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Cultural Diversity in the German Motion Picture Industry
– the Case Study of the World Cinema Fund

Master's Thesis

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ABSTRACT

The study analyses the state of cultural diversity in the motion picture industry in Germany in 2000s. Specific attention is paid to the presence of the Third World cinema productions on the market and to the role of the World Cinema Fund in increasing the degree of diversity. When it comes to the level of product diversification in the film industry, the most influential factors are cinema attendance, the strategy of adjusting supply to the demand, cost consideration and government policies. Arguments such as the preferential treatment of culture – which stem from the legal regulation – or the long-term adaptability of the economy are able to encourage an increase of cultural diversity. Both documentary analysis and content analysis will be used in order to examine the UNESCO's Convention on the Protection and Promotion of the Diversity of Cultural Expressions, the Art. 167 on Culture of the Treaty of Functioning of the European Union and the WCF Booklet 2004-2010.

The German film industry has been chosen for a more detailed analysis since the aforementioned factors are particularly visible there. The tradition of government intervention and of regulation of the supply of films to the market is well-rooted. Also, the German audience exhibits a strong home bias in demand. Such a bias appears apart from the popularity of American productions. The World Cinema Fund is an example of an initiative which aims to increase the level of diversity on the film market by supporting both the production of movies in the Third World countries and their distribution to the German market later on. The actual effect of the WCF on the state of cultural diversity in the motion picture industry in Germany is assessed. In order to measure the degree of diversity on the German market for movies, three properties are reached for – variety, balance and disparity – each of them being a necessary but an individually insufficient element to claim diversity in any environment. The higher the variety, balance and disparity are, the more diverse a system is. With the use of those three properties, the degree of diversity is measured firstly on the German market and later on within the WCF set.

Every film is considered a unique product; thus, variety stays in ratio with the amount of films available to the audience. Balance is assessed by measuring the market concentration. The methods of the four-firm (CR4) and the eight-firm (CR8) concentration ratio are used for

the analysis of the German market and the group of films selected by the WCF respectively. Disparity is related to dissimilarity and distance between movies. Criteria such as county of origin, region and genre are taken as indicators of such a distance. Finally, analysis of the WCF is compared with the wider context of the German film market.

Key words: Cultural diversity, German film industry, the World Cinema Fund, variety, balance, disparity

INTRODUCTION

Cultural diversity is considered a desirable outcome in any market sector, particularly in creative industries. It is also one of the criteria which have been brought forth and used to assess an overall industry performance in the Industrial Organisation framework (Hoskins, et. al, 2004). Only that much would be the reason enough to focus on diversity. When combined with complexity of the motion picture industry, the subject of analysis becomes even more challenging and worthwhile. The density of the film industry makes it an explorable field when it comes to examining means of promoting cultural diversity.

The way movies are financed in terms of both production and distribution is directly related to and dependent on policy regulations on various levels: international, union, national and regional. A case study of the World Cinema Fund (WCF) is to be chosen for a more detailed analysis. The fund has been established in October 2004 and it is a fairly young initiative, even if its creators are reputable institutions such as the International Film Festival in Berlin (known as the ‘Berlinale’), the German Federal Cultural Foundation (*Kulturstiftung des Bundes*) and the Goethe Institute. At the same time, the WCF has been present and active for five years. Managers and the jury of the fund have been exercising some considerable decision-making and have had a chance to influence film production and distribution patterns – production in countries in entitled regions and distribution of films to Germany.

The WCF is a part of the International Film Festival in Berlin, the way of how regulations are set can be seen as parallel with internal German movie subsidising schemes and distribution subsidies for films cover only the German theatrical venues. All of these characteristics could imply that there is a possibility of a national bias in the way of how the WCF is structured and operates. In other words, that the fund is meant to support German bodies – producers and distributors – and not so much local film industries. On the other hand, projects which are entitled to apply for the financial aid are from outside Europe or North America. They should to portray their culture of origin and guidelines of the fund set the objective of promoting cultural diversity by supporting films which ‘could not be produced otherwise’ (the WCF Booklet, 2010).

According to the recent reviews, the fund will continue its activity for at least two more years:

The German Federal Cultural Foundation will continue to support the World Cinema Fund – The Berlinale is pleased that the board of the German Federal Cultural Foundation under the chairmanship of Minister of State for Culture Bernd Neumann agreed at its last meeting to extend its financing of the WCF until the end of 2011.

(http://www.berlinale.de/en/das_festival/world_cinema_fund/wcf_news/WCF_News.html)

Some early conclusions about the performance of the WCF can be made especially that five years of its activity provided a sufficient basis for the analysis. According to some literary reviews, the WCF can be presented as a truly valuable initiative:

Such a sizeable investment in... Third World cinema production is an impressively noble initiative by a European film festival to facilitate dialogue within a luminal space in world cinema, and even to allow commercially more marginal productions the chance to compete on a more level playing field (Evans, 2007: 31).

The WCF is seen as an element which allows film festivals to overcome the dominance of Hollywood. Making the Third World cinema exclusively a sector of interest is at least an attempt to counterweight the lack of balance between American films and the other ones. The fund did support several widely recognised and applauded projects, including the Hany Abu-Assad's *Paradise Now* (2005), which was Oscar nominated in 2006 (Evans, 2007: 31). Although it is hard to ignore the value of the idea behind this initiative, some of the reviews may seem a little overemphasising its actual impact. With the annual budget of 500.000 Euros, the fund can hardly be called a 'sizeable investment' or overcome the Hollywood – non-Hollywood disproportion.

So far, there has not been any academic research on the WCF specifically nor on its relation to issues of cultural diversity. It is interesting to verify whether bold statements about the WCF are reflected in its actual achievements of and how far the fund can go with increasing the diversity of films which are available on the market. The main focus of the research is on how the World Cinema Fund be positioned in the debate on the promotion of cultural diversity.

There are two main objectives of the essay. The first one is to investigate the actual effect of the WCF on the promotion of cultural diversity both in the entitled regions (through the production fund) and in Germany (through the distribution fund). In this particular context, cultural diversity will be analysed as the diversity of cinematic projects both produced and

distributed. Secondly, the study aims to estimate how the analysis of those production and distribution funds can be used to contribute to the debate on cultural diversity.

In order to approach the topic, a brief review on the main lines in the debate on cultural diversity will be done in the first chapter. The concept of diversity has been widely researched in, for instance, fields of economics or environmental studies. In earlier works on diversity, Weitzman (1992, 2000, and 2002) elaborated on notions such as dissimilarity and distance as well as on taxonomic classifications of different categories of species. The dominant set of measurements of cultural diversity consists of the so called ‘three dimensions’ (Stirling, 1999). Variety, balance and disparity are distinguished as ‘necessary but individually insufficient’ conditions to claim diversity in any system (Moreau and Peltier, 2004: 125). When it comes to cultural industries, there have been two major academic applications of such a method, namely to the film industry (Moreau and Peltier, 2004) and, later on, to the publishing sector (Benhamou and Peltier, 2007).

There are two main approaches to diversity on the market. As an argument against is the idea that market forces themselves can determine an industry outcome in the best possible way. Also, a higher level of diversity could bring additional costs (Grin, 2004). The other stand advocates a preferential treatment of culture. This involves excusing cultural goods from the free trade principle on the ground that their consumption brings positive externalities (Hoskins, et. al, 2004). What is more, the rationale for product differentiation is keeping economies flexible and able to adapt to changes in wider environment (Killick, 1995). It is vital in the long-term performance of any industry (Jones, 1995). Another argument is the protection of the heterogeneity of cultures (de Witte, 2008).

Problems with determining an optimal degree of diversity (Flores, 2006) will also be acknowledged. Both the preferential treatment of culture and diversity as such were a subject to legal regulation. Both documentary and content analysis will be the methods to examine key papers: the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions and the Art. 167 (on Culture) of the Treaty of the European Union. Also, the academic interpretations of those acts will be reached for (Acheson and Maule, 2004; de Witte, 2008).

In the second chapter, the motion picture industry will be looked at in greater detail. The film sector bares specific economic characteristics which make it seen as the high-risk one. Those are mainly a complex production process, presence of sunk costs (Caves, 2000, 2003) or an extremely uncertain demand (de Vany and Walls, 1999; de Vany, 2004). The industry tends to be the chancy one also due to the experience goods’ (Nelson, 1970) nature of

films. A model of information cascades (Bikhchandani, et. al, 1992) can be used to picture the industry since it reflects its high level of instability. So far, the major attempt to measure cultural diversity in the movie industry was made by the Moreau and Peltier (2004) who focused on markets in the European Union, United States, France, Hungary, Mexico and South Korea over the period between 1990 and 2000 (Moreau and Peltier, 2004). In the research, the three properties of diversity were used (Moreau and Peltier, 2004: 125).

The influence of the aforementioned characteristics of the motion picture industry can be challenged in cases of countries where film sectors are subsidised by national or regional governments, such as in Germany (Houcken, 1999). The German film market will be the focus of the third chapter. A long tradition of governmental support of film industries in European countries made the environment less market-oriented and friendlier to experimentation. Both of which are better conditions for an increase of diversity. This is, however, debatable in the context of American and home biases in demand and a specific pattern of German cinema attendance. Such patterns can be noticed in cases of both the mainstream release and the art house sector (Dewenter and Westermann, 2005). A postulate that diversity supplied ought to reflect the diversity demanded (Moreau and Peltier, 2004) stays in contrast with claims about cultivation of taste over time (Lévy-Garboua and Montmarquette, 2003). The analysis of the WCF cannot be done without looking also at the IFF in Berlin. The Berlinale is the best-known German film festival and brings important contribution to the discussion on German film industry. Its geopolitical and historical underpinning adds to the abovementioned tradition of support of cultural projects (de Valck, 2007).

The analysis of the WCF itself will be carried out in the fourth part of the paper. The fund has been established in October 2004 and the study will look at the set of films which have been financed and produced each year since. Among others, it is important to look at a range of both countries and geographic areas which have been covered, the scope of release of selected films in German venues, and methods of payment and re-payment. Main sources for the analysis consider the WCF specifically and those include the WCF guidelines, booklets with successful candidatures as well as application forms for production and distribution support.

The level of diversity is assessed firstly within the WCF set and on the national market later on, both with the use of the 'three properties' technique. Variety is understood as the amount of species in a set. In the motion picture industry, this equals the number of films available to the audience as each movie is considered a unique project (Houcken, 1999, Hoskins, et. al, 2004). Balance can be assessed by measuring an industry concentration. Here, the methods of the eight-firm (CR8) and the four-firm (CR4) concentration ratio will be used

for the inner WCF and the German film market analysis respectively. Disparity proves to be the most challenging dimension to approach. Here, the distance between films will be derived from characteristics such as the country of origin, the region as well as the genre. Analysis of the WCF will be compared with the wider context of the German film market.

In the final chapter, the evaluation of the WCF will be provided. The investigation throughout the paper allows at least partly verifying whether claims about the role of the WCF in the cultural diversity promotion are reflected in its actual achievements. The initiative, even if it may seem of little consequence in numbers, has a rather complex structure and assessing it in a clear-cut way is not an easy but still a worthwhile task.

CHAPTER 1

THE DEBATE ON CULTURAL DIVERSITY

There are two main lines in the debate on cultural diversity which need to be recognised when discussing the topic. Firstly, an economic argumentation both for and against maintaining and protecting diversity is to be brought up. Secondly, the paper will look at the dispute about the preferential treatment of culture which is reflected in governmental documents and various policy regulations. There is also a question of how the issue of diversity in general and diversity of cultural goods in particular is addressed in the academic research and what kind of methodology has been used in order to measure it.

In the first part, the chapter will cast more light on the very concept of cultural diversity and on ways of how it is approached in different fields, such as ecology, studies on biodiversity or culture. Secondly, economic stances towards diversity will be looked at; a model of a monopolistically competitive market with diversified products is chosen as the best one to portray cultural industries (Hoskins, et. al, 2004). Arguments against a higher level of diversity include the principle of free trade as well as benefits which can be derived from both comparative advantage and a situation of product standardisation. Also, opting for diversity brings additional costs such as a decreased productivity in terms of quantity. At the same time, greater diversity works towards better flexibility and adaptability of an economy (Killick, 1995) what is vital in the long run (Jones, 1995). Protection of distinctiveness of domestic cultures is not to be ignored either. It is beneficial for countries if they maintain at least a certain level of self-sufficiency and produce own goods to be consumed along with the imported ones. Also, consumption of culture has positive externalities (Hoskins, et. al, 2004).

Especially the last argument underpins the political perspective on cultural diversity. A competitive market leads to a greater product standardisation in the short run what may have negative consequences in the long run or when an economy is changing. Noteworthy, cultural industries are among the most unstable ones. If the market fails to provide a sufficient level product diversification, it is seen as the reason enough for the government to intervene. Such an involvement usually aims at preservation policies and protection of infant or weaker industries. This will be the subject of the third part of the chapter.

The issue of cultural diversity is addressed in several legal acts as well. Two of them will be looked at in greater detail, namely the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions and the Treaty of Functioning of the European Union (Art. 167 on Culture). Both the method of documentary analysis and academic interpretations will be reached for.

The Concept of Diversity

A useful summary of the main approaches towards diversity is offered in the paper by Stirling (1999). It discusses one of the definitions of the concept, according to which diversity ‘relates to the nature or degree of apportionment of a quantity to a set of well defined categories’ (Stirling, 1999: 38). Such a definition is considered more confusing rather than clearing up the picture. This confirms the lack of any uniform understanding of the term, the problem which has been highlighted in many studies on the topic (among others, Acheson and Maule, 2004; Moreau and Peltier, 2004). The main concern, as pointed out by Stirling, refers to the ‘category definition’ (in other words, taxonomy), which appears to be an issue in cultural industries to a much greater extent than in, for instance, environmental studies. In the field of biology, the basic unit – a species – is clearly specified (Stirling, 1999: 38).

In one of the pioneering works on the subject, Weitzman (1992) constructed a tool of measuring the diversity – a ‘diversity function’. Although focusing mainly on biodiversity, the study brings up also a more fundamental dimension of the concept. It points out that the heart of the matter is to understand ‘the dissimilarity-distance between any pair of objects in a set’ (Weitzman, 1992: 363). Merely because two objects are of different species does not imply a great distance between them. Any two pairs of species can be unequally dissimilar. In principle, the greater the distance between species or sets of species, the more diverse is the whole system. In the later research, Weitzman (2000) brought up also the notion of entropy. It is a measure of the number of ways in which a system can be arranged with the relation as follows: the higher the entropy, the greater the diversity (Weitzman, 2000). Locations of species within a set are important since they are related to the distance. Capturing the distance between categories does matter due to the scarcity of resources and the necessity of their efficient allocation.

Since resources are limited, the preservation of diversity in one context always requires a trade-off in some other area and has an opportunity cost (Weitzman, 1992: 363).

In environmental studies, an efficient preservation policy is the one that brings the highest possible degree of diversity (Wietzman, 2002). In order to determine such a degree, one must capture concepts of dissimilarity and distance between species; this underpins the taxonomy within each system. A species is identified as a 'basic underlying unit', i.e. an isolated group or an individual. Such a category corresponds to what is understood as an 'operational taxonomic unit' (OTU) (Weitzman, 1992: 364). As a general rule in a preservation policy, the degree of diversity is measured by the distance among different categories within the system, i.e. the more dissimilar species exist, the more diverse is the environment (Weitzman, 1992).

One of the main arguments in favour of maintaining a higher rather than a lower level of diversity is an increased ability of a system to adapt to changes in a wider environment. Even if costs of such a policy seem fairly high, in the long run the system stays more flexible and immune, especially if the environment is unstable. The same argument works also in case of the market – the more diverse the economies are, the more flexible and adaptable they can be (Killick, 1995). Giving both the instability and the unpredictability of cultural industries, such an economic rationale for maintaining diversity seems particularly relevant.

When it comes to measuring and assessing the degree of diversity, the concept of 'three properties of diversity' tends to be the dominant one. Those properties are variety, balance and disparity, each of them being a 'necessary but individually insufficient condition' (Stirling, 1999: 39) for claiming the presence of diversity in any system. By variety one understands the number of categories to be distinguished in a system. Balance is reflected in the pattern of arrangement of those categories across the system while disparity refers to the distance between categories, i.e. to what extent are they different from each other (Stirling, 1999; Moreau and Peltier, 2004; Benhamou and Peltier, 2007).

Economic Perspective on the Issue of Diversity

A model of monopolistic competition is seen as the best one to illustrate the media industries (Hoskins, et. al, 2004). The market for cultural goods is characterised by a high degree of product differentiation. On the competitiveness continuum, most of the media industries fall under this model (Hoskins, et. al, 2004: 182) even if sometimes they are classified as oligopolies. This is due to both the amount of the initial capital required and costs which set significant barriers to entry for new competitors (Albarran and Dimmick, 1996; Vogel, 2004). Such characteristics are worth bearing in mind, although they are considered more relevant in

the context of the US entertainment industry which is to a much greater extent detached from the government and profit-oriented (Hoskins, et. al, 2004). The structure of the European cultural sector is different from the American one. It involves significant amount of governmental support and relevant regulations; in Europe, cultural goods are not seen as part of the entertainment industry (Hoskins, et. al, 2004: 182). Those two models function in different countries and they both shape the debate on how cultural diversity should be approached. Later on in the essay, the market for films in Germany – with a solid support system and a well-rooted tradition of subsidising cultural projects – will be analysed in greater detail.

A strategy of a greater product diversification is chosen when the value added by differentiation is greater than the cost to the company of supplying these differentiated characteristics. Such a value is reflected in an increase in the price which customers are prepared to pay for the added attributes. Product differentiation is considered fundamental for creative industries where each new good is unique. There is a possibility of close but never perfect substitutes in cultural industries (Hoskins, et. al, 2004: 148). In a less competitive and a less privatised market, a greater portfolio diversification and an increased number of consumer's choices are possible (Iosifides, 1999).

The industry performance is assessed by looking at several areas, namely its allocative efficiency, productive efficiency, technological progress, equity, cultural objectives, and diversity of views (Hoskins, et. al, 2004: 150–151). One can speak about allocative efficiency if resources are allocated to the production in an optimal manner. That is, to the goods and services which are demanded by consumers, up to the point where the price that consumers are willing to pay for an additional unit equals the cost of producing it (the marginal cost) (Hoskins, et. al, 2004: 151). Productive efficiency exists if the industry output is produced with a minimum total cost, in a given state of technology. Noteworthy, in cases other than a perfectly competitive market with homogeneous products, reaching the complete productive or allocative efficiency is not possible in a purely economic sense. However, maintaining the level of product diversification which responds to the demand may be associated with allocative efficiency. It describes the situation when the 'diversity supplied' matches up with the 'diversity demanded' (Moreau and Peltier, 2004). Equilibrium of those two is seen as a point to be reached in an ideal case (Moreau and Peltier, 2004). The most problematic issue is thus to determine the optimal degree of diversity, either socially (Flores, 2006) or production-wise (Dixit and Stiglitz, 1977).

Under the monopolistic competition, the price is greater than the marginal cost and output is below the allocatively efficient level (Hoskins, et. al, 2004: 205). The positive out-

come of such a situation is, for instance, supplying for the minority interest (Iosifides, 1999) or for niche audiences (Hoskins, et. al, 2004: 208–209) and an increasing diversity of consumer's choices. The realisation of cultural objectives is also a vital point when it comes to the assessment of an industry performance. It is also related to the concept of public welfare. Diversity of views is recognised in democratic systems as a desirable objective in media industries: 'A well-functioning political entity requires that its citizens are exposed to a wide range of sources and opinions' (Hoskins, et. al, 2004: 151).

One of the focal points in the discussion is the question of whether the market itself can yield the socially desirable amount and kinds of products. The study by Dixit and Stiglitz (1977) focused on the optimum level of product diversity in the monopolistically competitive market. Usually, the optimum amount, i.e. market equilibrium, is found by equating the demand price and the marginal cost. In case of economies of scale, resources can be saved by producing fewer goods but in larger quantities (Dixit and Stiglitz, 1977: 297). Yet, this implies less diversity of choices available to consumers and some welfare loss. As a general rule, a market solution equates supply with the marginal cost while a socially optimal level considers also a consumer's surplus (Dixit and Stiglitz, 1977: 301). In principle, if costs of production are covered by the sum of revenues and the consumer's benefit, the commodity should be supplied (Dixit and Stiglitz, 1977: 297). Dixit and Stiglitz (1977) claim the trade-off 'quantity versus diversity' to be the main constraint for firms under monopolistic competition. Similarly, Moreau and Peltier (2004) recognised the central issue to be the 'arbitration between the costs and advantages of maintaining diversity compared with a situation of standardisation' (2004: 124).

From the economic perspective, there are significant benefits from specialisation and free trade. According to the theory of comparative advantage, a nation should specialise in producing any good if an opportunity cost associated with this production is smaller than for another country (Hoskins, et. al, 2004: 313). That implies both cheaper products and increased consumption opportunities for all parties to the trade. There are also other advantages of specialisation. These are associated with economies of scale and the learning curve. In the economies of scale, the cost per unit decreases as the output rate increases: 'Learning by doing may lead to a decrease in costs per unit over time and cumulative output' (Hoskins, et. al, 2004: 316). Still, it means rather standardisation than an increased product diversification (Liebowitz and Margolis, 1998).

Product standardisation and economies of scale can be beneficial for an industry but only in the short run or when the larger economy remains relatively stable over time. Conver-

sion to a standard is better for steady industries, such as those modelled with the network effects (Liebowitz and Margolis, 1998). It does not fit well into sectors which can be pictured with information cascades (Bikhchandani, et. al, 1992) under which a great demand uncertainty is implied. Cultural industries, such as the motion picture, are characterised by lack of stability and unpredictable changes in demand (Caves, 2000; de Vany, 2004). Giving a high degree of uncertainty, it is worth recognising the importance of adaptation to both shock and changing trends (Killick, 1995: 7).

Diversification of assets and investment portfolios is not only one of the main risk-aversion strategies at the level of a firm. Also, it is a means for national economies to remain open and flexible. The concept of economic flexibility should not be confused with either growth or development; it means rather the ability to perform ‘structural adjustment’ (Killick, 1995: 7). In the context of environmental studies, the diversity of species is a necessary condition to keep the system healthy and immune to diseases. Similarly, the economy should not overspecialise in order not to become vulnerable to unexpected shocks. The long-term adaptability to market changes is the major economic rationale for maintaining diversity.

Government Intervention and the Protection of Cultural Diversity

When it comes to the diversity alone, there are two polar models that claim to promote it in the best way: that of public policy and that of the market (Iosifides, 1999: 155). Market-oriented analysts believe that a free competition creates also the climate for many alternative opinions in the media and works towards the diversity of ideas. The logic behind it is that the free market and competition can more efficiently deliver for such public interest goals as pluralism, diversity in content, and accessibility (Iosifides, 1999: 153). Yet, so understood product diversity should be reflected in a variety of forms, geographical origins and interests represented. Thus, analysts who press the social value case argue that the competition which leads to economic efficiency does not perform well with respect to social objectives (Iosifides, 1999: 154–155).

The free market approach has been criticised on the grounds that it promotes cultural uniformity and excludes social minorities from expressing their viewpoints and interests (Iosifides, 1999). Due to the concentration of capital and economies of scale, the diversity of products is undermined (Iosifides, 1999: 155). Additionally, the free market model is said to lead to private media monopolies and to excessive concentration of ownership. In recent

years, a small number of groups have dominated the broadcasting, film, and music production industries, especially in the United States (Iosifides, 1999: 153). A high degree of industry concentration means that the balance is low and one cannot talk about diversity on the market.

Another question in the dispute concerns whether a market or a governmental process best achieves social objectives. The social (or the public) school of thought assumes that a governmental intervention is a necessary condition to expose people to the widest range of views and opinions. The market model asserts that forces of supply and demand provide for those interests more efficiently and the competitive environment outweighs dangers of a governmental control of information (Iosifides, 1999: 153). A normative analysis of government intervention is based on the statement that governments should intervene in cases of market failure, i.e. when the market itself cannot bring about results that indicate the ‘desirable industry performance’ (Hoskins, et. al, 2004: 288). Causes of market failure are mainly threefold: presence of externalities, products in question being public goods and a monopoly power (Hoskins, et. al, 2004: 288). The example of positive externalities will be looked at in greater detail.

Positive externalities stem from consumption of cultural goods and from a process of both a social interaction and an opinion sharing afterwards. Although such externalities occur mainly at the level of consumption, a creator may also derive some added value from the process of production. Also, the variety of choices reinforces the distinctive character of culture whose representation is consumed (Hoskins, et. al, 2004: 292).

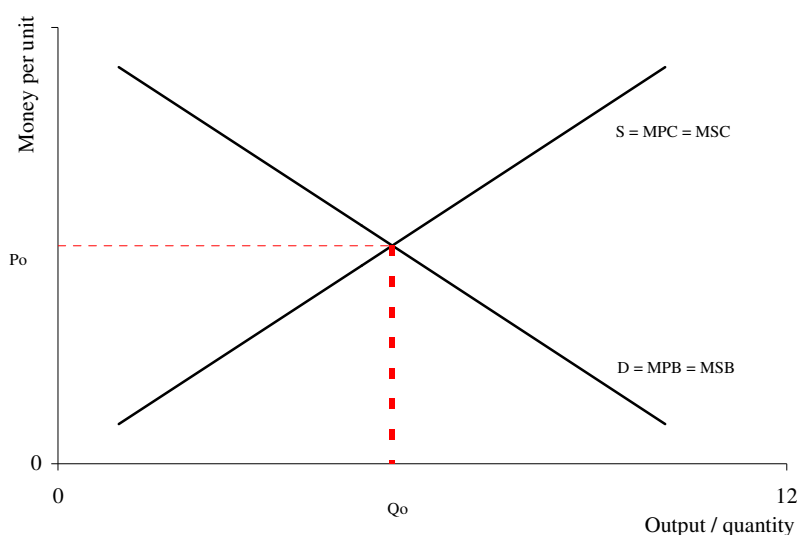


Figure 1: Efficient resource allocation in the absence of externalities

(D – demand, MPB – marginal private benefit, MSB – marginal social benefit; S – supply, MPC – marginal private cost, MSC – marginal social cost)

In the absence of externalities (Figure 1), i.e. when there are neither external costs nor benefits, the point where the marginal social cost equals benefit is set by the supply and demand curves. The market allocates resources efficiently which leads to socially optimal outcomes. In the second case (Figure 2), an external benefit is associated with an additional unit, a marginal external benefit. The social benefit is greater than the private one and the allocatively efficient output is higher than in a competitive industry (Hoskins, et. al, 2004: 292–293).

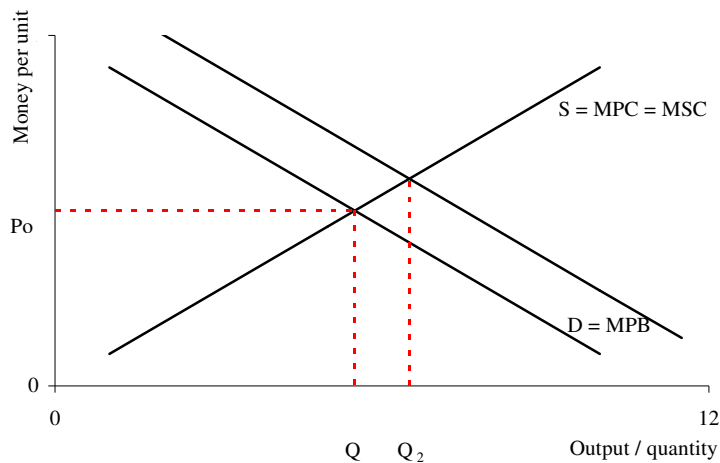


Figure 2: Efficient resource allocation in the presence of positive externalities

Addressing (here: positive) externalities is the rationale for the government intervention on the market. Both the most straightforward and the most popular policy approach is to impose subsidies (Hoskins, et. al, 2004: 293). The external benefit rationale, although a subject to the same measurement problems as external costs, is an appealing argument for introduction of subsidies (Hoskins, et. al, 2004: 294). Determining the quantity of goods supplied is another form of government intervention in the market and happens mostly in the case of public goods.

Public goods are non-rival and non-excludable in nature (Hoskins, et. al, 2004: 295). Some goods are known as the ‘mixed’ ones which means that they possess only one of those public goods’ characteristics (Hoskins, et. al, 2004: 296). This can be applied to a large number of cultural products. For example, movie-goers are non-rivals in consumption only if the venue operates below its full capacity. Yet, films are excludable due to price levels (Hoskins, et. al, 2004: 296). The role of the government is to determine the optimal level of output and to finance its supply, for example by changes in taxation or issuing licenses. Determining the optimal level of service entails cost-benefit analysis. Although quantifying the benefit is usu-

ally very difficult, it is appropriate to consider the total benefit and the total cost of different levels of services and to choose the level at which total benefit minus total cost is the greatest (Hoskins, et. al, 2004: 297–298).

The government intervention has sometimes also an international scope and is aimed to protect vulnerable sectors from effects of economies of scale and of comparative advantage (Hoskins, et. al, 2004: 313). In case of cultural industries, such market conditions can explain why American productions have an advantage over other productions even on their domestic markets, not to mention in the international trade in cultural goods. The dominant position of American media sector stems from the prevalence of English-language productions (Hoskins, et. al, 2004: 318–319). There is also a home market effect connected to transportation costs and economies of scale at the level of infrastructure (Rauch and Trindade, 2005).

Yet, economic arguments can be undermined in the discussion on whether trade in cultural goods is different from others in its welfare implications and the likely effects of cultural policies (Rauch and Trindade, 2005: 3). As a justification of a public intervention, there are several arguments, with the protection of infant industries being the crucial one for the cultural sector (Hoskins, et. al, 2004: 321). The infant industries rationale appeared to be particularly relevant in case of the German cultural sector where a strong protectionism has been exercised, especially during the post-war period (Houcken, 1999: 14–15).

Ensuring the supply of cultural goods from countries or regions that have a comparative disadvantage is seen as having an effect of external benefits. More potential choices for consumers mean that public welfare is served better (Moreau and Peltier, 2004: 124). In order to achieve the higher level of diversity, products from outside the dominant ‘American and domestic’ circle, i.e. from the so called ‘peripheral countries’ (Trappel, 1994), need to be represented. Such a point is quite popular despite difficulties in determining the socially desirable level of diversity (Flores, 2006: 9).

There is always a need to weigh costs of intervention against its benefits (Hoskins, et. al, 2004: 303). A government failure occurs if an intervention is undertaken when its costs are greater than benefits. Also, it happens when the intervention itself is imperfect and does not change the situation or changes it only a little. Market failure can be viewed as a necessary but not a sufficient condition for a government to intervene (Hoskins, et. al, 2004: 303). Again, difficulties in measuring both present and possible future externalities increase the probability of a government failure (Hoskins, et. al, 2004: 304). In most cases, policies which address cultural diversity are fairly difficult to evaluate. The present degree of diversity in the market is hard to measure while the socially optimal future outcome is equally tough to de-

termine in a clear-cut way. A certain degree of ambiguity in assessing whether a policy has been efficient is unavoidable.

Cultural Diversity as a Subject to Legal Regulation

When it comes to the way of how cultural diversity is addressed in legal regulations, the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions (of 20.10.2005) is considered the key element. As an organisation, UNESCO has

a specific mandate to ensure a respect for diversity of cultures and to recommend such international agreements as may be necessary to promote the free flow of ideas by word and image (Convention..., 2005: 2).

The work by Acheson and Maule (2004) provides a critical analysis of the content of the final draft of the Convention. Although much of the commentary refers to the version from just before the Convention has been officially adopted, they are still of high relevance. The final draft had not been officially going through any major changes, neither in objectives nor in content.

According to the definition adopted by the Convention (Art. 1.1), *Cultural diversity refers to the plurality and interaction of cultural expressions that coexist in the world and thus enrich the common heritage of society.* In such a case, the assessment of whether cultural diversity has been achieved is a subject to a number of interpretations: ‘by this definition, cultural diversity occurs whatever is the state of the world’ (Acheson and Maule, 2004: 247). In the section which addresses national competences to implement the Convention (Art. 6), the States have *the right... to maintain or adopt measures that they consider appropriate.* Such a statement is considered imprecise enough to allow countries to introduce and implement any cultural policies which they find appropriate to justify them as supporting cultural diversity (Acheson and Maule, 2004: 247). Conclusions largely question both the content and the implementability of the UNESCO Convention. In fact, the document is seen merely as an incentive to address cultural diversity (Macmillan, 2008).

Acheson and Maule (2004) point out the fact that the Convention does not enjoy any serious legal power and has merely the status of guidelines. Lots of authority is given to the nation states which are able to implement their own regulations. This highlights the universal

character of the whole activity of the UNESCO. At the same time, there is not enough attention being paid to the concrete application of such guidelines. The Convention was meant to be a 'standards-setting instrument', i.e. a set of rules which are legally enforceable. Instead, it turned out to be merely an 'awareness-raising document' in the same way as the other non-binding, declaratory, culture-addressing instruments by UNESCO (Acheson and Maule, 2004: 243).

Another regulation which is supposed to set a legal framework to the diversity debate is the Treaty of Functioning of the European Union, and in particular the Art. 167 on Culture. Under the Paragraph 3 it stays that

the Union and the Member States shall foster cooperation with third countries and the competent international organisations in the sphere of culture (Treaty..., 2008: 124).

It is advocated that the value of cultural diversity has always been acknowledged among members of firstly the European Communities and later on the European Union (de Witte, 2008). Respect for diversity of cultures is reflected in many regulations which the Communities have been issuing throughout the integration process (de Witte, 2008: 219). The question concerns rather the actual competences and means which are likely to have an impact on cultural diversity. And if this is the case, whether these means of action are used by European institutions in a manner detrimental or favourable to cultural diversity (de Witte, 2008: 219). Although the Treaty itself constitutes the law, the level of abstraction which is used to refer to issues of cultural diversity makes it equally vague as is the UNESCO Convention.

There are two main possible interpretations of cultural diversity in the EU law. Firstly, there is a 'diversity-as-distinctiveness' in case of which the central aim would be to preserve the distinctive character of regional and national cultures (de Witte, 2008: 224). Alternatively, the 'diversity-as-pluralism' assumes the promotion of mutual interaction between the diverse cultures in Europe. According to this perspective, the aim is to create extra opportunities of cultural exchange, with a possibility of modification of existing cultural practices (de Witte, 2008: 224). While the Treaty texts do not privilege any of those two readings, seeing diversity as pluralism seems to be better suited into the whole constitutional context (de Witte, 2008: 224). For the society as a whole, it is more valuable if a country has its own film industry and exchanges ideas with the other ones rather than if there is only one movie production centre in a region and it exports films to the rest in exchange for other cultural products. Also, for the particular country it is beneficial to have its own means of expression of its identity and cinema is a very powerful tool.

Adoption of a certain understanding of diversity influences the way of how policies in the cultural sector are assessed. Differences in interpretations of diversity are widely touched upon. Some works, even if they focus on broadcasting or new media, contain hypotheses and patterns which can be applied also to the cinema sector. For instance, one has to distinguish between diversity of ideas and of products (Iosifides, 1999). When looking more deeply, there is diversity in issue, content, person and geographical origin as well as an external and an internal diversity. Diversity in media is a complex concept which can refer to the plurality of views, an access to different opinions, a range of choice, or geographical diversity. It embraces pluralism of many kinds: regional, linguistic, political, cultural, and that on the level of personal taste (Iosifides, 1999: 154).

It is worth realising that there is no specifically formulated legal regulation on any of the issues which concern cultural diversity. At the same time, the concept as such is widely present and applauded on the international arena. In such a situation, assessments of any policies or initiatives undertaken in this field are a subject to far-going interpretations. Similar exercise has obvious limitations. Legal texts (especially those which use a highly generalising language) provide only 'conceptual bones' of what is intended to be done (de Witte, 2008: 219). Still, volume of such interpretations largely outweighs the actual regulation and analyses it from many angles. There are studies on the value of cultural diversity in the law of the European Union (de Witte, 2008), on policymaking in the EU Audiovisual Sector (de Vinck and Pauwels, 2008), and on the World Trade Organization rounds (Dahrendorf, 2008), just to mention a few.

Some Conclusions from the Debate on Cultural Diversity

There is an economic rationale for maintaining diversity in any system. It is vital in the long run since a higher degree of product diversification ensures that an economy is able to adapt to changing environment. However, free market forces do not ensure the desirable level of diversity as it tends to bring additional costs. Especially the cultural sector suffers from the lack of economic viability and that underpins any governmental attempt to regulate the market for cultural goods. Even a brief review of the literature on the subject allowed recognising how problematic is the issue of diversity in any area, not only in the cultural sector. Most of the works point to the lack of a clear definition of diversity and to the question of how it should be interpreted in economics, environmental studies or cultural sector. For examining

cultural industries, an analytical framework is provided by the Industrial Organisation model in which the industry performance is a function of its allocative and productive efficiency, diversity of views, and equity, just to mention a few (Hoskins, et. al, 2004).

In this chapter, the distinction between diversity in the field of economics and that of politics has been made. It highlighted that there may be different sets of priorities which determine how and with what kind of measures cultural diversity should be handled. The core issue is the goal of matching the supplied diversity with the socially desirable outcome. The latter is a vague concept and a subject of on-going disputes (Flores, 2006). The former ought to stay flexible and responsive in order to ensure that the social welfare is served in the best possible way. The interaction among all factors which are related to cultural diversity is very complex. Also, one needs to realise how delicate is the balance that should be achieved between 'responsive flexibility' and adaptability on the one hand and continuity in government policies on the other (Killick, 1995: 12).

The economic perspective is able to provide a much more measurable argumentation on whether or not the promotion of cultural diversity is beneficial for society. Yet, it fails to recognise the added value which is derived from cultural diversity (de Witte, 2008). Adopting such an approach has implications for the policymaking. It determines the general form of the resource allocation (Wietzman, 1992: 364) which is parallel to the allocative efficiency in the Industrial Organisation framework. The most popular way of measuring cultural diversity is to use the 'three properties' technique which distinguishes variety, balance and disparity as the necessary but individually insufficient conditions for the existence of a diverse system. Such method has been used to examine the degree of diversity in both the publishing sector (Benhamou and Peltier, 2007) and the motion picture industry (Moreau and Peltier, 2004), the latter being the core of the forthcoming sections of the paper.

CHAPTER 2

CULTURAL DIVERSITY IN THE MOTION PICTURE INDUSTRY

The previous section of the paper allowed concluding that there is an economic rationale for maintaining at least a certain degree of diversity in any system. It is vital especially in the long run since a diversification ensures that an economy is able to adapt to broader changes. Also, cultural industries are among the most unstable ones and are characterised by random shocks. In such a case, maintaining diversity is important even in the short run. However, free market forces do not recognise external benefits which stem from the consumption of cultural products. Neither ensure they the socially optimal level of product diversification. This is because diversity tends to bring additional costs and does not match the naturally occurring market equilibrium. The cultural sector suffers from the lack of economic viability and that underpins any governmental attempt to regulate the market for cultural goods. The literature on the subject does not offer any clear-cut or a homogeneous definition of diversity (Benhamou and Peltier, 2007: 87). The three properties – variety, balance and disparity – are adopted in most researches as a working set of measurements. While the first chapter presented the state of affairs in the debate on the economic and the political importance of cultural diversity, this part will focus specifically on application of such approaches to the film industry.

Firstly, characteristics of the film industry should be recalled. A highly uncertain demand implies particular supply strategies which affect also the level of diversity on the market. It is also worth saying how the ‘market solutions vs. cultural policy’ debate is relevant in this context. Consequences of an industry’s mode of financing for the level product differentiation will be looked at later on in the chapter. The issue has already been analysed in broadcasting industries and television (Waterman, 1990; Iosifides, 1999) but not so much in the motion picture. There are different patterns of consumption, distribution and policy-making in film industries across countries. Finally, the ‘three properties’ (variety, balance, disparity) method will be brought forth as it has already been tested in case of the movie industry (Moreau and Peltier, 2004).

Characteristics of the Film Industry

There is a set of characteristics which are usually outlined as typical of the film industry. Even if their presence might be debatable or less obvious in case of niche or ‘art house’ projects, such features are still worth realising. There are also different areas on the supply side of the motion picture sector (Cameron, 2003). Studies tend to separate production from distribution and exhibition (Eliashberg, 2005). Cinema displays peculiar economic features and resembles partly performing arts, partly other creative industries such as music recordings (Cameron, 2003).

Films are complex creative goods and their production requires a motley crew (Caves, 2000, 2003). In order to undertake the production, one has to burden high initial investments which become the ‘sunk’ costs: they are both non-recoverable and necessary with every next stage of the process. A progressive sinking of costs takes place up to the point of producing an initial bundle but the largely uncertain demand makes cinema an extreme-risk sector ever afterwards (de Vany, 2004). Causes of the demand uncertainty in this industry are mainly two-fold: films are experience goods (Nelson, 1970) and the opinion-sharing among movie-goers plays a huge role in shaping the consumption. The model of information cascades (Bikhchandani, et. al, 1992) can be reached for as it implies a great deal of instability of the industry and particularly well portrays the motion picture. All these characteristics allow assuming that risk-aversion is a general strategy adopted by suppliers in the film industry.

Some researches point out the vulnerability and the apparent non-viability of the motion picture (Jansen, 2005: 191) which is why the industry’s mode of financing has a decisive impact on how the film market in a specific country operates. In countries where the movie industry is exposed to market forces and government-departed (such as in the US), risk-aversion is indeed a dominant strategy. The model of monopolistic competition, attached earlier to all cultural goods, stays relevant also in this case. High fixed costs of making and promoting films as well as the extreme degree of risk of the return impose such a market structure. This sector is characterised by barriers to entry, ‘from the difficulty of obtaining screens to exhibit on (*exhibition*) and films to exhibit with (*distribution*)’ (Cameron, 2003: 115–116). Thus, the ‘extreme uncertainty’ factor requires companies to be large and the risk to be spread by diversifying both assets and products. A barrier to entry may be legal and arise from patents or copyrights. It may also be an effect of government intervention and public policies, for example a requirement of broadcasting licenses. In most countries, including Germany, governments consider intervention as a necessary move in cultural industries to pursue social interests such

as diversity of views. Regulations are then directly aimed at affecting both the conduct and performance of the industry (Hoskins, et. al, 2004: 149–150).

In a competitive entertainment sector, companies can stay more immune to random demand shocks thanks to diversifying the portfolio of assets and products (Walls, 2005: 619). Noteworthy, diversity which results from a risk-aversion and survival strategies is different from the one that is considered a cultural goal. The former means supplying to the market merely in terms of quantity and, due to heterogeneous goods, variety. It does not contribute to balance nor to disparity. Even more, the free market may stifle diversity (Iosifides, 1999: 158). Competitive markets are usually highly concentrated and one cannot talk about balance. The risk factor imposes the strategy of capitalising on proven resources and avoiding experimentation (de Vany, 2004). There is very little incentive to distribute films from ‘peripheral countries’ or to invest in ideas which have not been previously introduced to the audience in novels, video games or older movies. The list of A-rate actors is also relatively fixed and any ‘new faces’ are presented next to the already recognisable and applauded ones. Even if the relationship between a star and a demand for the very film was not confirmed (de Vany and Walls, 1999), stars still have a large ‘opening power’. It is crucial for both the exhibition stage and the return on investment (de Vany and Walls, 1999: 303).

On the Demand Side

All cultural industries are characterised by the uniqueness of goods, lack of perfect substitutes and a high product differentiation. Also, consumption of experience goods, such as films, is more complex than it is in case of standard economic products (Vogel, 2004). It cannot be pictured with standard utility-maximising models where utility comes directly from goods (Cameron, 2003: 114). In case of the cinema, changes in utility touch upon various areas apart from the experience itself – a value of the free time, alternative leisure possibilities, costs of transportation, etc. (Cameron, 2003; Vogel, 2004). A additional challenge in researching the cinema consumption is brought with the demand uncertainty. The study by de Vany and Walls (1999) – the ‘Estimated screen counts’ – did not detect any repetitive patterns of consumption. That confirms the relevance of the ‘nobody knows’ principle (Caves, 2003) as well as the fact that information cascades combined with the demand for experience goods can neither be foreseen nor directed (de Vany and Walls, 1999: 286).

On the other hand, the high degree of product differentiation under monopolistic competition should imply that each supplier enjoys at least some brand loyalty and is able – within limits – to set his own price. The availability of many close substitutes, however, limits the degree of price discretion that can be practiced (Hoskins, et. al, 2004: 143). The very concept of brand loyalty is debatable in case of the film industry (Hoskins, et. al, 2004) because products are so differentiated that no perfect substitution is possible and the viewer must test a range goods in order to increase personal experience. If films are grouped into different categories, they can be seen as close substitutes within the set, any of which has at least a little, already established audience. Also, there are segments within the industry which enjoy a developed and a relatively stable audience. Those are, for instance, art house movies or film festivals (de Valck, 2007).

Cinema Attendance

The study by Dewenter and Westermann (2005) investigated factors which influence the demand for movies in Germany, measured by the cinema attendance.

The demand for cinema services is commonly measured by cinema attendance in annual frequency (ATT). In order to take into account the rapidly changing population (in size as well as structure) the observations are deflated by the population size to obtain a measure of cinema admissions per capita (ATTR) (Dewenter and Westermann, 2005: 216–217).

A function of factors which affect changes in utility for cinema audience is rather complex. The amount of cinema services demanded in a certain period of time is a function of their price, prices of compliments (such as transportation costs), prices of substitutes (theatre, opera or other leisure activities, even watching movies at home), income, and a set of variables which indicate differences in consumers' individual preferences or life circumstances (Dewenter and Westermann, 2005: 217). The last factor included also personal as well as group assessments of a product quality. In principle, cinema attendance should be inversely related to the price and positively related to the quality.

Prices

Ticket prices are not set freely by producers or directors. They depend largely on distributors, exhibitors and their own policies. Prices are usually fixed for a particular venue and may vary across locations, not across products. Thus, price cannot really be associated with quality. Also, the film industry does not tend to show much price flexibility (Cameron, 2003: 116). This is the case on both the supply and the demand side. A failing movie or an unpopular venue does not result in price cuts as a retrenchment strategy (Cameron, 2003: 116) in order to stress the importance of quality.

Quality

One of the hypotheses by Dewenter and Westerman (2005) states that ‘quality [of films] has a positive impact on cinema demand and therefore on attendance per capita’ (2005: 218). The question is whether the diversity of products – and thus of available choices – can be seen as an indicator of quality. The concept of experience goods (Nelson, 1970) suggests that quality is also a significant determinant of the demand for such products. However, it is not possible to fully measure quality variations, neither in the film sector (Dewenter and Westermann, 2005: 218) nor in any other area of culture or arts (Throsby, 1990; Radbourne, et al, 2009). There are only ‘crude measures of quality’ and the very concept can hardly be applied to horizontally differentiated goods (Ginsburgh, 2003), such as movies. Instead, Dewenter and Westermann (2005) used the number of German movies produced per year to measure the degree of product diversification (2005: 229). By doing so, they assumed that product diversification is one of the aspects which can increase quality and an overall consumer’s utility.

Even if the demand for a particular movie is unpredictable, the overall cinema consumption may show some patterns, especially in mainstream release. For instance, audience tends to favour sets of particular genres or countries of origin, usually domestic productions together with the American ones. The rationale for maintaining the level of diversity even above the demanded one is the cultivation of taste.

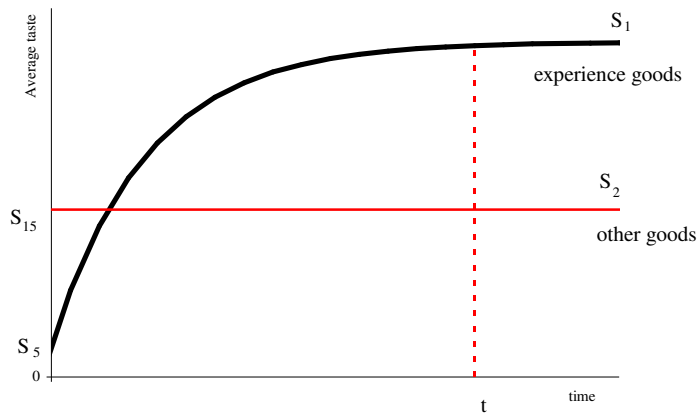


Figure 3: The cultivation of taste over time

In case of experience goods, consumers tend to develop appreciation of a particular experience over time if they are exposed to it long enough (Lévy-Garboua and Montmarquette, 2003).

The 'Art House' Sector

The term 'art house' refers to a motion picture theatre that shows foreign or non-mainstream independent films, often considered 'high-brow' or 'art' films (Tim Dirks, www.filmsite.org). According to the definition of an 'art house' film, it is

... an often low budget [project], that is acknowledged as having artistic merit or aesthetic pretensions, and is shown in an art-house theatre. [Such] films usually include foreign-language films, independent films, non-mainstream (sometimes anti-Hollywood) films, shorts, documentaries, explicitly-erotic films, and other under-appreciated cinema of low mass appeal; [art-house films] provided a distinct contrast to commercial films (Tim Dirks, www.filmsite.org).

The art house sector should be seen differently from the commercial cinema also because its mode of financing influences an approach to cultural diversity (Waterman, 1990). The market-oriented, risk-averse and survival model is applicable mainly to the American environment, where creative industries (including the motion picture) are seen as a part of the entertainment business and where the free market competition and survival strategies are implied (Hoskins, et. al, 2004). In Europe, a similar approach is adopted when it comes to televi-

sion and commercial productions which often do not even enjoy a theatrical release (Cameron, 2003). Yet, the art house cinema differs considerably from the abovementioned model in terms of production, distribution as well as consumption.

The mainstream cinematic release is a heavily integrated sector which has strong barriers to entry. It is only available to a small network of major exhibitors who have close links with distributors. Independent venues struggle to survive on the market, with the exception of the 'art house' sector which can be quite vibrant in some countries. It supplies films that do not gather mainstream audiences, with occasional returns of older 'hit' movies in selected seasons (Cameron, 2003: 115). In general, there are three main segments to be identified in the market for movies: the mass movie market (financially centred in Hollywood), subsidised films (traditionally in Europe) and the independent sector (Cameron, 2003). Certain characteristics of the independent cinema are also shared by the art house sector since those two areas are linked with the production-distribution relationship. Art films usually offer a lower return on average but in comparison to Hollywood blockbusters, they display less variance in return (Cameron, 2003: 116). Also, the utility function for producers and investors in this sector contains more non-monetary, 'reputation for quality' elements (Cameron, 2003: 116).

Film Festivals

Academic studies on the role of film festivals usually refer to the importance of the European context. Festivals in Europe are described as 'a locus of cultural exchange between the realms of Hollywood and world cinema' (Evans, 2007: 23). The phenomenon of the film festival is put in contrast to the 'hegemony of Hollywood' which largely influences audiences around the world. The commercial power of the American cinema allows it to control the distribution to other countries and 'dictate what is seen and what is not' (Evans, 2007: 25). European festivals are seen as forums where the contrast between the centre of film business (Hollywood) and the rest of the world's cinema becomes finally less obvious (Evans, 2007: 26). Productions from 'peripheral countries' (Trappel, 1994) are presented on equal ground with the American or the European ones. Such juxtaposition is given lost of cultural and post-colonial meaning (Evans, 2007) but it also has economic implications and brings more diversified set of films to the European audience.

Film industry in general is a multi-level sector. The economic and political approaches towards it are far from unified. It can be seen as the area of both commercial exploitation and

profit-making as well as exercising ideological agendas. An example of the former is an American-style entertainment industry and a market-oriented approach to creative industries. The latter dominates in Europe and the popularity of film festivals is the expression of it (Evans, 2007). Such a difference has to be realised in order to analyse either any of the European film industries or its film festivals.

Film festivals have a specific logic and are arranged according their own calendar which includes ‘movable fests and caravans of film cans, the logistically complex event circuit’ (Elsaesser, 2005: 103). The literature uses the term ‘the international film festival circuit’ (de Valck, 2007), with special attention paid to the A-rate ones. The International Federation of Film Producers Associations (FIAPF) works to ensure that a hierarchy exists, high standards are maintained and no clashes occur between the events. There is also the appropriately named European Coordination of Film Festivals (ECFF) network which protects and promotes the interests of 250 of the smaller regional festivals across the continent (Evans, 2007). All the A-list film festivals in Europe (including the Berlinale) are a subject of both.

For niche films, meaning those from outside the blockbuster group, festivals provide a platform for international exposure. After making an entrance during a festival, a project is more likely to be positively received during its standard cinematic release in foreign countries (Evans, 2007: 26). It can be thus argued that popularity of festivals and their focus on ‘art house’ movies increase diversity in foreign markets, both in terms of distribution and consumption. Festivals play the role of facilitators of the dialogues between different film markets (Evans, 2007). Films that are co-financed by the WCF and brought to the German market through the distribution fund are shown mainly during festivals. Those events are powerful channels which have their own, relatively stable audiences.

The phenomenon of film festivals originated on the European continent and events were located in the main centres of the political influence, both before and after the World War II (de Valck, 2007: 47). At that time, Berlinale played a key role (de Valck, 2007: 46). Film festivals were established (especially those which originated in 1950s) for a combination of economic, political, and cultural reasons. After World War II, the American motion picture industry became dominant and misbalanced the markets worldwide. The European film festivals provided opportunities to countries other than the United States to present movies. They also paid particular attention to the national production of the country which hosted the event (de Valck, 2007: 49). It is important also nowadays. Growing number of festivals around the world and thus increasing competitiveness among them encourages organisers to come up with own initiatives to promote their festivals and to attract attention. For instance, the Berli-

nale has the section called *Perspektive Deutsches Kino* (Perspectives of German Cinema) which is dedicated to showcasing new talent from Germany. Thereby, it demonstrates an element of national specificity and differs from the Cannes which stays more internationally orientated (Evans, 2007: 24).

Public Regulation and Financing

The focus on diversity is necessary since it determines social benefits derived from the media industries. At the same time, diversity is a ‘vulnerable value’ and the free market model stifles it (Iosifides, 1999: 158). Market incentives are not in favour of creating the high level of cultural and political diversity and do not usually lead to the provision of a wide range of products to satisfy heterogeneous consumer tastes: ‘There is little room for artistic expression and risk-taking when cost saving and commercial viability are the prime considerations’ (Iosifides, 1999: 158). Thus, there are consequences of the industry’s mode of financing on product diversity (Waterman, 1990). For example, the competitive studio production mode results in low product diversity, expressed in risk aversion, less artistic experimentation and vertical integration; a range of films from different cultural and geographic backgrounds is not represented, balance is lost. Public support may result in less risk-aversion and greater creativity. Still, it all depends on the national context and conditions behind subsidies. Both the distribution opportunities and the public regulation (van der Ploeg, 2004) have an effect on the level of diversity on the market.

There are still two polar modes that claim to best promote the diversity: that of public policy and that of the market (Iosifides, 1999: 155). According to the latter, the free market competition among a plethora of new services more efficiently delivers for such public interest goals as pluralism, diversity in content, and accessibility’ (Iosifides, 1999: 152). Possibly relevant in the context of broadcasting, such a claim is hard to argue for in case of the film sector. Cinema is not primarily about delivering information; its main goal is representation (Elsaesser, 2005). Thus, movies are considered artistic products to a much greater extent than news and television programmes. Such a status shapes a bit different position towards public policies and regulations and, in that way, to the ‘free market’ argumentation. The existence of barriers to entry is debatable in presence of subsidies. Technically, there are no barriers which emerge from the economies of scale but the situation varies across countries. The German market can be looked at as an example. There is a mixture of self-organised producers and

those who rely heavily of government subsidies. In most cases, films enjoy financing from both sources, differing only in proportion (Houcken, 1999). Barriers to entry can be created by lack of economic profitability (Jansen, 2005) from making movies by the private producers themselves. Also, they can emerge from legal regulations and conditions which come with subsidies. Regulations may introduce lack of equality by distinguishing between domestic producers and the foreign ones. In many countries, the subsidisation schemes were introduced in order to compensate size disadvantage which domestic studios have had in comparison with the American ones (Houcken, 1999). On the other hand, German subsidies for domestic producers have a form of more of a loan – money has to be paid back due the course of exhibition, according to the German Film Act (*FFG – Filmförderungsgesetz*). Foreign producers who wish to apply for the WCF support are under the same obligation (The WCF Guidelines).

As mentioned earlier in the paper, much of a problem is posed by difficulty in estimating the socially desirable level of diversity (Flores, 2006). Positive theories of government intervention, such as the public interest, describe how the public interest should be served at best and how the public choice is determined (Hoskins, et. al, 2004). According to the public interest theory, the social interest is served at best when resources are allocated efficiently. The government intervention would be based on provision of subsidies for goods that generate external benefits and determining the optimal output of public goods (Hoskins, et. al, 2004: 305): ‘The public interest theory is consistent with regulation promoting programming with external benefits’ (Hoskins, et. al, 2004: 306) although it ‘does not satisfactorily explain why governments intervene in some industries but not others’ (Hoskins, et. al, 2004: 307). Historically, culture has been an exception to the free market principle. The rationale for regulating the broadcasting could have been the scarcity of spectrum frequency. It did not apply to, for example, the newspaper or the publishing sector (Hoskins, et. al, 2004: 307). In the movie industry, the number of venues and their capacities are limited so unless the film is released on television (and most of them are not), the industry itself may not supply the socially optimal level of diversity.

The efficiency of a public regulation is a traditional focal point and at first sight easy to argue against. The EU’s MEDIA programme can be taken as an example. It is meant to support the ‘distribution of European films in countries other than their country of origin’ (de Witte, 2008: 224). Similarly, the WCF concentrates specifically on films produced outside Europe and North America. The effectiveness of the MEDIA programme can be assessed by looking at the list of top films in a given EU country and their origins. If there are, for example, only domestic and American productions, that indicates the apparent lack of effect of the

EU's initiative (de Witte, 2008: 224). A superficial analysis can mislead the evaluation and it is important to realise that there is no uniform understanding of a 'socially desirable outcome'. It is still debatable whether the supplied diversity should reflect the diversity demanded. This stance derives from the concepts of the 'open diversity' and the 'reflective diversity' (van der Wurff, 2004). The other approach calls for influencing the consumption by supplying above the demanded level. Also, it promotes the idea that there should always be a range of choices available even if a consumer chooses not to enjoy those (Iosifides, 1999). A viewer must have a possibility to select from a range of options even if he eventually opts for the already familiar one. The socially optimal level of diversity is thus not always determined by the existing demand. It is rather about ensuring diversity of options and their accessibility (Iosifides, 1999: 156).

Measuring Cultural Diversity in the Film Industry

In the field of culture, the work on measuring diversity is far from unified and it is not possible to apply findings from one cultural industry to another (Benhamou and Peltier, 2007: 87). Most researches concentrated on constructing a tool of measuring the cultural diversity or of measuring the diversity as such and of applying it to the cultural sector later on. A working consensus points out the multidimensional nature of the very concept of diversity. It implies that accurate measurement must rely on multiple criteria – variety, balance, disparity. Also, some works distinguish between the supplied and the consumed diversity (Moreau and Peltier, 2004; Benhamou and Peltier, 2007) or between the open and the reflective diversity (van der Wurff, 2004). Open diversity corresponds to the notion of supplied diversity while the reflective diversity measures the degree of response of the supply to the demand. The postulate behind the reflective diversity is that the level of supply should reflect the consumption (Benhamou and Peltier, 2007: 90).

What most studies agree on is that measurement of variety can be done by counting the number of movies available to the consumer. This is due to the uniqueness of products and no perfect substitution (Hoskins, et. al, 2004). Each film counts as a separate species and variety stays directly related to the amount of projects. It is balance and disparity which prove to be more challenging.

Balance

In various studies, there had been postulated a link between diversity and market concentration (Peterson and Berger, 1996; Iosifides, 1999). Balance, one of the indicators of diversity, can be assessed by looking at the industry concentration. In order to measure it, Moreau and Peltier (2004) reached for the Hirschman-Herfindhal Index (HHI) which is the sum of the squared market shares of each firm. The index can be calculated as

$$HHI = \sum_{i=1}^n x_i^2$$

with x_i being the share of each actor on the market.

Other methods are the four-firm (CR4) and the eight-firm (CR8) concentration ratios. In forthcoming chapters, they will be calculated from formulas:

$$CR_4 = \sum_{i=1}^4 x_i$$

and

$$CR_8 = \sum_{i=1}^8 x_i$$

They calculate the market share of the four and the eight largest actors respectively. Later on, the industry is evaluated as being

highly concentrated, if $CR_4 \geq 50\%$ or $CR_8 \geq 75\%$;

moderately concentrated, if $49\% \geq CR_4 \geq 34\%$ or $74\% \geq CR_8 \geq 51\%$;

or lowly concentrated, if $CR_4 \leq 33\%$ or $CR_8 \leq 50\%$.

The HHI is more sensitive to size differences among firms (Hoskins, et. al, 2004: 146). Yet, it requires precise information on shares of all the firms on the market. What is more, these three techniques tend to bring similar results and it does not make much of the difference which one is used (Hoskins, et. al, 2004: 147). For the evaluation of the particular film market in terms of balance, either the CR4 or the CR8 are sufficient methods.

Disparity

Measuring disparity proves to be the most problematic part of assessment of diversity in any system (Stirling, 1999). It requires specifying the distance among different species. There is little consensus on what variables should be taken into account to estimate distance between products which are dissimilar by definition, such as films. Moreau and Peltier (2004) aimed to evaluate the distance among countries by looking at their geographical position (bordering, a continent), level of development, official language, and a type of society (for example Western or Eastern) (2004: 126–127). The analysis could also be extended by the third (apart from an individual film and the geographical origin) unit of analysis – the genre. Moreau and Peltier (2004) put a lot of emphasis on dividing between two types of diversity: the supplied and the demanded one. They argue that in an ideal case one should reflect the other. Whether such a distinction is always necessary, remains debatable. Importantly, measurement of disparity does not have any fixed set of variables. Those should be determined according to the particular context and the set.

Conclusion

The main conclusion from the above sections is the importance of a specific context, regardless the area of analysis. The chapter has recalled a set of characteristics which are commonly considered as typical of the film industry. Among others, those were the uncertain demand (de Vany, 2004), the presence of sunk costs, and high fixed costs (Caves, 2000). Such features are encountered also across other cultural industries but their accumulation in the motion picture allows seeing it as the high-risk sector (de Vany, 2004). The influence of such factors on the strategies of suppliers is questioned in the context of public support of film productions. European tradition of subsidising movies differs considerably from the American business model and challenges the claim that the risk aversion is the dominant strategy of producers. Whether such behaviour can be abandoned at all is however debatable.

The significance of the local context relates also to the demand side. Both the extremely uncertain demand and the model of unpredictable information cascades (Bikhchandani, et. al, 1992) can be softened in cases of the art house cinema as well as the film festivals. Both sectors enjoy maybe less economic profitability but also a more stable audience (Cameron, 2003). Even if the presence of any consumption patterns or cinema attendance

related to particular kind of projects has not been confirmed (de Vany and Walls, 1999), some researches point to the 'home bias' (apart from the American-bias) in demand (Dewenter and Westermann, 2005). The weight of specific factors which can influence the degree of diversity on the market varies across countries. Measuring the diversity in the movie industry proved to be a difficult task and researches usually stress lack of a uniform approach towards the issue. Although the 'variety, balance, disparity' technique is widely adopted, the detailed break-down of factors which are necessary to analyse the industry is different in any study. The particular case of the WCF, in the wider context of the German film market, will be approached in the forthcoming parts of the paper.

CHAPTER 3

FILM INDUSTRY IN GERMANY

It has already been realised that none of the cultural sectors can be fully analysed by looking merely at its economic side; the movie industry is not an exception. In context of the German motion picture though, the political underpinning is particularly important and cannot be undermined. Cultural diversity cannot be isolated from its socio-economic context without leaving out vital information (Flores, 2006: 12). The focus of the first part of the chapter is on understanding the role of the context – the structure of the German film industry in general and the International Film Festival in Berlin in particular. Moreover, the way of financing projects and responsible bodies will be looked at. In this case, the method is the analysis of the official statistics such as those provided by the German Federal Film Board (FFA), the Federal Office of Economics and Export Control (BAFA) and the SPIO, the umbrella organisation of film and television companies in Germany.

In principle, the less competitive the market is, the better conditions for an increased cultural diversity it creates (Moreau and Peltier, 2004). The question is whether there is a diversity of areas where resources are allocated. This should be the case at least at the level of variety since there is an economic rationale for keeping assets diversified. Secondly, the degree of diversity in terms of projects on the film market in Germany will be assessed. Variety is identified with the number of films annually available on the market. Balance is evaluated by looking both at the countries of origin of such films and at their genres. The method of the four-firm concentration ratio (CR4) is used. In order to address disparity, the regions are worth mentioning since the variety of countries does not necessarily mean that the continents or cultural zones are represented. The greater distance between countries within a set is related to its greater disparity as well. The discussion on the demand side and audience segments (including the festival audience), which started in the previous chapter, will be continued in the specific context of the German film market. The International Film Festival in Berlin will be given particular attention due to the political context of the festival and the added meaning it brings.

The Role of Institutions and Financing Policies

European Approach and Subsidies

Contrary to the United States, the film industry in Europe has always been treated as a cultural and therefore an economically vulnerable sector (Jansen, 2005). There is a strong tradition of public support of film productions. The European movie industry is hard to understand without realising the involvement of governmental film policy: ‘The dominance of the state over the European film industry has built up progressively’ over the last four decades (Houcken, 1999: 188). For example, in 1996 the average state subsidy (automatic, selective or tax incentive) for the domestic feature films in Germany was 48% of the project’s budget. It was the highest subsidisation in Europe at that time (Houcken, 1999: 191). Even now, France is the only country in the EU that can compete with Germany over the level of state subsidies, neither of which produces movies with more than 30% of the budget covered by market sources (Houcken, 1999: 191).

Indeed, financial grants provided by the nation states are the basis of the European feature film policy. The main historical development of the film support in Germany was extending the governmental support to cover not only the production but also the distribution. The structure of the WCF reflects such an approach. Nowadays, subsidies are to be found at all levels of the supply chain (distribution, exhibition, training and festivals) but still the majority of sources is allocated into the production sector (Houcken, 1999: 189). Production subsidies can be divided into direct support schemes and an indirect regulatory support (Houcken, 1999; Jansen, 2005). The direct support occurs in a form of either an automatic or a selective scheme (Houcken, 1999: 189). Focusing on the indirect support is not essential in here; it relies on tax incentives and is exercised mainly in the television segment.

Automatic schemes (*Referenzfilmförderung*) depend on box-office results of previous works of a producer. They are meant to offset disadvantages which domestic producers suffer from due to the size of their home market (Houcken, 1999: 189). Selective schemes (*Projektfilmförderung*) aim to promote certain types of production. The selection criteria of the granting commission are based either on cultural objectives for the cinema or on the industry policy in the region (Houcken, 1999: 190). There is also a ‘voluntary co-production involvement’, encouraged by tax incentives. Those contributions serve mainly two purposes: they secure the access to attractive programming and build good political relationships with regulatory authorities (Houcken, 1999: 190). Those schemes and initiatives are rather complex

structures and the paper does not aim to analyse all their aspects. Only pieces that are relevant to the topic will be looked at: firstly, the subsidisation at the national level and the regional initiatives later on in the chapter.

The National Feature Film Subsidisation in Germany

The German system of subsidies is the second, after the French one, richest in Europe and when it comes to direct subsidies alone – even the first one (Houcken, 1999: 190). There are various types of aids at the federal level which are meant to support both German sole projects and international co-productions which comply with German nationality criteria and are intended for the theatrical exhibition (Houcken, 1999: 190). Criteria for the selective schemes (*Projektfilmförderung*) are culturally motivated: a film is assessed in terms of its contribution to the culture and the quality. The expected shift towards a more market oriented approach due to the FFG (*Filmförderungsgesetz*) renewal in late 1990s did not actually happen (Houcken, 1999: 192).

At the national level, the main institution is the FFA (*die Filmförderungsanstalt*). The German Federal Film Board is also called the ‘Germany’s national cinema centre’ (Houcken, 1999: 190).

The FFA's mandate includes enforcing measures to promote German cinema and to improve the structure of the German film industry, to support the national economic affairs of the film industry in Germany, to improve the foundations for the distribution and market-driven exploitation of the German cinema at home and its economic and cultural distribution abroad as well to work towards an alignment and coordination of the film support measures by the Federal Government and regional states (www.ffa.de).

The annual budget of the FFA is around 70 million Euros (www.ffa.de) and is dispersed among various sectors, with the sole exhibition fund of about 6 million Euros (Houcken, 1999: 192). The FFA also channels films to the ‘art house’ sector. Although quality of such films is not to be questioned, the diversity in terms of origin remains limited. A large number of those movies come from the US or Europe, even if they are not the ‘mainstream release’ productions but represent the ‘independent cinema’, such as films by Woody Allen or Pedro Almodovar.

Another channel of financing the motion picture in Germany is the cultural *Film Assistance of the Federal Ministry of Interior (BMI)*, which since 1996 is managed through the FFA. With the budget of 10 million Euros, it is meant to support feature film production via ‘quality’ prizes. Also, it is one of the supporters of the International Film Festival in Berlin (Houcken, 1999: 192). Help for German experimental projects can be granted through the *Kuratorium Junger Deutscher Film* which is the culturally oriented initiative with the budget of 1.2 million Euros (Houcken, 1999: 192).

It can be seen that even with the complex and developed structure of film support, there is still a group of films from the peripheral regions which stays largely underrepresented on the German market. The WCF has recognised the market well and the very idea behind it can be applauded. Yet, the capacities of the fund in terms of numbers do not seem sufficient to make any real difference.

Film Market in Germany

General Data

In order to cast more light on the performance of (the situation on) the German film market, some statistics are worth presenting. The main source of data about the film industry in Germany is SPIO (*die Spitzenorganisation der Filmwirtschaft e.V.*). The SPIO is an umbrella organisation of motion picture, television and video trade associations. Apart from acting in the field of film policy, the SPIO gathers data about the German film and video industry as well as provides administrative services for other institutions (www.spio.de).

During the last decade (1999–2008, Table 1), American productions dominated the market in terms of rental revenues. German productions came second, yet the disproportion between the US movies and any other ones is unquestionable. When looking at the breakdown of the number of films and revenues they made (year 2008, Table 2), an interesting observation can be made. Numbers of US and German films are easily comparable, with 37,3% and 33,5% respectively. Still, American productions attract far more viewers and at least double the proportion of the revenues enjoyed by German films. What is more, none of the countries from outside the EU or North America did enjoy more than 0,5% of the cinema attendance.

Table 1: Market share of different countries in terms of rental revenue in Germany (%), 1999–2008

Year/Country	USA	Germany	The United Kingdom	France	Italy	Other
1999	78,6	11,1	6,8	0,7	1,0	1,8
2000	81,9	9,4	5,1	0,9	0,2	2,5
2001	77,0	15,7	3,8	1,6	0,8	1,1
2002	83,0	9,5	2,4	2,6	0,1	1,2
2003	76,8	16,7	3,3	0,9	0,2	2,1
2004	72,1	20,8	3,5	2,2	0,1	1,3
2005	77,2	13,9	2,0	2,9	0,3	3,7
2006	72,0	21,5	2,4	1,0	0,1	3,0
2007	73,2	15,1	4,7	3,9	0,0	3,1
2008	66,9	21,0	5,7	3,5	0,2	2,3

Source: SPIO (2009)

Table 2: Market share of different countries in terms of the number of films and rental revenues in Germany (%) in 2008

Country/ /Share	USA	Germany	The United Kingdom	France	Other EU countries	Other (non-EU)
Number of Films	37,3	33,5	4,8	6,2	8,6	9,7
Rental Revenue	66,9	21,0	5,7	3,5	0,6	2,3

Source: SPIO (2009)

Table 3: The German film market – Final statistics of the cinema sector (2009)

Cinema Attendance	146,3 Million
Cinema Revenue	976,1 Million Euros
Premiers of German Feature Films	150
Premiers of German Documentaries	70
Market Share of German Films	27,4 %
Market Share of American Films	65,9%
The Average Ticket Price	6,67 Euros
Number of Cinema Venues	1.744
Number of Screens	4.734

Source: SPIO (2010)

The market share of American films has been decreasing over the last decade, from around 80% in the early 2000s to slightly below 66% in 2009. Although the numbers still show the domination of the US films on the market, the drop of 14% seems rather significant. Also, the German domestic productions seem to enjoy an increasing popularity, having almost tripled their market share in terms of rental revenue. German films climbed from little above 10% in 1999 to as high as over 27% of the overall revenue in 2009 (Tables 1 and 3). The numbers suggest a gradual shift in consumption patterns in German cinemas. Despite those noticeable changes, the US domination is still visible. With one country having a sole share of far above 60%, the market cannot be balanced. When the American and the German productions are put together, it is clear that the market is taken over by films from two countries only, leaving rest of the world sharing no more than 10–15% at best.

The ‘Art House’ Sector in Germany

The art-house cinema is an important element of analysis. It not only covers at least one fifth of the overall movie consumption in Germany (FFA, 2009) but also those films can be compared with projects selected by the WCF – they are chosen on the basis of quality and cultural importance and do not aim to attract the massive audience. The institution which is responsible for the selection of art-house film is the FFA. Such movies are supposed to fulfill the quality criteria and are not chosen due to their potential to attract mass audience. The year 2008 is taken as a basis for an exemplary analysis. A choice of any year from the late 2000s would not make much of the difference since patterns of movies consumption in Germany do not change radically. Also, 2008 is worth looking at because the WCF was already established and working.

Table 4: Top 50 Art-house films in 2008 (Based on cinema attendance)

Cinema attendance, Top 50 Art-house films	26.030.018
German Art-house films (incl. co-productions)	17
Viewers of German films in the Top 50 art-house films	14.693.312
Percentage of viewers of German films in the Top 50 art-house films	56,45%
Cinema attendance in Germany in 2008	127.518.944
Share of the Top 50 art-house films in overall number of films shown in Germany	20,41%

Source: FFA (2009)

Country of Origin

Table 5: Top 50 Art House Films 2008 – Country of origin¹

Country of Origin	Number of Films
Germany (sole production)	14
German co-productions with...	
... USA	1
... another EU country	2
... a non-EU country	0
USA (sole production)	16
USA co-productions with...	
... an EU country	2 (3, incl. USA-Germ)
... a non-EU country	1 (USA-China)
EU (sole productions and co-productions)	11
EU – non-EU co-productions	2 (France-Lebanon; France-Israel)

Source: FFA (2009)

Since every film is considered unique, the variety is directly and positively related to the number of projects screened. The amount of projects shown in art houses is considerable; an independent cinema sector is well represented, although merely in terms of variety. Also, the art house segment covers a significant part (percentage-wise) of the movie consumption in Germany – over 20% (Table 4). Yet, an increase in variety does not imply that the balance is maintained. As presented in Table 5, German productions or co-productions (with another European country or the USA) take 17 out of 50 movies classified as the art house ones. The sole American and European productions as well as co-productions dominate the statistics. Within the set of the fifty most popular art house movies there are no sole productions which would come from the countries distinguished by the WCF. The only films coming from those regions are co-productions; in 2008 there were merely three of them: *The Band's Visit* (Israel, France), *Caramel* (Lebanon, France), and *My Blueberry Nights* (China, USA). A contribution of the WCF to the set of art-house movies was co-financing the distribution of *Caramel* to the German market.

¹ For the detailed list of Top 50 Art-House Films in Germany in 2008 see: Appendix 4.

Genre

The classification of genres which is used by the FFA distinguishes fourteen categories (Table 6). Those are: Documentary, Children's film, Feature film/ Drama, Episode film, Fantasy/ Fairy tale, Social Drama, Homeland film, Historical film, Comedy, Criminal movie, Musical, Nature, Political film, and Thriller (www.ffa.de). Making a comparison with any other fund would pose some of a problem since genres vary across initiatives and different bodies tend to categories films in their own way. Sometimes there are only three general groups, i.e. long films, short films (both of which can be feature films) and documentaries (SPIO, section: Productions 2009). This is also the classification used by the WCF (The WCF Booklet, 2010). In the FFA database, most of the films are described as the cross-genre ones. For the simplicity's sake, the two main categories will be distinguished: the feature film and the documentary. Within those, theme-based sub-categories will be identified. Certain categories can be combined and taken as one, for example a Fantasy and a Children's film, even if FFA separates those.

Table 6: Top 50 Art House Films 2008 – Genre

Genre	Number of films
Feature Films: out of which	46
Social Drama	20
Comedy	13
Episodic Film	2
Historical Film	2
Criminal Movie	1
Fantasy/ Fairy Tale/ Children's Film	2
Thriller	2
Musical	2
Political Film	1
Homeland Film	1
Documentaries: out of which	4
Nature	1
Music	2
Society	1

The set of the first fifty art house movies in 2008 in Germany is both balanced and various in terms of genre. The balance within the set can also be claimed. The concentration ratio of the four and eight main groups would suggest a highly concentrated set:

$$CR4 = \frac{(20 + 13 + 2 + 2)}{50} \times 100\% = 74\% ;$$

$$CR4 \geq 50\%$$

$$CR8 = \frac{(20 + 13 + 2 + 2 + 2 + 2 + 2 + 2)}{50} \times 100\% = 90\% ;$$

$$CR8 \geq 75\%$$

The reason for such a high concentration is a considerable share of the two main groups, social dramas and comedies, which cover 40% and 26% respectively. The representation of other genres is more balanced. Importantly, each of the fourteen categories identified by the FFA is represented by at least one movie. Still, the set stays unbalanced when it comes to the other criterion, i.e. the country of origin. Both criteria (balance for the country of origin and for the genre) should be met in order to talk about disparity and therefore – diversity. It is important to realise that much of the results depends on how the films are categorised. In the art-house sector in Germany is diverse in terms of genre but not the country of origin. Such a category definition does play the role when it comes to variety – with each film being a ‘prototype project’ (Houcken, 1999: 63), variety increases regardless the genre or country of origin. In Germany, the art-house sector does not work towards increasing the number of represented countries. The dominance of American and German productions is clearly visible. In such a context, the WCF – an initiative which targets film industries in peripheral countries – is even more worth looking at.

Supply of Films from Outside Germany

When it comes to the distribution of films onto the German market, the FFA is responsible for the choice of movies but buying licenses for those goes through BAFA (*das Bundesamt für Wirtschaft und Ausfuhrkontrolle* – the Federal Office of Economics and Export Control). Firstly, the focus will be on regions comparable with the areas covered by the WCF.

Table 7: The overview of the license purchases – Statistics of the incoming films (1997–2005):
Number of films bought in

Region	Year	1997	1998	1999	2000	2001	2002	2003	2004	2005
Middle East/ Turkey		×	×	×	2	3	3	10	1	1
South and Central America		5	4	2	3	3	8	8	32	2
Africa (altogether)		0	3	×	2	2	1	6	2	1
Asia (altogether)		26	16	44	54	526	597	539	571	176
Australia and New Zealand		48	5	16	14	3	3	4	5	14
Total		79	28	452	75	537	612	567	611	194
North America ²		4647	6602	12343	9666	4626	4163	5400	7692	7687
Europe ³		4323	3097	10101	19318	2911	2028	3854	3417	3820
Total		9049	9727	22896	29059	8074	6803	9821	11720	11701

Source: BAFA (1997–2005)

Table 8: The share of each region in the overall number of films bought in to the German market (%)
(1997–2005)

Region	Year	1997	1998	1999	2000	2001	2002	2003	2004	2005
North America		51,35	67,87	53,91	33,20	57,30	61,20	54,99	65,63	65,70
Europe		47,78	31,84	44,12	66,48	36,05	29,80	39,24	29,16	32,64
Peripheral Countries		0,87	0,28	1,97	0,26	6,65	9,00	5,77	5,21	1,66

² The USA and Canada. NB: The US and Canada are taken as one. It has to be realised though that over 97% of those numbers is covered by the US productions and that the Canadian ones take only little from the overall number.

³ Benelux, France, the UK with Gibraltar, Greece and Cyprus, Ireland, Italy, Austria, Eastern Europe, Portugal, Switzerland and Lichtenstein, Scandinavia, Spain, Island, and Malta

Table 9: Costs of license purchases for films bought in to the German market (in Euros⁴) (1997–2005)

Region	Year	1997	1998	1999	2000	2001	2002	2003	2004	2005
Middle East/ Turkey		×	×	×	111 773	345 436	7.046	21.106	609.304	180.905
South/ Central America		128 506	92 771	2 290	44 173	14 419	27.541	394.909	119.973	399.161
Africa (altogether)		0	10 225	×	58 793	41 051	1.379.316	85.854	40.400	29.000
Asia (altogether)		926 714	528 231	1 073 056	779 577	1 038 951	1.367.369	1.513.096	1.804.479	1.246.562
Australia and New Zealand		12 417 545	233 625	485 062	444 183	645 041	1.260.433	2.013.500	1.868.655	2.053.090
Total		13 472 765	864 852	1 560 408	1 438 499	2 084 898	4 041 705	2 218 465	4 442 811	3 908 718
North America		404 022 348	454 496 211	488 429 891	468 994 926	628 769 520	535 259 255	715 532 715	787 357 778	605 994 566
Europe		463 185 901	275 796 821	188 894 956	325 913 340	341 459 782	142 905 067	381 606 640	265 956 574	270 648 352
Total		880 681 014	731 157 884	678 885 255	796 346 765	972 314 200	682 206 027	1 099 357 820	1 057 757 163	880 551 636

(Source: BAFA)

× – not classified; 0 – classified but no project under this year

⁴ In Germany, DM was replaced with Euro on January 1, 1999 with the exchange rate 1 Euro = 1,956 DM (www.bundesbank.de)

Table 10: Share of films from each region in the overall amount of money allocated into purchases of license for films bought in to the German market (1997–2005) (%)

Region	Year	1997	1998	1999	2000	2001	2002	2003	2004	2005
North America		45,88	62,16	71,95	58,89	64,67	78,46	65,07	74,44	68,82
Europe		52,59	37,72	27,82	40,93	35,12	20,95	34,72	25,14	30,74
Peripheral countries		1,53	0,12	0,23	0,18	0,12	0,59	0,21	0,42	0,44

Tables above focus mainly on regions associated with the term ‘peripheral countries’ and indicated as the ‘entitled regions’ by the WCF. Both the number of imported films (Table 7) and the amount of money spent on them (Table 9) are quite large. One has to remember that BAFA buys licenses for both cinema and television. Not all of them enjoy the proper cinematic release. The number of Asian films that were bought in since the beginning of the 2000s is surprisingly high. Asian productions (especially those meant for the merely television release) are much cheaper than, e.g. the African ones. Also, there have been quite a few US-China co-productions which received recognition later on. The Asian cinema is enjoying an increasing international attention and brings more big-budget productions (especially after the success of *Crouching Tiger, Hidden Dragon* in 2000). African films are less obtainable and it is easier to co-finance their production and have the rights automatically given due to this very fact. Also, the quality criterion would be hard to argue for. Not all the films which come from ‘peripheral countries’ and are brought in thanks to BAFA license purchases are massively screened as ‘art house’ movies. And if they are, only few of them enjoy popularity.

It can be seen that funds use different classifications and scopes of regions; thus, it is difficult to make any thorough comparison between funds. Also, what is shown in the original tables (see: Appendix 4), is the dominance of the American (US and Canada) as well as British films – language-wise and because there quite a few USA-UK co-productions. Import of movies from other EU countries could be encouraged by the preferential regulations. Tables 8 and 10 show the dominance of two regions (Europe and North America) both the number of imported films and the money spent on those. The market share of regions and countries are vital for assessing how balanced is the set of imported films.

Diversity within the Set of Imported Films

The genre cannot be addressed in this case since it has not been provided in the BAFA statistics. Balance within the set of films bought in to the German market will be measured across three years: 2003, 2004 and 2005 in terms of the amount films, not the budget share. Firstly, the CR4 will be done for regions⁵ (see: Table 7).

$$CR4_{(2003)} = \frac{5400 + 3854 + 539 + 10}{9821} \times 100\% = 99.82\%$$

$$CR4_{(2004)} = \frac{7692 + 3417 + 571 + 32}{11720} \times 100\% = 99.93\%$$

$$CR4_{(2005)} = \frac{7687 + 3820 + 176 + 14}{11701} \times 100\% = 99.97\%$$

Shares of the top four countries⁶:

$$CR4_{(2003)} = \frac{(5396 + 2059 + 539 + 491)}{9821} \times 100\% = 86.40\%$$

$$CR4_{(2004)} = \frac{(7679 + 1996 + 571 + 493)}{11720} \times 100\% = 91.63\%$$

$$CR4_{(2005)} = \frac{(7685 + 2473 + 966 + 424)}{11701} \times 100\% = 98.69\%$$

An industry is assessed as highly concentrated when the $CR4 \geq 50\%$. Both the measurement by region and by country resulted in perfectly comparable figures. A high market concentration within a set is not surprising when a region is taken as a basic criterion. There are only seven zones distinguished in the BAFA statistics and a CR4 far above 50% was to be expected. However, the similarly high market concentration for countries comes up as a robust result. Such a situation is caused by disproportionately large market shares of the top countries

⁵ As presented in Table 7, the top four regions were:

- 2003: North America (5400), Europe (3854), Asia (539), Middle East/ Turkey (10)
- 2004: North America (7692), Europe (3417), Asia (571), South and Central America (32)
- 2005: North America (7687), Europe (3820), Asia (176), Australia and New Zealand (14)

⁶ For the breakdown of BAFA license purchases for years 2003-2005, see: Appendix 1-3. The top four countries in those years were:

- 2003: the USA (5396), Benelux (2059), Asia (539), France (491)
- 2004: the USA (7679), Benelux (1996), Asia (571), the UK (493)
- 2005: the USA (7685), Benelux (2473), France (966), Switzerland and Lichtensteinein (424)

such as the USA, France or Benelux which exceed even whole regions. Clearly, the set of projects imported to the German market is far from balanced. The argument in favour of the presence of the WCF is pushed even further. If none of the institutions existing on the German film market addresses the underrepresented sector, there is a rationale for an initiative like the WCF – oriented only towards the ‘peripheral countries’, targeting largely the overlooked film industries and focusing on both the cultural and the quality criteria at the same time.

Movie Audience in Germany

In the second half of the twentieth century, the German film market has experienced a significant shift in terms of the cinema attendance (Dewenter and Westermann, 2005). After a huge increase in attendance in the early 1950s, the consumption dropped significantly from the late 1950s onwards and has never been recovered to even remotely reach the previous boom. As an explanation of such transformation, the literature brings up the social re-configuration, new lifestyle models as well as changes in market shares of films available to the audience (Dewenter and Westermann, 2005: 214), the last one being of particular relevance to the study on the consumed diversity.

The market share of domestic movies in German cinemas has decreased from about 47% in the late 1950s, to nearly 16% in 2001, the market share of American movies has increased from about 30% to 70–80 % (Dewenter and Westermann, 2005: 216).

Thus, they assumed a structural break in demand for cinema – away from the domestic productions and in favour of the American ones. It does not have to be the truth – changes in supply caused a decrease in cinema attendance. The consumption pattern in Germany has been displaying a rather strong national bias. This research investigated the market only up to the year 2002. According to the SPIO statistics on years 2008 and 2009, the cinema attendance shows a reverse. During the past couple of years, the amount of supplied German productions increased while the American ones declined (SPIO, 2010). Still, it is too little to talk about changes in the supply pattern especially than shares of other countries remain marginal. The proportion tends to sway between the American and the German/European productions; it leaves the Third World sector largely underrepresented.

Such a pattern pictures mainly the blockbuster audience. The market segmentation is worth realising since projects co-financed by the WCF belong to the ‘art house’ sector and are channelled to the market largely through film festivals. The ‘festival audience’ is a very specific group, interested in particular products. Such people are knowledgeable both about niche productions and about film industries across countries. In this case, it is hard to use the assumption about the demand uncertainty. Still, those movies have attributes of the experience goods (Nelson, 1970) and their consumption comes along with an intensive opinion-sharing among viewers. Greater audience stability implies that merely because a niche film is not screened in Germany does not mean that German film lovers are not going to see it. People who are both highly interested in and knowledgeable about the subject do not restrict their consumption because of the geographic location, especially in the context of an increased digitalisation. At the same time, just because the film is brought directly to the German market does mean that an average movie-goer is going to see it. The consumption pattern of niche products is far more stable than in case of ‘mainstream release’ entertainment movies, yet the scale of the audience is not large enough to influence the general model.

Regional Competition

One of the main developments of the German film support system was the continuous shift from federal aid towards the regional one in course of the 1990s (Houcken, 1999). Germany has a range of regional systems which aim to aid cultural schemes. There is approximately 86 million Euros of annual spending on all areas on the supply chain of theatrical feature films. Structural changes and decentralisation resulted in the emergence of ‘overhauled *Länderförderungen*’, the competing and self-run ‘regular film villages’ (Houcken, 1999: 192). They operate along with the main centres in Berlin (*Filmboard Berlin-Brandenburg (FBB) GmbH*), Cologne (*Filmstiftung NRW GmbH (F-NRW)*, *North-Rhine Westphalia*), Hamburg (*Filmförderung-Hamburg GmbH*) and Munich (*FilmFernsehFonds (FFF) Bavaria GmbH*). Each of them functions as an independent enterprise (Houcken, 1999: 192).

The example of Berlin and the Berlinale will be analysed in greater detail. It can be argued that an additional goal of the IFF in Berlin is to promote the city. Berlin has to endure increasing competition on both levels: the international (from other festival hosting cities) and the national, i.e. within a group of economically powerful German regions. In the course of the last century, Berlin has lost much of its economic competitiveness in favour of other centres.

The Berlin blockade during the World War II had revealed preferences for the cultural (including the film) industries in Düsseldorf, Munich or Hamburg (de Valck, 2007: 51). Re-gaining attention and refreshing the image of the city was one of the goals set after German re-unification. An emergence of the own Berlin initiative such as the WCF can be related to the fact the city uses (can use) its position as the host of one of the world's most famous film festivals.

The International Film Festival in Berlin

Berlinale is the most internationally-oriented and widely recognised film event which takes place in Germany. It seems quite logical to attach to it a serious political or ideological message about promoting cultural diversity; such a meaning suits the general climate of the festival. There are also other initiatives alongside the WCF that work under the umbrella of Berlinale. The major ones include the Berlinale Talent Campus (workshops for young people who want to get involved in the film production), Shooting Stars (award for a young actor or an actress for their film debut), and the European Film Market. There are at least two reasons for the Berlinale's activity in establishing a number of own initiatives.

Firstly, the enterprise could not afford to stay undeveloped due to the increasing regional competition within the country. Being the host of an international A-rated film festival, the city has an advantage comparing to other regions whose festivals are either selective in content (e.g. Hamburg International Short Film Festival) or have merely a regional or a national scope (e.g. Festival des Deutschen Kinos in Mainz). Other international festivals which are hosted by German cities do not enjoy the Berlinale's recognition. Another point concerns the fact that cities become increasingly important in the globalisation of the world market. The relation between the Berlinale and the city of Berlin is mutually beneficial (de Valck, 2007: 47). The festival is not only the way of marketing the city on the international forum. Decisions made during the Berlinale relate and respond to the larger geopolitical agendas (de Valck, 2007: 47). Even the very foundation of the Berlinale was meant to help German professionals (the Berliners in particular) to re-build their film industry (after the World War II) (de Valck, 2007: 51).

Secondly, the special status of the Berlinale encourages any initiatives with a strong ideological underpinning. The argument for the geopolitical rationale (for the 'spatial re-configuration of film festivals') rather than the economic one tends to be favoured in the literature on the subject (de Valck, 2007: 51):

With the peculiar context of being located in the solar plexus of the Cold War, the Berlinale provides us with an excellent case study of the geopolitical influences on the transformation of the film festival phenomenon from the early European cultural showcases to the contemporary international film festival circuit (de Valck, 2007: 47).

All the Berlinale's initiatives carry around messages about promoting cultural values. There is little or no conversation about the economic rationale for those projects and the WCF seems to fit into such a model. It has already been said that there is more in the idea of promoting cultural diversity than purely economic calculations. One has to consider also the long-term effects and the social well-being. On the other hand, even if the IFF in Berlin is immersed in ideological debates, it would be naïve to assume the complete lack of an economic drive behind its activity. It may however be more political than market oriented giving the size of Berlinale's initiatives.

All the festivals reach for similar strategies: they try to stay visible and promote themselves through a number of related initiatives with different target projects. There is an argument that film festivals became increasingly commercialised and adopted a 'Hollywood style' form of events. In the post-WW II period, such a tendency was even welcomed and seen as going away from the political cinema of the fascist era (Evans, 2007: 27). Although a metaphor of a film festival as 'a marketplace' (de Valck, 2007) works well in case of Cannes, the analysis of the Berlinale has to acknowledge and take into account its strong political and ideological embedment. Indeed, the Berlinale seems to hold the special place among other A-listed festivals. It is very much diversified in terms of its own initiatives and target sectors. Certain ideas are parallel to those exploited elsewhere, for example the 'International Forum of New Cinema' at the Berlinale and the 'International Critics Week' at Cannes (Evans, 2007: 30). Other initiatives are typical of the Berlin festival only and the WCF is among the unique ones.

Conclusion

If one looks at the whole structure of the movie support and subsidies' allocation in Germany as well as the geopolitical underpinning of the Berlinale, there are lots of similarities with the WCF. One can tell that the structure of the WCF reflects the traditional German approach towards the film. The main difference is that the WCF is oriented towards a different

market which has not really been addressed so far and which stayed underrepresented on the German domestic arena. It would be hard to argue that the WCF is completely detached from any national interests.

Because of the limited budget, the actual effect on the state of cultural diversity which the WCF has is not as significant as it is claimed to be. Also, there are institutions outside the Berlinale which supervise both purchasing and distribution of licenses from various regions across the world. The FFA, the most powerful and with the greatest responsibility body in Germany, not only has a much bigger budget at its disposal but also has been active for longer than the WCF. On the other hand, it does not pay any particular attention to single projects in order to ensure their quality. What is more, certain regions, such as Asia or Africa, tend to be classified as one unit, without distinguishing among countries.

CHAPTER 4

THE WORLD CINEMA FUND

The extensive introduction on the topic was necessary to highlight both the complexity of the issue of cultural diversity and the German context. Understanding the World Cinema Fund would be impossible otherwise. The first part of the chapter will explain both the structure of the WCF and the main principles behind its selection-process. The fund is intended to target film industries in ‘peripheral countries’, i.e. from the regions of Latin America, Africa, South-East Asia or Middle East, just to mention a few. The main criteria for selection of projects are quality and cultural importance of films.

Secondly, the measurement of diversity within the set of movies which were selected by the WCF is to be done. The three properties of diversity – variety, balance, disparity – will be recalled again. Variables in this section are similar to those used when assessing the diversity on the film market in Germany. The main ones are the geographical origin and the genre. In order to evaluate the distance among projects, one can look also at the region and the year of production. Statistical data are provided mainly by the IFF Berlin itself and include details on projects selected by the WCF (see: Appendix 6–7). The breakdown of those films with focus on countries of origin and years of production for both the production and the distribution scheme will be given later on in the chapter.

Regardless its small figures, the WCF has created the probably most balanced and geographically diversified set of movies available to the German audience. Yet, a clear-cut evaluation is even more difficult giving small capacities of the initiative and its inability to shift the supply pattern.

The Structure of the World Cinema Fund

The fund is a co-initiative of the German Federal Cultural Foundation (*Kulturstiftung des Bundes*) and the International Film Festival in Berlin, with the co-operation of the Goethe Institute. The legal entity of the WCF is the *Kulturveranstaltungen des Bundes in Berlin GmbH* (www.kbb.eu) – the division of the IFF in Berlin. From its beginnings in 2004 till

2008, 928 projects applied for funding out of which 49 has been selected. Also, 22 projects enjoyed the distribution support. The amount available for the co-production of a single project is meant not to exceed either 50 percent of the total budget of such a film or 100.000 Euros. The maximum amount available for the distribution of a single project is 15.000 Euros. The total annual budget of the WCF is 500.000 Euros (the WCF Guidelines, 2007).

The aim of the WCF is to support films from regions where film cultures are in danger because of political and/ or economic crises. Also, the focus is on developing countries which 'lack a constructive film industry' (the WCF Booklet, 2010). Additionally, the WCF is meant to help increase the accessibility of those films in Germany and to enable their presentation to an international audience. The latter occurs mainly through the festival. Originally, projects eligible for funding ought to come from Africa, Latin America, the Middle East or Central Asia. As of 2007, the WCF also includes countries in Southeast Asia and the Caucasus. A film is considered to come from a particular region if it is shot there and if the director comes from the very region (the WCF Booklet, 2010).

The main criterion for selection is quality of a project. Also, films should deal with important social issues of their regions such as cultural identity or religious or political conflicts. Also, films must contribute to the development of their local industries. The WCF stipulates that primary consideration is given to movies which are likely to succeed among international audiences because they energise local industries (the WCF Booklet, 2010).

Table 11: Projects selected by the WCF: Production per region and per country

Africa – 3 (4) ⁷	(Latin) South and Central America – 14 (22)	The Middle East – 10 (14)	Central Asia and Caucasus – 2 (5)	Southeast Asia – 2 (4)
Algeria – 1	Argentina – 4 (6)	Egypt – 1	Armenia – (1)	Indonesia – 1
Mali – 1	Brazil – 3	Iran – 1 (2)	Kazakhstan – 1	Philippines – 1
South Africa – 1	Bolivia – (1)	Israel – 1 (4)	Kyrgyzstan – 1 (2)	Thailand – (1)
Angola – (1)	Chile – 2 (3)	Israel/Palestine – 1	Uzbekistan – (1)	Vietnam – (1)
	Colombia – 1 (2)	Jordan – 1		
	Dominican Republic – (1)	Lebanon – 2		
	Mexico – 1	Palestine – 1		
	Paraguay – 1	Turkey – 2		
	Peru – 2 (3)			
	Uruguay – (1)			

Source: The WCF Booklet (2010)

⁷ Numbers in brackets – '()' – imply that a project has been selected for the production/ distribution support although has not been released yet.

Measurement of Diversity

The three properties of diversity – variety, balance, disparity – are ‘individually insufficient’ (Stirling, 1999) in the sense that all of them should be taken into account when assessing the degree of diversity in any set. Yet, they are differently affected by changes in the system, meaning shifts in variables. Thus, the ‘three dimensions’ should also be considered separately. It is worth reminding that variety is the number of kinds which can be distinguished within the set in question. By balance one means the pattern of the distribution of such species across different categories. Disparity is the degree to which the categories themselves are different from each other. As a general rule, the greater the variety, the balance and the disparity of a system, the larger is its diversity (Stirling, 1999; Moreau and Peltier, 2004; Benhamou and Peltier, 2007).

Methodology

When applying these three properties into the film industry, Moreau and Peltier distinguished three units of analysis: the film, the genre and the geographical origin (Moreau and Peltier, 2004: 126). If each film is considered unique, diversity rises in direct proportion to the number of supplied movies. In principle, the same logic can be applied both to the genre and to the geographical origin. In works that measured the diversity both in the movie industry (Moreau and Peltier, 2004) and in the publishing sector (Benhamou and Peltier, 2007), the research related heavily on distinguishing between the supplied and the consumed diversity. It was also pointed out that, in an ideal case, the former should reflect the latter (Moreau and Peltier, 2004). The Herfindhal-Hirschmann index (HHI) was used in order to measure the market concentration and, by this, balance.

From all three properties, disparity has proven to be the most difficult to analyse. It requires an adoption of a tool of a distance evaluation, such as of measuring the distance between different countries. In order to introduce some taxonomy, three categories were chosen: domestic, American, and other films (Moreau and Peltier, 2004: 127). The HHI and such taxonomy together ‘reflect the degree of concentration of the films released and the cinema admissions for the three listed geographical origins’ (Moreau and Peltier, 2004: 129). Moreau and Peltier (2004) proposed also a measurement of the concentration per copy of a movie. Instead, this study addresses market shares of films coming from each country or, when data were unobtainable,

a region. Such market share is looked at in terms of either the revenue derived from screenings or the amount which were spent on purchasing licenses for those films.

The World Cinema Fund and Diversity

Diversity within the WCF Set

The set of films co-financed by the WCF is taken as a set. The aim is to test whether the set itself is internally diverse. The scope of entitled regions does not cover the whole world but only the peripheral countries. Thus, this section takes into account only those areas, without referring to the other ones from where films are imported to the German market. Selected projects are taken as two sets: those which benefited from the production and the distribution scheme. There is a tendency to double the support. Before 2009 only one film benefited from both schemes but due the course of the last three WCF meeting almost ten projects were selected for both schemes. If a movie enjoyed a double support, it is still taken as two separate ones. This is because the production fund is more focused on industries in developing countries while the distribution fund on the German market.

Another pitfall could be the very classification of regions and cultural zones. The geographic criterion is easier to define objectively. At the same time, it is impossible to ignore the variant of culture or religion. However vague the concept, it is used as the bold criterion throughout the WCF selection process. Certain areas prove to be challenging to classify, such as the south of the Mediterranean. Countries such as Morocco, Algeria or Egypt geographically belong to the African continent but are the part of the Arab culture. Thirdly, the actual representation of each region should also be looked at, i.e. its share in the whole set of WCF films and the extent to which it represents its own area (comparing to representations of other regions).

Variety

The production and the distribution sets consist of forty nine and twenty two projects respectively. Although some of them enjoy a double support, they are still treated as two projects as they were selected twice and money goes through two different channels.

Balance

Within the production set there are forty nine projects in total (see: Table 13). The method is the eight-firm concentration ratio (CR8). When taking geographical origin as a variable and a country as a unit, the measurement of balance will be as follows.

$$CR8_{(WCF\ Prod)} = \frac{(6 + 4 + 3 + 3 + 3 + 2 + 2 + 2)}{49} \times 100\% = 51.02\% ;$$

$$51\% \leq CR8_{(WCF\ Prod)} \leq 75\%$$

The distribution set is approached in a similar way. A country is taken as a unit of analysis, the method is the four-firm concentration ratio (CR4), the set consists of twenty two projects (see: Table 14):

$$CR4_{(WCF\ Distr)} = \frac{(5 + 3 + 2 + 2)}{22} \times 100\% = 54.54\% ;$$

$$CR4_{(WCF\ Distr)} \geq 50\%$$

The set of films from the WCF production section is moderately concentrated and, therefore, fairly balanced. The German art-house sector as such is much less balanced, with only a marginal representation of Third World cinema. Noteworthy, it is the first non-heavily concentrated set of movies which has been referred to so far.

The distribution group is not so much balanced; the region of South and Central America tends to dominate the picture. Apart from that, only a couple of countries from the Middle East (Lebanon and Turkey) enjoy more than one selected project per country. The measurement of concentration with a region as a unit would be rather useless in this case. There are not enough regions distinguished to form a group of four against the rest of projects within the set.

Disparity

Genre as a category may not affect the analysis much since there are only two main categories of those projects: feature films (the long ones, with one exception) social dramas and documentaries, both of which share the same themes. The WCF movies are by definition social dramas which focus on conflicts (religion or political ones) or controversies related to

cultural identity. Dividing genres into sub-categories similar to the classification used by the FFA would not be possible. A sense of the plot can be assumed from more detailed descriptions and directors' statements which are attached to each granted project (see: Appendix 6 and 7). Still, films selected by the WCF address issues related to the so called 'human diversity', embodied in attributes such as ethnicity, religion, cultural identity and language (Grin, 2004: 189). Being either feature films or documentaries, they all touch upon problematic social concerns. Thus, they address also another gap on the German film market which is the very little representation of niche films. There is no detailed classification such as the one used by the FFA with 14 theme-based categories. It can be argued that the WCF avoids repeating a standard schematic classification, thus emphasising the quality criteria. Yet, lack of a uniform system among initiatives on the German market makes any comparison rather difficult. In order to assess distance among projects within the set, one can also distinguish a region or a cultural area as well as a year of production.

Table 12: Projects selected by the WCF: Productions per region over time

Region	Year	2005	2006	2007	2008	2009	2010	Coming
Africa – 3 (4)			1	1		1		1
Latin America – 14 (22)			4	2	5	3		8
The Middle East – 10 (14)	2			1	2	3	1	4
Central Asia and Caucasus – 2 (5)	1				1			3
Southeast Asia – 2 (4)					1	1		2
Total – 31 (49)		3	5	4	9	8	1	18

In general, in 2008 and 2009 most of the distinguished areas were covered, i.e. each zone but one was represented by at least one project. Those two years were more intensive than the first ones which means that the WCF is investing in more projects and developing. Usually, Latin American projects tend to be more successful in attracting the WCF support. The set is diversified in the context of its own. As for such a small amount of films, a range of countries is represented. In terms of quantity, the fund is not able to make the actual difference in the mainstream release pattern. Outside the festival showcases, the only market sector for which absorbing the WCF projects would be both beneficial and worthwhile is the art house cinema.

Diversity on the Market

This part assesses diversity in the larger set, i.e. the market to which the WCF directly contributes. The German film market will be looked at, although the presence of the WCF projects on international festivals contributes to the increased amount of choices for the audience world-wide. The reason why the analysis focuses on the German market exclusively is twofold. Firstly, the distribution fund within the WCF is designed to bring films from the peripheral countries to the German venues. It is worth concentrating more on this part of the fund in order to test its efficiency. Secondly, on the world-scale, the impact of the films co-financed by the WCF is equally difficult to categorise and measure. Also, the effectiveness of funds in other countries (i.e. every country which hosts at least one international film festival) would have to be tested.

The representation of the third world cinema in the German art house sector is very poor – merely three co-productions and no sole production in the 50 most popular art house movies in 2008. Also, there a quite a few feature films ranked as social dramas but the political as well as the homeland film are represented by only one movie each. Also, there is only one documentary which focuses on social issues within this set. If any of the WCF films is promoted enough to get to the representative sample, it can at least address the existing gap, both in terms of genre and the country of origin.

Table 13: Projects selected by the WCF: Distribution per region and per country

Africa – 4	South and Central America – 11	The Middle East – 6	Central Asia and Caucasus – 1	Southeast Asia – 0
Chad – 2006	Argentina – 2004, 2004, 2005, 2007, 2008	Israel/Palestine – 2010	Iraqi Kurdistan Region – 2007	
Mali – 2006	Brazil – 2003 (seen as 2004)	Jordan – 2007		
Morocco – 2007	Morocco – 2007	Lebanon – 2007, 2008		
Senegal – 2004	Peru – 2004, 2005, 2009	Turkey – 2008, 2010		
	Uruguay – 2009			

Source: The WCF Booklet (2010)

Table 14: Projects selected by the WCF: Distribution over time

Region	Year	2004	2005	2006	2007	2008	2009	2010
Africa – 4		1		2	1			
Latin America – 11		4	2		2	1	2	
The Middle East – 6					2	2		2
Central Asia and Caucasus – 1					1			
Total – 22		5	2	2	4	3	2	2

Source: The WCF Booklet (2010)

Confronting the statistics by BAFA and the WCF in terms of the number of films imported to Germany would show a mammoth gap between those two. The WCF does even cover 1% of the BAFA purchases. In terms of the variety of countries distinguished in those funds, the WCF is not only more detailed in its considerations. It also points to those regions or countries which BAFA either does not classify at all or from where imports a disproportionately small group of films – small enough to justify the presence of the WCF. The scope of genres which are covered by the FFA and are imported thanks to the BAFA purchases of rights covers many more genres than the WCF does. The fund focuses merely on niche films (problematic issues, conflicts on the religion or political grounds, social exclusion and cultural identity). Whether they are feature films or documentaries, it is pretty selective when it comes to genres.

The concentration on the German movie market has already been shown in the previous chapter. All zones outside Europe and North America put together hardly cover more than 1% or 2%, which in exceptional cases can climb a little higher but still never above 5% or 6%. That is for the number of films only. When it comes to the amount of money spent on bringing those films in to the German market, it has not exceeded 1.6% in the period 1997–2005. Such a proportion does not change even if the WCF projects are included. The CR4 exceeds 50% either way which means that the market can easily be assessed as highly concentrated and not balanced enough to talk about diversity. The fund is not able to compete with the standard release of movies in terms of numbers.

Distribution of Films and Money Allocation

Subsidies which are available to German producers on their domestic market are in principle a subject of re-payment. The support that a project enjoys is seen as a loan, not a subsidy per se. Such a loan is the subject of re-payment later on, unless the project receives a large enough cinema attendance. According to the FFG, it is 100.000 viewers for German projects. Such a level of consumption is seen as an indicator of the benefit received by society. If the required level of consumption is not reached, the amount needs to be re-paid and the society does not take the burden of the production of the film. The money is invested in another project. The WCF is structured likewise. The re-couplement of funding is spread over 7 years dating from the premiere of the project. Also, the participation of the WCF in revenues until the amount is paid back is proportionate to its input in the very project (The WCF Guidelines). In such a case, the production fund is seen as a loan for an initial investment, necessary to produce a movie or to buy it into the German market. The project enjoys also the entry to the festival where it is presented.

On the contrary, importing films via BAFA involves considerable amounts which in 2004 and 2005 were well over 700 million Euros for the US films alone. Such money is allocated into purchasing mainstream release projects, largely from the US where the entertainment industry logic and the principle of the extremely uncertain demand apply. Thus, the investments are not only massive but also unpredictable in return. The structure of the WCF provides opportunities for safer money allocation for the government.

Conclusion

The structure and the scope of the WCF allow claiming that the initiative is a continuation of a well-rooted German tradition of subsidising film projects. The main difference from government schemes lies in its target sector (developing countries) and the fact that it is channelled via the IFF in Berlin. Even though the WCF was initiated by a different body (the Berlinale), money for investments comes from the federal government. The fund compliments with other subsidising activities of the German government and one cannot argue that it has any self-standing, exclusively pro-cultural character.

Still, the WCF has by far the broadest scope from all the initiatives which have been analysed in the paper. They are either domestically oriented (e.g. the FFA) or dominated by

US productions (e.g. BAFA). Also, it has an impact of the Berlinale. The recognition that some of the selected projects gain on the international arena is followed by the promotion of co-founders too. In fact, the international visibility of the WCF films is incomparably greater than the appreciation among German audiences. Also, profits from such visibility exceed the support that the WCF gives to those projects. On its own scale, the WCF can be seen as an efficient initiative. The absence of the third world cinema on the market has been well recognised and the fund targets an underrepresented sector. The WCF has the potential to sustain and to develop over time. Wisely promoted, it can gain more recognition, not only in the festival calendar but also in the proper art house release.

CONCLUSION

SHOULD THE WCF KEEP GOING? – THE EFFECTIVENESS OF THE WORLD CINEMA FUND IN PROMOTING CULTURAL DIVERSITY

This chapter aims to provide an evaluation of the WCF and of its effect on the state of cultural diversity on markets both in the entitled regions and in Germany. The very concept of diversity is among the most difficult ones to analyse. It ‘naturally’ suffers from lack of a uniform theory on how should it be approached or measured. Any adopted system of classification is by definition arbitrary (Benhamou and Peltier, 2007: 88). Documents which address cultural diversity present it as a desirable industry outcome but at the same time do not include any specifications or set of measurement of such a value. Major competences remain in hands of nation states (Acheson and Maule, 2004; de Witte, 2008). The analysis of the relation between the WCF and cultural diversity requires focusing on two contexts simultaneously. On the one hand, there is a multi-perspective academic and political debate on issues concerning diversity. On the other hand, local context is very important. The WCF cannot be analysed without looking both at the German film industry and the IFF in Berlin.

The Rationale for Cultural Diversity

As presented at the beginning of the paper, the main argument against either protection or promotion of cultural diversity is that policies undermine the basic principle of the economic exchange, i.e. the free trade (Hoskins, et. al, 2004). In the competitive market, actors (companies, countries) can benefit from the economies of scale and specialisation. It largely reduces costs over time and allows staying closer to the point of the allocative and the productive efficiency (Hoskins, et. al, 2004). Maintaining the degree of diversity above the self-regulating market equilibrium brings additional costs which are not always recognised as a deterrent enough to give up an increase in diversity. Still, the question of the costs takes a significant part of the discussion on whether diversity should be promoted.

These costs are, in fact, remarkably little-known, a fact which does not stop many commentators from making quite self-assured claims in this regard, generally to the effect that maintaining diversity is a costly indulgence (Grin, 2004: 189)

In order to benefit from the higher level of diversity, the economy has to accept unavoidable trade-offs, such as compromising on the volume of production (Dixit and Stiglitz, 1977). Still, maintaining diversity in any system is far from merely a costly yet an unnecessary ‘indulgence’. The rationale for keeping portfolios differentiated is to stay flexible and able to resist random shocks (Jones, 1995; Killick, 1995). It is vital for the economy in the long run and for industries which tend to be unstable, such as the cultural ones, even in the short term. Another point under consideration is the socially optimal level of diversity which does not have to match with the market equilibrium. This is the case in most of the European states, including Germany. Diversity is immersed in the economic considerations on the supply-demand match and subsidising production of cultural goods. Yet, the social dimension is much broader. In principle, consumption of cultural goods causes positive externalities. This additional social benefit stems also from the human diversity which is expressed in language, ethnicity, religion and identity. All of which are re-represented in cultural products.

Film Industry in Germany

In fact, the system of support for film projects in Germany is so complex and deeply-rooted that it largely questions the relevance of the typical economic features of the movie industry on the domestic market. The extremely uncertain demand, presence of sunk costs (de Vany and Walls, 1999; de Vany, 2004) and the model of information cascades (Bikhchandani, et. al, 1992) make the film industry the high-risk one. Suppliers usually adopt various risk-aversion strategies, from asset diversification to vertical integration (Caves, 2000; de Vany, 2004). In the situation when German producers can have as much as 70 percent of the total budget covered from state subsidies, such model is not applicable anymore. Public policies are considered one of the key determining factors of cultural diversity. The other ones include industry concentration, promotional strategies and vertical integration (Moreau and Peltier, 2004).

As an initiative which stemmed from the German tradition of public subsidies, the WCF is more likely to maintain the focus on cultural diversity rather than market incentives.

Even if the influences around the WCF seem rather complex and sometimes conflicting, the initiative has a right locus to resist factors which stifle diversity. An excessive state control over any medium of expression can lead to a monopoly power but too much market competition is not beneficial either (Iosifides, 1999). The abovementioned strategy of asset diversification does not lead to the increased cultural diversity but rather to the product standardisation and quantity-maximising practices (Iosifides, 1999). The WCF is actually threatened by neither. It receives means from the German government but is under an umbrella of the International Film Festival in Berlin. Thanks to its recognition and the place in the film festivals' circuit, the Berlinale enterprise can maintain a considerable degree of independence. It is much more concerned with the competition among German regions and city-marketing than a government media ownership. The WCF is rather well located also in terms of the domestic institutional setting. The film industry in Germany is not competitive enough to reduce an incentive for product differentiation even if the market is highly concentrated, what has been shown by the figures from both the FFA and BAFA.

The World Cinema Fund

Regardless of the 'cultural diversity' banner, the structure of the WCF reflects at least some of the standard concerns of the suppliers in the film industry. The diversification of assets means that smaller amounts are invested into various productions, making them co-productions with shared risk. This does not always imply the diversity of views or representations (Iosifides, 1999) but sometimes diversity of investments. One may say that the WCF had an effect on the financing procedures. It requires an initial investment but, as said before, the risk is low, the amount are small comparing to the standard US or even European production costs, and diversity of projects that are invested in, means also the diversification of assets. The WCF selection process works similarly to the sampling procedures in the film industry, such as pre-testing plots or scripts. Although the market is not as vertically integrated as the American one, the WCF itself practices the strong production-distribution link, related also to exhibition during the festival. Being the international A-rate festival, the Berlinale provides an opportunity to capitalise on reputation which works as a promotional instrument. All the aforementioned features can be found in the way how the WCF operates but they do appear in a much smaller extent than in a competitive, market-oriented movie business.

Because the WCF money is rarely invested in projects that do not enjoy international visibility later on, it would be difficult to claim that the WCF aims to increase production possibilities in peripheral countries. Amounts that the WCF gives have only a subsidiary character. Thus, the WCF does not really change the production pattern in the peripheral countries themselves. The whole activity is rather German-oriented. Moreover, it also rather marks the Berlinale Film Festival among the other ones and aims to ensure the active position of this festival on the international arena – through the system of subsidies that has been exercised for decades on domestic productions and now has just been expanded to reach the peripheral countries.

German distribution and/or exhibition companies are just among many others who get rights to those films. One cannot argue that it would be impossible for those films to get produced without the WCF money. Also, most of those movies gain a considerable international recognition what can be seen by looking at the exposure across festivals and at the range of countries who buy rights. In terms of visibility, such projects tend to gain an applause what is demonstrated by the number of festival on which they were shown, including the A-list ones. The WCF did not enable such films to be produced or exhibited but at least brought them to the German (and not infrequently the international) market through the festival. Exposure on international film festivals can be seen as a proof of quality.

Who truly benefits from the WCF Production Fund are German production companies. They invest considerably small amounts and bare a small or almost no risk, staying faithful to the risk aversion strategy. If a project turns out to be the unsuccessful one, the money is to be paid back anyway. In case of a money loss, the amount is still fairly insignificant. Co-producers and investors gain an international recognition merely by having their names under a successful project. The WCF operates in a much more stable film sector than market-oriented entertainment producers. Both the audience and critics are more careful with their judgements of the art house projects; the demand does not usually float in a completely unpredictable way.

The distribution support (which is oriented towards the domestic market) makes greater difference in increasing diversity simply because bringing those films to Germany changes the distribution structure. On the other hand, the audience segment that truly benefits from the presence of niche films and who consume them are knowledgeable film-lovers. One can argue that such people would be aware of those films even if they stayed outside Germany and appeared only on other festivals. Still, there was a multifold rationale for the presence of such an initiative. The target industries have been recognised well; art house movies from peripheral countries are largely underrepresented on the German market. It is a fairly

young initiative and it would be irrational to expect huge amounts to be given to a new idea which is mostly 'testing the waters'. In order to ensure the governmental support for the each next period, the WCF has to prove some efficiency and accuracy in project selection.

When compared to the FFA or the BAFA project channelling, the set of projects selected by the WCF is the most diversified group. Also, it addresses markets which are largely underrepresented in Germany. Importantly, productions from regions which are targeted by the WCF touch thematically upon issues related to the aforementioned human diversity – identity, religion, ethnicity, and language. Consumption of films which are socially oriented in topics is likely to foster the cultural exchange and, therefore, to increase the overall social benefit. The WCF is the only German initiative which addresses local film industries in peripheral countries. Even if its main distribution channel is the Berlinale, the WCF has a potential to get its projects to the representative sample of art house movies in Germany. Should it happens, films selected by the WCF have a chance to fulfil the gap caused by the almost absence of the third world cinema in German venues. If given more substantial means to its disposal, the WCF can contribute largely to the overall diversity of projects available on the German film market which justifies the fund's further presence and activity.

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APPENDICES

Appendix 1: An overview of the film imports in 2003 – the license donors

Licensor Country/ Region	License Charges (Euros)	Number of Films
Europe		
Benelux	277.513.175	2.059
France	19.170.135	491
The United Kingdom	23.548.940	368
Switzerland and Lichtenstein	16.743.635	322
Ireland	16.601.844	321
Italy	688.267	86
Eastern Europe	360.443	78
Austria	20.672.270	64
Scandinavia	4.263.616	50
Spain	2.041.756	14
Turkey	21.106	10
Greece and Cyprus	2.561	1
Together	381.627.746	3.864
America		
USA	715.436.014	5.396
South and Central America	394.909	8
Canada	96.700	4
Together	715.927.624	5.408
Africa		
Africa (all countries)	85.854	6
Asia		
Asia (all countries)	1.513.096	539
Australia and New Zealand	2.013.500	4
Together	3.526.596	543
Total	1.101.167.820	9.821

Source: BAFA

Appendix 2: An overview of the film imports in 2004 – the license donors

Licensor Country/ Region	License Charges (Euros)	Number of Films
Europe		
Benelux	181.247.295	1.996
Ireland	10.355.876	493
Switzerland and Lichtenstein	14.539.286	250
The United Kingdom	12.868.707	211
France	24.290.531	189
Eastern Europe	660.612	80
Italy	752.557	73
Austria	17.043.746	67
Scandinavia	3.580.625	41
Spain	617.340	16
Turkey	609.304	1
Together	266.565.878	3.418
America		
USA	787.030.752	7.679
South and Central America	119.973	32
Canada	327.026	13
Together	787.477.751	7.724
Africa		
Africa (all countries)	40.400	2
Asia		
Asia (all countries)	1.804.479	571
Australia and New Zealand	1.868.655	5
Together	3.673.134	576
Total	1.057.757.163	11.720

Source: BAFA

Appendix 3: An overview of the film imports in 2005 – the license donors

Licensor Country/ Region	License Charges (Euros)	Number of Films
Europe		
Benelux	202.267.300	2.473
Switzerland and Lichtenstein	9.107.365	424
France	19.841.161	366
The United Kingdom	19.805.123	222
Ireland	2.396.163	125
Italy	1.026.992	80
Scandinavia	6.587.220	55
Eastern Europe	403.451	26
Spain	978.137	22
Austria	7.998.440	21
Gibraltar	40.000	4
Greece and Cyprus	17.000	1
Portugal	180.000	1
Turkey	180.905	1
Together	270.829.257	3.821
America		
USA	605.831.468	7.685
South and Central America	399.161	2
Canada	163.096	2
Together	606.393.727	7.689
Africa		
Africa (all countries)	29.000	1
Asia		
Asia (all countries)	1.246.562	176
Australia and New Zealand	2.053.090	14
Together	3.299.651	190
Total	880.551.636	11.701

Source: BAFA

Appendix 4: Top 50 Art House Films in 2008 in Germany

Title/ Genre/ Country/ Premiere/ Production Company/ Cinema Attendance

1. *Earth*/ Documentary-Nature/ Germany-the UK/ 07.02.2008/ Universum/ 3.765.230
2. *The Wave*/ Feature film-Drama/ Germany/ 13.03.2008/ Constantin/ 2.635.264
3. *The Baader Meinhof Complex*/ Feature film-Drama/ Germany/ 25.09.2008/ Constantin/ 2.404.734
4. *Krabat*/ Feature film-Fantasy-Musical/ Germany/ 09.10.2008/ 20th Century Fox/ 1.365.796
5. *Burn After Reading*/ Feature film-Comedy/ USA/ 02.10.2008/ Tobis/ 1.319.063
6. *Welcome to the Sticks*/ Feature film-Comedy/ France/ 30.10.2008/ Prokino/ 1.188.454
7. *Cherry Blossoms*/ Feature film-Drama/ Germany/ 06.03.2008/ Majestic/ 1.085.266
8. *Juno*/ Feature film-Comedy/ USA/ 20.03.2008/ 20th Century Fox/ 965.496
9. *The Story of Brandner Kaspar*/ Feature film-Comedy/ Germany/ 16.10.2008/ Concorde/ 926.045
10. *No Country For Old Men*/ Feature film-Thriller/ USA/ 28.02.2008/ Universal Pictures/ 620.076
11. *The Kite Runner*/ Feature film-Drama/ USA/ 17.01.2008/ Universal Pictures/ 618.388
12. *Sweeney Todd*/ Feature film-Musical/ USA/ 21.02.2008/ Warner Bros./ 467.343
13. *Cloud Nine*/ Feature film-Drama/ Germany/ 04.09.2008/ Senator/ 443.523
14. *North Face*/ Feature film-Drama/ Germany-Austria-Switzerland/23.10.2008/ Majestic/ 430.636
15. *Charlie Wilson's War*/ Feature film-Political/ USA/ 07.02.2008/ Universal Pictures/ 426.088
16. *Michael Clayton*/ Feature film-Drama/ USA/ 28.02.2008/ Constantin/ 358.770
17. *Buddenbrooks*/ Feature film-Drama/ Germany/ 25.12.2008/ Warner Bros./ 354.347
18. *Vicky Christina Barcelona*/ Feature film-Comedy/ USA/ 04.12.2008/ Concorde/ 351.370
19. *Darjeeling Limited*/ Feature film-Comedy/ USA/ 03.01.2008/ 20th Century Fox/ 325.342
20. *The Fox and the Child*/ Children's film-Drama/ France/ 27.12.2007/ Kinowelt/ 292.947
21. *Happy-Go-Lucky*/ Feature film-Drama/ The UK/ 03.07.2008/ Tobis/ 287.278
22. *The Diving Bell and the Butterfly*/ Feature film-Drama/ France-USA/ 27.03.2008/ Prokino/ 280.060
23. *Into the Wild*/ Feature film-Drama/ USA/ 31.01.2008/ Tobis/ 273.966
24. *In Bruges*/ Feature film-Criminal movie/ The UK/ 15.05.2008/ Tobis/ 273.746

25. *Paris*/ Feature film-Episodic film/ France/ 17.07.2008/ Prokino/ 268.318
26. *Elizabeth – the Golden Age*/ Feature film-Historical film/ The UK-France/ 20.12.2007/ Universal Pictures/ 268.277
27. *Eastern Promises*/ Feature film-Thriller/ The UK-Canada/ 27.12.2007/ Tobis/ 253.578
28. *Räuber Kneissl*/ Feature film-Homeland film/ Germany/ 21.08.2008/ Movienet/ 228.084
29. *My Blueberry Nights*/ Feature film-Drama/ Republic of China-USA/ 24.01.2008/ Prokino/ 224.473
30. *Empties*/ Feature film-Drama/ Czech Republic/ 24.01.2008/ Kool/ 217.452
31. *Saint Jacques... La Mecque*/ Feature film-Comedy/ France/ 06.09.2007/ Schwarz-Weiß/ 194.394
32. *Elegy*/ Feature film-Drama/ USA/ 14.08.2008/ Tobis/ 192.547
33. *A Year Ago in Winter*/ Feature film-Drama/ Germany/ 13.11.2008/ Constantin/ 182.275
34. *Shine a Light*/ Documentary-Musical/ USA/ 03.04.2008/ Kinowelt/ 180.740
35. *The Other Boleyn Girl*/ Feature film-Historical film/ USA/ 06.03.2008/ Universal Pictures/ 177.641
36. *Love in the Time of Cholera*/ Feature film-Drama/ USA/ 21.02.2008/ Tobis/ 165.245
37. *Meat is My Vegetable*/ Feature film-Comedy/ Germany/ 17.04.2008/ Universal Pictures/ 160.673
38. *Oncel*/ Feature film-Musical/ Ireland/ 17.01.2008/ Kinowelt/ 159.890
39. *A Woman in Berlin*/ Feature film-Drama/ Germany/ 23.10.2008/ Constantin/ 158.391
40. *Vorne ist verdammt weit weg (The Front is Damn Far Away)*/ Feature film-Comedy/ Germany/ 13.12.2007/ NFP/ 156.190
41. *Gomorra*/ Feature film-Episodic film/ Italy/ 11.09.2008/ Prokino/ 152.411
42. *There Will Be Blood*/ Feature film-Drama/ USA/ 14.02.2008/ Walt Disney/ 151.399
43. *Let's Make Money*/ Documentary-Social film/ Austria/ 30.10.2008/ Delphi/ 150.259
44. *I'm Not There*/ Feature film-Drama/ USA-Germany/ 28.02.2008/ Tobis/ 143.776
45. *Be Kind Rewind*/ Feature film-Comedy/ USA/ 03.04.2008 /Senator/ 136.926
46. *Control*/ Feature film-Drama/ The UK-USA/ 10.01.2008/ capelight pictures/ 136.165
47. *Caramell*/ Feature film-Comedy/ France-Lebanon/ 03.04.2008/ Alamode/ 130.309
48. *Trip to Asia*/ Documentary-Musical/ Germany/ 28.02.2008/ Piffel Medien/ 130.294
49. *The Band's Visit*/ Feature film-Comedy/ France-Israel/ 31.01.2008/ Concorde/ 128.295
50. *Beste Gegend (Best Area)*/ Feature film-Comedy/ Germany/ 03.01.2008/ Constantin/ 122.788

(Source: FFA)

Appendix 5: The World Cinema Fund Guidelines

Responsible body: The WCF was initiated by the German Federal Cultural Foundation (Kulturstiftung des Bundes). The Kulturveranstaltungen des Bundes in Berlin GmbH/ division Internationale Filmfestspiele Berlin is the legal entity of this initiative.

Aims of the Fund: The purpose of the WCF is to support films from regions whose film cultures are endangered by political and/ or economic crises. The WCF is intended to help provide a higher profile and increased accessibility for these films in Germany and to enable their presentation to an international audience.

Projects eligible for funding should deal with the cultural identity of their regions and should contribute to the development of the local film industry.

The main criterion for selection is quality of the projects. Special consideration will be given to projects which have good chances to succeed internationally and which promise to energise the local film industry as well as projects which are of particular cultural importance.

WCF entitled regions: Eligible for funding under these guidelines from August 2007: Latin America, Africa, the Near and Middle East/ Central Asia, South East Asia and the Caucasus. A film will be considered to be from a particular region if it is shot there and if the director comes from that region.

Funding Programme:

- Production support for feature films and feature-length documentaries
- Distribution support for feature films and feature-length documentaries

The allocation of funds for the production of the film does not automatically include funding for the film's distribution. Distribution support, however can be allocated even if the production has not been supported by the WCF.

Production Funding:

The amount of funding should not normally exceed 50% of the total production costs. The maximum amount of funding per project is 100.000 euros.

Entitled Applicants and Recipients:

- Film production companies based in Germany and other such companies from EU countries who have a branch or a subsidiary in Germany and who can confirm collaboration with a director from a WCF entitled region.
- World sales companies and distributors based in Germany and other such companies from EU countries who have a branch or a subsidiary in Germany and who co-finance

the production costs and who can confirm collaboration with a director from a WCF entitled region.

- Film production companies from WCF eligible regions who can confirm collaboration with a director from a WCF region. Collaboration with a German film production/ world sales/ distribution company can be confirmed after the funding has been applied for but must be verified, at the very latest before the completion of the funding agreement, otherwise the entitlement to funding is forfeited. The funding agreement can only be concluded with the German partner.

The funds must be used for the film project that has been earmarked to receive the funding and should be expended in the abovementioned WCF eligible regions. Exceptions can only be made with the prior written consent of the WCF. If the funding is not used for the project it was earmarked for it must be paid back immediately.

The affirmation of the funding normally expires if the complete financing of the project cannot be confirmed six months after the initial approval of the WCF.

Discrepancies favouring the recipients of funding can be made when drawing up the funding agreement.

Payment of funding:

50% upon signing the funding agreement and after positive verification of the total film financing.
42.5% upon submission of the rough cut of the film but no later than 12 months after commencement of shooting

7.5% upon approval of the examination of expenditures by an acknowledged auditing company which must be in the hands of the WCF no later than 18 months after signing of the funding agreement, otherwise entitlement of funding is forfeited.

Discrepancies favouring the recipients of funding can be made when drawing up the funding agreement.

Repayment of funding:

After recoupment of the recipient's own initial investment, the WCF will, for a period of 7 years, beginning with the world premiere of the film, participate in all proceeds received by the recipient of the funds arising from the exploitation of the film. Regarding the return on the investment of the German producer, general expenses of 7.5% of the total budget will be recognised.

The WCF will participate according to its percentage of the German share of the film's total budget, pari passu until its funding is fully recouped. The participation in the exploitation proceeds will be used by the WCF in the funding of future film projects.

Non-commercial rights:

The recipient of the WCF funding agrees to give the WCF certain non-commercial rights which will be stipulated in detail in the funding agreement. The WCF also has the right to transfer these non-commercial rights to partner institutions.

Distribution funding:

The maximum amount of funding per project is 15.000 euros.

Eligible to apply and receive funding are:

Distribution and world sales companies – in individual cases also production companies – based in Germany and in the EU countries that have a branch in Germany, that are planning the theatrical release of a film from a WCF entitled region. Funding is to be used solely to cover the costs of the theatrical release in Germany.

Payment of funding:

75% upon signing the funding agreement and upon positive verification of the film's total distribution financing.

25% upon approval of the examination of expenditures by an acknowledged auditing company which must be presented to the WCF 6 months after the theatrical release of the film in Germany and at the very latest 12 months after the signing of the funding agreement, otherwise entitlement of funding is forfeited.

The WCF can claim an examination of expenditures by an acknowledged auditing company. Approved funding normally expires if the German release does not take place within 6 months after initial approval of the WCF. Funds already allocated must be paid back in such an eventuality. Exceptions can be made when drawing up the funding agreement.

Repayment of funding:

After recoupment of the distributor's initial investment in the release of the film in Germany, the WCF will participate in the proceeds arising from the theatrical exploitation in Germany according to the percentage of the WCF funding of the total distribution costs. These proceeds will be used by the WCF in the funding of future film projects.

Non-commercial rights:

The recipient of the WCF funding agrees to give the WCF certain non-commercial rights which will be stipulated in detail in the funding agreement. The WCF has also the right to transfer these non-commercial rights to partner institutions.

Procedural matters:

Funding must be applied for in order to be received. Applications are to be submitted to the WCF including all documents mentioned in the application forms.

The WCF determines deadlines for all funding applications.

The WCF assembles a jury of independent film-related professionals who will make recommendations regarding the films to be funded. The international jury consists of the programme management team of the WCF as well as three other members. The jury meetings will be convoked by the WCF. The jury will make its decisions in closed sessions. Its recommendations will be made solely on the grounds of artistic merit of the projects applying for funding. The WCF is solely responsible for adherence to all other requirements regarding funding and makes the final decisions.

The WCF reserves the right to grant a recipient a smaller amount of funding than applied for. There is no legal right to the WCF funding. Legal claims to the payment can only enter into effect upon the signing of the funding agreement. The WCF is under no obligation to explain its reasons for declining.

In the opening and closing credits of the funded film, as well as in all promotional and advertising material, the WCF is to be named according to WCF as an initiative of the German Federal Cultural Foundation (Kulturstiftung des Bundes). Details will be listed in the funding agreement.

Utilisation of the funds received from the WCF will be audited according to the laws of the Federal Republic of Germany. The WCF can therefore only make funding payments upon the signing of a funding agreement it has drawn up. The funding agreement contains conditions relating to the utilisation of funds, the execution of the project, and proof that the funding is used for its intended purpose. A breach in any of the guidelines in the funding agreement by the funding recipient can result in the WCF reclaiming, in part or totally, the funding accorded.

The WCF and other funds:

WCF funds can be accrued along with other subsidies in accordance with German and European law relating to the maximum amount of accumulated state funds and grants.

Effective date:

These guidelines go into effect as of June 17, 2008. The WCF reserves the right to modify its funding guidelines in the future to suit the experience it is presently gaining in its funding operations. These modifications include possible changes in territories eligible for funding.

Appendix 6: The World Cinema Fund Production Support – Selected Projects

Finished Films:

Acts of Men (*Atos Dos Homes*) by Kiko Goifman, Brazil, 2006, Documentary

World premiere: Berlin International Film Festival, 2006, Official Programme, *Forum*

Award: Golden Montgolfier Ex-Aequo for the Best Documentary, Festival of the 3 Continents, Nantes 2006

Rights sold to: Germany

Festivals (selection): Berlin International Film Festival 2006; São Paulo / Rio de Janeiro 'It's all true' Documentary Film Festival 2006; Guadalajara 2006, Festival Internacional de Cine; Buenos Aires BAFICI International Film Festival of Independent Films 2006; Montevideo, XX IV Festival Cinematográfico Internacional del Uruguay 2006; São Paulo 2006, Festival do Cinema Latino Americano; Nantes Festival des 3 Continents 2006

Producers: Paleo TV and Plateau Produções (Brazil), Cachoeira Films and Mil Cores Media (Germany)

German WCF partner: Cachoeira Films, Mil Cores Media

World sales: Paleo TV (Brazil)

Funded in the WCF Jury meeting in June 2005; Funding amount: 25.000 Euros

Aquarium (*Genenet Al Asmak*), by Yousry Nasrallah, Egypt, 2008, Feature film

World premiere: Berlin International Film Festival 2008, Official Programme, *Panorama*

Award: Best Actor, Arab Film Festival Rotterdam 2008; Best Script, Wahan Film Festival 2008; Best Supporting Actor, Alexandria International Film Festival 2008; Best Director, Alexandria International Film Festival 2008

Festivals: Berlin International Film Festival 2008; Festival de Granada – Cines del Sur 2008; Alexandria International Film Festival 2008; Golden Apricot Film Festival Yerevan 2008; Tribeca Film Festival 2008, Wahan Film Festival 2008; Arab Film Festival Rotterdam 2008

Producers: MISR International Films (Egypt), Archipel 33 (France), Pandora Film (Germany)

German WCF partner: Pandora Film

World sales: MISR International Films (Egypt)

Funded in the WCF Jury meeting in June 2006; Funding amount: 100.000 Euros

Faro – Goddess of the Waters (*Faro – La Reine des Eaux*) by Salif Traoré, Mali, 2007, Feature film

World premiere: Berlin International Film Festival 2007, Official Programme, *Forum*

Award: Winner of Bayard d'Or – Best First Feature, Festival International du Film Francophone de Namur 2007

Rights sold to: Africa, Belgium, Canada, France, Luxembourg, The Netherlands

Festivals (selection): Berlin International Film Festival 2007; Festival Panafricain du Cinéma et de la Télévision de Ouagadougou (FESPACO) 2007; Toronto International Film Festival 2007; Contemporary World Cinema 2007; Jerusalem International Film Festival 2007; Edinburgh International Film Festival 2007; Santiago International Film Festival 2007; Festival International du Film Francophone de Namur 2007; Vancouver Film Festival 2007;

Chicago International Film Festival 2007; AFI – Los Angeles International Film Festival 2007; Jakarta Film Festival 2007; Festival du Film Francophone de Tübingen 2007; Dubai International Film Festival 2007; Göteborg Film Festival 2008; Festival del Cinema Africano, Asia e America Latina, Milano 2007

Producers: Sarama Films (Mali), P.A.V. Communication (France), Boréal Films (Canada), Bärbel Mauch Film (Germany)

German WCF partner: Bärbel Mauch Film World sales: Wide Management (France)

Funded in the WCF Jury meeting in October 2005; Funding amount: 60.000 Euros

Filmphobia (*Filmophobia*), by Kiko Goifman, Brazil, (2008), Fictitious documentary

World premiere: Locarno International Film Festival, 2008

Awards: Best Film (Official Jury, Critique Jury), Best Actor, Best Art Direction, Best Editing, Festival de Brasília do Cinema Brasileiro 2008; Honourable Mention by the Jury, Festival Internacional Del Nuevo Cine Latinoamericano, Havana 2008

Rights sold to: Brazil

Festivals: Locarno International Film Festival 2008; Saravejo International Film Festival 2008; Copenhagen International Documentary Film Festival 2008; Festival de Brasília do Cinema Brasileiro 2008; Festival Internacional Del Nuevo Cine Latinoamericano Havana 2008; Rotterdam International Film Festival 2009

Producers: PaleoTV e Plateau Produções (Brazil), Autentika Films (Germany)

German WCF partner: Autentika Films

Funded in the WCF Jury meeting in June 2008; Funding amount: 25.000 Euros

Gods (Dioses) by Josué Méndez, Peru, 2008, Feature film

World premiere: Locarno International Film Festival 2008, *Official Competition*

Awards: Best Peruvian Film, Audience Award, Lima Film Festival 2008; Best Film, Biarritz Film Festival 2008; Best Sound, Festival International del Nuevo Cine Latinoamericano, Havana 2008 Rights sold to Argentina, Peru

Festivals: Locarno International Film Festival 2008; Lima Film Festival 2008; Toronto International Film Festival 2008; San Sebastian Film Festival 2008; Festival International del Nuevo Cine Latinoamericano - La Habana 2008; Festival Filmar en América Latina 2008

Producers: Chullachaki Producciones (Peru), Mil Colores Media and Cachoeira Films (Germany), Lagarto Cine (Argentina), TS Productions (France)

German WCF partner: Mil Colores Media, Cachoeira Films

Funded in the WCF Jury meeting in November 2006; Funding amount: 55.000 Euros

Hamaca Paraguaya, by Paz Encina, Paraguay, 2006, Feature film

World premiere: International Film Festival Cannes 2006, Official Programme, *Un Certain Regard*

Awards: Winner of the FIPRESCI Award, Festival de Cannes 2006; Critics Award, São Paulo International Film Festival 2006; Special Grand Jury Mention, Miami International Film Festival 2007

Rights sold to: Argentina, France, Spain, the Netherlands

Festivals (selection): Cannes International Film Festival 2006; Toronto International Film Festival 2006; São Paulo International Film Festival 2006; Jerusalem International Film Festival 2007; Sarajevo International Film Festival 2007; Pusan International Film Festival 2007; Taipei Golden Horse International Film Festival 2007; Tokyo Filmex International Film Festival 2007; International Film Festival Bratislava 2007; Havana Film Festival 2007; Rotterdam International Film Festival 2007; Gothenburg International Film Festival 2007; Mexico FICCO 2007; Miami International Film Festival 2007; Istanbul International Film Festival 2007; Flying Broom International Women's Film Festival Ankara 2007; Latin American Film Festival Rome 2007; Los Angeles Film Festival 2007; Melbourne International Film Festival 2007; BAM Festival New York 2007; Latin Beat Film Festival New York 2007; International Film Festival Bergen 2007; Israel Cinema South Festival 2008

Producers: Slot Machine (France), Fortuna Films (The Netherlands), ARTE France Cinema (France), New Crowned Hope (Austria), Lita Stantic Producciones (Argentina), Silencio Cine, Wanda Vision (Spain), Black Forest Films (Germany)

German WCF partner: Black Forest Films

World sales: Scalpel Films (France)

Funded in the WCF Jury meeting in June 2005; Funding amount: 30.000 Euros

Jermal by Ravi Bharwani, Indonesia, 2008, Feature film

World premiere: Pusan International Film Festival 2008, *A Window on Asian Cinema*

Festival: Pusan International Film Festival 2008, International Film Festival Rotterdam 2009

Producer: ECCO Films Indonesia (Indonesia), RTC Media (Germany)

German WCF partner: RTC Media

Funded in the WCF Jury meeting of November 2007; Funding amount: 55.000 Euros

Liverpool by Lisandro Alonso, Argentina, 2008, Feature film

World premiere: International Film Festival Cannes 2008, Official Programme, *Quinzaine des Réalisateurs*

Right sold to: Argentina, France, Germany, Mexico, The Netherlands, Spain

Festivals (selection): International Film Festival Cannes 2008; Royal Belgian Film Archive / Film Museum 2008; Jerusalem International Film Festival 2008; Rio de Janeiro International Film Festival 2008; Filmfest Hamburg 2008; Vancouver International Film Festival 2008; Independent Film Festival Cracow 2008; Pusan International Film Festival 2008; Films Fra Sor South Festival Oslo 2008; London International Film Festival 2008; Vienna International Film Festival 2008; Sao Paulo International Film Festival 2008; AFI Fest LA 2008; Tallinn Black Nights International Film Festival 2008; Estoril International Film Festival 2008; Thessaloniki International Film Festival 2008; Gijon International Film Festival 2008

Producers: Slot Machine (France), Fortuna Films (The Netherlands), 4L (Argentina), Black Forest Films (Germany), Eddie Saeta (Spain)

German WCF partner: Black Forest Films

World sales: The Match Factory (Germany)

Funded in the WCF Jury meeting in June 2006; Funding amount: 35.000 Euros

Milk (Süt) by Semih Kaplanoglu, Turkey, 2008, Feature film

World premiere: Venice International Film Festival 2008, *Competition*

Rights sold to: France, Germany, India, Poland, Turkey

Festival: Venice International Film Festival 2008; Toronto International Film Festival 2008; Nantes Festival des 3 Continents 2008; International Film Festival Rotterdam 2008; Göteborg

International Film Festival 2008; International Fajr Film Festival 2008; Pune International Film Festival 2009

Producers: Kaplan Film (Turkey), Heimatfilm (Germany), Arizona Film (France),

German WCF partner: Heimatfilm

World sales: The Match Factory (Germany)

Funded in the WCF Jury meeting in June 2006; Funding amount: 50.000 Euros

The Milk of Sorrow (La Teta Asustada) by Claudia Llosa, Peru, 2009, Feature film

World premiere: Berlin International Film Festival 2009, Official Programme, *Competition*

Rights sold to: Peru, Spain

Festival: Berlin International Film Festival 2009

Producers: Wanda Vision and Oberon Cinematográfica (Spain), Vela Films (Peru)

German WCF partner: The Match Factory

World sales: The Match Factory (Germany)

Funded in the WCF Jury meeting in November 2006; Funding amount: 50.000 Euros

The Minder (El Custodio) by Rodrigo Moreno, Argentina, 2006, Feature film

World premiere: Berlin International Film Festival 2006, Official Programme, *Competition*

Awards (selection): Alfred Bauer Prize, Berlin International Film Festival 2006; Best Script

NHK / Sundance Filmmaker Award 2005; Best Film, Best Script, FIPRESCI Award, Guadalajara Mexican Film Festival 2006; Winner of the Norwegian Film Institute's Import

Award, Bergen International Film Festival 2006; Winner of Horizontes International Film

Festival San Sebastián 2006; Best Film, Best Director, Best Actor, Bogota Film Festival

2006; Best Director, Best Actor, Havana Film Festival 2006, Special Jury Award, La Roche

Sur Yon Film Festival 2006; Best Actor, Best Film, Lima International Film Festival 2006

Rights sold to: Argentina, Australia, Austria, Bolivia, Brazil, Bulgaria, Canada, Chile, Co-

lombia, Czech Republic, Ecuador, Finland, France, Germany, Hungary, Mexico, Moldova,

Norway, Peru, Poland, Romania, Slovak Republic, Spain, Switzerland, The Netherlands,

Uruguay, USA.

Festivals (selection): Berlin International Film Festival 2006; Rotterdam International Film

Festival 2006; Karlovy Vary International Film Festival 2006; San Sebastián International

Film Festival 2006; Santiago de Chile International Film Festival 2006; Guadalajara Interna-

tional Film Festival 2006; Havana International Film Festival 2006

Producers: Rizoma Film (Argentina), Charivari Film (France), Pandora Film (Germany)

German WCF partner: Pandora Film

World sales: The Match Factory (Germany)

Funded in the WCF Jury meeting in June 2005; Funding amount: 40.000 Euros

The Other (El Otro) by Ariel Rotter, Argentina, 2007, Feature film

World premiere: Berlin International Film Festival 2007, Official Programme, *Competition*

Awards: Winner of the Silver Bear (Grand Jury Prize for Best Film), Winner of the Silver Bear for Best Actor, Berlin International Film Festival 2007; Winner of the Audience Award Fribourg International Film Festival 2007; Special Mention of Major of Trenciansek, Teplice Bratislava Int'l Art Film Festival 2007; Winner of Best Film, Best Director, Best Actor, Best Photography, Best Sound Track, Special Mention Acting, Festival Cine Argentino Tandil 2007; Best Actor, Lima Latino American Film Festival 2007; Best Actor, Baja California Film Festival 2007; Best Script, Gijon International Film Festival 2007; Amakourou Award, Brugge Cinema Novo 2008; Best Director, Best Actor, Lleida Mostra de Cinema Latinoamericano 2008

Rights sold to: Belgium, Eastern Europe, France, Finland, Israel, Latin America, South Korea, Spain, Turkey

Festivals (selection): Berlin International Film Festival 2007; Fribourg International Film Festival 2007; Guadalajara International Film Festival 2007; Bratislava Int'l Art Film Festival 2007; Moscow International Film Festival 2007; Karlovy Vary Film Festival 2007; Jerusalem International Film Festival 2007; Lima Latino American Film Festival 2007; Ghent International Film Festival 2007; Rio de Janeiro International Film Festival 2007; Pusan International Film Festival 2007; London Film Festival 2007; Vienne Film Festival 2007; International Film Festival of India 2007; Taipei Golden Horse Film Festival 2007; Gijon International Film Festival 2007; Rotterdam International Film Festival 2008; Belgrade International Film Festival 2008; Miami International Film Festival 2008; Brugge Cinema Novo 2008; Honk Kong International Film Festival 2008; Copenhagen NAT 2008; New York Havana Film Festival 2008; Lleida Mostra de Cinema Latinoamericano

Producers: Aire Cine and Aquafilms (Argentina), Celluloid Dreams Productions (France), Selavy Filmproduktion (Germany)

German WCF partner: Selavy Filmproduktion

World sales: Celluloid Dreams (France)

Funded in the WCF Jury meeting in January 2005; Funding amount: 60.000 Euros

Pandora's Box (*Pandoranin Kutusu*) by Yesim Ustaoglu, Turkey, 2008, Feature film

World premiere: Toronto International Film Festival 2008, *Visions*

Rights sold to: Bangladesh, Belgium, Bhutan, Bosnia-Herzegovina, Central America, Colombia, Croatia, Dominican Republic, Ecuador, France, Germany, Greece, India, Japan, Kosovo, Slovenia, Latin America, Macedonia, Montenegro, Pakistan, Puerto Rico, Serbia, Spain, Sri Lanka, Turkey

Awards: Golden Shell for Best Film, Silver Shell for Best Actress, San Sebastian Film Festival 2008; Best Supporting Actress, Antalya Golden Orange Film Festival 2008; Best Actress Award, Amiens Film Festival 2008

Festivals: Toronto International Film Festival 2008; San Sebastian Film Festival 2008; Antalya Golden Orange Film Festival 2008; Amiens Film Festival 2008, Goteborg International Film Festival 2009

Producers: Ustaoglu Film Yapim (Turkey), Silkroad Production (France), Les Petites Lumières (France), Stromboli Pictures (Belgium), The Match Factory (Germany)

German WCF partner: The Match Factory

World sales: The Match Factory (Germany)

Funded in the WCF Jury meeting in June 2006; Funding amount: 25.000 Euros

Paradise Now by Hany Abu-Assad, Palestine, 2005, Feature film

World premiere: Berlin International Film Festival 2005, Official Programme, *Competition*

Awards (selection): Nominated for an Academy Award for the Best Foreign Language Film 2006; Winner of Golden Globe for Best Foreign Language Film 2006; Winner of European Screenwriter Award, Berlin 2005; Winner of Blue Angel Award – Best European Film, Berlin International Film Festival 2005; Winner of Amnesty International Award, Berlin International Film Festival 2005; Winner of Berliner Morgenpost Audience Award, Berlin International Film Festival 2005; Winner of Independent Spirit Award – Best Foreign Film, Santa Monica 2006; Winner of US National Board of Reviews Award for Best Foreign Language Film 2005; Winner of Netherlands Film Award for Best Film and Best Editing 2005

Rights sold to: More than 60 territories

Festivals (selection): Berlin International Film Festival 2005; Toronto International Film Festival 2005; New York International Film Festival 2005; Telluride International Film Festival 2005; Moscow International Film Festival 2005; Rio de Janeiro International Film Festival 2005; Durban International Film Festival 2005; San Sebastian International Film Festival 2005; Dubai International Film Festival 2005

Producers: Augustus Film (The Netherlands), Razor Film (Germany), Lumen Films (France), Lama Films (Israel)

German WCF partner: Razor Film

World sales: Celluloid Dreams Distribution (France)

Funded in the WCF Jury meeting in January 2005; Funding amount: 30.000 Euros

A Perfect Day (*Naoussé*), by Khalil Joeige; Joana Hadjithomas, Lebanon, 2005, Feature film

World premiere: Locarno International Film Festival 2005, Official Programme, *Competition*

Awards (selection): Winner of FIPRESCI Award, Federation of Film Societies and the Don Quijote Award, Locarno International Film Festival 2005; Winner of the Special Mention of the Jury and of the Bayard d'Or for Best Actor, Namur Francophone Fest 2005; Winner of the Mongolfière d'Argent, Prix de la Création Musicale, Prix du Meilleur Acteur in Nantes Festival des 3 Continents 2005; Winner of the Prix d'Aide à la Distribution, Belfort 2005; Winner of the Best Director Award, Muscat International Film Festival 2006

Rights sold to: France, Germany, Greece, Lebanon

Festivals (selection): Locarno International Film Festival 2005; Tribeca International Film Festival 2006; Toronto Discovery International Film Festival 2005; Athens International Film Festival 2005; Montreal New Cinema 2005; London International Film Festival 2005; Tokyo Filmex 2005; Nantes Festival des 3 Continents 2005; Dubai International Film Festival 2005; Reykjavik International Film Festival 2005; Rotterdam International Film Festival 2006; Alba Infinity Festival 2006; Istanbul International Film Festival 2006; Hong Kong International Film Festival 2006; Seattle International Film Festival 2006; Sydney International Film Festival 2006; Munich International Film Festival 2006

Producers: About Productions (Lebanon), Mille et une Production (France), Twenty Twenty Vision (Germany)

German WCF partner: Twenty Twenty Vision

World sales: Celluloid Dreams (France)

Funded in the WCF Jury meeting in January 2005; Funding amount: 35.000 Euros

Possible Lives (*Las Vidas Posibles*) by Sandra Gugliotta, Argentina, 2006, Feature film

World premiere: Locarno International Film Festival 2007, *International Competition*

Awards: C.I.C.A.E. Award – Special Mention, Locarno International Film Festival 2007, Best Actress, Festival Latinoamericano de Ceará 2008; Global Film Initiative 2008

Rights sold to: Brazil, Caribbean, Chile, Colombia, France, Ecuador, Mexico, Peru, Switzerland, Uruguay, Venezuela, USA

Festivals (selection): BAFICI 2007; Cannes International Film Festival 2007; Tucumán Cine 2007; Locarno International Film Festival 2007; Festival de Lima 2007; SANFIC 2007; International Film Festival Film by the Sea 2007; Mostra Internacional de Cinema, Sao Paulo International Film Festival 2007; Flanders International Film Festival, Ghent 2007; World Film Festival of Bangkok 2007; Nantes Festival des 3 Continents 2007; Festival de Cine Iberoamericano de Huelva 2007; Cairo International Film Festival 2007; Festival Internacional del Nuevo Cine Latinoamericano, Havana 2007

Producers: El Angel Films and 16M (Argentina), fieber.film (Germany)

German WCF partner: fieber.film

World sales: Primer Plano Film Group (Argentina)

Funded in the WCF Jury meeting in June 2005; Funding amount: 60.000 Euros

Recycle (*Ee'adat Khalk*) by Mahmoud al-Massad, Jordan, 2007, Documentary

World premiere: Dubai International Film Festival 2007, Muhr Awards, *Official Competition for Documentaries*

Rights sold to: Germany, Poland

Awards: Cinema in Motion Award, San Sebastian International Film Festival Work in Progress 2007; World Cinema Cinematography Award, Documentary – Sundance Film Festival 2008; Special Mention – Planete Doc Review, Warsaw Documentary Film Festival 2008

Festivals: Dubai International Film Festival 2007; Sundance Film Festival 2008; International Film Festival Rotterdam 2008; Fribourg Film Festival 2008; Guadalajara International Film Festival 2008; BAFICI 2008; Hot Docs Canadian International Documentary Festival 2008; San Francisco International Film Festival 2008; Yerevan International Film Festival 2008; Rio de Janeiro International Film Festival 2008; Vienna International Film Festival 2008; Ayam Beirut Al Cinema'iya (Les Journées Cinématographiques de Beyrouth) 2008

Producers: iSee (Jordan, The Netherlands), mec film (Germany), Jo Film (Jordan)

German WCF partner: mec film

World sales: Wide Management (France)

Funded in the WCF Jury meeting in November 2006; Funding amount: 30.000 Euros

Rome Rather Than You (*Roma Wa la N'Touma*) by Tariq Tegua, Algeria, 2006, Feature film
World premiere: Venice International Film Festival 2006, *Orizzonti*

Awards: Winner of the “Everyday Life – Transcendence or Reconciliation“ – Award, Thessaloniki International Film Festival 2006; Special Jury Award, Fribourg Film Festival 2007; Prix Janine Bazin, Prix d’interprétation, Festival du Film Belfort 2007

Festivals: Venice International Film Festival 2006; Thessaloniki International Film Festival 2006; Rotterdam International Film Festival 2007; FICCO Mexico 2007; Fribourg International Film Festival 2007; New Directors / New Films, MoMA 2007; San Francisco International Film Festival 2007; Istanbul International Film Festival 2007; Festival du Film Belfort 2007; Beirut International Film Festival 2008

Producers: Neffa Films (Algeria), INA (France), Flying Moon Filmproduktion (Germany)

German WCF partner: Flying Moon Filmproduktion

World sales: Neffa Films (Algeria)

Funded in the WCF Jury meeting in January 2005; Funding amount: 40.000 Euros

Saratan by Ernest Abdyshaparov, Kargyzstan, 2005, Feature film

World premiere: Berlin International Film Festival 2005, Official Programme, *Panorama*

Awards: L’ Étoile d’Or / The Golden Star – Grand Prix – Marrakech International Film Festival 2005

Rights sold to: Austria, Slovenia, Switzerland

Festivals (selection): Berlin International Film Festival 2005; Fribourg International Film Festival 2005; Filmfest Emden 2005; Split Film Festival 2005; Rio de Janeiro International Film Festival 2005; International Film Festival Eurasia, Turkey 2005; Kinoblick 2005, Tage des russischen Films Stuttgart; Pusan International Film Festival 2005; Mill Valley Film Festival 2005; Warsaw International Film Festival 2005; Haifa International Film Festival 2005; London International Film Festival 2005; Sao Paulo International Film Festival 2005; Internationales Filmfest Braunschweig 2005; Asiaticafilmmediale Rome 2005; Osteuropäische Filmtage Göttingen 2005; Eurasia II International Film Festival, Almaty 2005; Lyon Asiexpo Film Festival 2005; Marrakech International Film Festival 2005; Singapore International Film Festival 2006

Producers: Kyrgyzfilm Studio (Kyrgyzstan), Coin Film and Viet Filmproduktion (Germany)

German WCF partner: Coin Film

World sales: MDC International, Germany

Funded in the WCF Jury meeting in January 2005; Funding amount: 15.000 Euros

Silent Light (Stellet Licht) by Carlos Reygadas, Mexico, 2007, Feature film

World premiere: Cannes International Film Festival 2007, *Competition*

Awards: Winner of the Jury Prize, Cannes International Film Festival 2007; Best Film, Best Director, International Critic Award, Best Photography, Lima Latino American Film Festival 2007; Winner of the Golden Colon – Best Film, Huelva Latin American Film Festival 2007; Best Script, Film Festival Stockholm 2007; Best Foreign Film, Bergen International Film Festival 2007; FIPRESCI Award, Rio de Janeiro 2007; Winner of the Golden Hugo, Chicago International Film Festival 2007; Best Director, Best Film, Best Photography, Best Audio, Festival Internacional del Nuevo Cine Latinoamericano, Havana 2007; Nominated for an Academy Award for the Best Foreign Language Film 2007

Festivals (selection): Cannes International Film Festival 2007; Toronto International Film Festival 2007; Rio De Janeiro International Film Festival 2007; The New York Film Festival 2007; Chicago International Film Festival 2007; Pusan International Film Festival 2007; The Times BFI 51st London Film Festival; AFI – Los Angeles International Film Festival 2007; Taipei Golden Horse Film Festival 2007; Stockholm International Film Festival 2007; Festival Internacional del Nuevo Cine Latinoamericano – La Habana 2007; Lima Latin American Film Festival 2007

Producers: Mantarraya Producciones and NoDream Cinema (Mexico), BAC Films International (France), Motel Films (The Netherlands), The Match Factory (Germany)

German WCF partner: The Match Factory

World sales: BAC Films International (France)

Funded in the WCF Jury meeting in June 2006; Funding amount: 35.000 Euros

The Sky, the Earth and the Rain (El Cielo, la Tierra y la Lluvia) by José Luis Torres Leiva, Chile, 2008, Feature film

World premiere: Rotterdam International Film Festival 2008

Awards: FIPRESCI Prize, Rotterdam International Film Festival 2008; Special Jury Prize, The Jeonju International Film Festival 2008; Best Film, FICCO Mexico 2008

Rights sold to: Belgium, Luxembourg, the Netherlands

Festivals: The Jeonju International Film Festival 2008, FICCO Mexico 2008, Transilvania International Film Festival 2008; BAFICI 2008; Bucharest Film Festival 2008; Paris Cinema 2008; Warsaw Latin American Film Festival 2008; Sydney International Film Festival 2008; Midnight Sun Film Festival 2008; Munich International Film Festival 2008; Bratislava Art-

film 2008; Jerusalem International Film Festival 2008; Sydney Film Festival 2008; Warsaw New Horizons 2008; Durban International Film Festival 2008; Brisbane International Film Festival 2008; Locarno Film Festival 2008; Lima Film Festival 2008; New York Latin Beat 2008; AFI Latin American 2008; Festival de Rio de Janeiro 2008; Vladivostok Film Festival 2008; Bogota Bogociné 2008; Montreal Nouveau Cinéma 2008; Quito Film Festival 2008; Chicago International Film Festival 2008; London Film Festival 2008; World Film Festival of Bangkok 2008; Taipei Golden Horse Film Festival 2008; Thessaloniki International Film Festival 2008; Gijon International Film Festival 2008; Bratislava International Film Festival 2008; CINEUROPA Santiago de Compostela 2008; CINE AMBIGU 2009; Adelaide Film Festival 2009

Producers: Jirafa Films (Chile), Charivari Films (France), Rommel Film (Germany)

German WCF partner: Rommel Film

Word sales: Memento Films International (France)

Funded in the WCF Jury meeting in November 2006; Funding amount: 40.000 Euros

Songs from the Southern Seas (Pesni Juzhnykh Morej) by Marat Sarulu, Kazakhstan, 2008, Feature film

World premiere: Eurasia Film Festival 2008

Awards: Prize for the Best Lead Actress, Eurasia Film Festival 2008; NETPAC Award, Audience Award, Asiaticafilmmediale Rom 2008 Festival; Eurasia Film Festival 2008; Pusan International Film Festival 2008, FilmFestival Cottbus 2008; Asiaticafilmmediale Rome 2008; Nantes Festival des 3 Continents 2008; International Film Festival Rotterdam 2009

Producers: Kino Company (Kazakhstan), Rohfilm (Germany), Kinoproba (Russia), Arizona Films (France)

German WCF partner: Rohfilm

Funded in the WCF Jury meeting in October 2005; Funding amount: 80.000 Euros

Suely in the Sky (O céu de Suely) by Karim Aïnouz, Brazil, 2006, Feature film

World premiere: Venice International Film Festival 2006, *Orizzonti*

Awards (selection): Winner of FIPRESCI Award, Best Screenplay Award and Artistic Achievement Award, Thessaloniki Film Festival 2006; Best Film, Best Director and Best Actress, Rio de Janeiro International Film Festival 2006; Winner of Golden Coral, Best Actress Award, Cuba Nuevo Cine Latino Americano 2006; Special Mention, FIPRESCI Award for Best Latin American Film of 2006, Mar del Plata International Film Festival 2007

Rights sold to: Canada, Germany, Israel, Japan, Latin America, Switzerland, USA

Festivals (selection): Venice International Film Festival 2006; Toronto International Film Festival 2006; Rio de Janeiro International Film Festival 2006; Stockholm International Film Festival 2006; Thessaloniki International Film Festival 2006; Gijon International Film Festival 2006; Bratislava International Film Festival 2006; Cuba Nuevo Cine Latino Americano 2006; Rotterdam International Film Festival 2007; Mar del Plata International Film Festival 2007; Brugge Cine Novo 2007; Hong Kong International Film Festival 2007; Istanbul International Film Festival 2007; Durban International Film Festival 2007; Jerusalem International Film Festival 2007; Bangkok International Film Festival 2007; Sarajevo Film Festival 2007

Producers: Videofilmes and Fado Filmes (Brazil), Celluloid Dreams (France), Shotgun Pictures (Germany)

German WCF partner: Shotgun Pictures

World sales: Celluloid Dreams (France)

Funded in the WCF Jury meeting in January 2005; Funding amount: 25.000 Euros

Zion and his Brother (*Zion ve' Achiv*) by Eran Merav, Israel, 2009, Feature film

World premiere: Sundance Film Festival 2009, *Competition*

Rights sold to: France

Producers: Norma Productions (Israel), MK2 (France), Tradewind Pictures (Germany)

German WCF partner: Tradewind Pictures

World sales: MK2 (France)

Funded in the WCF Jury meeting in June 2005; Funding amount: 40.000 Euros

Ajami by Yaron Shani and Scandar Copti, Israel/Palestine, 2009, Feature film

World Premiere: Cannes, 2009, Quinzine des Realisateurs

Theatrical release in Germany: May 22, 2010

Rights sold to: Spain, Greece, UK, France, Benelux, USA, Italy, Switzerland, Colombia, Mexico, Hungary, Sweden

Producers: Inosan Ltd. (Israel), Twenty Twenty Vision (Germany)

German WCF partner: Twenty Twenty Vision

World sales: The Match Factory (Germany)

Funded in the WCF Jury meeting in October 2005; Funding amount: 65.000 Euros

Every Day Is a Holiday (*Chaque jour est Ne fête*) by Dima El-Horr, Lebanon, 2009, Feature film
World premiere: September 15, 2009, International Film Festival Tronto
Producers: Ciné-Sud Promotion (France), Orjouane Productions (Lebanon), Nikovantastic Film (Germany)
World sales: Umedia (France)
German WCF partner: Nikovantastic Film
Funded in the WCF Jury meeting in June 2008; Funding amount: 50.000 Euros

Huacho by Alejandro Fernández Almendras, Chile, 2009, Feature film
Producers: Jirafa Films (Chile), Charivari Films (France), Pandora Film (Germany)
German WCF partner: Pandora Film
Funded in the WCF Jury meeting in November 2006; Funding amount: 50.000 Euros

The Hunter by Rafi Pitts, Iran, 2010, Feature film
Producers: AFTAB Negaran Film Production Institute (Iran), Twenty Twenty Vision (Germany)
German WCF partner: Twenty Twenty Vision
World Sales: The Match Factory (Germany)
Funded in the WCF Jury meeting in November 2007; Funding amount: 50.000 Euros

Independencia by Raya Martin, Philippines, 2009 Feature film
Right sold to: France
Producers: Cinematografica (Philippines), Atopic (France); Razor Film (Germany)
German WCF partner: Razor Film
Funded in the WCF Jury meeting in October 2008; Funding amount: 50.000 Euros

The Wind Journeys by Ciro Guerra, Colombia, 2009, Feature film
Producers: Ciudad Lunar Producciones (Colombia), Cine-Ojo Films (Argentina), Razor Film (Germany), Volya Films (The Netherlands)
German WCF partner: Razor Film
Funded in the WCF Jury meeting in June 2007; Funding amount: 60.000 Euros
Projects in production

Bi, Don't Be Afraid by Di Phan Dang, Vietnam, Feature film

Producers: Vietnam Media Corp. – BHD Co., Ltd (Vietnam)

World sales: Vietnam Media Corp. – BHD Co., Ltd (Vietnam)

Funded in the WCF Jury meeting in October 2008; Funding amount: 50.000 Euros

Chnchik by Aram Shahbazyan, Armenia, Feature film

Producer: Armna LLC (Armenia), Zero Fiction Film (Germany), Ventura Film (Switzerland), Isabella Films (The Netherlands)

German WCF partner: Zero Fiction Film

Funded in the WCF Jury meeting in November 2007; Funding amount: 50.000 Euros

The Great Kilapy (O Grande Kilapy) by Zézé Gamboa, Angola, Feature film

Producers: David & Golias (Portugal), Raíz Produções (Brazil)

World sales: Bosque Secreto (Portugal)

Funded in the WCF Jury meeting in June 2007; Funding amount: 50.000 Euros

The House under the Water by Sepideh Farsi, Iran, Feature film

Producers: Rêves d'Eau Productions (France), Neshaneh Films (Iran), Sweet Water Pictures (The Netherlands), Pola Pandora Film (Germany)

German WCF partner: Pola Pandora Film

Funded in WCF Jury meeting in June 2007; Funding amount: 30.000 Euros

Justice Must Be Seen by Ra'anán Alexandrowicz, Isarel, Documentary

Rights sold to: Israel

Producer: Belfilms (Israel)

World sales: Roco Films (USA)

Funded in the WCF Jury meeting in June 2007; Funding amount: 40.000 Euros

The Light (Svjet) by Aktan Arym Kubat (aka Abdykalykov), Kyrgyzstan, Feature film

Rights sold to: Belgium, Germany, France, Japan

Producers: Oy Art (Kyrgyzstan), A.S.A.P. Films (France), Pallas Film (Germany)

German WCF partner: Pallas Film

World sales: The Match Factory (Germany)

Funded in the WCF Jury meeting in June 2006; Funding amount: 70.000 Euros

Medianeras by Gustavo Taretto, Argentina, Short film/ Feature film

Rights sold to: Andorra, Argentina, Austria, Chile, Germany, Portugal, Spain, Switzerland, Uruguay

Producers: Rizoma Films (Argentina), Pandora Film (Germany with the Support of Filmstiftung NRW), Morena Films (Spain)

German WCF partner: Pandora Film

World sales: The Match Factory

Funded in the WCF Jury meeting in June 2008; Funding amount: 50.000 Euros

Primitive: Uncle Boonmee Who Can Recall His Past Lives by Apichatpong Weerasethakul, Thailand, feature film

Producers: Kick The Machine Films (Thailand), Illuminations Films (UK); The Match Factory (Germany)

World sales: The Match Factory (Germany)

German WCF partner: The Match Factory

Funded in October 2008; Funding amount: 60.000 Euros

The Stoplight Society (La Sociedad de Semáforos) by Rubén Mendoza, Colombia, Feature film

Producers: Día Fragma Fábrica de Películas and Laberinto Producciones (Colombia), Ciné Sud Promotion (France), El Baile Films (Spain), Dagstar Film (Germany)

German WCF partner: Dagstar Film

Funded in the WCF Jury meeting in June 2008; Funding amount: 50.000 Euros

Tanathor by Tawfik Abu-Wael, Israel, Feature film

Rights sold to: Israel

Producers: Lama Films (Israel), Neue Pegasos (Germany)

German WCF partner: Neue Pegasos

Funded in the WCF Jury meeting in November 2007; Funding amount: 65.000 Euros

Water and Salt (Agua y Sal) by Alejo Taube, Argentina, Feature film

Rights sold to: Argentina, Germany

Producers: Ruda Cine (Argentina), Pandora Film (Germany)

German WCF partner: Pandora Film

Funded in the WCF Jury meeting in June 2007; Funding amount: 50.000 Euros

3/Tres by Pablo Stoll, Uruguay, Feature film

German WCF Partner: Pandora Films

Funded in the WCF Jury meeting in June 2009; Funding amount: 40.000 Euros

40 Days of Silence by Saodat Ismailova, Uzbekistan, Feature film

Producers: Rohfilm (Germany), Atopic Films (France), Volya Films (The Netherlands)

WCF meeting: November 2009; Funding amount: 70.000 Euros

The Bad Intentions (Las Malas Intenciones) by Rosario Garcia-Montero, Peru, Feature film

Rights sold to: Switzerland, Peru, Argentina

Producers: Barry Films (Germany), Rizoma Films (Argentina)

German WCF partner: Barry Films

WCF meeting: June 2009; Funding amount: 50.000 Euros

Jean Gentil by Laura Amelia Guzmán, Israel Cárdenas, Dominican Republic, Feature film

Producer: Aurora Dominicana (Dominican Republic), Canana (Mexico), Bärbel Mauch Film (Germany)

German WCF partner: Bärbel Mauch Film

WCF meeting: June 2009; Funding amount: 40.000 Euros

Out of Place (Fuera de Lugar) by Diego Mondaca, Bolivia, Feature film

WCF meeting: November 2009; Funding amount: 30.000 Euros

Post Mortem by Pablo Larrain, Chile, Feature film

German WCF partner: Autentika Films

WCF meeting: June 2009; Funding amount: 50.000 Euros

The Slut by Hagar Ben-Asher, Israel, Feature film

Producers: Transfax Films (Israel), Sophie Dulac Productions (France), Roh Film (Germany)

German WCF partner: Roh Film

WCF meeting: November 2009; Funding amount: 50.000 Euros

Appendix 7: The World Cinema Fund Distribution Support – Selected Projects

Bamako by Abderrahmane Sissako, Mali, 2006, Feature film

World premiere: Cannes International Film Festival 2006, Official Programme, *Hors Compétition*

Theatrical release in Germany: February 1, 2007

Award: Winner of the Grand Prix du Public at the Les Rencontres International Paris Cinéma 2006; Winner of the Jury Prize at the Carthago Film Festival 2006; Winner of the Jury Prize at the Lumieres d’Afrique, Film Festival Besançon 2006

Rights sold to: France, Germany, The Netherlands, Switzerland, UK, USA

Festivals: Cannes International Film Festival 2006; Toronto International Film Festival 2006; New York International Film Festival 2006; San Sebastián International Film Festival 2006; Pusan International Film Festival 2006; Munich International Film Festival 2006; Vienna International Film Festival 2006

Producers: Mali Images (Mali), Chinguitty Films (France), Archipel 33 (France)

German distributor: Kairos Filmverleih

World sales: Les Films du Losange (France)

Funded in October 2006; Funding amount: 8.000 Euros

Bombon – The Dog (*Bombón – el Perro*) by Carlos Sorin, Argentina, 2004, Feature film

World premiere: San Sebastián International Film Festival 2004

Theatrical release in Germany: August 25, 2005

Award: FIPRESCI Award, San Sebastián International Film Festival 2004

Rights sold to: Australia, Austria, Benelux, Bosnia, Canada, Croatia, Cyprus, Czech Republic, France, Germany, Greece, Hungary, Ireland, Israel, Italia, Japan, Liechtenstein, Macedonia, Montenegro, New Zealand, Norway, Poland, Serbia, Slovakia, Slovenia, Switzerland, Turkey, the UK, USA

Festivals: San Sebastián International Film Festival 2004; Toronto International Film Festival 2004

Producers: Romikin, Guacamole Films, OK Films (Argentina); Wanda Visión (Spain)

German distributor: Alamode Film

World sales: Bavaria Film International (Germany)

Funded in the WCF Jury meeting in June 2005; Funding amount: 7.500 Euros

Caramel by Naine Labaki, Lebanon, 2007, Feature film

World premiere: Cannes International Film Festival 2007, *Quinzaine des Réalistes*

Theatrical release in Germany: April 3, 2008

Awards: Winner of the Sebastian Award, Youth Award, TCM-Audience Award, 55th San Sebastián International Film Festival; FIPRESCI Award Stockholm Film Festival 2007; Winner of the Black Pearl Award for Best Actress and the Ensemble Cast, Middle East International Film Festival 2007; Winner of the Variety Middle East Filmmaker of the Year, Middle East International Film Festival 2007; Nominated for an Academy Award for the Best Foreign Language Film

Rights sold to: Argentina, Australia, Austria, Benelux, Brazil, Canada, Chile, Colombia, Denmark, Finland, France, Germany, Greece, Hungary, India, Iceland, Italy, Japan, Lebanon, Malaysia, Mexico, New Zealand, Norway, Poland, Portugal, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Turkey, UK, USA, Venezuela

Festivals: Cannes International Film Festival 2007; Toronto International Film Festival 2007; Copenhagen International Film Festival 2007; 55th San Sebastián International Film Festival 2007; Rio de Janeiro International Film Festival 2007; The Times BFI 51st London Film Festival 2007

Producer: Anne-Dominique Toussaint (France)

German distributor: Alamode Film

World sales: Roissy Films (France)

Funded in January 2008; Funding amount: 12.000 Euros

Daratt by Mahamet-Saleh Haroun, Chad, 2006, Feature film

World premiere: Venice International Film Festival 2006

Theatrical release in Germany: March 2008

Awards: Grand Special Jury Prize, Unesco Award, Venice International Film Festival 2006

Rights sold to: Germany, Italy, Mexico, Poland, Switzerland, UK, USA

Festivals: Venice International Film Festival 2006; Viennale 2006; International Film Festival Rotterdam 2007; Tübingen 2007; Braunschweig International Film Festival 2007

Producers: Chinquitty Films (France), Goi-Goi Productions (Chad)

German distributor: Kairos Filmverleih

World sales: Pyramide International (France)

Funded in January 2008; Funding amount: 8.000 Euros

Días de Santiago by Josué Méndez, Peru, 2004, Feature film

World premiere: International Film Festival Rotterdam 2004

Theatrical release in Germany: December 8, 2005

Awards (selection): FIPRESCI Award and Grand Prix, Fribourg International Film Festival 2004; Best Actor, Buenos Aires International Festival of Independent Cinema 2004; Best Actor and Critics Award, Lima Latin American Film Festival 2004; Winner of Transilvania Trophy, Transilvania International Film Festival 2004

Rights sold to: Chile, France, Germany, Peru, Switzerland, USA

Festivals (selection): International Film Festival Rotterdam 2004; Buenos Aires International Festival of Independent Cinema 2004; Toronto Film Festival 2004; Karlovy Vary Film Festival 2004; Hong Kong International Film Festival 2005; Lima Latin American Film Festival 2004; Fribourg International Film Festival 2004; Valladolid International Film Festival 2004; Transilvania International Film Festival 2004; Toulouse Latin America Film Festival 2004; Rencontres Internationales de Cinéma à Paris 2004; Gindou Film Festival 2004; Nantes Festival of 3 Continents 2004; Seattle International Film Festival 2005

Producer: Chullachaki Producciones (Peru)

German distributor: W-film

World sales: Mil Colores Media and Cachoeira Films (Germany)

Funded in the WCF Jury meeting in January 2005; Funding amount: 15.000 Euros

Dol by Hiner Saleem, Iraqi Kurdistan Region, 2007, Feature region

World premiere: Berlin International Film Festival 2007, Official Programme, *Forum*

Theatrical release in Germany: April 26, 2007

Rights sold to: France, Germany, Spain, Turkey, Iraq

Festivals: Berlin International Film Festival 2007; São Paulo Internacional Film Festival 2007; Durban International Film Festival 2007; Brisbane International Film Festival 2007; Melbourne International Film Festival 2007; The Montreal World Film Festival 2007; Seattle International Film Festival 2007; Kosmorama Trondheim International Film Festival 2007; The Times BFI 51st London Film Festival 2007; Internazionale del Nuovo Cinema Pesaro Film Festival 2007; Pusan International Film Festival 2007; London Kurdish Film Festival 2007; National Geographic-All Roads Film Festival (Washington DC 2007, Los Angeles, Santa Fe) 2007; Kurdish Film Festival in Sardenia 2007

Producers: Hiner Saleem Production (Iraqi Kurdistan Region), Mítosfilm (Germany)

German distributor: Mítosfilm

World sales: Mîtosfilm (Germany)

Funded in October 2006; Funding amount: 8.000 Euros

La León by Santiago Otheguy, Argentina, 2007, Feature film

World Premiere: Berlin International Film Festival 2007, Official Programme, *Panorama*

Theatrical release in Germany: November 15, 2007

Awards: Special Jury Mention, TEDDY 21 Queer Film Award, Berlin International Film Festival; Silver Colon for Best Cinematography, Huelva Latin American Film Festival 2007; Best Feature Film, Torino International Gay & Lesbian Film Festival 2008

Rights sold to: Andorra, Benelux, Brazil, Canada, Cyprus, Germany, Greece, Spain, USA

Festivals: Berlin International Film Festival 2007; Sydney International Film Festival 2007; Paris Cinéma 2007; ERA New Horizons Film Festival 2007; Torino International Gay & Lesbian Film Festival 2008; Huelva Latin American Film Festival 2007

Producers: Polar Films (Argentina), Onyx Films (France), Big World (France), Morocha Films (Argentina)

German distributor: Salzgeber & Co. Medien GmbH

World sales: MK2 (France)

Funded in February 2007; Funding amount: 5.000 Euros

Lion's Den (*Leonera*) by Pablo Trapero, Argentina, 2008, Feature film

World Premiere: Cannes International Film Festival 2008, *Competition*

Theatrical release in Germany: June 2009

Awards: Best Actress, Best Cinematography, Best Screenplay, Elcine First Prize (Best Film), Lima Latin American Film Festival 2008; Best Art Direction, Special Jury Prize, Havana Film Festival 2008

Festivals: Cannes International Film Festival 2008; Karlovy Vary Film Festival 2008; Lima Latin American Film Festival 2008; Toronto Film Festival 2008; Helsinki International Film Festival 2008; Reykjavik International Film Festival 2008; Havana Film Festival 2008

Producer: Matanza Cine (Argentina)

German Distributor: MFA + FilmDistribution e.K.

World sales: Finecut Co., Ltd. (Korea)

Funded in December 2008; Funding amount: 10.000 Euros

Lost Embrace (*El Abrazo Partido*) by Daniel Burman, Argentina, 2004, Feature film

World premiere: Berlin International Film Festival 2004, Official Programme, *Competition*

Theatrical release in Germany: August 3, 2005

Awards: Best Actor and Jury Grand Prix, Berlin International Film Festival 2004; Best Camera Award Anonimul International Film Festival 2005; Best Film, Bangkok World Film Festival 2004; Winner of the Clarin Entertainment Awards – Best Film 2004; Best Director, Best Film, Lleida Latin-American Film Festival 2004; Silver Condor for Best Supporting Actress, Argentinean Film Critics Association Award 2005; Canal Plus Award 2003; Best Unpublished Script, Sociedad General de Autores Españoles, International Film Festival Havana 2003

Rights sold to: Argentina, Belgium, Canada, Colombia, France, Germany, Israel, Italy, The Netherlands, Poland, Spain, Switzerland, the UK, USA

Festivals (selection): Berlin International Film Festival 2004; Pusan International Film Festival 2004; Chicago International Film Festival 2004; São Paulo International Film Festival 2004; Toulouse Latin America Film Festival 2004; NatFilm Festival, Denmark 2004; Wellington Film Festival, New Zealand 2004; Helsinki International Film Festival 2004; Warsaw Film Festival 2004; Bangkok World Film Festival 2004; London Film Festival 2004; Wisconsin Film Festival 2005, International Film Festival Rotterdam 2005

Producer: BD Cine (Argentina)

German distributor: Kinowelt

World sales: Bavaria Film International (Germany)

Funded in the WCF Jury meeting in January 2005; Funding amount: 15.000 Euros

Madeinusa by Claudia Llosa, Peru, 2005, Feature film

World premiere: International Film Festival Rotterdam 2006

Theatrical release in Germany: November 9, 2006

Award: Roberto Tato Miller Award, Best Latin American Film Feature 2006

Rights sold to: France, Germany, Switzerland, USA

Festivals: International Film Festival Rotterdam 2006; Sundance Film Festival 2006; Mar del Plata Film Festival 2006; Toulouse Latin America Film Festival 2006; Malaga Film Festival 2006; Seattle International Film Festival 2006; Edinburgh Film Festival 2006

Producer: Wanda Visión (Spain)

German distributor: Kairos Filmverleih

World sales: The Match Factory (Germany)

Funded in August 2006; Funding amount: 10.000 Euros

The Man Who Copied (O Homem Que Copiava) by Jorge Furtado, Brazil, 2003, Feature film

World premiere: Hamburg Film Festival 2003

Theatrical release in Germany: September 1, 2005

Awards (selection); Cinema Brazil Grand Prize: Best Director, Best Editing, Best Picture, Best Supporting Actor, Best Supporting Actress 2004; Best Film, São Paulo Association of Art Critics Awards 2004; Elcine Second Prize, Lima Latin American Film Festival 2004; Winner of Silver Crow Pheasant, Kerala International Film Festival 2003; Best Actor, Havana Film Festival 2003

Rights sold to: Germany, Brazil, USA, Switzerland

Festivals: Hamburg Film Festival 2003; Film by the Sea Film Festival 2004; Paris Brazilian Film Festival 2004; Toulouse Latin America Film Festival 2004; Tbilisi International Film Festival 2005; ERA New Horizons Film Festival 2005

Producers: Globo Filmes and Casa de Cinema de Porto Alegre (Brazil)

German distributor: Kool Filmdistribution

World sales: Casa de Cinema de Porto Alegre (Brazil)

Funded in the WCF Jury meeting in October 2005; Funding amount: 7.500 Euros

Moolaadé by Ousmane Sembène, Senegal 2004, Feature film

World premiere: Cannes International Film Festival 2004, Official Programme

Theatrical release in Germany: May 11, 2006

Awards : Prix Un Certain Regard, Cannes International Film Festival 2004; Jury Award, Los Angeles Pan African Film Festival 2005; Best Foreign Language Film, National Society of Film Critics, USA 2005

Rights sold to: Austria, France, Germany, The Netherlands, Switzerland, USA

Festivals (selection): Cannes International Film Festival 2004; Toronto International Film Festival 2004; Telluride Film Festival 2004; Rotterdam International Film Festival 2005; Pusan International Film Festival 2004; Buenos Aires International Festival of Independent Cinema 2005; Chicago International Film Festival 2004; Hong Kong International Film Festival 2005; London Film Festival 2004; La Rochelle Film Festival 2004; Brussels Cinédecouvertes Film Festival 2004; Paris Quinzaine du Cinéma Francophone 2004; New York Film Festival 2004; Milwaukee International Film Festival 2004; Amiens International Film Festival 2004; Marrakech International Film Festival 2004; Reykjavik International Film Festival 2005; Los Angeles Pan African Film Festival 2005

Producers: Filmi Domireew (Senegal), Ciné-Sud (France)

German distributor: Neue Visionen

World sales: Wide Management (France)

Funded in February 2006; Funding amount: 15.000 Euros

Recycle (see also: Production support), Jordan, 2007

Funded in the WCF Jury meeting in June 2008; Funding amount: 10.000 Euros

The Wind (El Viento) by Eduardo Mignogna, Argentina, 2005, Feature film

World premiere: Argentina, August 2005

Theatrical release in Germany: October 12, 2006

Rights sold to: Argentina, Germany

Festivals: Palm Springs International Film Festival 2006; Transilvania International Film Festival Romania 2006; Espoo Film Festival Finland 2006; Film by the Sea Film Festival Netherlands 2006; Raindance Film Festival UK 2006

Producers: Retratos Producciones and Film Suez (Argentina), Tesela Producciones Cinematográficas (Spain)

German distributor: Arsenal Filmverleih

World sales: Sogepac (Spain)

Funded in August 2006; Funding amount: 10.000 Euros

WWW – What a Wonderful World by Faouzi Bensaïdi, Morocco, 2006, Feature film

World Premiere: Venice International Film Festival 2006

Theatrical release in Germany: December 13, 2007

Rights sold to: Austria, Benelux, Canada, Denmark, France, Germany, Norway, Spain, Switzerland, Tunisia, USA

Festivals: Venice International Film Festival 2006, Filmfest Hamburg 2007

Producer: Gloria Films (France), Agora Films (Switzerland), Heimatfilm (Germany), Soread-2M (Morocco)

German distributor: Kairos-Filmverleih

World sales: Films Du Losange (France)

Funded in May 2007; Funding amount: 7.500 Euros