the case for state aid.** Cultural diversity is a European fact and one of the profound strengths of the European Union. Key to the evolution of this cultural diversity is the right of each of Europe’s many cultures to express themselves to their own members and to the citizens of the other cultures of Europe and beyond. This is not practical without various forms of state aid for the many (and changing) facets of audiovisual creation.

We wish to respond directly to three of the questions raised by the Commission.

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<sup>1</sup> [http://ec.europa.eu/competition/consultations/2011\\_state\\_aid\\_films/issues\\_paper\\_en.pdf](http://ec.europa.eu/competition/consultations/2011_state_aid_films/issues_paper_en.pdf)

### Question 3.4.

**What activities other than production should be included in the scope of the Communication and which State aid criteria are appropriate for such activities? What factors should be taken into account by State aid assessment criteria for activities other than production? How should the switch of cinemas to digital projection be covered by future rules on aid to cinema?**

“Writers are the core of the film and television production process. The stories being told, the language used by characters, the actions they take are conceived and imagined first by writers. The relationship of these stories to audiences and the impact they have on the cultural and social values of our societies have their origin in the day-to-day work of these members of writers’ guilds. While the circumstances in which writers work varies significantly from country to country, **writers in general feel that their contribution is undervalued, culturally and economically, by the production processes and systems that we have evolved in Europe. They believe that the current procedures do not work to ensure the best possible scripts are brought to the production process.**” (Policy Paper, December 2007).

Research and Development are seen as key to the success of any industry. The same principle applies even more strongly in audiovisual production, where every production is required to be significantly different in its basic content from every other. Every film, every television programme, every episode of a series made for the net must contain new stories (or old stories newly told), new characters, new voices. **The need for high levels of investment in the development of new stories is evident.**

Many of the extant state aid schemes in the member states include development support schemes of various kinds and to varying degrees, with varying degrees of success. FSE is of the view that too many of these schemes route their support through production companies when they could in many circumstances **be more effective if provided directly to writers.**

**FSE supports the continuation of development support schemes as part of the production process and argues for their development and extension. We are of the view that higher levels of investment in the Research and Development phase of audiovisual production will produce better scripts and therefore better films and television programmes, better able to appeal to audiences.**

### Question 3.5.

**What should be the scope of products to be supported? Should the scope of the Communication extend beyond films and TV productions to other types of audiovisual projects? If so, what definition of 'audiovisual project' should be used?**

The audiovisual industry has fully entered what is called the “digital era”. Nowadays, an audiovisual production is more and more designed to be distributed through several medias, from theatres and traditional TV channels to VOD platforms. As a result, we think that **the definition of “audiovisual projects” should not be based anymore on ways of diffusion such as cinema or TV, but on the audiovisual contents themselves, to better fit the audiovisual landscape of today.**

Much of the debate and discussion of the impact of the digital revolution has concentrated on distribution issues. The Digitisation of cinema projection for example will clearly have a dramatic impact on the cost of distribution of feature films and should thereby facilitate more adventurous programming by Europe’s cinemas. Broadcasters have already found creative and exciting ways to redistribute their broadcast product through catch-up services and other means to allow audience access to television product online.

**However we believe that there is another potential revolution in audiovisual production that European legislation should allow for.** Though simplistic, it is still true to say that every technological change in cultural production has altered in profound ways the content and structure of what is produced. From the written word to the printing press, from radio to film to television, each new change has produced new cultural forms which have had profound impacts in society. Why should the internet be different?

Individual citizens already flood the internet with a tsunami of material often seen by millions of viewers which we believe are harbingers of new creation, production and distribution of new and innovative audiovisual material.

As FSE President Christina Kallas wrote in her editorial to our latest newsletter, “Creators want to hope that the online environment will be a major force for innovation, for creativity, a force to open up the ways in which story tellers reach audiences as well as a new, exciting creative environment for their stories. Already we see the first pioneers, new players, entrepreneurs of the digital space, producing new content in this new marketplace, made directly for the net, and trying to find creative ways to aggregate existing content, seeking whole new audiences across European borders and, of course, beyond. Good web drama reminds me of early TV drama – branded rather than interrupted by ads or product integration, dramatically limited due to budget but asking for small-scale intimate stories, enabling creative freedom and still experimenting with form – so what if web drama is sometime in the near future as important for us writers as TV drama is today ?”

**FSE calls for the scope of the Cinema Communication to be extended beyond films and TV productions to include the category of production of audio visual products for distribution on the net.**

Additionally we would like to point out that most production for the net is now made by its creators. As this new market is evolving, there are very few similarities with the traditional audiovisual productions, in terms of financing, distribution and global accessibility. The traditional categories have increasingly little relevance. **State aid for this sector of audiovisual production will need to take account of new creative, production and distribution processes for the net and in particular will need to recognise the need to fund creators of such products directly.**

### **Question 3.6.**

**What should the maximum aid intensities be? Should the current maximum overall aid intensity remain as 50% of the production budget, with higher aid intensities for difficult and low budget films? If activities other than production are to be covered by the Communication as well, would it be appropriate to set the maximum overall aid intensity as 50% of the total project budget (covering script-writing, development, pre-production, principal photography, post-production, distribution, promotion and marketing costs)? Would it be appropriate to encourage cross-border cooperation by allowing a higher overall aid intensity (of perhaps 60%) for film projects which involve activities in more than one Member State, including co-productions? If other types of audiovisual projects are to be covered by the Communication, what should the appropriate maximum overall aid intensity be?**

While there are various important discussions being undertaken in respect of the question of aid intensity, two issues which are not often brought to the discussion are of interest to the FSE. Firstly we think it important to raise again the issue of research and development in audiovisual culture. As important as the idea of research and development is in all industries, it is both more important, more difficult and more expensive in the audiovisual area than in most industries. Successful Research and Development for a film or television production produces only one product. The next programme has to be significantly different from the last with a consequent need for development expenditure in respect of every audiovisual production.

**This argues for a higher aid intensity for development spending than for production in general.**

**Secondly we think that the issue of creative risk should be a factor in considering aid intensity.** This is part of the argument why lower budget films or films from smaller countries with limited local audiences should be allowed greater intensity of state aid.

We believe this principle should also apply in respect of production directly for the net. During the period while this possible new form of creation, production and distribution of audiovisual cultural goods is being formed, successful business models are struggling to emerge into any fixed or recognisable, let alone profitable, structure.

**We therefore call for the level of intensity of state aid for production directly for the net to be set at a higher rate than for extant media.**

The Federation of Screenwriters in Europe and the Member Guilds remain at your disposal to elaborate any of the issues or ideas raised in this brief document.

Christina Kallas,  
President



## DOCUMENTS

FSE Policy Paper, December 2007

[http://www.scenaristes.org/newsletters/fse\\_PaperPolicyFinal.20080408.pdf](http://www.scenaristes.org/newsletters/fse_PaperPolicyFinal.20080408.pdf)

European Screenwriters Manifesto, November 2006

<http://www.scenaristes.org/pdfs/Manifesto%20FSE%20english.pdf>

Newsletter issue September 2011

<http://www.scenaristes.org/newsletters/newsletterSept2011.pdf>

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