

## Audio-visual Production as a Path of Cooperation in Europe. Eurimages Funds

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### Abstract

The aim of this paper is to analyse co-production in Europe through the funds of the Eurimages program from its origin, in 1989 to 2016, and to determine a pattern of co-production among the main film producer nations in Europe: France, Germany, Italy and Spain. For that purpose, a statistical analysis is carried out using several data sources: the Lumiere database, the reports from the European Audiovisual Observatory, as well as those from several national film institutions (such as the ICAA in Spain, or the CNC in France), or even the webpages of the Eurimages program and the Ibermedia one. Among the main results, it should be underlined that Eurimages has contributed to the increase of European films through co-production, but not to the increase of film audience, being far from that of American films. Nevertheless, if compared to national films, Eurimages has favoured both the transnational circulation of films and their consumption. Moreover, the main reasons to choose partners to co-produce are both cultural and economic, based on language, geographical proximity, common history and having a more developed film industry with a generous film support. With this article we want to contribute to update the literature about co-production in Europe using Eurimages funds.

**Keywords:** cultural diversity; co-production; Eurimages; film support; European film.

**JEL classification:** L82; L88; Z11.

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### 1. INTRODUCTION

Almost from its origin, cinema has been characterised for having a double nature. On the one hand, it is an artistic expression with a language of its own, that of images in movement, which serves both as a vehicle and a reflection of the culture and the identity of the place in which it is made. On the other hand, cinema is an important cultural industry that handles thousands of millions of euros and, therefore, a source of employment and wealth (De Vinck, 2011). In the midst of this dichotomy, the policies of international organizations, such as the European Union or the European Council, can be found, as well

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as those of many state governments that have become conscious of the importance of cinema. They try to protect it through their legislations and policies that support and encourage its creation and its distribution, whether it is inside or outside European borders.

Nevertheless, in Europe, this industry has suffered the threat of film productions from the United States since the end of the First World War (Gomery and Pafort, 2011), with high-budget films, international film stars, and a particular way of telling stories which manages to connect with audiences from all over the world, setting the European film industry aside, a tendency which has continued throughout the 21th century. This threat led countries such as France to establish the first protectionist measures to preserve their national productions, both for being an important means of cultural identity and for protecting the economic interests of the industry, so that it would keep creating employment and wealth. These measures started to spread to different European countries to the point where several policies and audiovisual protection and promotion programs were established at a community level, as it is the case of the MEDIA program (currently integrated in the Creative Europe program) and the “Television Without Frontiers” Directive (TVWF) by the European Commission or the Eurimages program by the Council of Europe. The latter is aimed at encouraging co-operation among production companies from the different European states.

After the Second World War, a cooperation process among different European countries, which had previously been confronted, started. Its aim was to continue to make films whose production needed to leave those borders of a single nation and find more funding and markets to sell their cinematographic productions. Co-production helped in a remarkable way in the process of reconstruction of the film industry which, like many others, had been destroyed during the war.

The aim of this paper is to analyse co-production in Europe through the Eurimages program, the greatest exponent of the defence of cinematographic co-production in Europe from its origin in 1989, until 2016, focusing on the main countries participating in this aid: France, Germany, Italy and Spain. With this study, we expect to establish the patterns or reasons that lead the different countries to choose partners to co-produce, and their effects on the production.

Although several studies on European film market have already been made, most of them focus on the participation or consumption of European cinema (Cameron, 1990; Fernandez-Blanco and Banos-Pino, 1997; McMillan and Smith, 2001, among others), as well as on analysing cinema fees both inside and outside national borders, in contrast to Hollywood cinema (Fernandez-Blanco and Gutiérrez-Navratil, 2017). Another line of research has been focused on European audiovisual protection policies favoured by the European Commission, mainly in the development of the MEDIA program and its impact on the consolidation of European audiovisual markets, and on strengthening the circulation of European works beyond their national borders (De Vinck *et al.*, 2007; De Vinck, 2009; Sarikakis, 2007; De Vinck and Pauwels, 2008; De Vinck, 2011; Crusafon, 2010, 2013, 2015; De Vinck and Pauwels, 2015). It is along these lines of European audiovisual protection policies where some co-production studies, based on the Eurimages program, are found. They are related to the history of co-production in Europe and in the different European countries, as well as to the analysis of the advantages and disadvantages of co-production (Camba Constenla, 2002; Ciller and Beceiro, 2013; Cuevas Puente, 1999; Diaz Lopez, 2014; Falicov, 2012; Otero, 1999; Palacio, 1999; Pardo, 2007). Hence, apart from the studies carried out by the European Audiovisual Observatory about co-production and

its economic aid, those describing the double nature of cinema, both cultural and economic, have been less frequent when analysing the Eurimages program and its contribution to the cultural diversity of Europe. De Vinck studies (2011, 2014; 2015), whose perspective will be taken into consideration throughout this study, should be underlined.

Thus, with this study, we expect to make a contribution to the literature on the topic of cinema co-production in Europe by updating the impact made by the Eurimages program until 2016, since previous studies provide data from its origin to 2006 (De Vinck, 2009, 2011), or from 2007 to 2011 (Olsberg SPI, 2013), supposing in this sense a continuation of previous studies. For this purpose, a statistical analysis will be carried out using the Lumiere database, the European Audiovisual Observatory reports, as well as those of national film institutions (such as the *Instituto de la Cinematografía y de las Artes Visuales* (ICAA) in Spain, or the *Centre National du Cinéma et de L'Image Animée* (CNC) in France), or even the websites of Eurimages and Ibermedia.

Among the main results obtained, it should be noted that, although the Eurimages program has already reached the goal of increasing the number of European productions over time, being far superior to those made in the United States, it has not meant an increase in the consumption of European cinema, which is still far from American cinema. Such issues make it necessary not only to revise the different criteria in which co-production is based, but also to see the real impact it is making on the industry.

This paper is organized as follows: section one briefly analyses those programs and initiatives concerning the protection and promotion of cinema and audiovisual works in Europe, based on the concept of cultural exception. Section two studies the European audiovisual industry, focused on the main European film industries, taking production and box-office revenues as variables. Section three studies co-production in Europe through the Eurimages funds and co-production patterns by country. Section four examines more specifically co-production in Spain and its links with Ibero-America through the analysis of the Ibermedia program. Finally, section five provides conclusions.

## 2. THE CULTURAL EXCEPTION AND THE PROTECTION OF EUROPEAN AUDIOVISUAL INDUSTRY

The nation-state puzzle that conforms Europe is a complex mixture of languages and cultures as varied as its films. The difficulty making European cinema, with an identity that combines the 28 countries which forms it (if we only take the EU into consideration, and not the Council of Europe), is something that sounds as distant as a true political union. Nevertheless, it is precisely this cultural heterogeneity which gives Europe its soul. Europe's cultural melting pot is what the European Union has taken as its own motto: "united in diversity". This historical, political and cultural diversity is which gives an added value to the different artistic manifestations, among which cinema is obviously included. And it is this value of plurality which is protected through cultural exception.

The European construction goes through a plan of neighbouring cultures, which are in contact and coexist, but it also goes through a plan of different cultures with certain impermeability (Lopez Gomez *et al.*, 2015). Paradoxically, it is this specific variety of rooted traditions one of the biggest obstacles on the way to European integration. Therefore, diversity poses a problem for progress in the European political project, but it is also the base and the reason of European cultural policies (Quinteiro Ruiz, 2010).

In order to talk about cultural exception in Europe, it is essential to discuss the GATT talks and the Uruguay Round. The struggle for the defence of both cultural exception and the European audiovisual work was developed during the General Agreement on Tariffs and Trade (GATT) negotiations. Such negotiations were carried out in the aforementioned Uruguay Round, which took place between 1986 and 1994, when the Marrakech Agreement was signed. With that agreement, the World Trade Organisation (WTO) came into being, which would afterwards substitute the GATT.

Despite the fact that both the United States and the European Economic Community (EEC) had agreed on the inclusion of the services trade (including the audiovisual ones) in the subsequent years, the European Commission began several development and defence of the European audiovisual works programs and initiatives, such as the MEDIA program, the well-known TVWF Directive<sup>1</sup>, or the Eurimages funds of the Council of Europe. The fact that these programs were already under discussion, contributed to the refusal on behalf of the EEC, to progress in the liberalization process of the audiovisual sector, since it directly collided with the strategy this former organisation was developing.

France led the defence of a greater protection of the audiovisual sector in Europe, using the term “cultural exception”. The European Commission, as well as many Member States of the EU and some non-member countries, like Canada, joined this defence. UNESCO also joined the cause, and in its Universal Declaration on Cultural Diversity, specifically in its Article 8, defended “the specificity of cultural goods and services which, as vectors of identity, values and meaning, must not be treated as mere commodities or consumer goods” (UNESCO, 2001, p. 63). Nevertheless, other states such as Germany, the Netherlands, or the United Kingdom favoured the progress in the liberalization of the audiovisual services. The United States also favoured the aforementioned idea. For this country, the restrictions imposed on its productions did not result into the choice, on behalf of the consumer, of national or European product, which benefited from this protectionism. Therefore, the trade freedom in this sector was what best guaranteed the liberty of choice of the audience (Arcos Martin, 2010).

Finally, negotiations ended on December 1993 without acquiring any agreement on the audiovisual matter<sup>2</sup>. This lack of agreements allowed freedom of action in those countries in favour of cultural exception. However, the liberalisation of this sector had to be addressed in future negotiations, although 25 years later, there has not been a significant improvement on this matter.

### **2.1 European Commission programs for the protection and promotion of the European audiovisual work: MEDIA and TWF**

As mentioned before, since the late 1980s the European Commission has been developing a series of measures, protection, and promotion programs for the audiovisual production made in the EU. The two great symbols of audiovisual politics are the MEDIA program, which is supported by economic incentives, and the TVWF Directive, which is supported by restrictive measures for audience share (Pardo, 2007).

#### **TVWF**

The Directive 89/522/EEC, better known as the “Television without frontiers” Directive, came into effect on October 1991 and was based on two basic pillars. On the one

hand, expecting to guarantee the freedom of movement in television productions and broadcasting services in the common market. On the other, guaranteeing a minimum presence of audiovisual productions on European televisions, forcing TV channels to establish a broadcast fee for these productions. It is precisely within this former measure where controversy lies. The Directive forced broadcasting channels to keep more than half of their broadcast time to European productions, excluding the time devoted to “news, sports events, games, advertising and teletext services” (Council of the European Union, 1989, Council Directive 89 /522/EEC, Art.4.1.).

Subsequently, the Directive has continued to be under review over the years to adapt it to the changes of the sector. Nowadays, it is known as the *Audiovisual Media Services Directive*<sup>3</sup>, and the most significant changes have revolved around the appearance of new means and broadcasting platforms, such satellite and digital terrestrial television, and above all, the Internet and new technologies.

### **MEDIA**

The other main pillar where the European Audiovisual Policy is supported on is the MEDIA program, which focuses almost exclusively on cinema. In 1987, the European Commission was carrying out a series of pilot projects to explore those possibilities which could have a future beginning of a system to support the European audiovisual industry. Those projects were gathered under the acronym MEDIA (*Mesures pour l'Encouragement du Développement de l'Industrie Audiovisuelle*).

Despite not being developed as a permanent program, so many projects were accumulated during the initial period, that it was decided to create a legal base to provide coverage to these actions. Such legal base was offered by the Council Decision 90/685/EEC of 21<sup>st</sup> December 1990. The MEDIA program was formally adopted after that trial period, establishing a *quinquennial* duration and a budget of 200 million *ECUS* covering the period between 1991 and 1995 as natural years (Camba Constenla, 2002).

After this first five-year period, the MEDIA program has been renewed almost every five years, in its first three editions, and every seven years in the last two ones. Since the year 2014, MEDIA is included within the new program Creative Europe, which includes the group of cultural industries, and whose period of application goes from 2014 until 2020.

**Table no. 1 – Evolution of the MEDIA program**

	<b>MEDIA I</b>	<b>MEDIA II</b>	<b>MEDIA III</b>	<b>MEDIA 2007</b>	<b>MEDIA (Creative Europe)</b>
<b>Period</b>	1991-1995	1996-2000	2001-2006	2007-2013	2014-2020
<b>Budget in millions</b>	200M ECU	355M ECU	409,4M €	755M €	817,4M €
<b>Normative</b>	Decision 90/685/CEE	Decision 95/564/CE	Decision 2001/163/CE	Decision 1718/2006/CE	Regulations (UE)1295/2013v

*Source: Compiled by the authors based on data from Crusafon (2010)*

In general, throughout its history, the MEDIA program has been focused (financially) on two key lines: pre-production (training and film development) and postproduction (distribution and promotion). In this way, production aid, usually provided by national film institutions, or the Eurimages funds (in the case of co-productions), was omitted (De Vinck,

2009). These MEDIA program grants do not exceed 50 % of each project's budget. However, there are a few exceptions in which 60% of the budget can be reached, but only in those cases where the investment is made in countries with a poor audiovisual industry or with a restricted linguistic area.

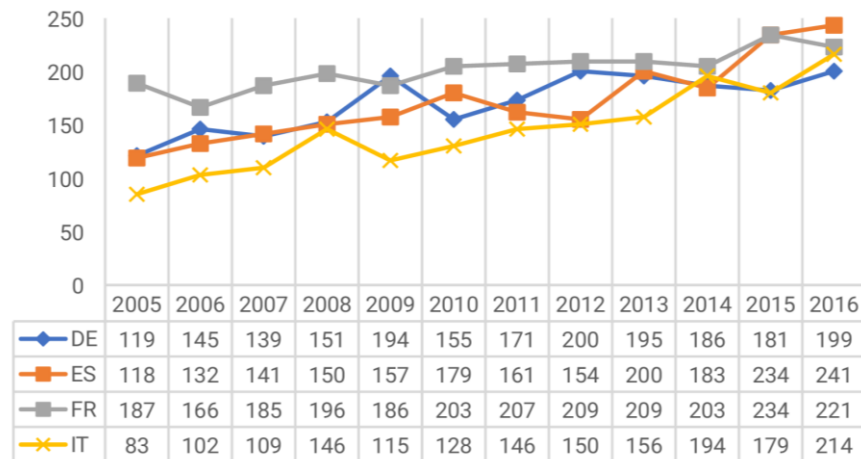
Originally, the MEDIA program was designed for the Member States but, throughout its consecutive periods, it has embraced a more and more "expansionist" character. In the *European Agenda for Culture*, published in 2007, it was stated that "culture should play an important role in the EU's external relations as a means of enhancing international cooperation" (Council of the European Union, 2007, preamble). Thus, it was considered the increase of the role of culture in foreign affairs and development policies in the EU, as well as promoting and contributing to the establishment of the UNESCO *Convention on the Protection and Promotion of the Diversity of Cultural Expressions* of 2005 at a global level. In this sense, MEDIA began to expand to the EU candidate countries, until it reached a global dimension.

It was during MEDIA 2007 when two projects destined for the international market were developed: a first project named MEDIA International, which went from 2008 to 2010, and a second one called MEDIA Mundus, which substituted the former one, from 2011 to 2013. That internationalisation was also a direct consequence of the European audiovisual industry need for achieving a relevant presence on the global market. The idea was to contribute to an increase of the audiovisual offer, and to accompany that with an increase in demand on the public behalf, both from Europe and from other parts of the world. This way of internationalisation of the program has been integrated in the last MEDIA expansion for 2014-2020, when it became part of Creative Europe (Crusafon, 2013). In addition to the culture and economy dichotomy which characterises the external aspect of the European audiovisual policy, a third pillar in the Community strategy exists, geopolitics. In this sense, it should not be forgotten that the EU also seeks to gain influence at a global level, and specially inside the WTO, with bilateral alliances that strengthen its position against that of the USA.

Regarding the program's budget, this has been increasing with each of the successive stages, going from 200 million ECUS in the first edition, to 817,4 million of euros in the current one<sup>4</sup>. Moreover, approximately half of the European films that are released in cinemas have benefited from the use of these funds, to a greater or lesser extent. In fact, "thanks at least partly to MEDIA support, the proportion of European films amongst all first time released films in European theatres grew from 36% in 1989 to 54% in 2009" (European Commission, 2011, p. 4). However, it must be taken into consideration that the EU has gone from 12 to 28 Member States, even though, in the last period, the budget was 817,4 million for a period of 7 years (2014-2020), which could be approximately distributed as 116,7 million per year. Only in France, about 783,47 million of euros were distributed during 2013, through the CNC (Le Monde, 2014). That is to say, only in 2013, France distributed more public grants to their cinema than in the whole MEDIA 2007-2013 period, in which 755 million were distributed. Thus, a certain imbalance can be observed, mainly among the strategic importance given to the audiovisual sector in the EU, through its official discourse, its actions and programs, and the economic resources assigned to it. For this reason, the national funding systems of the aforementioned sector are essential to maintain the investment in the industry and to favour European productions. Therefore, as Crusafon (2015)<sup>5</sup> states, the data shows how the audiovisual sector is not among the priorities of the European Union's Budget, despite its importance as an instrument to promote cultural diversity and the place of Europe in the world from an intellectual or artistic point of view.

### 3. THE AUDIO-VISUAL INDUSTRY IN EUROPE. PRODUCTION VS. BOX-OFFICE

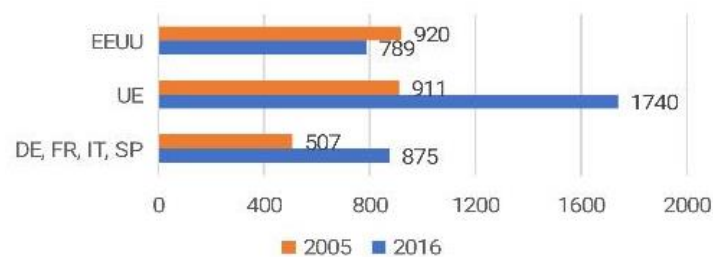
The birthplace of cinema, France, is precisely the country which can be proud of having the most solid and productive film industry of the European continent. Thus, it does not come as a surprise that, as we have previously seen, it was the first one in providing its cinema with a fund system at a national level.



Source: Compiled by the authors based on data from European Audiovisual Observatory (2010, 2015, 2017)

**Figure no. 1 – Evolution of the film production (number of films) in Germany, France, Spain and Italy<sup>6</sup>**

In Figure no. 1, national full-length films are collected, as well as those co-productions in which one of the aforementioned countries (Germany, France, Spain or Italy) is the main co-producer, excluding minority co-productions. As can be observed, the four countries show a general increase of the production throughout the analysed decade. Italy is remarkably the one which increases its production the most. However, France is the one which produces the most in general terms.



Source: Compiled by the authors based on data from European Audiovisual Observatory (2010, 2015, 2017)

**Figure no. 2 – Global Production in the EU and in the USA (number of films)**

As can be noticed in Figure no. 2, the EU film production is in a gradual quantitative increase. On its behalf, the American production, which starts at the same level as the



European one, falls by more than 140 full-length films between 2005 and 2016, having only 789 in 2016, in contrast to the 1.740 European production in the same year. Therefore, the European production more than doubles, increasing approximately over 120% regarding the United States.

**Table no. 2 – Evolution of the average film budget (in millions €)**

	Germany	Spain	France	Italy
<b>2005</b>	2.8	2.4	5.1	2.2
<b>2014</b>	5.6	1.3	5.6	1.4
<b>%</b>	<b>100</b>	<b>-45.83</b>	<b>9.8</b>	<b>-36.36</b>

Source: Compiled by the authors based on data from the [European Commission \(2017, p. 152\)](#)

Without any doubt, this growth has been favoured (at least in part) by the policies of public film support at a national level, like the MEDIA program or the Eurimages grants. Moreover, we must consider the joining of new Member States in that period, because it also increases the total production. Nevertheless, we must highlight that almost half of the works produced in Europe come from the four main nations analysed before (“the big four”). In addition, this growth can be related to the fact that countries such as Spain or Italy had halved the average budget of their full-length films, which has allowed them to keep the production upwards despite the economic crisis. On the other hand, France only increases its budget slightly and Germany doubles it, from 2,8 to 5,6 € millions, placing itself at the level as France. However, this constant increase in film production has not turned into in a constant increase in the consumption of European cinema, as we can observe in [Table no. 3](#).

**Table no. 3 – Percentage of the average box-office of the national, European and American cinema between 2006 and 2016 in admissions**

<b>2006/2016</b>	<b>Germany*</b>	<b>Spain</b>	<b>France</b>	<b>Italy</b>
<b>National**</b>	20%	16.55%	39.18%	28.65%
<b>EEUU</b>	74.07%	66.84%	47.92%	55.52%
<b>EU</b>	5.54%	13.93%	10.11%	13.02%

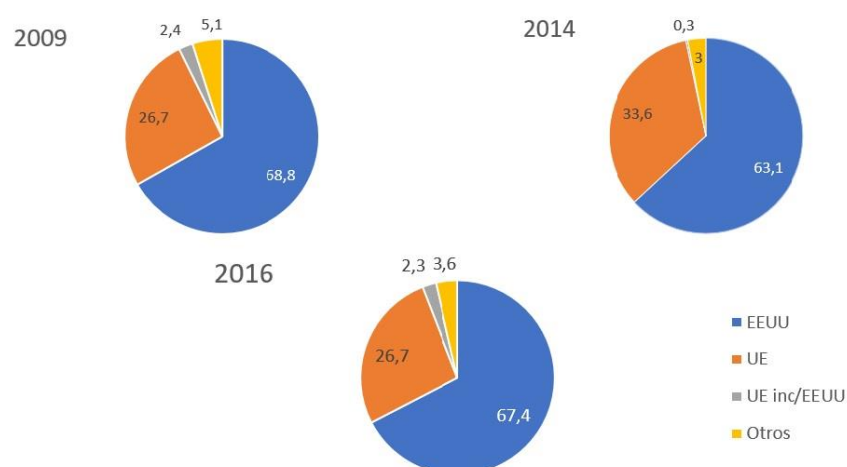
Note: \* Percentages calculated over the 75 most watched films in every year between 2011 and 2016; and the 50 most watched ones of the year between 2006 and 2010. The FFA yearbook did not facilitate a global summary of the box-office, as the other countries did.

\*\* It includes 100% national cinema and co-productions, both majority and minority ones.

Source: Compiled by the authors based on data from [Filmförderungsanstalt \(2017\)](#), [Instituto de la Cinematografía y las Artes Audiovisuales \(2018\)](#), [Centre National du Cinéma et de l'Image Animée \(2016, 2018\)](#), [Cinetel \(2017\)](#)

The French cinema is the only one that has a relatively balanced box-office in its country, if we compare it with the consumption of American cinema. On the other hand, although in Italy Hollywood cinema is clearly the favourite, the national average approaches 30% of the audience. Spaniards, for their part, are the ones who consume less national cinema by far in a relation of 1 to 4. Finally, Germans are the ones who consume more American cinema.





Source: Compiled by the authors based on data from European Audiovisual Observatory (2010, 2015, 2017)

**Figure no. 3 – Percentages of cinema consumption in the EU according to film origin**

If we look at the consumption at a European level, we can confirm that the trend is similar throughout the EU, and American cinema is the most consumed one by far. Although the European production has doubled the American one, American works represent, on average, between three quarters and two thirds of the tickets sold in Europe, approximately. Although, if we compare the consumption of European cinema in 2009 and 2014, an increase of the aforementioned one against the American cinema can be observed. However, it should be taken into account that 2014 was especially good for the European box-office, since in France the three most successful films were national works, and, in the case of Spain, the two most successful ones were also Spanish films<sup>7</sup>. In fact, if the statistics of 2016 are observed, European ratings go back to the levels of 2009. Therefore, we can clearly see how a greater production does not mean a greater interest by the audience in national or European cinema.

#### 4. CO-PRODUCTIONS IN EUROPE: THE EURIMAGES FUND

Film co-productions are carried out by two or more production companies that, due to their different nationalities, get international value. These companies, which are normally from two or more countries, offer capital support or technical and/or artistic equipment to get a cinematographic work in common (Cuevas Puente, 1999).

An agreement has not been reached regarding the precise moment of origin of international co-productions<sup>8</sup>. However, many experts agree that this formula of shared production began to gather strength in the old continent from the 1940s onwards, in a post war Europe still under reconstruction.

The first bilateral co-production agreement was signed in Paris in 1946 between France and Italy, previous to the signature of the Treaty of Paris and Rome (signed in 1951 and 1957 respectively), which would give origin to both the *European Coal and Steel Community* (ECSC) and the *European Economic Community* (EEC) respectively. The idea was to combine efforts and divide expenses to make films which would contribute to the

recovery of film industries destroyed during the Second World War, and that the films of both countries could be distributed around the world, while they competed against Hollywood productions that invaded the cinemas all over the continent. France and Italy strengthened their film industries in those years and occupied a predominant position in the European market. After the proved effectiveness of this bilateral agreement to encourage film production and the resulting development of the industry, more agreements were signed by other countries.

During the 1950s, the co-production model was applied indiscriminately in many European films, being in all its splendour in the 1960s, so much so that between 1955 and 1965, the average of European cinema made in co-production increased from 10% up to 40% (Pardo, 2007). In fact, between 1950 and 1972, Italy co-produced more than 2,000 films, of which, approximately the fourth part were with Spain. In the same period, France took part in almost 1,700 co-productions (Cuevas Puente, 1999).

Over time, this successful formula began a steady decline from the mid-1970s until the 1980s, when it practically became abandoned by some European countries. To this deterioration contributed the proliferation of speculators who had a minority of economic participations and that used this formula as a “Trojan Horse” to get the work a “double nationality”, and thus having access to aid programs and grants, at the expense of real co-production films. This was the reason why some laws regarding co-production were made tougher in some countries, as in Italy or in Spain, where production companies were demanded to have shot a minimum number of majority co-productions or completely national ones, before being able to take part in a minority co-production and applying for any help or grant.

However, at the end of the 1980s an irregular but progressive rise of co-productions started, and it continued during the 1990s, due largely to the emergence of aid programs created by some European organizations, such as MEDIA and Eurimages. Additionally, in 1992 the European Convention on Cinematographic Co-production<sup>9</sup> was signed.

This increase of co-productions was also motivated by the creation of the European Economic and Monetary Union and the subsequent introduction of the Euro. This implied a greater freedom of capital movement, and a greater simplification in all the paperwork of co-productions because of the existence of a single currency, which removed the risk of exchange rate.

#### **4.1 Advantages and disadvantages of co-production**

The main European film industries usually turn to this production-sharing system, given its advantages both in economic terms and in the final cultural product. The association of production companies from different countries allows to add funds and share the risks that involve these types of investments, among other things. This makes it possible for works with a larger budget to be afforded, thus being able to compete in better conditions with American productions. On the other hand, the commercialisation area of films is broadened, not only to the markets of each co-producer's country, but also to international markets (especially when one of the associates has a greater international presence, as France). This is very important because the greater the budget of a work, the less likely it is to be repaid, if only the national market is considered. Thus, small productions are eventually preferred, although they add little to the development of this

national industry. This makes the co-production model especially interesting for the sparsely populated countries, which are the majority of European states.

Another of the greatest attractions of these collaborations is that, by being considered national films by each co-producer state, these films have full rights to take part in different state aid offered by each country, such as grants, credits, endorsements, fees or fiscal incentives, according to the legislation of each state. Therefore, the double nationality, or multinationality of a film, opens a window to the attractive possibility of getting some direct economic advantages in financing, and indirect in the box-office (Scoffier, 2014).

The bilateral or multilateral agreements of co-production establish the legal frameworks for the official regulation of these co-productions, establishing, for example, the minimum and maximum in the payments of the different co-producers; or indicating the way in which revenues should be shared within the markets and in third countries. Moreover, in the case of countries that do not belong to the EU and that do not consider the granting of visas, these agreements give facilities to import and export shooting material or its commercialisation, just like the movement and stay of any foreign technical and artistic staff during the execution of the project.

The fact that a bilateral agreement does not exist among countries, does not prevent them from making co-productions. In these cases, the producers from different countries could be protected by what is indicated in corresponding legislations; or if they had signed a multilateral agreement (as the European Convention on Cinematographic Co-production), it could be regulated by this.

Another point in favour of co-production is that it contributes to increase the film production of each country while allowing the technical level of the production to grow by having a higher budget than in films made by just one country. In addition to this, they generally contribute to a higher variety in the access to locations; and to the cultural and professional enrichment of the film crews.

There are nonetheless some disadvantages. These collaborations may also involve a series of problems that can make the production's development difficult. Among them some stand out, as the complexity of the negotiations, due to both the difference in language, if it happened, and in the working legislation or in the own professional culture of each member; that is to say, the way of working or the different work agreements. This can also cause some budget lines to be increased, like travel expenses of staff and materials in order to establish contacts and negotiations or, if there would be any shooting in one of those different countries. It may also happen that there may be duplications of employees in some positions, like some technicians or assistants. In addition to this, service expenses should be added, like those of certified translators or legal services in each country (Cuevas Puente, 1999).

One of the most used arguments against co-productions is that, in many cases, the film's national essence is cut out for the benefit of more universal stories, those that will be able to be liked and understood in countries with different cultural models. Or those that bring together a cast with actors from the different countries involved in the production, with very different accents, and that, with exceptions, are not justified in the argument. This type of "Frankenstein monster" films was pejoratively called "europudding". On the other hand, in no few instances language is sacrificed, with scripts in English, even though it is not the official language in none of the co-producers' countries, not even the director's, and international celebrities are placed as leading actors, even when they are not always native from the involved nations, or they directly come from the United States (Heredero, 2015).

However, as we will see later, the most common occurrence is that co-productions are mostly carried out among countries with obvious cultural links, and which, in some cases also share their language. Moreover, it is very common that the main nationality of the co-production is the one emphasised for the audience, restricting the other ones to artistic contributions, like soundtrack, photography or setting; or more technical ones, like sound. Although in the case of strictly financial co-productions, staff exchange is not usually given, only capital contribution.

For a long time, co-production had been understood in Europe as a total collaboration: artistic, creative, as well as financial. However, later, in line with the politics of globalisation that have been carried out in many other fields, the EU finally accepted the necessity of making more flexible co-production agreements, allowing the figure of the strictly financial co-producer, and the corporate co-production at a corporate level (Pardo, 2007). Many countries did the same, softening up the conditions to recognise a co-production as a national work in their legislations, to include in this way the strictly financial co-productions, just as the Council of Europe did to support co-production through Eurimages.

#### **4.2 Eurimages program: Aid to co-production from the Council of Europe**

In October 1988, the Committee of Ministers of the Council of Europe adopted the resolution (88) 15, which contained an agreement regarding the creation of a support fund for the distribution of European films, audiovisual works and co-production: Eurimages. This resolution put an emphasis in the cultural dimension of the film sector and its importance to keep and spread the European cultural identity (Camba Constenla, 2002). With this in mind, a fund was created whose aim was to encourage, through economic help, the production, distribution and screening of full-length fiction, animation and documentary films<sup>10</sup>, made by several European countries.

Its official launch was in 1989 and it can be considered a co-operation and integration tool, since its most basic condition was that the film was a co-production between at least two countries members of the Council of Europe, although not all the Member States of the Council take part in the Eurimages program. Currently, of the 47 states that belong to the Council, only 37 belong to Eurimages. Of these, 26 are Member States of the EU (with the exception of Malta and the United Kingdom<sup>11</sup>), in addition to Albania, Armenia, Bosnia-Herzegovina, Georgia, Iceland, Macedonia, Norway, Russia, Serbia, Switzerland and Turkey. We should also add the inclusion of Canada, which became a member of Eurimages on March 13, 2017, despite not being a state of the European Continent.

Eurimages is a system of selective aid developed according to the evaluation of a management committee. Such committee is formed by an agent appointed by each Member State (Council of the European Union, 1989).

Currently, Eurimages has an annual budget of €25 million, most of which is intended to support the production of films<sup>12</sup>. Even though the budget intended for distribution and exhibition has been increased over time, it continues being practically insignificant. However, as has already been mentioned, the MEDIA program assigns a good part of its budget to the funding of these minority allocations for Eurimages, so, in a way, they are supplementary grants. However, we must not forget that the selection criteria are different and subjective, and that MEDIA also covers full-length national films, unlike Eurimages, so the compatibility between them is only partial.

This annual budget of €25 million comes basically from the contribution of each state belonging to the program, just like the reimbursement of aid from those co-productions that have made some profit from their part of private investment, although the former is not the most common scenario. In fact, as an example, only four films repaid the provided funds in 2012, and all of them were Danish<sup>13</sup> (Rossing Jensen, 2013). Revenues from donations are also taking into consideration.

There are certain minimum participation criteria so that a film can benefit from the Eurimages funds. For multilateral co-productions, a minimum contribution of 10% was established, and a maximum contribution of 70%. And for bilateral co-productions, no part should contribute less than 20% or more than 80% (Council of Europe, 2017). However, in the case of bilateral co-productions with a budget bigger than €5 million, contributions between the 90% and the 10% of the total are allowed. In addition to this, the participation of countries which do not belong to the Council of Europe is also allowed, as long as they do not conform more than 30% of the production, and at least two countries of the Eurimages program should also take part in the co-production.

Nowadays, the financial support of Eurimages to each film must not exceed a maximum of 17% of the total cost of the production if it is a fiction film, and 25%, if it is a documentary, although in both cases 500,000€ is the limit. Besides, to be able to request financial aid, the production must already have achieved at least 50% of its contribution through other ways. Furthermore, each one of the co-producer companies must not receive an amount bigger than 50% of its contribution in the work. As far as support for film distribution, exhibition and promotion are concerned, they cannot be bigger than 50% of what each film has budgeted for each part.

From its start, 1912 European co-productions have been founded with a total amount of €562 million, between 1989 and 2017. In this last year, up to 101 full-length films were made in co-production with the support of Eurimages, being the year when more projects have been benefited from this grant. This has encouraged co-operation among thousands of professionals from different European countries (European Audiovisual Observatory, 2017).

Finally, it should be emphasised that the Eurimages funds also participates actively in certain film festivals in which it sponsors the awards in certain sections, as in the *Istanbul Film Festival*, the *Etoiles et Toiles du Cinéma Européen* of Strasbourg, or the *Seville European Film Festival*. Additionally, since 2016, the Audentia Award is given each year in a different festival<sup>14</sup>, and it is awarded to the best female director, under the gender equality framework of 2014-2017 (Council of Europe, 2013).

### 4.3 Cartography of co-production

Through the analysis of the participation of the different European states in the Eurimages program, we have tried to show the lines followed by the main European film industries to make co-productions. That is to say, which countries are the most common ones when looking for support and why.

We should remember that not all the co-productions made in Europe are funded by Eurimages; however, everything that is made with Eurimages are co-productions. Thus, this program helps us as a good sample to draw a “cartography of co-production” in Europe. To do so, we have analysed the path of the states that have taken part in more works supported

by Eurimages, focusing on the four main producers of European cinema: Germany, France, Italy and Spain.

Thus, we will break down almost three decades of the Eurimages program in three stages: from 1989 to 1999; from the year 2000 to 2010; and finally, from 2011 up to 2016.

**Table no. 4 – Evolution in the participation in Eurimages of the main States in number of majority and minority co-productions**

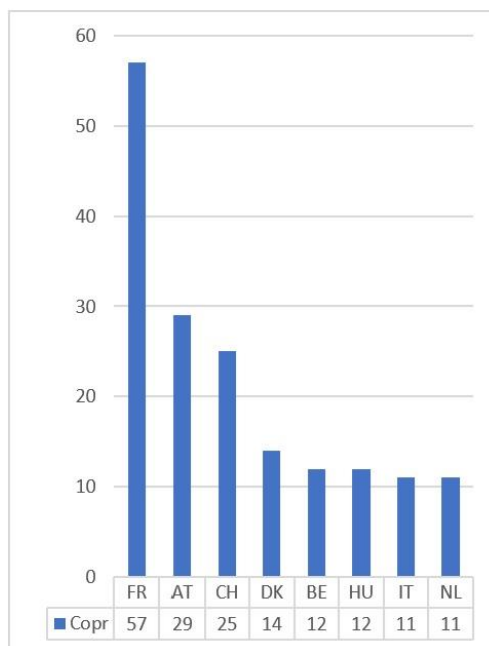
	France		Germany		Italy		Spain		Belgium		Switzerland	
	May.	Min.	May.	Min.	May.	Min.	May.	Min.	May.	Min.	May.	Min.
1989/1999	212	247	47	173	47	97	48	66	43	111	23	117
2000/2010	128	168	61	160	47	83	38	36	42	76	10	35
2011/2016	70	143	38	113	36	11	22	6	25	82	11	24
<b>TOTAL</b>	<b>407</b>	<b>558</b>	<b>146</b>	<b>446</b>	<b>130</b>	<b>191</b>	<b>108</b>	<b>108</b>	<b>110</b>	<b>279</b>	<b>44</b>	<b>176</b>
<b>Sum</b>	<b>965</b>		<b>592</b>		<b>321</b>		<b>216</b>		<b>389</b>		<b>220</b>	
<b>% Eurimages</b>	<b>53.3%</b>		<b>32.7%</b>		<b>17.7%</b>		<b>11.9%</b>		<b>21.5%</b>		<b>12.1%</b>	

*Source: Compiled by the authors based on the data from the [Council of Europe \(2018\)](#)*

As can be seen, France stands out remarkably as the state which has participated the most in works supported by Eurimages, both as the main co-producer and with minority contributions. With 965 films, France has taken part in almost more than half of the films made with these funds (1,811 co-productions in total between 1989 and 2016). Here, the dominance of the French film industry in Europe is seen clearly. It is important to point out that in the period between 2000 to 2010, the presence of France falls considerably with regard to the previous decade. Far behind, Germany has taken part in more than 30% of these co-productions, being the second country in number of participations. In contrast to the case of France, through these three periods, the Germans have been gradually increasing their participations in general terms, being minority participation co-productions almost the triple than the majority ones. This is usually an indicative of being an active and attractive associate in terms of making cinema. Normally, this is due to having a very developed industry and an assistance or incentives system for film production, of which other associates could benefit<sup>15</sup>.

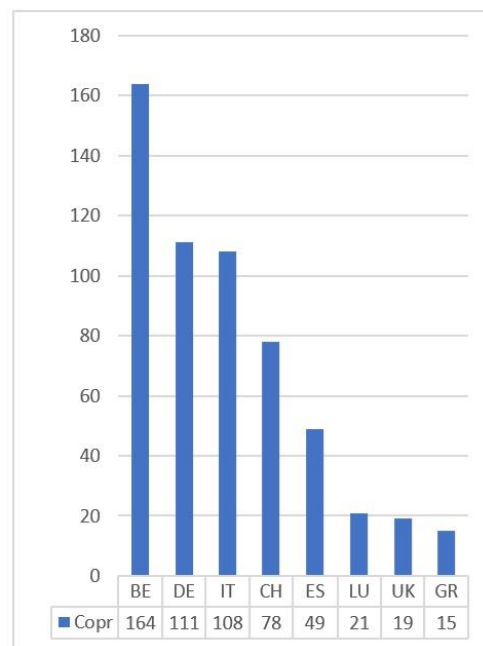
Opposed to what it could be expected, the third place is occupied by Belgium. This is especially remarkable because, on the one hand, it is surprising the number of co-productions with minority participation this country has; and on the other hand, because its total film production is much less numerous than those of Spain or Italy.<sup>16</sup> For its part, Italy has kept a regular average in co-productions where it has been the main associate through the three periods studied. However, its minority participations do fall, especially in the last five years. This fall is not the result of a decrease in the total production of the country, which has gone from 141 full-length films produced in 2010 to 224 in 2016, including minority co-productions, but rather the result of public cinema funds being cut down almost in half in Italy with the start of the economic crisis, going from €55 million in 2008, to €29 million the following year ([European Audiovisual Observatory, 2010](#)). Such fall in public financing caused Italy to turn into a less attractive partner, although afterwards the grants increased, going up to €115 million in 2014 ([European Audiovisual Observatory, 2015](#)). Italy also passed a law which came into force in 2017, in which a new budget of €400 million for film financing was considered ([European Audiovisual Observatory, 2017](#)).

Something very similar happened in Spain. Of the four main ones, Spain is the country that has participated less in Eurimages. Although during the first stage it was on a par with Italy and Germany in majority co-productions, these participations have seen reduced in the following years, presenting a greater fall in minority participations. Spain is the only nation with the same number of majority and minority co-productions, when the most common occurrence is that the minority ones are quite more numerous than the majority ones. The other states have almost stopped counting with Spain as a minority partner, mostly because, as it happened in Italy, with the economic crisis public funding was remarkably cut down for cinema. In 2014, aid for cinema production had fallen 50% with regard to 2010. Consequently, Spain's attractiveness has decreased as a minority associate, at least among its European partners, counting currently with some 30 million annual aid to the sector. In fact, Switzerland exceeds Spain in its participations in Eurimages by 4 full-length films, leaving Spain in the sixth position. Nevertheless, in Switzerland, the minority co-productions have been more numerous than the majority ones, and most of the co-productions, around the 70%, were produced between the years 1989 and 1999. Below, in the following figures, we see the most usual partners with which the four main film markets in Europe co-produce, from 1989 to 2016, and the number of co-productions with each country. For this reason, it has been taken into account the co-productions in which Germany, France, Italy and Spain have been the main partners.



Source: Council of Europe (2018)

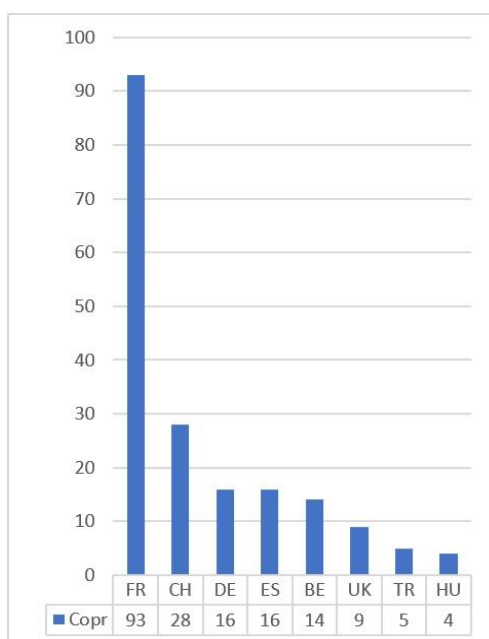
**Figure no. 4 – Participation of Germany as the main co-producer**



Source: Council of Europe (2018)

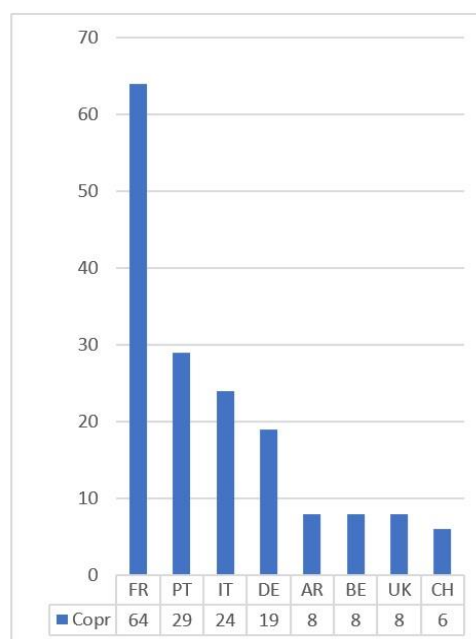
**Figure no. 5 – Participation of France as the main co-producer**





Source: Council of Europe (2018)

**Figure no. 6 – Participation of Italy as the main co-producer**



Source: Council of Europe (2018)

**Figure no. 7 – Participation of Spain as the main co-producer**

The first thing that we should mention is that France is the most recurring associate for the other countries (Figures no. 4, 5, 6 and 7). Inside the Eurimages program, the French collaboration is present in, approximately, 38% of the co-productions led by Germany, 57% of the Spanish ones, and 74% of the Italian ones, placing the French industry at a greater distance from the second most common associate. Moreover, France shares borders with the other three countries analysed. In fact, it is bordering with all the nations that we saw in the Figure no. 5.

In the case of Germany, its most frequent partners, after France, are its neighbours Austria and Switzerland, with which they share the language, in addition to borders. To a lesser extent, the collaborations with Denmark, Belgium and the Netherlands also stand out, with which it also shares borders. In addition to this, they also collaborate with Hungary and Italy, the third film industry in Eurimages. The absence of Spain among the most common partners should be noted, with only 6 participations in 28 years.

On the other hand, with France as a majority co-producer, the six countries which they most collaborate with also share borders, and 3 of them are francophone countries: Luxembourg, Switzerland and Belgium, being the last one its main partner, present in the 40% of the collaborations headed by France.

As for Italy as main co-producer, its main partner, after France, is Switzerland, and with this country it shares both borders and language. Its other most recurrent partners are the other three greatest co-producers of Eurimages: Germany, Spain and Belgium. Although Italy shares neither the border nor the language with Spain, they are joined by strong cultural ties. These were especially remarkable in the 1960s and 1970s, and during that time both Mediterranean countries made hundreds of co-productions together (Zavala *et al.*, 2007).

Concerning Spain, its two main associates are the two only ones with which Spain shares borders, France and Portugal<sup>17</sup>. It is worth mentioning that with this last one, Spain has collaborated in 29 works, 19 of which were produced in the period from 1989 to 1999. Spain has also partnered with two other main film industries: Italy (with which we have already pointed out their cultural ties) and Germany. Other countries stand out, such as the United Kingdom, Belgium and Switzerland. As a majority associate, we should mention the presence of Argentina, with which Spain shares language and history, and which is the only remarkable fellow, of all the analysed countries, that is not European. In fact, in general terms of co-production, Argentina is currently the most common co-producer for Spain, even more than France (*Instituto de la Cinematografía y las Artes Audiovisuales*, 2018), as we will see later on.

#### 4.4 Eurimages in the main European markets and its impact on national box-offices

In order to know to what extent the Eurimages program is present in the box-office of the main countries that take part in it, we have analysed a sample of a decade, between 2005 and 2014<sup>18</sup>. Using the Lumiere database, the Eurimages co-productions in which some of the 4 main countries have collaborated have been reviewed, including minority co-productions and focusing on those films which exceed one million viewers<sup>19</sup>, both in their national markets, and in the entire European Union.

**Table no. 5 – Admissions of the Eurimages Co-productions released between 2005 and 2014**

2005/2014	Co-pr. Eurimages	+ 1 million in the country	% in relation to the country	+ 1 Million in EU	% in relation to EU
<b>GERMANY</b>	183	3	<b>1.64%</b>	22	<b>12%</b>
<b>SPAIN</b>	49	4	<b>8.16%</b>	8	<b>16.33%</b>
<b>FRANCE</b>	239	11	<b>4.6%</b>	34	<b>14.22%</b>
<b>ITALY</b>	76	5	<b>6.58%</b>	15	<b>19.73%</b>

*Source: Compiled by the authors based on the data from [European Audiovisual Observatory \(2018\)](#)*

As was to be expected, France and Germany are the countries which have co-produced more films. However, in Germany only 3 of the films that have participated had more than one million viewers in its national market<sup>20</sup>.

The country which has participated in more films that have exceeded one million viewers, has been France but, in relative terms, in Italy and in Spain the percentage was greater, although those films in which these countries have participated were fewer. In comparison, the participation of Spain is equivalent to 20% of the ones France has co-produced; and in the case of Italy 32%.

At a Community level, we see that the number of films that exceeded the millions of tickets sold increased remarkably in the four states. In all the cases, the percentage of works that had great success surpassed the 10% of its Eurimages co-productions, reaching almost 20% in the case of films with the collaboration of Italy. But the most important increase is that of Germany, which multiplied by seven the number of films that exceeded the million. France, in its case, increased its total more than threefold, just like Italy. Although Spain doubles this number, it continues being the smallest one of them.

The way in which the number of films that had more than a million of viewers increased after going through international markets, verifies the importance of distributing the works outside its frontiers. To do so, co-producing with other countries makes the possibility of exporting those films remarkably easily, and with it the chance of multiplying revenues. At the same time, this increase in consumption when a film is distributed to the rest of the continent also shows a certain interest of the audience in community pieces. In this sense, it could be said that the Eurimages program has contributed to slightly improve the circulation of European Works, despite being one of the main problems which this sector faces, along with the increase of the market share (Crusafon, 2015).

## 5. THE SPANISH CO-PRODUCTION AND ITS BONDS: THE IBERMEDIA PROGRAM

In Spanish cinema, film co-production is a long-time phenomenon. Both professionals in the audiovisual field, and the State Institutions are aware of the advantages of co-production, and understand it as “a fructiferous mean to strengthen the development of the industrial fabric of the sector and so that the films can surpass the national frontiers reaching other markets and getting like that a great easiness and pay off the production expenses”<sup>21</sup> (Ministerio de Cultura, 2008).

Only two decades after Alexandre Promio, the French filmmaker, shot the first film made in Spain<sup>22</sup>, another French filmmaker, Émile Bourgeois, shot the first production made in collaboration with a foreign studio: *La vida de Cristobal Colón y su descubrimiento de América* in 1916. The film was co-produced by Films Cinématographique (France) and Argos Films (Spain) (Cuevas Puente, 1999).

But it was not until the 1950s, when the co-production model started to gather strength, both in Spain and in the rest of Europe. At that time, bilateral co-production agreements began to be signed, and the first ones in the Spanish cinema were signed with France in 1953, with Italy in 1955 and with Germany in 1956. The amount of co-productions began to increase, reaching its maximum number in 1965, when 99 co-productions were shot, and which supposed a 67% of the total production in Spain. Those were the years of the “peplums” (or films about Romans) and, above all, of the “spaghetti westerns”<sup>23</sup>. With this phenomenon, the closest to a system of industrial production in Spanish cinema was created (Zavala *et al.*, 2007).

As in the rest of Europe, in the middle of the 1970s, the co-production formula showed a progressive decline which increased in the 1980s, when the Royal Decree 3304/1983 came into force (Ministerio de Cultura, 1983). This fact limited the recognition of nationality to co-productions in a significant way.

However, at the end of the 1980s, the Spanish legislation “relaxed” the requirements to qualify a co-production as national, so that it could opt for national aid. Additionally, the then called European Economic Community had already begun to develop the MEDIA program and the Eurimages program, as have already been explained. Besides, we have to add the signature of the *European Convention on Cinematographic Co-production* in 1992, as well as the *Convenio de Integración Cinematográfica Iberoamericana* and the *Acuerdo Latinoamericano de Coproducción Cinematográfica*<sup>24</sup>. In addition to these multilateral agreements, the sign of bilateral agreements had been increased<sup>25</sup>. Hence, a good setting for

searching and offering collaborations with production companies from other countries was pre-established.

In addition, Spain is a founding member and a main contributor of the Ibermedia program, which was created in 1997, and among whose aims we can find the promotion of film co-production among the different Ibero-American countries, through aid destined to develop, produce and spread their works; and to professional training.

In 1988, several cinematographic institutions from Ibero-American countries made an organization to favour the development and cooperation of the Ibero-American market: the CACI (*Conferencia de Autoridades Cinematográficas de Iberoamérica*/Conference of Ibero-American Film Institutes)<sup>26</sup>. The CACI was the organization which encourage those agreements previously quoted. On the one hand, it encouraged the establishment of the *Convenio de Integración Cinematográfica Iberoamericana* (Ibero-American Cinematography Integration Agreement), which deals with a series of commitments that the signing states acquire to “contribute to the development of the cinematography inside the audiovisual space of the American countries”<sup>27</sup> (*Conferencia de Autoridades Cinematográficas de Iberoamérica, 1989*). And, on the other hand, it also encouraged the *Acuerdo Latinoamericano de Coproducción Cinematográfica* (Latin America Cinematographic Co-Production Agreement), in which minimum and maximum requirements were established for each state's participation in a work, so that it can be considered both a co-production and a national work. This is similar to the *European Convention on Cinematographic Co-production*.

These two agreements, led the way and served as the base for the 5th Ibero-American Summit of Heads of State in Bariloche, Argentina, celebrated in 1995, where the creation of the Ibermedia program was approved, in order to encourage the co-production and distribution of films in Spanish and Portuguese. This initiative began in 1997 and, a year later, the first call for proposals was opened, with only 9 countries competing<sup>28</sup>. Two decades later, the number of members has increased up to 20, being Italy the last incorporation in 2016<sup>29</sup>, which is remarkable as it is not an Ibero-American country.

The principles of action of the Ibermedia funds are clearly inspired by the MEDIA and Eurimages programs. As Eurimages, Ibermedia provides most of its funds to co-production aid among the signatory countries and, as MEDIA, it grants funds to the development and distribution of projects, as well as the distribution, exhibition and promotion of works. It also contributes to fund training directed to professionals of the Ibero-American audiovisual industry (*Conferencia de Autoridades Cinematográficas de Iberoamérica, 2016*).

Ibermedia is financed with funds of its Member States, which are determined by each one of them, but always with an annual minimum of 100,000 dollars. As it happens with Eurimages, co-production grant is given as a sort of credit which is only returned once they have recovered the investments made. On the other hand, the production must already have, at least, 50% of the guaranteed budget, and the grant cannot exceed 50% of the general budget.

Spain is the country which contributes the most, followed by Brazil<sup>30</sup>. It is the main promoter and contributor, having invested in the program more than 40% of the total amount that Ibermedia has handled between 1998 and 2016 (*Secretaría General Iberoamericana, 2017*). Practically, all countries have benefitted to a greater or lesser extent from Ibermedia funds. The most extreme case is that of Guatemala, which receives 4 dollars for each 1 that it provides<sup>31</sup>. In contrast, Spain hardly receives 42 cents for each dollar that it invests, leaving behind the 58% of its capital. Therefore, it is clear that the economic benefit is not what motivates Spaniards to participate in such projects, but the possible strategy to expand their

market, as an exercise of “soft power which has begun to see through reports of cultural institutions and observatories that have put in value the importance of the culture (...) to improve the countries images and establish relationships that redound in riches or that allow to develop their industries internationally” (Díaz López, 2014). In fact, most of Spain’s annual contribution to the fund comes from AECID (*Agencia Española de Cooperación Internacional para el Desarrollo*, Spanish Agency of International Cooperation for the Development), which depends on the Ministry of Foreign Affairs and Cooperation. For instance, in the year 2008, the AECID contributed with the 72,7% of the Spanish contribution (Secretaría General Iberoamericana, 2009). The rest came from the Ministry of Education, Culture and Sports throughout the ICAA and the Cultural Cooperation. With what can be seen, a dimension more oriented to international relations occurs in the Spanish Government, compared to the cultural spirit which it may also have (Falicov, 2012).

Moreover, its members not only benefit from the economic aid they may receive from Ibermedia, but they are also participants of the advantages which co-productions carry intrinsically, such as being present in more markets, the expenses and risks sharing, and the multi-nationality that would allow a film to have access to the income and support policies of the other co-producer countries. This is especially important for States such as Uruguay, Bolivia or the Central America countries, which have film industries that are not highly developed. In fact, although the Ibermedia aid is not especially large<sup>32</sup>, (in comparison to those of Eurimages or MEDIA), it can be the main support of public funding for the film industries of these countries.

As a matter of fact, it should be highlighted that, counting with partners as the aforementioned countries, can turn out to be especially attractive despite being countries with less resources and with a less developed film industry. In fact, far from being a disadvantage, these partners’ attractiveness lies precisely in that because, as they are poor nations, their prices and salaries are lower and, therefore, many budget lines can have a reduction in price (Pardo, 2007).

In total numbers, Ibermedia in its 19 years, has supported the funding of almost 880 co-productions, the distribution and exhibition of around 300 films, the development of more than 800, and almost 3000 training programs; along 25 meetings and 93 million dollars invested (Ibermedia, 2018).

Spain also becomes a rather attractive partner, as it is the Ibero-American country which relies on a greater system of public aid and, above all, it serves as the point of entry into Europe for many more works. Consequently, in this sense, it does turn out to be a bridge between America and Europe.

### 5.1 The bonds of co-production in Spain

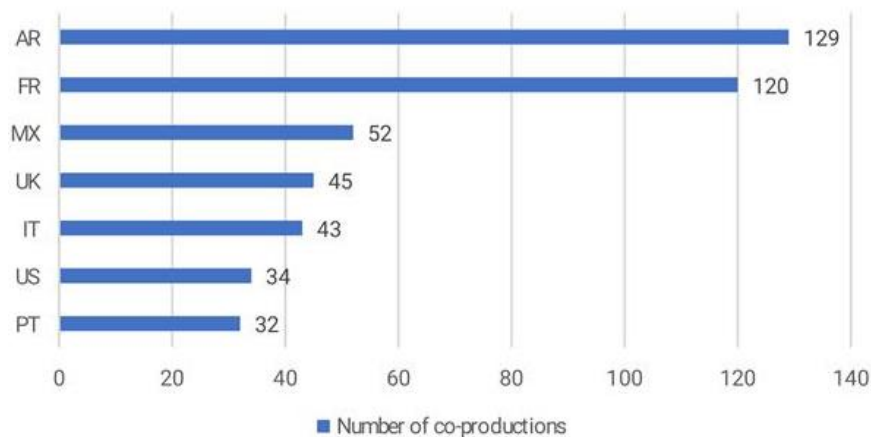
After the crisis of co-productions that almost left the formula in disuse in the 1980s, a series of different incentives reactivated it in the 1990s, and they currently suppose an important percentage of the European and Spanish cinema.

**Table no. 6 – Evolution of the co-production in Spain 2006-2016 in percentages**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	AVG
<b>100% National</b>	72.7	67.9	71.7	72.6	75.5	75.9	69.2	75.3	80.5	77.6	84.3	74.8
<b>Co-prd.</b>	27.3	33.1	28.3	27.4	24.5	24.1	30.8	24.7	19.5	22.4	15.7	25.2

Source: compiled by the authors based on data from the Instituto de la Cinematografía y de las Artes Audiovisuales (2018)

During the 11 years analysed, Spain has taken part in 547 co-productions. As can be seen, the percentage of works in which Spain takes part in association with producers from other countries, has remained stable during the last decade, settling on average a fourth part of the whole production, approximately. So, despite the decreasing participation in Eurimages that has been previously seen, the number of Spanish co-productions has remained at the same level thanks to the Ibermedia program and the co-productions with the Ibero-American countries.



Source: compiled by the authors based on the data from the Instituto de la Cinematografía y de las Artes Audiovisuales (Instituto de la Cinematografía y las Artes Audiovisuales, 2017)

**Figure no. 8 – The main partners of Spain between 2006 and 2016**

Among the states which collaborate the most with Spain, two stand out: Argentina, with which Spain shares its language and its history; and France, with which it shares borders. Even though inside the Eurimages program France is the most regular contributor, Argentina has overcome it in general terms. The latter has exponentially increased those films in which it shares production with Spain since the Ibermedia program began. In fact, if we count the Spanish-Argentinian productions between 1978 and 1997 (a year before Ibermedia started), 21 films can be counted in those 20 years. These increase up to 68 films between 1998 and 2005 (Ciller and Beceiro, 2013) and, from there, to the 129 in the analysed years.

In the following Table no. 7 the states with which Spain producers have collaborated the most, are shown, concerning the 547 co-productions registered in the period.

**Table no. 7 - Areas of greater co-production (2006-2016)**

	Europe	Europe and others	Europe and Ibero-America	Ibero-America	Others
<b>Nº Total</b>	206	12	37	228	39
<b>%</b>	<b>39.6%</b>	<b>2.3%</b>	<b>7%</b>	<b>43.7%</b>	<b>7.4%</b>

*Source: data compiled by the authors based on the [Instituto de la Cinematografía y las Artes Audiovisuales \(2017\)](#)*

As can be seen, the Ibero-American states are the ones that repeat the most with Spain in the last years. Although Europe is placed almost at the same level as Ibero-America, with only 22 films below. The co-productions in which Spain has shared expenses with countries of both continents, are hardly 37 out of the total. While it is true that Spain, as a Member State of the EU, opens the doors of the common market to co-productions with Ibero-America, at least regarding circulation and distribution. Therefore, we can think that it certainly fulfils the role of a bridge or entrance door from America to the European market, but not as a union bond among professional from both continents. It should be highlighted before finishing, that the Spanish cinema continues to have a great bond with the Ibero-American countries, without this involving turning its back to its European partners. In this way, the Spanish cinema manifests that its main partners are distributed in both sides of the Atlantic, since between the two continents they add the 92.6% of all the co-productions in which Spain participates.

## 6. CONCLUSIONS

The European audio-visual support and promotion policies, supported in the cultural exception defence, have been used as a protection tool of the European identity and of encouragement of the European cinema industry, pursuing both economic and cultural objectives. Additionally, the European Commission has also made use of the cultural exception as an instrument for international relationships. The European Commission has used the defence and promotion of the cultural diversity as an element of *soft power*, both for searching allies in the WTO against the United States position, and for opening foreign markets for its audiovisual production.

On the other hand, the aforementioned support and promotion policies, such as Eurimages and MEDIA, have contributed to the increase of production in the EU as a whole, in opposition to the USA production, being almost half of this production monopolised by four states: France, Germany, Italy and Spain. Nevertheless, this growth in the production did not mean an audience growth, as European films accounted for an estimated 26,7% of cinema admission in the EU, with the USA having a market share of 67,8%, in 2016, whose results are similar to those of previous years. France is the only state whose cinema admission almost equals the American one, even though it is certain that France is also one of the countries which invest the most in support measures in this sector. However, given the limited audience for national cinema in the rest of the countries, especially in Spain, it is necessary not only a revision of that criteria in which co-production aid are based, but also checking the real implications it is making on the industry.

Nonetheless, we have also been able to check that many works have been made thanks to the Eurimages funds, being therefore co-productions, which increasingly imply a model



of exchange of professionals in this sector and a growing variety offered. It should also be added that these works have increased their revenues once they are out in the market of its main co-producer towards other European states. In this sense, the Eurimages program has contributed to improve the circulation of European works, although it is still one of the main problems this sector is facing, combined with the increase of the market share.

As for co-production, according to the results obtained after analysing the Eurimages funds, we have checked that the reasons which make a country choose some partners against others respond to both cultural and economic criteria. In the first place, regarding cultural bonds, sharing a common history, language or border should be highlighted. And from an economic point of view, it prevails how strong or weak public assistances or incentive programs are, in addition to the level of development of that country's industry; and, on the contrary, the cost reductions which can be related to an association with a poorer state, and thus, cheap, as it has been checked with the Ibermedia program.

Regarding Ibermedia, we notice that Spain also makes use of cinema as a tool for international relations, as well as the European Commission, once it has been checked that Spain does not achieve economic performance with an aid program in which it loses almost 60% of the amount it invests. Additionally, Spanish co-production with Ibero-American countries has significantly increased since the Ibermedia program was launched. In fact, the collaborations with these countries have finally exceeded the ones which Spain has with its closer European partners, emphasizing especially the collaborations with Argentina.

To sum up, it should be pointed out that some voices rejecting this system, criticise that co-production kills a work's personality. This is due to the fact that a series of nationalities and cultures coincide, in some cases not fitting in well and spoiling the story. Another reason could be the alienation produced to try to make a film, in the way American films are made, even shot in English and with an English cast. Thus, it may seem a paradox, as some grants are given to protect works of one's own, and then defend the identity and the cultural diversity of American cinema, making a film look American in every possible way. However, it is true that, in most of the cases, a co-production usually belongs to the majority country, both culturally and identitarily, at least with regards to audience (although there can be technical contributions from the other partners). Moreover, as has been checked, co-producer countries are usually states which speak the same language and/or with strong cultural bonds, so it may not necessarily be so distant for the audience of these minority partners.

Even though the achievements of the MEDIA and the Eurimages programs as audiovisual protectionist policies have been limited, budgetary constraints must be considered, because although these budgets have increased over time, this is not enough to meet such strong expectations. As has already been said, in some cases this economic support is far inferior to those granted by other State Members.

Finally, it should be highlighted that the main contribution for the present study lies in the analysis of the use of the Eurimages funds in the main producer states between 1989 and 2016, and in the collaborative patterns among different countries through their participation in the Eurimages program, based on the access to finance and on cultural links, barely studied thus far. With this article we want contribute to update the literature about co-production in Europe using Eurimages funds, scarcely studied.

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## Notes

<sup>1</sup> Council Directive 89/552/EEC of 3 October 1989 on the coordination of certain provisions laid down by Law, Regulation or Administrative Action in Member States concerning the pursuit of television broadcasting activities.

<sup>2</sup> It was introduced the now named GATS Agreement (General Agreement on Trade in Services) as an exemption to the Article II (most-favoured-nation treatment).

<sup>3</sup> Directive 2010/13/EU of the European Parliament and the Council of 10<sup>th</sup> March 2010, on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (Audiovisual Media Services Directive).

<sup>4</sup> The budget of Creative Europe, for the 7 years it lasted, reached 1,460€ millions, of which 56% of the total amount corresponds to the MEDIA program.

<sup>5</sup> For an extended study on the impact of the MEDIA program on production and on market share of European film production, consult Crusafon (2010, 2013, 2015) and De Vinck (2011, 2014).

<sup>6</sup> We have left Great Britain aside because, although it has a powerful industry, it is not included in the countries assigned to the Eurimages funds. Moreover, other reasons for this country to be left aside are, on one hand, it will not be part of the EU in the following years, and on the other hand, the reports of *Marché du Film* used as a source vary noticeably in the data concerning this country.

<sup>7</sup> *Qu'est-ce qu'on a fait au Bon Dieu?* by Philippe de Chauveron, *Supercondriaque* by Dany Boon, and *Lucy* by Luc Besson. *Ocho apellidos vascos* by Emilio Martínez Lázaro, and *El Niño* by Daniel Monzón

<sup>8</sup> In 1916 it was already shot a *La vida de Cistobal Colón y su descubrimiento de América*, a co-production between France and Spain; or in 1925 *Die Prinzessin un der Geiger*, by Graham Cutts, produced by the German producer UFA, and by the British Gainsborough; and written by a young Alfred Hitchcock [http://www.imdb.com/title/tt0016246/?ref\\_=fn\\_al\\_tt\\_1](http://www.imdb.com/title/tt0016246/?ref_=fn_al_tt_1) (accessed on 04/12/2016)

<sup>9</sup> The Convention is aimed at promoting multilateral co-production by reducing obstacles and setting common rules. Among them, that multilateral co-production must be composed of at least three co-producers established in three States which have signed the text. Among the major contributions of the Convention is that all co-productions included in the conditions of the Convention, will have the nationality of all their co-producers and, therefore, may qualify for the current aid of each state that participates in the work. As a counterpoint to the policies of the European Commission, more oriented towards industrial and economic competition with third countries, the Council of Europe has bet more firmly on film as an artistic expression of European cultural diversity (Council of Europe, 1992).

<sup>10</sup> Films with a duration of not less than 70 minutes, according to the current Regulation of Eurimages, in effect from January 1, 2018, are considered feature films.

<sup>11</sup> It is interesting the exception of United Kingdom, since, despite signing the agreement in 1993, it left four years later, in 1997. Furthermore, Malta's absence is due to its poor or inexistent cinematographic industry, being it the reason why small countries such as Andorra, Liechtenstein, San Marino, Monaco, Montenegro or Moldavia are not included.

<sup>12</sup> Around 88% of the awarded money in 2017 (€22,172,535)

<sup>13</sup> These were *The Hunt* by Thomas Vinterberg, *Love is all you need* by Susanne Bier, *A Royal Affair* by Nikolaj Arcel, and *Melancholy* by Lars Von Trier.

<sup>14</sup> Until now in Istanbul in 2016 and in Locarno in 2017.

<sup>15</sup> In the case of Germany, tax incentives are more important than subsidies, contrary to France.

<sup>16</sup> Only in 2014, Spain produced 224 full-length films and Italy 201, opposite to the 70 produced in Belgium, including minority co-productions in the three cases (European Audiovisual Observatory, 2015).

<sup>17</sup> Neither Great Britain (Gibraltar), nor Andorra, nor Morocco take part in the Eurimages program.

<sup>18</sup> We have analysed until 2014, because the Lumière database only filters those co-productions with the participation of Eurimages until that year.

<sup>19</sup> In Spain, by only having approximately a 30 % less of the average population between Italy and France, the minimum has been lowered down to 720,000 instead of 1 million. In any case, with this criterion, only the film *Las 13 Rosas* (SP/IT 2007) has been counted, which got 845.712 admissions in Spain.

<sup>20</sup> Although we must point out that one of them is *The Perfume (Das Parfum, DE/ES/FR)*, from 2006, which is the most watched co-production of the whole period, with more than 11 million viewers in EU, out of which more than 5 were only in Germany, and more than 1 in Spain.

<sup>21</sup> Preamble of the *Real Decreto 2062/2008, de 12 de diciembre, por el que se desarrolla la Ley 55/2007, de 28 de diciembre, del Cine*. (Ministerio de Cultura, 2008). Spanish Government.

<sup>22</sup> *Plaza del Puerto de Barcelona 1896*. Commissioned by the Lumière brothers

<sup>23</sup> Practically in its totality they were co-productions with Italy, although other countries also participated.

<sup>24</sup> Both agreements were signed in Caracas, on November 11, 1989, by the representative authorities of Argentina, Brazil, Colombia, Cuba, Ecuador, Spain, Mexico, Nicaragua, Panama, Peru, Venezuela, Dominican Republic and Bolivia.

<sup>25</sup> Nowadays, Spanish cinema relies on 21 bilateral agreements.

<sup>26</sup> Although years later it would be named CAACI (*Conferencia de Autoridades Audiovisuales y Cinematográficas de Iberoamérica*).

<sup>27</sup> Art 1. *Convenio de Integración Cinematográfica Iberoamericana*.

<sup>28</sup> Argentina, Brazil, Colombia, Cuba, Spain, Mexico, Portugal, Uruguay and Venezuela

<sup>29</sup> The rest of the states are, in order of incorporation, the following: Chile in 1999, Peru in 2000, Bolivia in 2001, Puerto Rico in 2003, Panama in 2006, Costa Rica and Ecuador in 2007, Dominican Republic in 2008, Guatemala in 2009 and Paraguay in 2011.

<sup>30</sup> Between 1998 and 2016, Spain contributed a total of 37,523,205 dollars and Brazil 10,842,947 dollars.

<sup>31</sup> It provided 100,000 dollars and its participation in co-productions has received a total of 415,000 dollars.

<sup>32</sup> Between 2011 and 2016, the annual budget of Ibermedia has ranged between 4,2 and 5,9 million of dollars, in comparison with the 25 million euros of Eurimages. In addition, in this case taxes vary by country and by year, but it also covers up to 20 States, against the 37 of Eurimages.

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