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Screen agencies as policy intermediates between small nations and transnational SVODs

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ABSTRACT

This article presents original empirical research on the interaction between national screen agencies and transnational subscription video on demand services (SVODs). Using interviews with agency executives in several small nations, it examines the dynamics of power which condition this relationship, framing the interactions as being instrumental and political for both actors. For screen agencies, the presence of SVODs in Europe and their capacity for investment was welcomed, though concerns were raised about their limited data sharing and their long-term extraction of value from the sector. For SVODs, working with screen agencies facilitates easier access to production resources and respond to a growing tide of regulatory scrutiny. Therefore, this commodified exchange between agency and SVOD builds mutual narratives of significance at a time of policy change in which both parties are likely to interact more due to the implementation of the EU's Audiovisual Media Services Directive (AVMSD). This research provides further insight into ways non-regulatory interventions by policy actors attempt to secure more return from SVODs.

KEYWORDS

Public funding, screen agencies, film funds, nation, investment, power.

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Very little film or television content reaches our screens without some form of public investment. The credits of many blockbusters and high-end television dramas on Subscription Video on Demand (SVOD) services includes a rollcall of governments and publicly-funded screen agencies. Although this truth is routinely sidestepped in the boosterism of industry discourse, the merge of public and private interests in the screen sector is neither new, nor without controversy (Sørensen & Novrup Redvall, 2021).

The purpose of this article is to examine the institutional relationships that underpin and sustain this flow of capital and resources. It focuses on three spaces where publicly-funded national screen agencies and transnational SVODs intersect: knowledge sharing, investment and capacity building, and accessing local content. It contextualises the shared economic ambitions of these actors which allows for forms of collaboration to be realised but highlights some tensions due to the inequalities in that relationship. The research focuses on the professional claims made about these interactions rather than the outcomes of the practices themselves.

This research argues that as policy intermediaries (Mutu 2021), screen agencies are critical actors for small nations to engage with transnational SVODs whose institutional structures and investments continue to privilege larger nations. Whilst the wider policy tools used by the nations in this study vary, there is a consistency in the approach taken by screen agencies to collaborate with SVODs finding common ambition around the delivery of local content. However, the long-term effect of this relationship was still unclear to many interviewees, suggesting weak bargaining power continues to feature for small nations in this era of abundance for screen production.

Research Design

This article emerges from the AHRC-funded project ‘Screen Agencies as Cultural Intermediaries’ (June 2018-May 2020). This project sought to explore different European screen agencies operating in Belgium, Croatia, Denmark, Northern Ireland, Republic of Ireland, Scotland and Wales. The sample emerges from previous research which identified some commonalities in experience, including well-developed policy frameworks for screen in which screen agencies are active, flows of content and investment between these markets, and

long histories of co-production. They are also served by multiple well-established transnational SVODs including Netflix, Amazon Prime, Disney+ and HBO Max, though across the sample their market presence varies, along with the type of financial obligations imposed on these services as part of the Audiovisual Media Services Directive (European Audiovisual Observatory (EAO) 2022).¹

Table 1: SVODs in the Sampled Nations

The research purposefully focuses on the experience of smaller European nations contributing to a growing account of the specific conditions of their screen sectors (Kerševan Smokvina, 2021; Raats and Evens 2021; Sørensen & Novrup Redvall, 2021). Relative to larger nations, smaller screen producing nations are often characterised by less revenue from advertising and licence fees, by less depth within labour markets and greater risk of outward migration, and by having fewer large players with the economies of scale that have driven the growth of transnational services. Raats and Evens (2021) also argue that strong government intervention is critical to the resilience of small media markets, another reason why examining the role of screen agencies, a prominent instrument in the policy toolbox, is essential. That said, although scale and characteristics like language can limit their access to global flows, this is neither experienced nor negotiated in the same way by all small nations, including those in the sample. For example, to build scale within the screen sector, Ireland and Denmark have taken very different policy approaches around the use of automatic funding due to historical factors and wider economic strategies (Sørensen & Novrup Redvall, 2021).

Original empirical data comes from two sources. It includes research of the institutional policies that drive the operation of the agency. It is worth noting the complex structures that condition screen agencies, partly summarised around their funding in Table 2.

Table 2: Overview of screen agencies in the project's research sample

¹ Scholars distinguish between national SVODs (such as Pathé Thuis in the Netherlands or the Flemish streaming service Streamz) who generally produce a restricted number of local-language originals per year often orientated to national markets, and transnational services who produce across multiple countries resulting in a more cosmopolitan but less local approach to production (Lotz and Lobato 2023; Raats and Evens 2021). This article focuses on the latter.

Interviews also inform the research, including with agency staff at senior (i.e. CEOs and governing Chairs), and mid-levels (variously titled ‘Head of Department’ or ‘Senior Advisor’). Interviewed too were local civil servants, policymakers, and government bodies with a cultural and/or screen remit. The author conducted 46 semi-structured in-country interviews during the period September 2018-February 2020. Although interviews with transnational SVODs representatives were not part of the dataset, public comments made by executives about their value to small nations have been included.

Two observations about the interview data. Firstly, interviewees gravitated to discussing global players who they felt were significant in terms of their disruption to the sector and simultaneously their ambitions to build domestic capacity. In conversation Netflix emerged as the named proxy for all transnational SVODs, though that typification is perhaps erroneous. As Lotz and Lobato (2023) point out, its scale and strategies are notably distinct from other services. The visibility of Netflix in the interview data can be partly attributed to the service’s prominence in Europe, and specifically the sampled nations - it now accounts for more than half of the global streamers’ investments in European original content (EAO 2022). However, interviewees also routinely mentioned taking part in direct meetings with representatives of Netflix (along with senior government officials) to share their respective strategic plans and likely woo investment:

Netflix have been in recently to talk to us about what they want to do in terms of generating content for Netflix Originals in Ireland. [...] We're engaging more with the likes of Netflix who want to invest in Ireland. (Annie Doona, Chair, Screen Ireland)

This semantic default and local networking evidence a distinct Netflix strategy which has been strategically multinational (Lotz and Lobato 2023). It also demonstrates the openness of these bodies to engage with some actors over others (Sundet 2021).

An additional methodological point worth acknowledging is the caution that some interviewees *may* exercise around criticizing SVODs in a semi-public space such as an interview with an academic. For screen agencies, cordial relations with their sector are a critical (and sometimes short-lived) resource which they manage and guard carefully (Doyle et al 2015; Schlesinger et al 2015). Their institutional narratives and individual accounts demonstrate a preference for cohesion and slow adaptation, rather than conflict and radical change, which can be problematic (Noonan and Brock 2022). The care with which screen agencies might avoid criticizing SVODs speaks to the professional culture of screen agencies. For screen agencies

one of their key roles is to ensure that *their* national sector is viewed as the most professionally skilled, flexible, and welcoming option for SVODs.

The Nation and The Market

There are two distinct, but overlapping, spaces in which screen agencies and SVODs interact: the nation and the market. This section considers the relationship of both to these socio-political frames, highlighting some tensions and shared ambitions which allow them to collaborate and meet their respective goals.

The relationship between screen agencies and the nation is more immediately clear, though it isn't unproblematic. The nation is embedded in the *raison d'être* of the screen agency – it is in their title (e.g. *Det Danske Filminstitut*; *Ffilm Cymru Wales*) and it is directly or indirectly the primary source of their funding. Historically, screen agencies were a response to cultural protectionism ensuring that there is a national resource which speaks for and about the nation on screen. Although the idea of national cinema is contested and imprecise, it is an enduring marker of distinctiveness which is given form and mobility by the work of screen agencies. For agencies in small nations, taking the nation outward whilst preserving distinct filmmaking capabilities domestically, ensures cultural diversity and visibility in a globalised screen sector.

However, cultural justifications were rarely the sole rationales for screen agencies. Economic sustainability has been a parallel ambition for many, even where this is downplayed in favour of a more culturally motivated argument. Over time the role of screen agencies as market mediators grew as they actively sought to compensate for structural weaknesses in the European film market such as this:

[I]n Denmark going back 10 or 15 years, you could produce quite a medium quality film, you could give it a theatrical release in Denmark, it would sell easily 200,000 tickets. The same film today won't even be able to sell 10,000 tickets. It's just a new situation and I think this is more relevant when it comes to arthouse films - they've got a really great competitor in the streaming services. So that's recent. You could also secure some kind of revenue 10 or 15 years ago, but you can't today. (Claus Ladegaard, CEO, Danish Film Institute)

Economic necessity and cultural invisibility mean small nations and their producers need to look outward, a situation that is now more acute due to the actions of transnational SVODs.

This relationship between cultural protection and market economy was articulated by the CEO of NI Screen reflecting on the value of inward investment from fantasy juggernaut *Game of Thrones* (HBO 2011 – 2019) to advancing the local sector in Northern Ireland:

[W]e were always seeking to have a balance between culture, industry and education, [...] I'm emphasising that the development of the industry is the one that has primacy because there is the simple logic that if you only support the next generation of great writers for example, [...] when they are going to make films, there is no one to make them. They can only be made by people from other places.' (Richard Williams, CEO NI Screen)

Whilst not all will frame their mandate in primarily industrial terms, a cursory review of the activities of screen agencies demonstrate the ways in which they engage in a marketization process. Their activities include investing in production and distribution, supporting co-production, building labour markets, backing indigenous talent, securing infrastructure and ancillary services (e.g. studios, post-production companies), and facilitating local filming. They attempt to optimise the capacity of the sector by mediating between various constituencies including policymakers, the sector, local authorities, education providers and other cultural and economic development bodies. As Chris Marcich, (CEO Croatian Audiovisual Fund) described, "we have a role in sort of bringing together and making sure that we're all supporting the investments that come in".

Therefore, the value that screen agencies purport to bring to the sphere of screen policy is their mediation across critical agendas, along with their proximity to the sector. In most cases, this extends their mandate beyond merely vehicles for direct funding. Their distinctiveness from the regulator, whilst still part of the policy apparatus in each country allows them to play different roles depending on the policy objective to be pursued (Mutu 2021). This also means that there are multiple points of entry for agencies to engage with SVODs.

The relationship between transnational SVODs and (small) nations, is less clear-cut. In terms of their attractiveness to SVODs, the appeal of small nations varies country to country and is often dependent on language and domestic resources (see Table 1). For some nations their small market size means that they may not be able to support several differentiated platforms (e.g. Croatia, Belgium), though this is not a universal structure with Denmark and Ireland offering similar market sizes but different services available. This means that the relationship between small nations and SVODs resists easy categorisation.

For the purposes of this article two further elements are significant. Firstly, the organizational and corporate geographies of SVODs rarely map neatly to the socio-political geographies of nations and, by extension, to the remit of national screen agencies. And second, the main losers in the territorial approach adopted by transnational SVODs are smaller nations as the scale of market adoption conditions their prioritization and levels of investment. The structure of Amazon Studios in Europe and Netflix UK and Ireland highlights some of these issues.

At the time of writing (early 2023) Amazon Studios Europe is headquartered in the UK and has country-based commissioners and business affairs teams in Germany, Italy, Spain and France. It also has a long-term contract with Shepperton Studios in England for exclusive use of its production facilities. Its territorial approach means that it lacks any organisational presence in smaller nations conditioning the access granted to its decision-making and reinforcing the flows of capital to bigger nations. Therefore, due to their absence from smaller nations, SVODs must use alternative connections to these markets, included those offered by screen agencies.

Netflix operates in a similar way. It is worth drawing attention to the merge of distinct UK and Irish markets into a singular structure under which several screen agencies operate (see Figure 1). Therefore, a corporation like Netflix can leverage competition between individual nations/agencies as they discuss investment or manage concessions, something referenced by this interviewee:

If you look at what's happening with those VOD channels, we are increasingly fighting for Netflix with its big pockets of money to come and shoot in our area. (Michael Gubbins, former Chair Fffilm Cymru Wales)

That isn't to say that agencies always compete with one another. Indeed, there is a long history of formal and informal cross-border collaboration. However, interviewees acknowledged moments of competition due to the scope that Netflix has for alternate partners.



Figure 1: Netflix UK and Ireland with agencies operating in that territory (Feb 2023)

Therefore, the corporate structures and location strategies adopted by SVODs work to their advantage by allowing them to have a presence in markets which offer scale, whilst simultaneously ‘shopping around’ for greater benefits amongst smaller nations. It allows them to redefine borders in market terms. The structures also currently work to the advantage of larger European nations as evidenced by the dominance of French, German, UK, Italian and Spanish on the content libraries of SVODs (Grece 2021). Therefore, despite the rhetoric of cultural relevance and choice proffered by SVODs, small nations still negotiate the risk of invisibility and limited access to global circuits of content.

Occasionally SVODs publicly recognise their relationships to nation, articulating customer value through the lens of nationhood. This well-rehearsed example from Netflix (responding to the Welsh Affairs Committee inquiry on *Broadcasting in Wales*) serves as a prototype for how such questions are negotiated, and sidestepped, by these services:

Stephen Crabb MP (Chair, Welsh Affairs Committee): How do you ensure that Netflix, big global player that it is also meets the needs of a world where local identities, small nations, do still have meaning and value?

Benjamin King (Director of Public Policy, UK and Ireland, Netflix): [...] the UK [...] is one of the most important markets for Netflix, particularly in terms of production, and our investment in content. We spend over a billion dollars every year here on UK content. But within the UK, Wales has consistently been the location for many of our most well-known and best-loved shows which have come out of the UK. Most people are familiar with *Sex Education*. Many people know as well that certain scenes from *The Crown* were filmed in Wales. But we also have a suite of other content as well, that was made in Wales. For example, our film *Havoc*, which is the largest feature film ever produced there [...]...perhaps the most important learning for us as a streaming service, as we've become truly global is that people everywhere, are really hungry for the sort of cultural specificity of programming that has an authenticity of

time and of place. And they respond very positively to that. And those are the sorts of stories that we see resonate. So we are extremely keen to make shows wherever we can, that reflect the lives of people living right across the UK, across all the regions and nations, including in Wales, and indeed, across the world, because we find consistently that that content travels extremely well. I'm actually very pleased to be able to share with the committee this morning that we are soon to announce that we have licensed a wonderful show from S4C in the Welsh language *Dal y Mellt*, which aired last year, and it's coming to Netflix in April. And you know, that's just one example of an instance where we identify a piece of content that is very culturally specific, but we believe will be incredibly successful with our members. (Welsh Affairs Committee 2023)

Notable here is how Wales as a nation comes in and out of view, subsumed under the frame of the UK. Cultural specificity is strategically employed as a public benefit to both Wales and to non-Welsh audiences. But whilst people might be familiar with *Sex Education*, the drama gives little visibility to Welsh identity instead locating the story within a US-style high school. That's not to say that the investment from the examples above isn't strategically important, but simply to point out how national markers such as language are valorised by SVODs at moments of political scrutiny.

In this way the relationship of SVODs to the nation - and by extension to the public good - is framed in terms of 'members' getting a greater choice of services and culturally specific content along with local investment, even if such things are relatively limited in practice. This also means engaging with the nation requires SVODs to adopt points of view that cohere with the nation's strategic drive for investment and its desire for cultural visibility. A space emerges around the supply of content corresponds to the common interests of screen agencies and SVODs. This enables cooperation between both as they perform some public duties (advancing choice and sustainability) and where specific resources might be exchanged. Our research identifies three areas around which SVODs and screen agencies interact to exchange resources. The next sections consider each of these individually.

Knowledge and Data as Sites of Power and Negotiation

Screen industries are highly reliant on knowledge sharing to mitigate risk and negotiate industry structures. Whilst technology like algorithmic 'big data' provides some useful insights into audience demand, tacit knowledge and informal communication also holds considerable

value in the context of making screen content (e.g. who is the local talent, what local companies have spare capacity).

For screen agencies this tacit knowledge has strategic value in the context of SVODs attempting to expand quickly and at a distance from their small nation:

We are the holders of information in terms of talent in our nations. We don't control our talent, but we know who they are. While Netflix operates from a global ivory tower and therefore, they don't know who's hot in Scotland. We know that much better. (Agnieszka Moody, Chief Executive at Creative Europe Desk UK; Interim Director at Screen Scotland)

Whilst careful not to operate as gatekeepers, screen agencies do attempt to facilitate the flow of industry information to connect SVODs to talent and to provide useful bridging information. Their role as public agency with deep ties to local filmmakers allows them to be an authoritative broker of this information. This is more than a mere directory of local companies' information (many of the agencies include a list of local companies in their public materials). Instead, it is sharing expert contextual knowledge of the sector which recognises the larger context and risk environment in which SVODs operate. We must assume that this has some value to SVODs, especially Netflix where localisation has been such a prominent element in their expansion and, where 'boots on the ground' in the form of commissioners are not strategically desirable in all small markets.

Controlling information flow has been part of the disruptive force of SVODs. As Wayne (2022) argues, Netflix's ongoing resistance to transparency has served multiple goals including insulating it from being substantively challenged. Even behind closed doors, the sharing of information is a point of dispute and a space for negotiation between SVOD and screen agency:

When I'm in a closed room [...] the SVOD will say: 'we share data with our filmmakers, we allow them to use their discretion'. And we are like, 'Look, we need it systematically. You are benefiting from a system of sometimes non-retrievable funding from us'. We're making decisions about huge investments and it's not as if the SVOD's are remotely daft about the need to build the talent base - they're actually on the forefront of all of that. But for us to be making decisions collectively on which filmmakers, which talent, which scripts to go forward on, needs us to be working in a market context. So that we then have access to that information. [...] Because if they want our free money (which of course they do), they're gonna have to share at some point. (Isabel Davis, Executive Director Screen Scotland)

As the encounter suggests, the systematic sharing of data, even with potential collaborators is still piecemeal, with SVODs using their data gathering capabilities as a strategic source of advantage.

Significant in this transcript is the relationship drawn between audience data and funding decisions which might provide screen agencies with more objective evidence. Screen agencies often ascribe to ephemeral criteria such as ‘quality’ and innovation in their decision-making, though these sit alongside more objective market concerns. The data from the SVODs is valuable to Screen Scotland and others, not only because it might shape future decisions, but also it offers them a tangible marker of their own value – a verifiable ‘hit’ on Netflix justifies public investment in both screen content and in the agencies distributing that funding in ways that translate beyond industry discourse alone. Therefore, exchanges of knowledge create a context around which collaboration can be initiated and a resource imbued with some form of bargaining power. However, there are significant inequalities in that exchange arising from the position of these as small nations in which alternative avenues are possible for SVODs.

SVOD Investments and Obligations

The interviews highlighted a shared ambition amongst the different agencies to secure local financial investment from SVODs in part due to the limited capacity of their markets. This investment is strategically valuable both for its economic potential and because it can be symbolically mobile and persuasive to other would-be investors acting as a tangible marker of the domestic capabilities of the sector.

Interviewees pointed to several collaborations and investments which illustrated the ongoing and productive relationship they and the wider sector had secured with SVODs, underpinned by securing future scale within the sector beyond the term of any one project. This included satisfying SVOD-driven demand for studio complex facilities and direct support to deepen and expand the labour force, both critical resources for many small nations (Champion 2016). The Netflix film *Outlaw King* (2018, McKenzie) was highlighted:

[I]t's had a pretty good effect on the Scottish sector so far, the Robert the Bruce film that Sigma made was \$35 million, entirely funded by Netflix, [...] it's the biggest film project made by a Scottish company. That's good news. (David Strachan, Chair Screen Scotland)

Creative Scotland (which funds Screen Scotland) invested £500,000 via its Production Fund and a further £500,000 via its Production Growth Fund, relatively modest amounts in the context of this production but a significant outlay for Screen Scotland whose total budget for the Production Growth Fund that year was £1.25m. Alongside local spend from the production, two further benefits were singled out by interviewees to justify this public investment - an investment not without its critics (Swindon 2018). Firstly, that it gave additional reputational capital and visibility to key Scottish talent, namely its director David Mackenzie and producer Gillian Berrie. Second, it hosted Scotland's biggest ever trainee initiative, with 35 trainees across creative, technical, and business (Screen Scotland 2018). Investment in the labour market is a growing area of concession from SVODs to address greater scrutiny from local policymakers. As part of their response, SVODs and their suppliers have collaborated with screen agencies in several apprenticeships schemes and placements to help new entrants access the sector and which offer some signal of their long-term investment in the nation's screen sector, albeit with little risk or substantial financial outlay to the SVOD.

Much public debate has occurred about the extraction of value by SVODs from the market with varying policies in play across Europe to redistribute the profits made back into the sector. For example, Article 13 of the AVMSD gives Member States the option to impose financial contributions on media service providers, including transnational SVODs. Contributions can take the form of direct investment obligations (e.g. commissions, co-productions and acquisitions) or content production levies payable to a fund. This fund is often administered by the national screen agency as in the case of Denmark, Croatia, and Belgium (Cabrera Blázquez et al 2022). Most screen agencies seem to welcome this arrangement noting the differing obligations placed on domestic providers and SVODs:

It's one rule for one group, and another rule for another group. Whether we can reconcile ourselves to that requires policy skills which, even at a European level, is complex. (James Hickey CEO Screen Ireland)

This flow of capital is well-timed as governments face an era of budget constraint in which spend to support culture (the main departmental source of funding agencies) is likely to diminish in the face of other concerns. However, such funding, which integrates SVODs into national systems would also come with new pressures for screen agencies, as they administer the obligations whilst maintaining their collaborations with SVODs. For example, there is still a degree of uncertainty about whether this source of funding will change their working models and decision making, as historically funding from screen agencies has prioritised theatrical

release and local independent production. Industry stakeholders are asking who will have the right to apply for public funding, what will be the requirements associated with that funding and whether screen agencies are ready for ‘the new world’ (Eskilsson 2022)?

At the time of interviews, the arrangement for levies was still under discussion but could potentially be seen by agencies as an opportunity to redistribute bargaining power, though here again experience of smaller nations is likely to be significant, with SVODs specifically focusing on the threat to smaller nations in the counterarguments to Article 13. On announcement of the Danish government’s Cultural Contribution Act, which includes a 6% levy, the European VOD Coalition (2022) argued that an increase in obligations would result in some services withdrawing from less financially attractive (i.e. smaller) markets and would instigate greater competition between nations to attract SVOD investment. It also remains to be seen how screen agencies will negotiate the efforts to extract financial contributions from SVODs with their own efforts to secure these organisations as industry collaborators, a dualism recognised publicly by the CEO of the Danish Film Institute (Pham 2022). Therefore, it is unclear if this intervention will in fact solve the funding problems within small national markets (Kerševan Smokvina 2021).

Content Sales and Rights Acquisition

A foundational tenant of public funding has been that funding should go into productions where the Intellectual Property Rights are owned and controlled in some way by an independent production company with some ties to the nations. These rights secure revenue for the local companies creating this content and for the agencies attempting to build a sustainable sector around these companies and so have grown in importance as traditional sales windows have closed (e.g. DVD). An example given of the value of the secondary market offered by SVODs was *La Trêve (The Break)* (2016-), the first French-language Belgian television crime drama. It received a combined €1.18 million (\$1.5 million) from a collaborative Wallonie Brussels Federation-RTBF Fund and from the Wallimage Bruxellimage regional economic fund, with Netflix buying the international rights to season one and two of the series. Speaking about the sale to Netflix the Director General (DG) of the Centre du Cinéma et de l’Audiovisuel (CCA) points to the symbolic value that comes with appearing on Netflix, not only to the reputational capital of the production team, but to the wider sector:

We don’t have lots of pride in French speaking Belgium about our production. That’s really something that lacks. [...] it’s very strange but the French speaking public doesn’t

really care, but they care as soon as it is a hit somewhere else and then suddenly, they are interested. So, if you are successful in France, if you have good results on Netflix, suddenly they are very proud, so we need that. We need that to make this feeling of being proud of what we produce. [...] It [*La Trêve*] gave confidence to the others who said, if they [the makers] could do it, maybe I could try and do it as well. (Jeanne Brunfaut, DG CCA)

A valuable commodity for a small nation is the tangible demonstration of their capabilities which can be mobilised both within and outside the border of the nation. Sales to SVODs represent a form of legitimisation that lifts the sector's aspirations for both domestic and international competition.

Some concerns for agencies were noted around the growth strategy of SVODs in which they take all global rights in a cost-plus system thereby closing down additional forms of rights exploitation. In the context of small nations, and therefore smaller scale independents, the risk is that indigenous producers become 'service producers' for content financed and exploited by others. This concern was partially echoed in the interviews, but again tinged with uncertainty about the long-term impact:

[T]hat's something that we're very aware of, and we keep a very close eye on [...] We don't want those platforms coming in and making it more difficult for people to get their rights or ownership rights or copyright, or the rates to be wrong. We want to make sure that it develops the industry, and it enhances the industry. (Annie Doona, Chair Screen Ireland)

[A]s soon as they are coming in on something they close down the possibility of deal making, because if you're on Netflix, nobody else wants it. [...] So what effect is that going to have on the sector? Well, it's had it had a pretty good effect on the Scottish sector so far [...] We are watching with interest. (David Strachan, Chair Screen Scotland)

I think it's a good opportunity, as long as they bring money in and as long as our producers keep some of the rights, because that's a big question for us. (Jeanne Brunfaut, DG, CCA)

A change to the IPR structure in the sector was not a universal concern with some interviews more sanguine than others:

There is fairly constant positioning at the moment as that being bad. [...] But the reality is that HBO is the broadcasting institution that has done most to deliver public values and public purposes, to use the BBC term, in Northern Ireland. [...] we were always set up to be wanting to align with that sort of investment because investment from outside of the UK and Ireland is by far and away the most attractive to us. [...] we are keen to have visibility and to reach audiences all around the world, [...] I've spent years on the side of trying to get producers to understand the value of rights

and to aspire to selling rights. And I have not had difficulty at all. [...] we decided to make one film a year that we would fully finance. The most commercially successful of those is the one that Netflix picked up at Sundance, [...] they took all the rights and we got all of our funding back, which is pretty much unheard of with these films. [...] If every single project in Northern Ireland went to Netflix, cost of production plus uplift model...we would have more investment in the sector than we would have ever had before. I think you have to look at who is it that is really losing out in that scenario. And you know they are not particularly losing, the people who are losing out are not significant stakeholders in Northern Ireland. [...] I just think it is overstated and you have to look at the question why that is the case. Why is this thing shouted so loudly? (Richard Williams, CEO NI Screen)

This reasoning from the CEO of NI Screen suggests that the relationship between SVODs and the nations/screen agencies is contingent on a localised history of investment and strategy, and therefore frustrates any generalisable insight into how policy in this domain might change across Europe to the advantage of small nations. Rights appear to be an enduring concern for screen agencies, though some argue that this emphasis is outdated (Eskilsson 2022). The reputational mobility associated with production is clearly valued by those operating in small nations, where the scale of their production capacity might be constrained and so working with Netflix might be more important to some producers than any long-term gain from being the primary rights holder. The risk of being service providers doesn't appear to be as concerning as the risk of being side-lined from the market. This doesn't account for the way a substantive shift in the rights framework might condition how (and if) small nations appear on screen linguistically, visually and narratively.

An Era of Uncertainty

Worth noting is the wider uncertainty that screen agencies have about their relationship with SVODs stemming largely from ambiguities around their categorisation:

This is one of the more challenging things now, the places the platforms are taking now. They are a very strong potential partner now, but it is very complicated to get to know them, to discuss with them. [...] They are this black box at the back of this thing. [...] They will have to change because, as they want to be more involved, they will have to because Europe will force them to invest and so they will have to change their way of working. It's not the same way as in the US. (Eric Franssen, Head of Wallonia Brussels Images)

Netflix is not the film world, God knows who they are. They are not television either. They are a new part of the mix. (Agnieszka Moody, Chief Executive at Creative Europe Desk UK; Interim Director at Screen Scotland)

This perception of difference is noted by several authors Lotz and Lobato (2023) where the combination of technological leadership, individuated commercial strategies and complex economic flows make their classification difficult. This uncertainty about what Netflix et al represent is despite a long history of transnational vertically integrated producer-distributors operating in the sampled markets, and so is perhaps a little surprising. This also suggests that trust is still being built between SVODs and screen agencies, that commitment is still precarious, and the long-term reciprocity of the relationship is unknown.

Although screen agencies were careful not to directly criticise the SVODs, they did raise some further concerns about the entry of SVODs to their market and the resultant disruption. This disquiet related to cost inflation locally (especially in the production of high-end drama) and the interruptions that can occur in a relatively shallow labour market when a major production absorbs all available crews. The impact of SVODs on domestic broadcasters, especially public service media (PSM) was also a concern:

The backbone of film development, alongside the BFI, would be BBC Films and Film Four. In the sense that they not only have funds far in excess of Scotland's funds, but they have real editorial in-house expertise. [...] Now, I only need to see Netflix sweep in and take that prize away from them having put none of that investment in. So, that's a real issue. (Isabel Davis, Executive Director Screen Scotland)

PSMs face growing challenges from SVODs both directly in terms of competition for rights and audience share, but also in terms of maintaining their distinctiveness. In small nations the domestic PSMs face an even more acute threat due to the limits of their scale and advertising revenue, yet, they remain a vital source of investment for many domestic companies and for the career development of new local talent. Screen agencies and other players in small markets have always adapted to both internal and external change, however, this article highlights that despite decades of policy intervention, international flows of production and the ongoing desire for cultural protection, the current era of uncertainty represent a dramatically altered market in which existing logics and allyships are being dislocated.

Conclusion

If we are to really understand the 'black box' of SVODs, we need to have a deeper understanding of the stakeholders that they engage with and the negotiations taking place during this period of change. Equally, if we are to understand the impact of the changing screen ecology on small nations, attention to what is offered, demanded, and conceded is necessary. Therefore, the value of attending to the relationship between SVODs and screen agencies is

that it directs attention to the dynamics of power around data, terms of trade, visibility and capital flows which are leveraged by both actors, often unevenly.

The history of global screen production highlights this exchange as simply the most recent step in the delivery of large commercial projects using public funding which has progressively deepened over the past three decades. However, connected to pressing policy concerns, the current mediation serves several purposes. For small nations it attempts to secure economic sustainability and cultural visibility for national production sectors which continue to be disadvantaged in the current market. For screen agencies collaborating with SVODs helps deliver some of this objective and represents an important symbolic move for them to innovate, to commercialize, and to professionalize the sector. It signifies the inherent value and legitimacy of screen agencies within the broader policy mechanisms and at a time of austerity within public funding and a rising right-populist wave. For SVODs collaborating with small nations, and by extension their screen agencies, represents an important strategic move to deflect claims of wholesale extraction and to leverage access and advantage ‘from a distance’.

This article highlights the non-regulatory mediations by policy actors attempting to secure more return from SVODs through discourses of protectionism, fair competition, and sustainability. Space doesn’t allow a deeper dive into the tangible impact of SVODs on the screen sectors in each sampled country, but the focus on screen agencies as intermediaries in this exchange allows us to see a homogeneity in their framing of the issues, a shared desire to engage SVODs and ambiguity about what this will mean going forward. What differentiates these responses for larger nations is the substantial value they place in the symbolic and material evidence of their capabilities, the greater need they have for investment and infrastructure to support domestic capacity building and the limited bargaining power they have to negotiate with SVODs. The activities of screen agencies add to Kostovska et al (2020) who suggest that national policymakers are increasingly attempting to integrate SVODs into their screen markets, rather than going against them, though in the case of small nations the choice not to integrate seems out of reach. Indeed, a rapprochement of sorts lies behind the rhetoric of collaboration between screen agencies and SVODs. The cumulative, and perhaps naïve, subtext is a more sustainable and culturally diverse sector can be engineered through cooperative relations between nations and SVODs through both being more transparent and offering greater financial durability. In some ways the mediation role performed by screen agencies attempts

to produce new behaviours from transnational players, though without a wider developed policy frame for delivering that ambition.

There are several critical areas where the role of screen agencies as intermediaries between nation and SVOD could become even more critical in delivering on policy ambitions, especially surrounding AVMSD. Through their systems for allocating funding, screen agencies can direct and redirect funding to marginalised forms of content, genres, regions and talent, whilst addressing the availability of more commercial content. They will be key players in revising the rules and developing routine practices around AVMSD as it is negotiated by the SVODs. The experiences of individual nations and agencies will be a key testing ground for regulatory models with wider application and so there is value in the variability and the contingency of responses developed by screen agencies.

However, this will require further scrutiny around their allocation of funding and greater clarity about local priorities and policy objectives. The logics and decision-making of screen agencies will need to withstand or evolve around access to public funding and its terms. For example, would a desire to integrate SVODs into national systems extend to their routine application to national funds and what impact might that have in the funding of indigenous production and on the cultural and linguistic diversity of the content. Equally how would the sovereignty of screen agencies be maintained as the relations with SVODs are reshaped over time.

Finally, at a supranational level there is a critical need to evaluate impact of current policies to ensure an effective response to unfair or unfavourable practices. This is both in terms of its potentially fuelling competition between nations as SVODs shopped around for the best tax deal (García Leiva and Albornoz, 2021) but also whether it addresses the growing dominance of larger nations in the strategies of SVODs. As threatened, if SVODs do redirect to more significant markets or territories, then the current policy framework does not work for the citizens and production cultures of small nations.

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