

Reflections on The Cultural Value of Film

By Holly Aylett, October 2005

Statistics can be used to show that Britain's film industry is now the third biggest in the world and a prime destination for inward investment. This success story was heralded by James Purnell, new Minister for the Creative Industries, in a speech to the Institute of Public Policy Research in June this year.¹ But what is the relation of this economic success to the vibrancy and breadth of our film culture?

A further look at the statistics provided by the UK Film Council for 2004 shows that last year domestic production fell from 44 films to 27, where domestic is taken to be films made by a UK production company shot wholly or partly in the UK. In 1997, the year when the government set up the Department of Culture, Media and Sport, UK production had been at a record high, and 84 domestic productions were registered.

In terms of what UK audiences could see in 2004, beyond American features and American co-productions, the rest of the world share of the market in UK and Ireland was just 2.7%, a figure which betrays the failure of film policy to encourage interest and understanding in the stories of what goes on beyond our shores.

Last year also saw the consolidation of companies operating in the exhibition sector and a series of momentous deals which changed the landscape of UK exhibition. In August 2004, Terra Firma acquired both the Odeon and UCI cinema circuits for a total of 580 million pounds, acquiring a 35% share of the market. Then in December Cineworld UK, controlled by the Blackstone Group, a huge private investment firm, took over UGC's cinema operations in the UK and the control of 408 screens in 42 cinemas. Up until the takeover, UGC had demonstrated the best record for the range of films exhibited by a multiplex chain.

As a result of the mergers the property and management of our cinemas is now largely in the hands of venture capitalists with no commitment to exhibition strategies beyond the imperative of capitalising on the upward curve in business (cinema admissions are growing), cutting costs and delivering profit margins. Terra Firma bought into landfill sites and waste recycling with the same considerations. What this is likely to deliver in cultural terms is more of the same. Mainstream cinema (largely American) will continue to thrive, while independent and foreign cinema, requiring special strategies to build an audience, will suffer. Unless, of course, there is some policy intervention.

Beyond the game of statistics there is a serious challenge. How can government policy deliver a broad film culture where the moving image can realise its potential in helping to construct a society which is tolerant, diverse and well-informed? In this country the public do not necessarily recognise that film and audiovisual media have a significant role to play. A recent document prepared by the British Film Institute in response to a public consultation by the Cultural Commission of Scotland observes that "The words "culture" and "cultural provision" do not, for many people, connote or include the moving image media of film, television and video. But these media are in fact for almost

¹ Keynote Speech to the Institute of Public Policy Research, London, 16th June 2005

everybody their dominant cultural experience....They are also the predominant way in which people can access other aspects of culture such as language and history”.²

In the UK, government policy with regard to film has also long devalued cultural factors compared to those of trade. One significant reason for this is the nature of film itself. From the beginning film has been an expensive art form to produce, requiring high levels of investment and labour resources. The most successful economic models to emerge, Hollywood and Bollywood, demonstrated the strength of a studio system run on industrial management principles. Today, the global marketplace continues to deliver lucrative markets to transnational companies. They can capitalise on the benefits of digital formats and media convergence which offer added value to theatrical distribution and, of course, they can amass significant and ongoing returns from the archive.

After the World War II, when the Arts Council was set up, film was not included alongside the other Arts and was thereby distinguished both in policy and in the public imagination from the kinds of considerations which other art forms might enjoy. Even today it is only artists' film and video which are included in the Arts Council remit. The current legislative frameworks for film have largely been set in place by the Labour Government under the leadership of Tony Blair. The Government built on the former Conservative government's initiative in setting up a ministry for culture and creation, The Department of National Heritage, which was then given responsibility over film. Shifting the brief for film from a ministry of trade to a ministry of culture was indicative: “This was a departure from previous government practice and significant in relation to the perennial debate about whether film is art or industry. Past governments had classified film as industry, except in one or two contexts when it became culture.”³

It is still the Department of Trade which manages the tax break system which is key to the government's strategy for a sustainable film industry. However, the existence of the DCMS and the setting up of the UK Film Council in 2000, mark the government's growing interest in the creative industries, and the potential gains for jobs and manufacturing that they represent. James Purnell identifies a “quiet revolution in the shape of our economy” pointing out that the creative industries now employ two million and account for one twelfth of the economy, more than in any other country. The challenge for today's government is to provide the framework to support creativity in the UK and to turn “talent into hits and hits into profits”.⁴

Hits and profits, however, are not reliable indicators with which to assess the cultural value of film. In calling for creative entrepreneurialism to exploit UK talents, James Purnell goes on to argue that we should avoid “economic Darwinism”, in viewing our competitors as adversaries, and instead divide our practice in the creative industries with

² Response from the British Film Institute Education Department to the Cultural Commission – Scotland. 2005

³ Margaret Dickinson and Sylvia Harvey, Public Policy and Public Funding for Film: some recent developments in the UK; p88, Screen 46:1 Spring 2005

⁴ James Purnell, Keynote Speech to the Institute of Public Policy Research, London, 16th June 2005

“conception in one place, refinement or testing in another, packaging and manufacture somewhere else, and distribution across the globe.”

Applied to film, this perception of distributing the functions of production around the world echoes the vision invoked by Sir Alan Parker as Chairman of The Film Council, in 2002. He too, encouraging the UK to get its hands on part of the 60 billion dollar, global industry, called for the development of the film industry in this country to be measured not only in terms of the numbers of UK films produced but rather in terms of the contribution which our film creatives could make anywhere and at any stage of the filmmaking process.⁵ As a strategy this may be essential to the survival of production in this country. It may also be the strategy best suited to satisfy economic criteria, but it will not necessarily deliver a formally and ethnically diverse film culture.

The business of making film has been global for some time. Take Oliver Stone’s Alexander. It was shot in Thailand and Morocco at Warner’s initiative, partly financed through European, Japanese and Korean pre-sales organised by the British subsidiary of a German group, some of the cast are European, including Alexander, who speaks with an Irish Accent, and the post-production phase took place in France.⁶ The film is a tease for those trying to keep statistics on the nationality of films, though the film is officially European under the Council of Europe Convention on Co-productions. Whilst it is evident that culture and the languages of culture are no longer synonymous with the boundaries of the nation state, there are also inherent risks when films are delivered through these multiple national frameworks. Global productions have to find a way to deliver stories and meaning which will engage a global audience. The result can lead to over-simplification, imposing normative systems which are unable to interrogate and challenge the local specificity of human experience.

One of Hollywood’s most successful solutions to winning its audiences has been to evolve from storytelling the practice of genre, through which the audience is drawn to the cinema by a certain expectation of the type of film they will be seeing. This practice has been excellently analysed by Steve Neale who argues that “Hollywood’s generic regime performs two crucial interrelated functions: to guarantee meaning and pleasure for audiences and to offset the considerable economic risks of industrial film production by providing cognitive collateral against innovation and difference.”⁷

Contemporary textbooks on screenplay usually list codes through which screenwriters can keep a story within one or other genre. For the writer and director, breaking these codes, mixing and matching, is also a key instrument with which to keep the audience engaged.

These templates however are limiting and culturally specific. Likewise the cause and effect formulas used to inform the rationale behind character and action, and the conflict

⁵ Sir Alan Parker, Building a Sustainable UK Film Industry. Presentation to the UK Film Industry, 5th November 2002

⁶ European Audiovisual Observatory Focus 2005: World Film Market Trends; Marche du Film

⁷ Paul Watson, Genre as Economic Strategy; p 158, An Introduction to Film Studies, edited by Jill Nelmes, Routledge 2001, 3rd edition.

theory used to underpin linear narrative structure – protagonist with goal meets obstacles but eventually overcomes them and reaches a denouement – are forms of expression embedded in western psychology and only one way of telling. For the audience these methods evoke pleasure in familiarity and the sense of affirmation implicit in recognising a certain, moral order. But where is the space for daily life’s ‘subtle tissue of purposeful but inconsequential actions, unconscious decisions, and accidents’, and how does this prepare an audience for film artists like Michael Snow, Yasujiro Ozu, Andrei Tarkovsky?⁸ Or indeed, from this country, the work of Derek Jarman, Sally Potter, Asif Kapadia, Lynne Ramsey or Andrew Kotting, to name a few.

What is in question is not the presence of mainstream film but its predominance, and the challenge which it presents to policymakers to deliver pluralism in form, ethnicity and content as the basis of our film culture. Though it is hard to quantify, it is also essential to take into account the vital and dynamic relationship of exchange between mainstream, independent and experimental film, where the latter provide the research and development drive for new phases of production. Equally significant is the key role which film can play in investigating our relation to the past, and opening up questions about the journeys which we are travelling within our communities.

Without intervention, the audience will continue to receive a very limited spectrum of films, using limited cinematic techniques and carrying a broadly familiar world view. In 2004 73% of screens were within multiplexes, and 3,125 of those were dedicated to mainstream films, in comparison to the 196 screens dedicated to specialised cinema. The KPMG Report produced for the Film Council in 2003 on the specialised exhibition and distribution sector is very clear: “The free market will not deliver a sustainable specialised sector nor fulfil the many important public policy objectives associated with the sector”. At the time regional strategy had already been affected by cuts in revenue funding resulting from the Regional Screen Agencies’ need to fund overheads by cutting grants to cultural organisations, effectively setting themselves in competition for limited, regional funds. The closure of the British Film Institute’s Regional Programme Unit had also exacerbated the problem leaving the independent cinema network without an organisation to advise and deal with distributors on their behalf. For the specialist film sector, there have been two significant developments since this time. The Independent Cinema Office emerged in July 2003, to fill the vacuum left by the cessation of the Regional Programme Unit, and the UK Film Council has set up its initiative to install 250 digital projectors in cinemas across the exhibition circuit, involving both multiplex and independent cinema. Careful monitoring will reveal whether this intervention will alter “the Hollywood film festival which seems to take place at the multiplex 52 weeks of the year.”⁹

In her speech to an Institute of Public Policy Research/Arts Council seminar on 7th March 2005, Tessa Jowell stressed why there should be more intervention in support of the arts:

⁸ Raul Ruiz, *Poetics of Cinema*, Editions Dis Voir, Paris 2005

⁹ Mathieu Ravier, *The Growing Range of UK Film Festivals*, Presentation to the UK Film Festivals Conference, London 2004

“The danger we face is a gradual homogenisation of culture. The rich mixing of cultures which has always marked Europe could be replaced by a market driven, bland, one size fits all arts scene which benefits no-one except the accountants....Government spending can keep innovation alive and it can ensure that the public have a real diversity of art to choose from.”

One of the problems for government is to establish indicators which can provide quantitative data to justify its targets and expenditure in public policy for film, whether the money is sourced through direct grant or tax benefit schemes. Cultural values, being hard to identify and hard to relate to core economic objectives, have often been ignored. They are not included, for instance, in the principal criteria set up by The Film Act in 1985 to certify a film as British, and therefore eligible for tax relief. For these purposes, allowing for variables, a British film is one made by a company based in the UK, with 70% of labour from this country and 70% of monies spent here.

In May this year a seminar was presented by the Royal Holloway College and the UK Film Council to explore questions relating to the cultural value of UK Film. It revealed the variety of issues at stake, and the problematic assumptions implicit in the simple opposition between cultural and commercial in much debate on the subject. The term cultural is not synonymous with box office failure – no one saw *The Full Monty* coming in 1997, or the success of Kevin Macdonald’s documentary, *Touching The Void*, in 2003. There are no foolproof criteria for films to find their audience, unless perhaps funds for promotion exceed those of production. Conversely, the sector identified as commercial evidently plays an influential role in building a sense of cultural identity, even though Hollywood does not always guarantee success. Of some 2,000 features made in the United States, 460 are released in the cinemas of which about 50 are profitable, a hit ratio of 2.5%. By comparison, The French hit ratio is approximately 10%, although France only produces about 100 features a year.

Panellists and contributors specified a whole range of indicators which should be taken into account to assess the strength of our film culture including the range of films in production addressing issues relevant to contemporary British society; a regional breakdown of what is being shown in independent and multiplex networks; the percentage of films in circulation which are not made by American companies, or their subsidiaries; the diversity of film screened on television; an analysis of the audience for particular screenings; the presence of film in education. Much of the necessary data already exists to monitor these factors, but supporting a broad film culture is finally a question of vision and political commitment. Change will only come if there is the political will backed by investment to see through policy across the areas of production, circulation and education

Recent years have seen a suppression of debate about the usefulness of parafiscal measures for the industry. In evidence taken by the DCMS Select Committee for Film in 2003, Mr Francois Ivernel from Pathe Distribution explained to the Committee how the French and British systems differ and why, in his opinion, the British film industry deserved consistent government support, not least because the English language makes it

more vulnerable to competition with the United States. He added that in France for the past fifty years, the debate has not been whether to support film culture but how to vary that support. His contribution was one of the few which made reference to Europe – Alexander Walker’s evidence was another exception - and as published in the report his evidence was dismissed with the following comment:

“Although a number of European Union countries do have extremely restrictive, protective measures for their indigenous production, there is no strong evidence that this has benefited their industries either financially or creatively.”¹⁰

An alternative vision would be to recognise that para-fiscal measures can restore balance and equity to a situation where American films dominate the box office and distribution networks, and American dominated corporations own the cinema chains.

Responding to the bleak prospect for indigenous film, and the apparent lack of leadership by the UK Film Council, the producer, Michael Kuhn, suggested a slate of measures in an address to PACT this year. These included reinstating the Eady Levy, (a levy raised on cinema box office and redistributed to producers and exhibitors), setting up a gap fund to lend the last 1 million pounds films need to get into production, a low budget film slate, regulation to ensure public broadcasters invest in film, and, crucially, money to market British films in readiness for the impending revolution in film distribution brought by new technology. At the end of his speech he called for optimism and unity: “It can happen if we are united and determined to make happen in the 21st century what didn’t happen in the 20th. What a marvellous prospect! It would simply do honour to a previous generation who had that vision – Korda, Balcon, J. Arthur Rank, Pressburger & Powell and Puttnam”.¹¹

Michael Kuhn’s recommendations deal with the needs of the production sector as it prepares to compete in the new audiovisual environment of media convergence. Equally strong measures will be necessary in all sectors if the cultural indicators suggested above are to read positively. Arguably, the challenge today is not so much from Hollywood, where on Kuhn’s predictions the studio system will be redundant within 5 years, but from transnational companies seeking to capitalise in the audiovisual sector and to open up audiovisual services to the free market economy.

To meet this global challenge, and to strengthen national resolve, the United Nations Educational, Scientific and Cultural Organization (UNESCO) has prepared a Convention on cultural diversity. This is based on the principle that cultural works have a specific and dual nature, both cultural and economic, and as important vectors of meaning and national identity cannot be treated like any other merchandise. Signatory states will have the right to defend policies deemed necessary to protect their indigenous culture, using dispute settlement mechanisms provided for by the Convention. The document also explicitly affirms that the convention will not be subordinate to other international

¹⁰ House of Commons, Culture, Media and Sport Committee, The British Film Industry, 6th Report of Session 2002-2003, Vol 1, p28-30; published by House of Commons Stationary Office, 18th Sept 2003. This topic is discussed at greater length in Petley, Julian (2004), ‘Is There a British Film Industry?’, in the *Journal of British Cinema*, 1: 1, pp. 127-36

¹¹ Michael Kuhn, The UK Film Crisis and What Can Be Done, PACT Film Lecture, 9th May 2005

agreements which has resulted in accusations from the United States that UNESCO is exceeding its mandate and intervening in matters of trade. The draft for the Convention was passed by a two-thirds majority at a meeting in Madrid in June this year. America, Japan were the largest countries who voted against. Britain finally came in with the other 24 countries of the European Union and voted in favour, as did Australia, India and China who had been against the Convention in its draft stages. The United States remains resistant to clauses allowing for the Convention to be given equal status in relation to agreements under discussion by the World Trade Organisation, and also to provisions which allow signatory states to take their claims to the Convention unilaterally. There will be fierce politicking between now and October when the Convention will be presented to the 33rd Session of UNESCO. Even if the broad consensus holds, and the Convention is ratified, it must then be ratified at national level by thirty countries before it becomes operative. Nonetheless, to have come this far is significant, and neither the issues, nor the Convention will disappear. It may take time but what this global instrument will ultimately achieve is the provision of frameworks to affirm cultural values and cultural policy, globally and for the long term.

2005 will prove to be a critical year for the film industry and film policy. With the strength of the pound against the dollar, the failure of confidence in the UK tax credit, and the American government offering its own competitive incentives to keep production at home, inward investment figures in this country are likely to fall. Even James Bond, one of the UK's enduringly successful exports, may finally leave home, transferring to Prague for production and leaving Pinewood Studios empty.

James Purnell, whilst enthusiastically commending the achievement of the UK Film Council, has also called for a review of film policy addressing four key issues – “how do we attract big budget films to the UK, how do we support UK production, how do we improve distribution and should we do more for cultural film?”¹² It is to be hoped that the Department of Culture, Media and Sport will encourage the UK Film Council to develop the ambitious strategies necessary to keep faith with the audience by enabling it to play an active, adventurous and discriminating role in the future. As the review is to be led by John Woodward, Chief Executive Officer of the UK Film Council, and given that The UK Film Council is the principal architect of film policy with power to intervene across all sectors, it is also imperative to keep open proper, consultative channels, so that the review builds on the vision of the stakeholders who can best strengthen and diversify our film culture.

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¹² James Purnell, Keynote Speech to the Institute of Public Policy Research, London, 16th June 2005