

Financing European TV Fiction in the Streaming Era: How Policy Steers Investment Dynamics Between Local and Global Financiers

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Abstract

With the rise of digital technologies and the globalization of production and distribution, the bargaining power dynamics between traditional and new financiers and producers of TV fiction have shifted. Traditional industry boundaries have broken down. Television, film, and streaming have converged in the evolving landscape, drawing in competitors from outside sectors. Legacy players in film and television sectors now face competition from different directions: multinational technology companies such as Amazon and Apple have ventured into financing film and television productions. Hollywood studios have carried over their established relationships in film production and distribution into the streaming segment, aiming to compete with rivals like Netflix and Amazon by launching streaming services. Operating at global scale, these financiers have disrupted the audiovisual industries and fundamentally reshaped existing paradigms of production, distribution and consumption, necessitating new ways to conceptualise competitive dynamics. In this context, local commissioners of TV fiction have seen their traditional stronghold in deals with producers being challenged. The roles of public actors and financiers have evolved, and regulatory approaches in Europe have had to adapt to the complexities introduced by Internet distribution.

This thesis examines the role of policy in optimizing the financing of TV fiction in audiovisual ecosystems in Europe, in the context of globalization and the rise of digital technologies. Beginning with the premise that competition among financiers and producers has been redefined, it discusses six financing models for TV fiction situated at inter-organisational level. These models shape the supply and demand relationships between producers and financiers in audiovisual ecosystems. To analyse the impact of the shifting bargaining power between local and transnational financiers and producers of TV fiction, this thesis adopts perspectives on 'power' from the economic bargaining theories, the political economy of communication tradition and from media economics literature. Relying on interviews, document analysis and data analysis, the research in this thesis discusses the strategic advantages held by the transnational TV conglomerates, studios and global streamers as financiers, which allow them to amass significantly stronger bargaining power relative to producers, public financiers in Europe and other local financiers. To analyse the bargaining power of producers, the thesis examines the expansion of super-indies and consolidated groups, challenges linked to the ownership of IP rights, and the link between the ownership configuration of production companies and types of financiers involved in productions.

The empirical findings show that large integrated companies and super-indies have stronger bargaining power and more influence over IP rights, motivating some smaller TV fiction producers to become part of these large groups. Overall, power asymmetries between financiers predominantly serving local audiences and global financiers point to the risk of A-list screenwriters and producers of TV fiction with high production value prioritizing collaboration with the latter or committing to work exclusively for them. Global financiers enter into multi-year first-look agreements with talent and producers, leading to ecosystem risks such as talent shortages.

The analysis outlines that the primary distinction between the public financing model and the other five financing models is its focus on public value objectives. The findings show that audiovisual policy can not only reinforce the public financiers' model but also ensure that policy objectives are met through other commercial models for financing fiction. The configuration of policy tools in place, such as investment obligations, tax incentives, and selective funding, can either rebalance or intensify the power asymmetries between different financiers, as well as between financiers and producers. Policy interventions in certain EU countries target global financiers of TV fiction, such as streamers aiming not only to increase their investments, but also to generate cultural value. In particular, the investment obligations for providers of video-on demand services in some jurisdictions support cultural diversity and ownership of IP rights by producers, generate cultural value in the financing models of studios, global streamers and transnational TV conglomerates.

This research contributes to the fields of media economics and management by adopting an 'ecosystem perspective' to examine the shifting bargaining power between financiers and producers and by outlining the role of policy in preserving the fabric of independent production. It provides comprehensive analytical framework that examines power dynamics between producers and financiers at the meso-level, centering on the ownership structures, performance, and the types of financiers linked to production companies.