

# FRANKFURT POSITIONS ON THE FUTURE OF GERMAN CINEMA

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RECOMMENDATION

LICHTER  
FILMFEST  
FRANKFURT  
INTERNATIONAL



When Edgar Reitz was the patron of the LICHTER Filmfest Frankfurt two years ago and demanded radical reforms in the system of German filmmaking, he laid open what almost all parties involved had known for some time: the system of film production and distribution in Germany is at a dead end. Production is ruled by obsolete structures, long bureaucratic decision-making processes, and ill-advised creative compromises. Distribution, meanwhile, is shaken up by a fundamental change in the world of media.

Many have proposed solutions to some of these challenges, and yet, various personnel are still stuck with cross-purposes. Miscommunication and mistrust hinder an open debate; which is why we opted for a different approach. In Frankfurt, we brought together a group of professionals from all domains of the industry and asked them to discuss and develop new strategies to move forward. These strategies cover a broad spectrum of topics, emphasizing that fundamental changes are required to be adopted in order to inject the German film industry with a new blood.

This paper presents the results of this process. Three task forces were set up, each of which worked independently from one another; and all fuelled by inputs given at the public congress accompanying the deliberations. These tasks include numerous positions on different aspects of filmmaking that, naturally, were not shared by all participants of the congress.

We're convinced that this paper will point out where and how changes could take place. The paper should be regarded as an invitation for further discussion as well as a call for creating tangible sets of actions. Our greatest wish is that those who hold cinema close to their hearts – whether they took part in the congress or not – join our appeal, even if they do not support each and every suggestion made in this paper.

Frankfurt am Main, April 2018, The Organizers



# FUNDING AND FINANCING

## THE SITUATION

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### **THE CURRENT FILM FUNDING PRACTICES FAVOUR A CINEMA MANUFACTURED BY COMMITTEES INSTEAD OF FOSTERING ONE DRIVEN BY ARTISTIC FREEDOM. THE FINANCING OF GERMAN FILMS HAVE GROWN MORE COMPLEX THAN THE FILMS THEMSELVES! LET'S MAKE FINANCING EASIER!**

German film is significantly informed by how it is financed. Financing consists mainly of both public funding generated from various sources, along with public broadcasting agencies. This mode of finance has resulted in commercially and artistically successful films produced over the last decades. Its service to the new wave of German filmmaking from the 60s to the 90s of the last century is undeniable. It also contributed to the increase of the German market share thanks to a series of popular comedies and other German box-office successes.

The decision-making process in German film production lies almost entirely in the hands of funding committees on one hand, and commissioning editors of public television on the other. In the last 20 years, these formerly separate decision-making processes have merged. Almost all committees now include TV commissioning editors as broadcasters increasingly contribute directly to film funds. In return, the stations demand both influence and funding for their own films, which are often exclusively aimed at TV distribution. Overall, this has led to an aggregate of the state and of public broadcasters – a model that is often regarded with envy by filmmakers the world over, due to its comparatively opulent financial means.

But in our view, this type of financing has also led to a decrease in artistically ambitious and socially critical films within the past 20 years. The hype around a number of outliers such as **Toni Erdmann** (Cannes selection, Oscar nomination) alone shows the fallow state of the German film landscape. Edgar Reitz and others often used the term “films by committee“ to describe films which have lost their appeal to the audience by being virtually indistinguishable from one other due to a variety of reasons: a lack of edginess, the avoidance of challenging topics, a lack of diversity, as well as increasingly homogenous aesthetics and dramaturgy.

In addition, the multiplicity of funding institutions has created bloated administrative structures devouring huge amounts of cash. The numerous committees create an absurd (and badly paid) amount of work – for each committee panel, six to ten members have to read 60 to 80 screenplays and examine each project in detail; an effort which is almost impossible to swing. This leads to projects by well-known filmmakers as well as newcomers dealing with familiar or “fashionable“ topics being rubber-stamped without thorough consideration.

### **FOR A FREE CINEMA, AGAINST FALSE LABELS!**

We believe it is urgently required to work against the threat of monoculture in the so-called “films by committee“ by enabling and pushing a cinema of artistic freedom – a cinema that also dares to engage with extreme aesthetics and topics.

Funding committees and television editors hardly ever enable this type of films, favouring instead a type of cinema that gears towards the smallest common denominator: a kind defined by middle-of-the-road-narrative and aesthetics. This is not based on any official criteria – this practice is the result of committee decisions that usually bar extreme, unusual, drastic and aesthetically innovative approaches. Instead, films are measured mostly by their subject matter and often, especially in television, by their “social relevance“ – a relic from the intellectual mainstream of the 1970s.

Because commercial as opposed to artistic criteria are easily quantifiable, they are present in all decision making processes by committees and editors. For this reason, the FFA has decided to have a subsidy cap of at least 250.000 expected viewers in their 2017 directive. Films above these expectations are commercially acceptable and fundable, all others receive no funding, and are therefore uncommercial.

The past 20 years show a constant partition of market shares for German films: titles with more than 250.000 viewers make up about 85-90% of the market for German films, while the number of films with less than 250.000 viewers constantly makes up 10-15% of the box office for German films. The number of films in each category is very different. While the number of films above 250.000 spectators comes to 15-25 films per years, 60-90 films are released each year in the group of films with less than 250.000 viewers.

If we determine that in the last 20 years German films with more than 250.000 viewers have been commercially successful, we we cannot but conclude that it has fallen short on artistic ambitions and cultural impact. This is, we believe, first and foremost due to the decision-making by committee with its inherent weaknesses and vague, non-transparent criteria for artistic films. Because both groups – the films under and above 250.000 viewers – are evaluated and funded in accordance with the same criteria, one can determine that this practice works for 15-25 commercial films per year, but is inadequate for the artistic, radical and non-mainstream films (less than 250.000 expected viewers).

Interestingly, the funding sums are currently divided up almost equally among both of these groups.

## **FILM FUNDING**

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### **50% OF FUNDING FOR ARTISTIC FILMS**

We therefore demand the following: for the German public funding process to be modelled after the situation we already have and thus be divided into two categories, as it was at the origin. In one group, 50% of funds will be allocated with a commercially oriented, highly automated selection process. In the second group, 50% of funds will be allocated according to a different process that would do justice to artistically oriented films.

Art and filmic innovations do not happen under commercial pressure. The success of these films cannot be predicted. The assessment of such projects requires expert knowledge, curatorial independence and a transparency that the current system does not allow.

### **DEPLOYMENT OF CURATORS IN ROTATION**

#### **ARTISTIC DECISIONS ARE INDIVIDUAL DECISIONS. THEY CANNOT BE MADE BY COMMITTEES.**

We are suggesting to employ a male and a female curator each for cultural films on every board, on both state and national levels, who hold sole decision-making power and are replaced every 3-4 years. The curators of each board should be appointed by a selection committee that consists of at least 50% creatives. The current directors of these boards will be responsible for the organizational processes. It should also be ensured that the respective officers and administrators remain in their positions to contribute to an optimal preparation of the curators' decisions.

### **ANONYMIZED SUBMISSIONS IN DEVELOPMENT, AND ALLOCATION OF 20% OF PRODUCTION FUNDS FOR CULTURAL FILMS BY LOTTERY**

To give a fair chance to atypical, innovative projects, not least by non-established filmmakers, decisions for development funding should be based on anonymous submissions.

In addition, 20% of the funding available for artistically oriented projects should be raffled to projects not considered by the curators.

## IMMEDIATE MEASURES

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Since a systemic change such as this can only be realized over time, we demand several immediate actions to blow some fresh air into a funding system that has grown stale and over the last 50 years:

- The first funder commits to covering 30% of the entire production budget. This significant initial contribution would lead to a reduction in the number of funders required and thereby shorten the period necessary to close the budget.
- The share of development and distribution funding needs to be increased significantly. Development funding in Germany makes up only 4% of the entire available budget. This is the lowest share in all of Europe. Adjusted for inflation, the distribution funds have even fallen by 10% in the last 10 years. This is the entirely wrong signal in times when the individual films are struggling for attention more than ever before. We are aware that as an immediate measure, this would happen at the expense of production funding.
- Mandatory local expenditures (aka “regional effects”) should be abolished. Alternatively, regional funds can conjure up a trading mechanism for these effects.
- Realistic budgets will be recognized by public funders, especially in regard to fair salaries.
- Proposed budgets can only be reduced in case of mathematical errors.

All funding committees are asked to immediately disclose their decision making criteria and practices. Reasons for the rejection of an application should be communicated in detail. Speculations about these reasons are, in our opinion, the main reason that story and project development are showing an anticipatory obedience to the general middle-of-the-road decision making practice.

## ROLE OF PUBLIC TELEVISION

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### END OF CINEMA CO-PRODUCTION FUNDING MODEL

The second pillar for financing German films is the co-production with the public television channels. This form of collaboration between TV stations and public funders has resulted in a number of great films. But in the last 20 years, this model was hampered by dwindling budgets and broadcasting slots. Moreover, we have witnessed an increasing number of production companies directly affiliated with TV stations being awarded funds for co-production. This business model also relies on the influence of TV representatives in funding committees. It has been repeatedly proven that some stations funnel the sums they contribute to film funding back into their own co-productions and in-house TV films. Almost all commissioning editors in public broadcasting now lament that film does not get the same support and attention in their organizations as it did 20 years ago. We therefore demand that policy makers on both state and federal level end this model of co-production. Instead, a new model for the involvement of the public broadcasting agencies is needed.

### CREATION OF A STATE FUND AS AN AGENCY FOR DECENTRALIZED TV RIGHTS

For some time now, there have been suggestions on how the funds that are currently being channelled through co-productions with public broadcasters and their contributions to film funds could be used differently and more effectively thereby reducing the number of committees and editorial departments involved.

We propose the creation of a public fund that manages and distributes the decentralized or free TV rights of German films.

This fund, which will need initial public backing, automatically acquires the German free TV rights estimated at 30% of the budget, when 70% of the project has already secured financing. These funds shall confirm the producer’s responsibility in

securing the larger portion of the budget.

In case Germany should reintroduce a tax-incentive system, a state guarantee for initial funding would become unnecessary, as private film funds and individuals could take part in the agency.

### **MANDATORY PURCHASE FOR PUBLIC BROADCASTERS**

The Interstate Broadcasting Agreement, which regulates public broadcasting in Germany, will need to include a clause obligating the public broadcasters to use a certain percentage of their budget (raised through licence fees charged from every household) for buying licenses from this pool and to allocate the required broadcasting slots. The stations would choose the films themselves, thereby safeguarding the constitutionally-protected freedom of public broadcasting.

### **FREEDOM OF TRADE IN FUNDS**

Under these proposed regulations, the agency's authority in selling the rights to German public broadcasting stations would be restricted. Should the proceeds of a license sale exceed the sum that was initially paid during the financing of the film, the production shall acquire a share in the profit. This would transform the supply oriented German market into one driven by demand.

## **CLOSING WORDS**

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There is no doubt that artistic films can no longer be evaluated by non-transparent committees with blurry, pseudo-commercial criteria, and neither by the demands of a public broadcasting television that, on one hand, yields to the self-imposed pressure of ratings and, on the other, still follows outdated models of socially-engaged arts dating from the 1970s. The last 20 years have seen the rise of a German cinema marked by – exceptions notwithstanding – conformism, fear of change and misguided ideas of commercial success. This type of German filmmaking by committee needs to be overcome if the cinema of the future wants to engage its audience with interesting, thrilling, and the occasionally inscrutable but artistically superior films.

### **FOR THE FUTURE OF GERMAN CINEMA: MORE ENERGY FOR ART, LESS FOR RIGID AND OBSOLETE STRUCTURES**

## **CINEMA CULTURE AND DISTRIBUTION**

### **FILM EDUCATION**

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#### **STRENGTHENING FILM EDUCATION**

Cultural mediation plays an increasingly prominent role in society; it has to include all age groups and all demographics. Film education should begin at a pre-school age. Experience has shown that children as young as four and six-year-olds are open to this type of specialized art education; and many have showing promising signs of being receptive to different types of challenging films. However, it needs to be noted that there is a lack of appropriate films for preschool children.

#### **ESTABLISH FILM AS AN OBJECT OF TEACHING**

To support film culture in Germany, it is imperative to treat film as a pivotal medium in school from first grade onward. Film education should not be relegated as mere tool for subjects in different classes. Film is an all-encompassing art and medium whose long and rich aesthetics, storytelling methods and history warrant a separate class.

### **TRAINING OF TEACHERS AND APPROPRIATE AIDING MATERIAL ARE KEY**

New methods of teaching and learning need to be developed for film education in school. This calls for the qualification of film educators as well as dedicated continuing education for teachers. Additionally, new online learning tools need to be devised with which film analysis and mediation of basic filmic knowledge can be adequately realized.

Festivals and cinemas need to be included in these efforts as places of learning away from school. (...)

## **ROLE OF THE CINEMA**

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### **STRENGTHENING THE CINEMA**

The cinema is a sociocultural space of encounters and communal aesthetic experiences; of conversation, reflection, exchange. As an agent of social solidarity, it has a special role in rendering small towns in the countryside more attractive. Given this special role, movie theatres need to be supported more than before in order to maintain their audiences all over the country. Their diverse programming and new strategies in attracting new audiences must be reinforced. This is an important addition to cultural education. To support the movie theatre as a place of sociocultural experiences is a task that requires political support on a federal level.

### **RAISING THE FEDERAL SUPPORT FOR CINEMAS**

The awards given by the federal ministry of culture (BKM) for culturally outstanding cinemas (...) should be expanded to enable them to work on sustainable strategies to attract new audiences and develop marketing tools for sophisticated programming, collaborating with partners on the ground. (...) The initiative should furthermore support model programs for innovations in programming and public relations.

### **SUPPORT CINEMA COUNTRYWIDE**

Current tendencies of constructing new cinemas, especially in the countryside, should to be supported by the states by contributing to investments and by supporting the needed technical conversions of existing cinemas.

## **DISTRIBUTION**

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### **DECOUPLING OF FUNDING FOR PRODUCTION AND DISTRIBUTION**

We suggest that funds for the distribution of films should not be awarded solely on the base of a film having received production grants. The funds should also be made accessible to films that did not receive production backing. This applies to German as well as international productions. It is important to sustain a lively film culture where as many productions as possible have access to this important support mechanism for enhancing visibility of films in cinemas.

### **THEATRICAL DISTRIBUTION MUST NOT BE A CONDITION FOR PRODUCTION FUNDING**

In turn, it is just as important to decouple production funding from distribution commitments. This applies to all funding instruments, especially to the DFFF (German Federal Film Fund). The connection between production funding and commitment for distribution suggests that all films can be released successfully in theatres. It is also one of the reasons for the increasing number of releases that leads to films of lower quality clogging the channels of theatrical distribution.

The separation of distribution from production funding also spares distributors from the necessity of committing to projects whose success they cannot foresee.

### **REVOKING THEATRICAL RELEASE WINDOW; SUPPORTING CINEMAS**

Theatrical release continues to hold unique possibilities for attracting audiences, enhancing the reputation of films through inviting discussion. The public relations work of cinemas directly contributes to this end. They should hence be involved in

other stages of the release as well and receive a share of the revenues from the VOD release – this share should be determined by the number of screenings and the audience numbers. One way of realizing this objective could be in cinemas offering VOD access through their own websites.

In the face of the changes in traditional distribution and the rise in importance of online distribution, we demand a repeal of the current statutory theatrical window. Instead, we suggest individual and flexible agreements between cinemas and distributors/producers. This would foster the much needed development of alternative release strategies, especially at the intersection of theatrical and VOD distribution.

## CONTACT

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