



Policy Brief

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Lessons from the past: European film industry looks back at thirty years of paradoxes

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This policy brief is aimed at:

- EU policy-makers
- national authorities
- industry stakeholders

Introduction

As part of the broader European REBOOT project, researchers from Ghent University and Complutense University of Madrid examined how senior professionals in the European film industry (EFI) look back at thirty years of changes. While the important *Nostradamus* reports (see Koljonen, 2023, 2024) tend to glance in the future of the industry, this research looked backwards: it covers the trends, tensions, and paradoxes in the development of the EFI over the past thirty years.

Using oral history methodologies, the two research teams conducted 68 interviews with senior professionals from various segments of the industry. These include representatives from film production, distribution, exhibition, and policy, as well as a broader 'other' category including film critics, journalists, festival personnel, etc. The report prioritises testimonies on historical shifts in the film and audiovisual industries across three types of territories: a regional focus on the Belgian region of Flanders, a national perspective centred on Spain's major film industry, and a pan-European overview of broader trends. This study is grounded in these key witnesses' personal memories and experiences, offering a unique perspective on how the EFI has evolved. They cover their experiences with digitization, their evaluation of policies implemented in Europe, their perspectives on the rise of streaming platforms and how do they perceive the impact these changes the EFI's competitiveness, both regionally and globally.

Interviewees' reflections: diagnosis of a transformation

While we acknowledge the **need for a more holistic approach** regarding European film policy, our report focused on key segments of the EFI separately. Due to its bottom-up approach, the report has generated a rich set of opinions and recommendations, while it recognized key challenges in the stakeholder's evaluation of the last thirty years. The challenges identified in each of the key segments of the EFI are first summed up separately before the brief provides eight general policy recommendations that connect concerns in all these areas (production, distribution, exhibition and policy).

The interviewees highlighted several critical themes regarding changes in European film **production**. Technological advancements, particularly digitization, have democratized production



and fostered creative innovation but also intensified **overproduction**, which many see as unsustainable and detrimental to competitiveness. **The rise of private broadcasters and global streaming platforms has reshaped funding**, with streamers introducing new financial opportunities but also eroding creative autonomy and shifting focus toward commercially driven series over independent films. **Atomization**, marked by numerous small production companies **persists as a structural weakness**, while market consolidation threatens mid-tier producers, risking cultural diversity. **Hollywood's dominance continues to challenge European cinema**, though some view it as an impetus for resilience. Additionally, tensions arise around the evolving role of producers, who increasingly act as service providers within centralized models favouring global conglomerates.

The main issues in film **distribution** focus on the profound impact of digitization, leading to democratized access and expanded audience reach, but also **heightened competition** and **market oversaturation**. Another key issue is the **difficulty of European films to penetrate transnational borders**. When European films penetrate markets in other regions, they tend to be in the form of co-productions with other countries. The market penetration of European films is heavily concentrated within Europe itself, with 92% of admissions occurring there in 2023. Of these, 68% are in their national markets, leaving only 23% for intra-European exports and a declining 8% in non-European markets (EAO, 2023). **Consolidation among major players has intensified financialization**, concentrating power in multinational corporations while sidelining independent distributors who have great difficulties to survive or rely heavily on public subsidies and niche markets. **Streaming platforms have disrupted traditional distribution by monopolizing high-profile content**, emphasizing marketing, and favouring global over local cultural narratives, yet also offering innovative opportunities for collaboration. **Geo-blocking remains a contentious but vital mechanism** to preserve cultural diversity and regional market dynamics, with its removal potentially threatening Europe's localized film ecosystems.

Related to film **exhibition**, the main issues highlighted by the interviewees revolve around the profound transformations in the cinema exhibition sector due to digitization, **changing audience behaviours**, and the rise of streaming platforms. Key themes include the democratization and oversaturation of content driven by digital flexibility, which has created challenges in sustaining smaller or independent films amid a **"winner-takes-all" market**. The communal and immersive experience of cinema remains vital, especially in attracting younger audiences, with cinemas increasingly focusing on event-based and premium experiences to differentiate themselves. Multiprogramming has allowed for more tailored, diverse programming, but **shorter theatrical runs challenge traditional audience-building**.



When we asked our interviewees about the state of European film **policy**, most interviewees stressed that it remains crucial for the existence of a so called “European cinema”. However, there are several key issues that need to be addressed in future film policy. These include the **overproduction of films**, which strains resources and market capacity; the **limited circulation of European films** within the internal market, which hampers cultural exchange and economic viability; and the **bureaucratic inefficiencies** in funding processes that create barriers for smaller producers and slow down innovation. Additionally, there is a need to balance **cultural diversity with industrial competitiveness**, ensuring that policies support both artistic expression and economic sustainability. The interviewees also stress the importance of **transparency and responsiveness** in policy implementation, particularly in addressing the evolving needs of the film industry and fostering long-term, sustainable collaborations across Europe. Finally, the interviewees underscore the necessity of shifting more focus to **supporting distribution and promotion** to enhance the visibility and success of European films globally.

Policy recommendations

- 1) An overarching, perhaps unsurprising, recommendation, is a call for more robustly financed support mechanisms. This appeal applied across all levels; supranational, national, and regional.**

Against usual criticism, we want to highlight how most respondents stressed the immense challenges faced by an industry that, over the past three decades, has successfully transitioned from a ‘sector’ to a fully-fledged industry, effectively utilizing the limited budgets provided by public institutions. Interviewees stressed that if European policymakers accept or recognize that cinema is valuable in terms of its cultural impact, economic value, and job creation, they need to respond by structurally strengthening support.

- 2) Improve data collection and market transparency. To address the lack of insight into audience preferences, European policymakers should require streaming platforms operating in Europe to share anonymised audience data with EU institutions and independent distributors. This would enable smaller stakeholders to compete effectively by aligning their strategies with solid market intelligence.**

Establishing a centralised European hub for audience data would further improve transparency by aggregating data on viewing behaviour, film circulation and market performance. While the EAO is an extremely effective institution, there is a call for a more fine-grained understanding of audience behaviours and preferences. Such measures would complement existing policies such as the



Audiovisual Media Services Directive (AVMSD, Article 13),¹⁵ which promotes European productions, and the Digital Services Act (DSA), which emphasises the accountability of platforms. Incorporating these new requirements would modernise the policy framework to meet the demands of a data-driven digital economy.

- 3) Strengthen distribution and promotion. There is a need to move beyond supporting film production and to focus on strengthening initiatives related to exhibition, distribution, and promotion of European films. Attention should be directed toward initiatives that enhance co-productions, cross-border circulation, and the distribution of films made in the EU and Europe and thus address the question of overproduction through stronger collaboration among partners and sectors.**

To improve the visibility of European films, Creative Europe MEDIA funding should be increasingly allocated to support independent distributors in developing innovative marketing campaigns and cross-border promotions. A Europe-wide promotional initiative could exhibit culturally significant films across festivals, digital platforms, and mainstream media, creating synergies between regional and global markets. Encouraging hybrid distribution models, such as partnerships between streaming platforms and cinemas, could extend the lifespan of European films, ensuring that they reach diverse audiences. Existing provisions under the MEDIA program (cf. Regulation (EU) 2021/818 of the European Parliament and of the Council of 20 May 2021 establishing the Creative Europe Programme (2021 to 2027) and repealing Regulation (EU) No 1295/2013)¹⁶ already support film circulation, but additional targeted investments are essential to strengthen these initiatives and ensure sustained visibility for European productions.

- 4) Protect cultural diversity through strategic regulation. The preservation of cultural diversity in the EFI hinges on maintaining territorial exclusivity through geo-blocking. Retaining the exemption for audiovisual content under the Geo-blocking Regulation (EU 2018/302)¹⁷ ensures that distributors can sustain localized funding models and maintain market segmentation.**

¹⁵ The essence of **Article 13(1)** of the AVMSD is to ensure that VOD providers actively contribute to the objective of promoting cultural diversity within the Union by providing a minimum share of European works in their offers. The Commission takes the view that this objective can only be effectively achieved if the 30 % share of European works is secured in each of the national catalogues offered by multi-country VOD providers.

¹⁶ Regulation (EU) 2021/818 establishes the Creative Europe Programme for 2021-2027. It aims to safeguard, develop, and promote European cultural and linguistic diversity and heritage, while increasing the competitiveness and economic potential of the cultural and creative sectors, particularly the audiovisual sector. The programme has three strands: Culture, Media, and Cross-sectoral, each with specific priorities to enhance cooperation, innovation, and sustainability across the cultural and creative industries

¹⁷ Regulation (EU) 2018/302 addresses unjustified geo-blocking and other forms of discrimination based on customers' nationality, place of residence, or place of establishment within the internal market. It aims to ensure the proper functioning



Additionally, strengthening content quotas for European works on streaming platforms—raising the existing AVMSD (Article 13)¹⁸ quota from 30% to 35%—would enhance the prominence of lesser-known European films. These measures would protect regional market dynamics while supporting the EU's cultural objectives, ensuring that Europe's fragmented but vibrant film ecosystem continues to thrive in the face of global competition.

5) Combat piracy on a larger pan-European scale, as this remains a significant threat to the financial stability of the European film industry.

Policymakers should develop a Europe-wide anti-piracy initiative targeting IPTV systems and torrent-based platforms. This initiative could leverage the existing framework of Directive 2004/48/EC¹⁹ on the enforcement of intellectual property rights, combined with the Digital Services Act's provisions on illegal content removal. Public awareness campaigns should accompany these efforts, highlighting the economic and cultural impact of piracy while promoting legal alternatives. Addressing piracy at both the regulatory and societal levels would strengthen the industry's capacity to protect intellectual property and revenue streams, benefiting both large-scale productions and independent filmmakers.

6) Support exhibitors in their new curatorial role and increase audience engagement. Interviewees highlighted how the sustainability of cinema as a cultural and economic institution requires investment in premium experiences and community engagement.

Exhibition funding under Creative Europe MEDIA should enable cinemas to implement high-value features such as IMAX, 4DX, and integrated dining experiences, enhancing their appeal as social and immersive venues. Parallel efforts should focus on youth engagement through educational initiatives under MEDIA or Erasmus+, fostering an appreciation for European cinema among younger demographics. These measures should also prioritize underserved regions, offering grants to improve infrastructure and expand access to diverse cultural content. Building on MEDIA's support for cinema networks like Europa Cinemas²⁰, these initiatives would ensure the long-term relevance of cinemas while addressing regional inequalities.

of the EU's internal market by preventing such discriminatory practices in online and offline transactions. The regulation prohibits blocking access to websites and re-routing without the customer's consent, and it ensures equal conditions of access to goods and services for all EU customers.

¹⁸ *Ibid.* (footnote 1)

¹⁹ This directive aims to harmonize the laws of the Member States concerning the enforcement of intellectual property rights to ensure a high, equivalent, and homogeneous level of protection in the internal market.

²⁰ Europa Cinemas is the first network of cinemas focusing on European films. Created in 1992 at the initiative of a group of thirty cinema exhibitors, it has become in 30 years a network of 1,302 cinemas and 3,192 screens in 39 countries. Its main objectives are to provide operational and financial support to cinemas that undertake to give a significant part of their screenings to non-national European films and to put in place activities for young audiences.



7) The focus on audiences should be integrated in a broader set of initiatives promoting European films and fostering European film culture.

Interviewees mentioned the importance of strengthening the mediation side of film culture, such as promoting cinema literacy in education and encouraging public broadcasters to give as much attention to European films as they do to (mostly Hollywood) blockbusters. Many of these initiatives (e.g., media literacy programs, collaborations with educational institutions) were mentioned during the conversations; the general impression is, however, that they would benefit from a stronger, coordinated support through a more integrated policy. This approach is also crucial in industrial terms, central for creating an environment where people will become more interested in European films than they are today.

8) Accepting that the EFI is a plural reality, EU-policy makers should engage more intensely in a meaningful dialogue which fully considers the professionals' expertise and experiences when developing policies related to the filmed entertainment industries.

Regarding issues like windowing or the potential abandonment of geo-blocking, the interviewees were largely unanimous in their view that policymakers' positions often contradicted the EFI's interests and appeared to be influenced by GAFA (Google, Apple, Facebook and Amazon) and other powerful lobby groups. Policy guidelines should thus accept that **Europe's film industry shouldn't mirror that of the USA and its concerns**, and recognize, as one interviewee who worked as a lobbyist in Brussels pointed out, that Europe and the EU are "a union of different markets"; he also added that "despite the dominance of big studios, European audiences are increasingly going to the cinema and consuming more content." It's about acknowledging that, much like Europe's food, beverage, fashion, and other cultural industries, the EFI is a "milky way" made up of a multitude of producers, distributors, and exhibitors.



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