

POLICY BRIEF #19

29 November 2018

The current state of documentary in Europe

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Documentary professionals in Europe are concerned about the economic sustainability of documentary production. Public broadcasters are faced with budget cuts, dedicated subsidies in various European countries are being lowered, and new distribution platforms do not seem to make up for this (yet). Not surprisingly, representatives of the sector have repeatedly asked for more government investments. Faced with this situation, while taking into account the societal and cultural significance of documentary, it is essential to provide some evidence on the basis of which future policy decisions can be made. Together with the European Documentary Network (EDN), imec-SMIT-VUB designed a pilot study to grasp the state of documentary in Europe. 211 respondents filled in a survey with both closed and open questions,

sent out in the first half of 2018. The majority of respondents were directors (130) and/or producers (105). Representatives of other professions such as commissioners, teachers, sales agents, ... also filled in the survey (112). Over 90% of respondents live and work in Europe. While the study is not representative for the entire documentary field in Europe, it is an important first step in developing facts and figures about a sector that is much talked about, but under-researched. This policy brief discusses the main findings and lessons learned from this study.

1. Limited potential for commercial success

Working in the documentary field doesn't appear to be commercially viable, considering that **more than half² of the respondents estimate the 2016 annual net revenue for the company/organisation they own/work for at less than €10 000.**

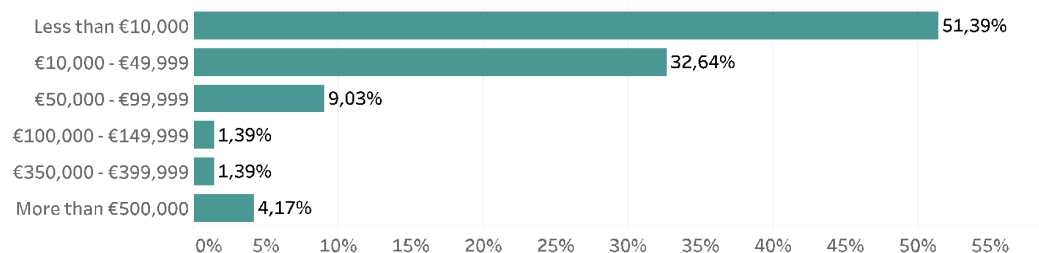


Figure 1: The annual net (after tax) revenue for the year 2016 for the organisation/institution/company that the respondent owns/works for.

In addition, the group of producers stated that the **total box office revenues (sales and rental) represent only 11% of the total production budget, on average.** These production budgets are rather low – over 42% of respondents claim that the documentary project they

¹ Respondents could indicate multiple professions in the survey.

² The few respondents who answered, 'I don't know' or 'N/A' are left out of the analyses.

consider to be representative for their work had a production budget of under €100 000. This finding is in line with the fact that many of the respondents have **low commercial ambitions** with their documentary projects:

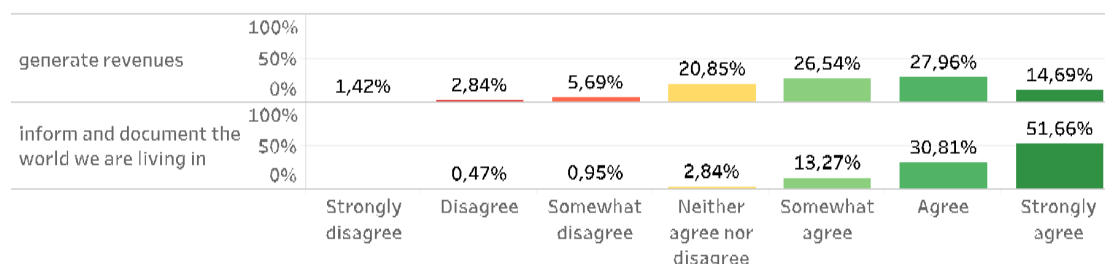


Figure 2: The ambition of the respondents for a documentary project that he/she is involved with.

2. Heavy reliance on subsidies

The upfront budgets to realise documentary projects consist mainly of subsidies (28%), own investments of directors and/or producers (19%) and public broadcasters' contributions (14%). Investments from commercial players are only at 6% in total:

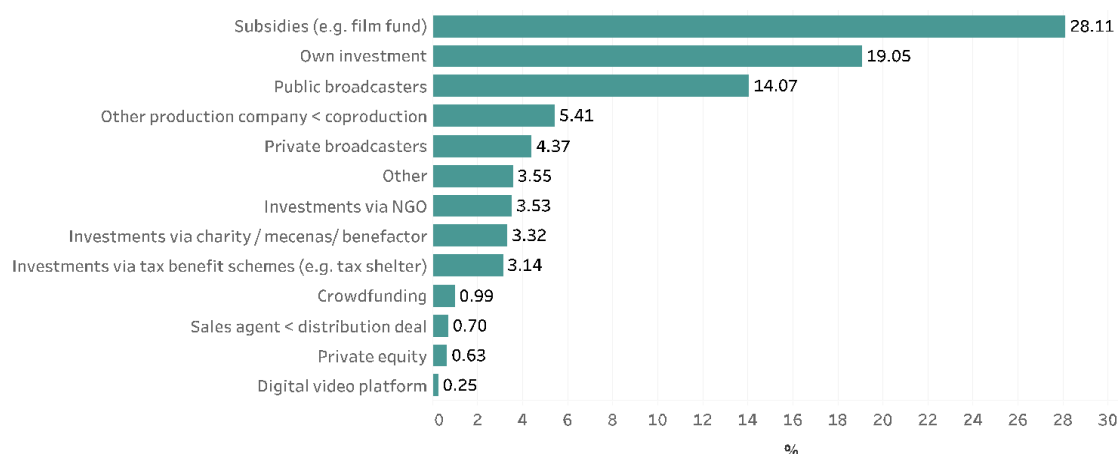


Figure 3: The composition of the sources for the budget of a specific documentary project of the respondent.

Respondents also claim that the support of a public broadcaster and/or public fund is often necessary to convince other financing stakeholders to invest in their project. This creates a vicious cycle which makes it difficult for the documentary sector to be independent.

3. Small businesses, fragile markets

The small business structures of these companies and organisations are striking: **almost three quarters (73%) of the respondents' state that the organisation or company that they own/work for employs one to five people.** These small organisational structures, together with the economic realities and low commercial ambitions we identified in our analysis, reveal the precariousness of the sector and its difficulty to evolve into sustainable businesses.

4. Minimal resources

The **personal yearly net income (after tax) of the 211 respondents is modest.** More than one out of four respondents (27%) reports that he/she earns less than €10,000 net on average on a yearly basis. Another 23% and 22% gain respectively between €10,000 and €19,999, and €20,000 and €29,999 per year. There are only very few professionals in the income categories above €30,000. This relates to revenues derived from activities in the documentary sector.

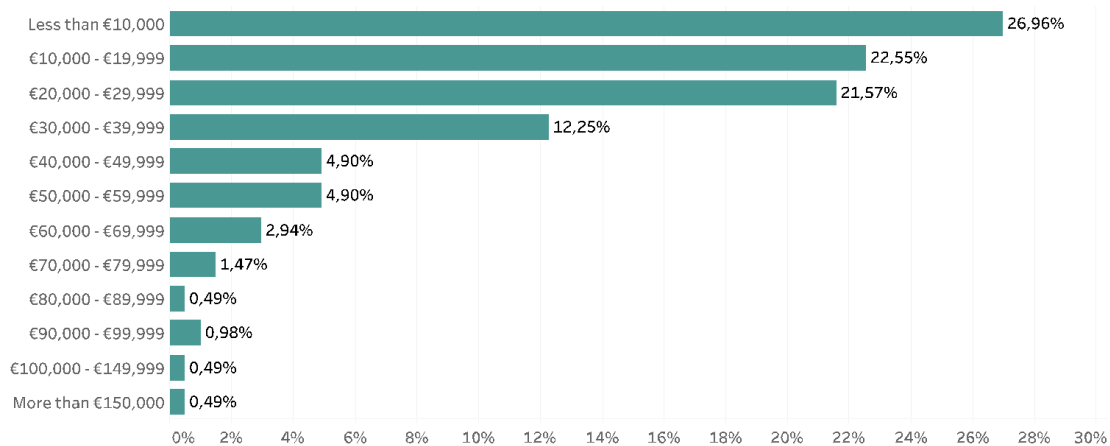


Figure 4: The average yearly net income (after tax) of the respondents, related to the job position(s) he/she indicated.

5. Accustomed to co-produce with (other European) traditional stakeholders

Producers indicate that they **co-produce mostly with traditional stakeholders**, such as other production companies and public broadcasters. There is a **low number of co-productions with non-traditional and/or emerging players**, such as VOD platforms. Interestingly, an important part of these **co-productions is taking place across European borders**. This implies that the documentary sector is already quite familiar with the trends of **internationalisation and increased co-production**.

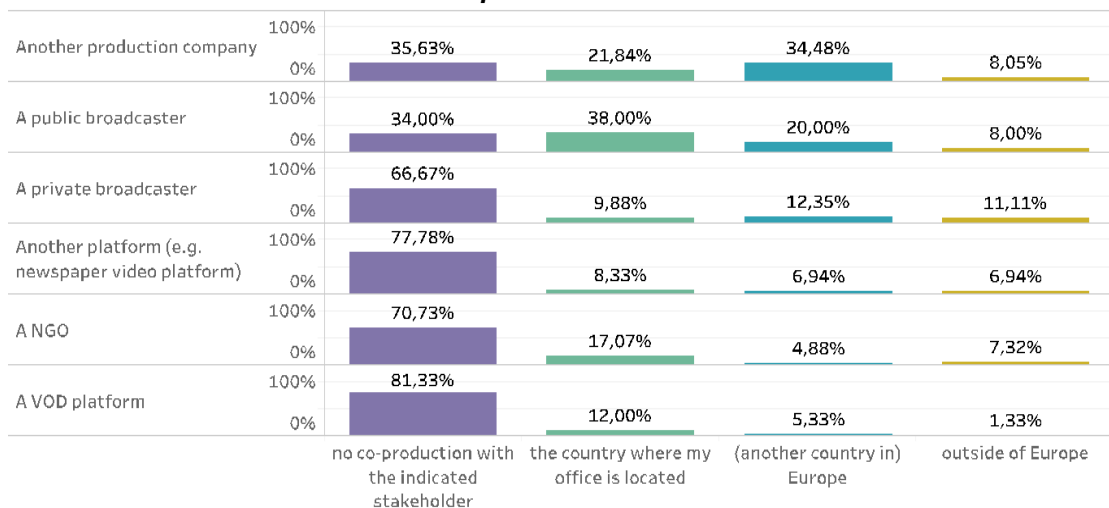


Figure 5: The location of the partner(s) with whom the respondent co-produced a specific documentary project.

6. Eager to deal with online players, but insufficient experience and know-how

While there is a **clear willingness amongst professionals to start up new collaborations** and to find alternative ways to produce and distribute documentary films, ideas are still in their infancy. The fact that so few collaborations are taking place with online players, might also negatively impact the development of ambitious distribution strategies in the sector. In addition, **less than half of the producers (41%) work with a sales agent** and 39% assign the distribution of their project to these professionals. No less than 53% of the producers that filled in the survey say that they distribute their documentaries themselves.

7. Prominence of conventional documentary forms

In the open questions, many of the respondents' state that they are open to experimenting and innovation in telling a documentary story. Yet, they **remain very focused on feature length documentaries in their activities**. 65% are generally involved in feature length docs vs. 15% in multiple short/mid-length episodes for documentary series, and 10% in docs with

no specific duration, such as interactive documentaries. Also, **the style of the documentary projects the respondents describe is primarily related to traditional documentary forms compared to more innovative styles:**

observational (60%)	web documentary (24%)
cinéma vérité (45%)	animated documentaries (18%)
portrait (41%)	other kinds of documentary (13%)
journalistic reportage (36%)	interactive (10%)

Insights from the pilot study

...for policy:

- It is **necessary to continue support** for the production and distribution of **the documentary genre through public means** (such as subsidies and public broadcasters' investments), as its commercial potential is limited. However, the sector should avoid maintaining a high dependency on these sources.
- **Instead of providing more subsidies, support policies should be focused.** Areas that require higher attention are, for example: innovating distribution strategies, developing new talent and ways of storytelling, providing possibilities for businesses to grow and facilitating knowledge-sharing.
- Policies need to further **develop ways in which commercial and non-traditional players are encouraged to engage in documentaries.** The **tax shelter** system in some countries is a good example of this. The **investment obligations** that several European countries are currently introducing for international video platforms can also be an interesting path to explore, provided that there are additional requirements for more fragile genres such as documentaries.

...for sector strategies:

- To become more independent from public funding, **the sector needs to diversify the current sources of income, re-evaluate the cost structure and renegotiate the price** that is currently charged for a documentary project.
- **Collaborations with commercial and/or new players should be considered more in-depth.** In addition, the sector needs to question the sustainability of having so many small players as opposed to **scaling up through closer collaborations**, without losing sight of the quality and diversity of the work.
- **More expertise, professionalisation and knowledge-sharing on innovative ways of producing and distributing documentaries is essential in reaching wider audiences.** Various professional organisations already focus on these aspects by fostering emerging talent, innovative projects and collaborations. These approaches should be expanded and further developed within the sector.
- These strategies also require **better organisation at the European and local level, for a stronger lobby** on behalf of the sector at the level of policy and sector agreements.

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The **Media unit** of SMIT, a research group at imec and VUB, consists of 45 junior and senior researchers. The researchers are specialist in various policy, market, and user research methods. Their work spans the fields of national and European media and competition policy, cultural diversity, public broadcasting, the sustainability of creative industries, immersive media, data and valorisation, privacy, media literacy, and digital inclusion. The unit is headed by Prof. Dr. Karen Donders (Karen.Donders@vub.be). The unit is also in charge of **Mediahub Brussel**, that is investing in education, innovation and collaboration in the Flemish and Brussels media sectors. The Mediahub Brussel is supported by the Flemish Government.