

FILM AS A STRATEGY FOR COEXISTANCE

The Role of the State

By: Gonzalo Castellanos V.

Latin American countries share a common aspiration to consolidate democratic regimes that create an unshakable space of respect for human rights, improve income distribution in the face of a market filled with increasing contradictions, and overcome social inequalities generated by the exclusion of national communities both domestically and with respect to the global system.

In a contemporary vision of the great human commitments, culture is fortunately no longer the stuff of intellectuals, the arts of the renaissance, or of the old and the monumental.

There, in this open cultural space, relationships intertwine with education, the peaceful resolution of conflicts, and the promotion of human development in response to a context of economic and social inequity that keeps more than half of the Latin American population under the poverty line.

Faced with an immensely complex social landscape, culture and multiculturalism have become priorities consecrated today almost without exception in the language of national constitutions. These documents defend the position that culture is an essential source of the type of national identity that both accepts the plurality of its origins and creates deep associations between a sense of nationality and a sense of origins and cultural future.

A community's level of connection with its material patrimony, its monuments and historic places, ancient communities, traditional festivals, regional gastronomy, indigenous languages, atavistic medicine, symbols through which it interprets the world and to tells its stories and the stories of others in literature and film, understanding of urban colloquial language, the ability to thoughtfully approach the arts and universal culture and the ability to both consume and create similar expressions are all factors determinant in one feeling or not feeling himself or herself to be a member of a nation and, therefore, being willing to defend it.

Showing immense vision, Joseph Brodsky describes this "social value" of culture in the following manner: "Culture does not really worry me, nor does the destiny of some great and not-so-great poets. What worries me is that man, incapable of articulation, of expressing himself sufficiently, throws himself into action. Given

that the vocabulary of action is limited, so to say, man's body sees itself led to act violently, expanding his vocabulary with a weapon when a word would have been sufficient."

It is exactly there, in the recognition of multiculturalism as a supreme value, as a source of coexistence, and as a mandate that directs the State to guarantee that the many ways of seeing the world have space to do so, that a normative element is found that causes national legislations to articulate systems of economic incentives and (why not?) of preferential treatment for the drive towards the creation, management, and consumption of culture.

The transaction of rights, goods and cultural services also has far-reaching economic impact. According to studies by the Convenio Andrés Bello, cultural industries contributed \$791.2 billion or 7.8% of the total to the GDP of the United States in 2001, with exports from cultural industries accounting for about 83% of continental exports.

Cultural industries (movies, graphic, and editorial activities) make up about 4.5% of GDP in Mercosur and Andean countries and 2.5% of GDP in Chile. "Cultural industries" include entertainment industries, cultural tourism to environmental and historic sites, trade in intellectual property, as well as logo patents and traditional medicines grown for use by transnational pharmaceutical companies. In this century to date, for example, sales from Colombia's editorial industry have surpassed traditional coffee exports. At the same time, Mexico, Brazil and Argentina's film and editorial industries and Peru's industry of cultural tourism to archaeological sites are desirable examples contributions from the culture sector to national reserves.

Special Features of Film

Image is not only figures, color, and light, but, in essence, a form that is defined as visible in a cultural context.

If a single country or single trend gains predominance in the areas of production and communication, there would then be a single source and a unified, uniform flow of ideas, images, the strategic sense of that highly producing country.

Production, distribution, exhibition are abstracted from the film activity, like the sectors or links that make up the chain of the production and popularization of a movie. Myriad activities are necessary to the functioning of these sectors, including

goods and services (literary creations, scripts, music, ideas, sources of inspiration, technical processes, credit and financing, contracts, royalties, mediation services, entertainment and editorial industries, processing, post production, sound, and cultural, ideological, and commercial elements), and each of these specific components, at each moment in the chain, exists for and is defined by each of the others in a reciprocal manner.

The finished work, disseminated by any means or in any format, at that moment moves toward sensitive appreciation, enchantment, and cultural dialogue with the spectator. In a certain sense, it is impossible to define if this phenomenon becomes reality at the end of the filmmaking process or if it is present from the beginning. It is a matter of a series of phases with structural characteristics that, in reality, are quite similar in both European and Latin American countries.

Complex factors converge in the productive process of making a movie. These are largely economic in nature: limited capacity to take advantage of economies of scale by producing groups of movies at a time, the high demand for venture capital and limited ability to guarantee returns on investment, lack of access to credit from a demanding financial sector defined by large guarantees and high interest rates, and the difficulty in attracting foreign investment for co-production. All of these factors complicate or simplify filming and have great influence in the quality of the technical processes used, the content costs of the film, the overall decision to make a high, medium or low budget film, and the estimate of a picture's potential audience.

In the same way, the making of a film generates a cascade of taxes, investments, and expenses related to the acquisition of supplies, goods and services, the assignation of responsibilities, the purchase or rent of teams, leases, locations, and the payment of acting and technical services.

The content and processing costs of national filmmaking, though burdensome on a domestic scale, are far below that of foreign movies that reach the same areas and distribution levels despite having been produced at exorbitantly higher costs and with enormous distributive power, against which it is difficult to compete.

No movie dreams of capturing popular attention alone. It is necessary to choose an image for the film, invest in ad campaigns, negotiate the most appropriate showings according to the type of film, determine the number of copies to make and select complimentary materials for the film's promotion. These types of investments can determine the commercial success of a movie.

Foreign film, largely from the United States, has the ability to dominate close to 90% of the film industry's sales and commercial space. The infrastructure of movie commercialization, distribution, and transmission is therefore able to respond to the demands of this supply.

Reduced levels of national production, limitations on content, and a potential market that is essentially domestic add to the already scarce economic incentives to attract major filmmakers to add ambitious new local works to their business portfolio. Intermediaries to promote local industry are not in abundance. Therefore, this smaller production capacity and market size makes difficult to stimulate viable and attractive local business dedicated to the film industry.

These structural constraints mean that many countries consider promoting audiovisual production via subsidies and means to increase national production. These include support for distribution and the popularization of local content in both national and international contexts.

Local production in of countries with important cinematographic developments such as France (240 feature films premiered in 2005), Spain (142 feature films premiered in 2005), and Brazil (46 feature films premiered in 2005) benefit from state support that usually covers about 50% of the average cost of production and promotion of a film. Support is also provided for content costs and via quotas and subsidized promotion for films via TV and other public forums.

This also applies in Colombia, where with the 2003 Law of Incentives dictated support for the release of two productions per year, a number that has increased to nearly 10 since then, with notable success in domestic box offices. These movies receive direct support via grants from a fund created for this purpose by the Ministry of Culture (and from private donors, thanks to tax benefits). In some cases, these monies cover up 60% of production costs of each feature film

The development of this phenomenon was cyclical: a growing number of movies with budgets averaging USD1 million attracted high foreign investment for co-production. These films also generated significant tax payments on their value added, income from the sale of goods, services, and tickets, and payments for artistic and technical jobs. All this helped to offset what the State may have lost by giving the incentives.

I am thankful that, due to the response initiated by the Dominican Republic to the serious and relevant government interest in promoting the domestic cinematography industry, I can dream of seeing the effects of an efficient investment in Dominican film. This is an investment in both a diverse cultural outlook and in coexistence. But, it is also a wise economic investment given the great potential of the movie industry to attract foreign investment through co-production. This investment will largely come from countries that already possess the instruments necessary for promoting economic activity and causing growth in an industry that is very demanding of goods and technical service and to promote this naturally privileged country as a film location of interest to all its neighbors.