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Brian M. Yecies

University of Wollongong, byecies@uow.edu.au

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What the Boomerang Misses: Pursuing International Film Co-production Treaties and Strategies

Brian Yecies¹

Media and Cultural Studies, University of Wollongong

Abstract

This paper illustrates some of the dynamic ways that members of the Korean, Australian, New Zealand and Chinese creative and cultural industries have engaged with international instruments such as co-production treaties. Strategies, benefits returned and lost costs, that is, sacrifices that are made in the process of producing a film or digital media program in more than one country, and/or with an international team are investigated to reveal how creators are engaging with the demands of different governments' policies. It is hoped that this paper and the larger research project to which it is attached will assist scholars, creative and cultural industry practitioners and policymakers to understand the dynamics of international linkages and transnational cultural production flows – with a view toward enhancing the field of Korean Studies and Korea's future role in the power dynamics of cultural industries across the globe.

Key words

Korean film industry, film policy, international co-production treaties, audio-visual cultural industries

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Before I begin, I'd like to gratefully acknowledge the valuable assistance of the Korea Foundation Advanced Research Grant, which enabled multi-country fieldwork for this project. I'd also like to thank the conf organisers for their warm hospitality.

Boomerangs come in diverse shapes and sizes. Australian indigenous, among other cultures, used them as hunting tools and for starting fires, making music and playing sports. Boomerang throwers can maximise their potential when the design, technique, target and surrounding environment are fully understood. Knowing what the boomerang can and can't catch in its path is a significant for this process.

Official International Film Co-production Treaties (hereafter ICPTs), which are endorsed by national governments, are similar to boomerangs. Their designs and functions are diverse and dependent on geographical specificity. They harmonise economic and cultural relations between nations by bridging the gap between their diverging film and media regulations. Besides personal networking and company-to-company deals, ICPTs are a primary pathway for collaboration between filmmakers and content producers. Like the boomerang, ICPTs have targets and techniques. However, producing parties often encounter unexpected hurdles in the returning pathways of such collaborative instruments, leading to a dark side in their pursuit. Overcoming the tensions that are addressed in this paper is important today as the burgeoning creative and cultural industries of Korea, New Zealand, China and Australia look to each other for new collaborative opportunities. They share the desire to compete with the US industry's culturally-specific films, which have long ensured the effectiveness of global Hollywood. ICPT partners look for ways to promote and/or to preserve national identity and diversity from both the inside and outside.

This paper introduces some of the benefits of engaging with official international co-productions (hereafter ICPs) as well as the lost costs for producing partners. It aims to illustrate the dynamic strategies that creative and cultural industries are engaging to meet the demands of different governments' policies and to overcome the limitations of producing a film, TV show or digital media program in more than one country, and/or with an international team. Although, there are only a small number of cases addressed in this paper, it is hoped that scholars, creative and cultural industry practitioners and policymakers will gain a deeper understanding of the dynamics behind transnational cultural production flows – with a view toward enhancing Korea's role in the future of cultural industries across the globe.

Perceived Benefits vs. the Dark Side

Official ICPs are facilitated through memorandums of understanding (MOUs) and treaties between pairs of countries in which each country agrees to guidelines under which a co-production can occur. Agreements have two underlying purposes: one aims for an economic benefit and the other results in a collaborative cultural experience.

These formal agreements are designed to facilitate cultural exchange, collective financing, and new distribution and thus consumption markets. Within this process co-production partners acquire privileged insights into each other's market while enabling them to combine their creative and technical expertise. The ultimate outcome is content that can be considered a 'domestic' production in each of the partner countries. This "national" status provides unprecedented access to markets and foreign audiences that might otherwise be protected by local censorship and import

regulations. Historically, co-productions have generated large revenues in smaller markets because of the ability to cast well-known stars from the partnering countries, resulting in higher fees that broadcasters and film distributors are willing to pay for the end product. A successful China-Korea co-produced film, for instance, potentially would have access to the estimated 36,000 and 2,058 cinema screens in China and Korea respectively² and hundreds of millions of China's media consumers via large, small and mobile screens.³

Keep in mind ICPTs exist next to other incentive instruments, which include cash rebates presented at the airport upon departure, tax deductions or exemptions and discounted post-production rates. Governments use incentive instruments to develop economic growth, to modernise industry infrastructure and to increase domestic employment and training opportunities – all while promoting tourism.

As is the case when throwing a boomerang, there is a possibility of missing the target – particularly if the target is moving such as with our current economic conditions or if a nation's censorship guidelines are in flux. Over time, the funding that producers gain access to has proven more popular than having a collaborative cultural experience. In this sense, ICP agreements are 'protective' because they set minimum requirements for cultural content and other 'local' employment obligations. At the same time, collaborative stories can appear forced – especially when a 'domestic' film is sought-after only to fulfil policy requirements, rather than organically to tell a local story. I will return to this negative context of forced local content shortly.

Australia has one of the oldest agreements in the form of a 1986 MOU with France. Australia's other agreements include: UK(1990), Canada (1990), Italy (1993), New Zealand (MOU, 1994), Vietnam (MOU, 1996), Israel (1997), Ireland (1998), Germany (2001), China (2006) and Singapore (2008). Proposed treaties with Denmark, Malaysia, India and South Africa are pending. New Zealand has ten agreements, including Spain, South Korea, Ireland, Germany, the UK, Singapore, Italy, France, Canada and Australia. Presently, China has signed co-production treaties with Canada, Italy and Australia and is under negotiation with the UK, India and Bulgaria. South Korea is a relative latecomer to signing ICPTs, having signed treaties with France (2006) and New Zealand (2008). South Korea and China may appear more ambivalent about reaching out to potential international collaborations in this way. However, there are also numerous unofficial co-production activities that take place which further internationalize or globalize a national film industry. Although Korea has not signed an ICPT with China yet, it has pursued the Chinese market through multiple private levels such as through MK Pictures and Beijing Nabi Pictures. According to China's film law, any film completed with a mixture of Chinese funding, staff and actors, as well as foreign investment, can be treated as a 'local' film. Thus this 'local' film is not restricted by import quota regulations in

² Screen Australia, *Get the Picture*, "Top 20 countries ranked by number of cinema screens, 2003–2007", Available at <http://www.afc.gov.au/gtp/acompscreens.html>, accessed 11 January 2009. At the moment, the number of Australian screens is 2,000.

³ Here, 'successful' means that the film in question passes China's rigorous two-stage censorship approval process, which involves pre-production/script and final cut/content approval.

China. While Korea's signing of an ICPT with China is lagging behind its ICPT with New Zealand, the aforementioned private companies have found their own pathways for entering the Chinese market. Here, the Korean Film Council (KOFIC) – through industry networking events – has been an invaluable catalyst for bi-lateral collaborations. One recent outcome is a film called *Sophie's Revenge*. This film stars Korean actor So Ji-seup alongside the beautiful Chinese actresses and now pop singers Zhang Ziyi and Fan Bingbing. It is directed by Yimeng Jin and co-produced by the Beijing Perfect World Co and Korea's CJ Entertainment. *Sophie's Revenge* is waiting to be released simultaneously in China, Hong Kong and Korea on 14 August 2009.

One might ask why Korea among other countries is keen to gain access to the Chinese market? The answer is this: China is in the middle of a boom. Apart from the dominating state-controlled film studios, more than 350 private domestic companies across all aspects of the industry have entered the market. Next to India and the US, China is one of the largest film producers across the planet. In 2007 the industry produced an all-time high of 402 feature films -- up from 330 in 2006 -- as well as another 122 HD digital films for TV. Among these productions were about 50 ICPs with 20 different countries and regions. Producing with a Chinese partner is a luring proposition because it potentially gives a completed project access to a massive number of eyeballs and wallets.

However, the coming together of two countries with different cultural backgrounds, such as in a Chinese-Australian co-production, can be more difficult than expected. The benefits of reduced costs – estimated to be a fraction of producing in the US or in Hong Kong – can quickly evaporate because of divergent production methods. Chinese filmmakers are talented and experienced. But they do things differently than a western production crew. This fact has caused numerous ICP projects, such as the Canadian-Chinese four-part TV miniseries *Iron Road* (2008), starring Peter O'Toole, Sun Li (China), Sam Neill (New Zealand) and Tony Leung (Hong Kong) to go vastly over budget. To be fair, crews on both sides of an agreement still have a lot to learn about each other's local customs and traditional operating methods. Therefore, appropriate expectations achievable through experience are needed for such dynamic international collaborations.

At the same time, the Chinese government's approach to media regulations is vastly different from other nations. It is no surprise that the State Administration of Radio, Film, and TV (SARFT) is focused on 'purifying' screen content while developing a child-friendly screen culture. Films portraying hardcore sex, rape, prostitution or nudity are forbidden. The use of obscene or sexually-implicit dialogue and soundtrack music in domestic films is forbidden too, even though this style of content is often allowed in foreign screenings. The violent attempted rape scene in the James Bond film *Quantum of Solace* (2008), which opened un-edited across China on 1250 screens, is a case in point. However, censorship guidelines often move without warning, making it more difficult for local filmmakers AND foreign co-producing partners to hit the targets set by China's two-layered censorship approach: 1) once in the script development stage, and 2) again in the final editing stage. The Australian producers of Bruce Beresford's film *Mao's Last Dancer*, which is based on the popular autobiographical book by Li Cunxin, desired the film to be a formal co-

production film, but official China Film Co-Production Corporation (CCFC) decided not to sanction it. Hence, the film merely becomes a ‘shot in China’ film and as a consequence will face extreme competition when it applies for distribution in China. Nonetheless, even for countries with similar cultural backgrounds it is still challenging to pursue an ICP. Take the example of *BeastMaster* (1999-2002), a 66-episode official Australian-Canadian co-produced TV series that was shot on location in Queensland, Australia. The original material was based on a sword-fantasy science fiction novel written by Andre Norton and published initially in the US in 1959. The project brought valuable work to the Australian production industry, and Australian broadcasters acquired the US-looking *BeastMaster* series for one-tenth of the cost of other Australian TV programs. Hence, this seemingly foreign production simultaneously met quota conditions surrounding Australian content while maintaining a significant competitive advantage over truly local content. However, given that the series did not contain Australian or Canadian content one can say that the program’s producers exploited the ICP system to leverage funding from the Australian Film Finance Corporation. To obtain Australian government funding, the program had to meet the objectives of the Australian Content Standard under the *Broadcasting Services Act 1992*.⁴ These were standards that facilitated the broadcasting of domestic content, which reflected multiculturalism and promoted (Australia’s) cultural identity – all while enabling the local industry to flourish under its own creative control.

Another interesting formal ICP is Peter Weir’s Australian-French film *Green Card* (1990), which was shot entirely in New York and distributed by Australia’s Village Roadshow. It showcased the French star Gérard Depardieu and the American actress Andie MacDowell. Although there is a noticeable absence of Australian cultural identity, *Green Card* qualified as a ‘locally-funded’ production under then Australian guidelines. Although discussed only tersely, the *BeastMaster* and *Green Card* productions highlight some of the costs and sacrifices that follow ICPs and their impact on local industries. More research is needed on these and other films in order to better understand how to overcome the paradoxes and challenges of international film policy instruments.

Conclusion: Overcoming the ‘Dark Side’

For some producers ICPTs are unproductive and impractical for four reasons: 1) they are too complex - there two sets of rules, two sets of bureaucracies and two sets of crews – often speaking different languages; 2) they remain out of synch with other incentives available in one’s own country; 3) they can cost more because of complex legal agreements; and finally 4) on a smaller note, vastly different time zones can make communication difficult. Despite these challenges, treaty co-productions seem to work well for children’s dramas and animations because of the ability to dub the

⁴ On 1 July 2008 the FFC and the Australian Film Commission (AFC) merged under the umbrella brand name of Screen Australia, which is now the centralised government agency responsible for encouraging local and international investment in and promotion of Australia’s screen production industries. In 2005, the Australian Communications and Media Authority’s *Broadcasting Services (Australian Content) Standard 2005* superseded the Australian Content Standard under the *Broadcasting Services Act 1992*.

end product into multiple languages, which increased the production's flavour of local identity without sacrificing the cost.

In defence of employment situations, trade guilds, associations and unions comprise the largest and the most vocal opposition to ICPTs because they are perceived to be taking jobs away from local pre-production and post-production shops and giving them to shops in other countries. For this reason, unions in places such as Australia and New Zealand are consulted during the construction of international agreements. For the whole of a national industry, ICPs can ultimately damage or impede local industry development, which is an explicit objective of supporting regulations. As evidenced by the films discussed today, ICPs can also circumvent cultural imperatives, because they weaken the cultural relevance of the content for one or more of the partnering countries and their cultural identities. The four problems mentioned today potentially effect people working across all creative and cultural industries. Simply put, there are producers who avoid ICPs because they consider their terms unworkable.

On a lighter note, while ICPTs tend to cater for film and TV production, other areas of the audio-visual and cultural industry, such as in theatre or music tend to pursue informal agreements and collaborative events/festivals rather than a predetermined set of government rules and regulations. In addition, the gaming industry, unlike the film and TV industry, tends to conduct more unique one-on-one international commercial agreements as opposed to following general co-production treaties due to the availability of different types of direct markets and distribution channels.

For scholars in Korean Studies and in Film and Cultural Studies as well as for audio-visual and cultural industry practitioners, these issues are of critical concern but they largely remain under-examined. How can the cultural industries from different nations and cultures work better together? What can be done to improve international collaboration more generally as well as the study of cultural policy in changing media landscapes? How can our respective industries learn from each other's successes and failures so that more efficient collaborations can be pursued in these difficult economic times? Further research into these matters promises to provide new perspectives on the dynamics of such international linkages and transnational cultural production flows in the Asia-Pacific region, while assisting cultural practitioners and policymakers to understand Korea's future role in the power dynamics of cultural industries across the globe. Ultimately, it is hoped that this and other similar projects will encourage stronger bonds between Korea and its Asia-Pacific neighbours, specifically regarding the resistance to the "Americanization" (i.e. globalisation) of digital media, by fostering dialogue, promoting networking opportunities and informing future policy development.

Like the boomerang, the design, functionality and execution of ICPTs is paramount for success and sustainability. Clear targets are required as well as an appreciation of each other's history and culture, not to mention each other's modern audiences and media consumers. On paper, it is the ICPT that promises to provide deep and privileged insights into these issues. Yet, in reality, as suggested today, the hunt for the so-called perfect project and the communication required to complete this project is marred by a fear of what is lost or what it will cost to do so.

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