

The aid system for the audiovisual industry in Colombia

*El sistema de ayudas a la industria
audiovisual en Colombia*

DOI: <https://doi.org/10.32870/cys.v2022.7746>

ANTONIA MORENO CANO¹

<https://orcid.org/0000-0001-7592-1988>

JUAN CARLOS MIGUEL DE BUSTOS²

<http://orcid.org/0000-0001-9507-7219>

ÁNGELA REVELO CASTRO³

<https://orcid.org/0000-0002-9246-8254>

The objective of paper is to study the progression of the Colombian film industry and the birth of its film policy. By analyzing the new laws and the distribution of funds around the Proimágenes Program of the Ministry of Culture we identify that the creation of the Ministry of Culture (1997) and the Mixed Fund for Film Promotion-Proimágenes is the first milestone, followed and complemented by the Film Law (2003) that institutes the Film Development Fund (FDC) and the Film Law (2012), which attracts foreign companies and approves the Colombia Film Fund (FFC).

KEYWORDS: Audiovisual industry, audiovisual policy, cultural industries, Colombia.

El objetivo de este artículo es estudiar la progresión de la industria cinematográfica colombiana y el nacimiento de su política cinematográfica. Mediante el análisis de las nuevas leyes y la distribución de fondos en torno al programa Proimágenes, del Ministerio de Cultura, se identifica que la creación del Ministerio de Cultura (1997) y del Fondo Mixto de Promoción Cinematográfica-Proimágenes es el primer hito, seguidas y complementadas por la Ley de Cine (2003) que instituye el Fondo de Desarrollo Cinematográfico (FDC) y la Ley de Filmación (2012), que atrae empresas extranjeras y aprueba el Fondo Filmico Colombia (FFC).

PALABRAS CLAVE: Industria audiovisual, política audiovisual, industrias culturales, Colombia.

How to cite:

Moreno Cano, A., Miguel de Bustos, J. C. & Revelo Castro, Á. (2021). The aid system for the audiovisual industry in Colombia. *Comunicación y Sociedad*, e7746. <https://doi.org/10.32870/cys.v2022.7746>

¹ Universidad de Deusto, Spain.
antonia.moreno@deusto.es

² Universidad del País Vasco, Spain.
jc.miguel@ehu.eus

³ Universidad del Cauca, Colombia.
angelare@unicauca.edu.co

Submitted: 03/05/20. Accepted: 08/23/21. Published: 12/08/21.

INTRODUCTION

The Cultural and Creative Industries are an increasingly important part of the economy, although for a long time they were considered marginal. Since the late 1980s they have come to prominence due to their impact on GDP and employment (Quartesan et al., 2007).

The cinema industry has basically been studied from the perspective of globalization. Miller and Maxwell (2006) analyze production and investments in different national cinema industries and study the international preponderance of the audiovisual products from the USA. The majority of government interventions seek to resist this hegemony, and some countries like Japan, China and Korea have restricted or even blocked the entrance of foreign films (Insun, 2015).

Mattelart et al. (1984) are pioneers in arguing the need to construct a Latin American audiovisual space, a question that has since been analyzed by Sinclair (2005) and Sinclair and Straubhaar (2013), basically from the perspective of television. An analysis of the audiovisual space with reference to one specific country –Mexico– can be found in Sánchez Ruiz (1994). The audiovisual space has an essential relationship with identities. Morley and Robins (2002, p. 34) analyze the role of this industry in shaping cultural identity and refer to European and national audiovisual spaces.

From the point of view of supranational cooperation, Crusafon (2011, 2017) considers that the Euro-Latin American audiovisual space has resulted from interaction between two types of actors: institutional ones and the audiovisual industry, in particular the film sector.

The inequality between the North American cinema industry and the industries of the European and Latin American countries justifies the existence of State aid for cinema. Another basic factor supporting the creation of mechanisms to promote the audiovisual sector is its recognition as an industry. In a wider sense, Miller (2003) shows the contrast between the industrial and cultural aspects of cinema in Great Britain. While the audiovisual sector can be studied in terms of employment, multiplication effects and exports, it is also necessary to consider a society's identitarian and cultural aspects. A third motive for intervention is the search for diversity and pluralism. In the final

instance, promoting cinema through public, national or regional aid seeks to promote pluralism and a diversity of genres, viewpoints, etc. (García Leiva, 2016; García Leiva & Mastrini, 2016).

From an economic perspective, Alvaray (2008) provides a panoramic view of the most important Latin American industries. An overall picture of the different Latin American industries can be found in Egeda (2017, 2018).

Latin American audiovisual production accounts for 3% of total world production (Falicov, 2018, p. 368). In this geographical zone the State is the main provider of funds for production. Without this aid some national cinema industries would have disappeared (Broche et al., 2007). In Europe mechanisms for funding were increased between 2008 and 2014, thus widening the entire value chain of cinematography (Talavera, 2016).

Colombia is the fourth Latin American audiovisual industry in terms of national releases, coming behind Argentina, Brazil and Mexico, where different mechanisms to support audiovisual production have been created in each region (Getino, 1998, p. 76). In Colombia, from 1915 to 1997 there was only one national release per year, while in 2012 23 national films were released. This number was amply surpassed in 2015 when 36 national films were presented, three of which represented the country at the Cannes Film Festival, while one obtained an Oscar nomination for Best Foreign Film (Dirección de Cinematografía, 2016).

Many authors point to 2014 as the best year in the development of Colombian cinema, and as a result the country was recognized as having a creative economy in the cinema and audiovisual field according to a UNESCO report (United Nations Development Programme [UNDP], 2014, p. 79).

The Ministry of Culture of Colombia issues annual reports on the Colombian cinema industry and has occasionally published wider reports on different Cultural Industries. The Colombian cinema industry has been studied as part of the set of Cultural Industries (Ministerio de Cultura de Colombia, 2003). From a global perspective, Castellanos (2003) studies incentives in different sectors, including the audiovisual sector, in the countries of the Andrés Bello agreement (nine Latin American countries and Spain), to which France and Brazil are added.

On the other hand, Patiño (2015) establishes a map of the governance of aid for Colombian cinema. There are many types of incentives. Murschetz and Teichmann (2018) provide a synthetic view of the diverse forms of aid that are used throughout the world.

State aid is one type of incentive for audiovisual production. Castendyk (2018) studies fiscal incentives, which are characteristic of Western countries and the United States (Gallager et al., 2018). The countries that produce the most cinema do so according to the size of the market (Lorenzen, 2007). The latter study is essential reading because it considers the aspects that characterize the cinema industry –uncertainty, internationalization, economies of scale, etc.–. Irrespective of whether or not there is a significant audiovisual industry, governments are showing an increasing interest in this sector. Intervention always results in an increase in audiovisual production. At times, intervention is the only way by which the latter is able to exist (Ross, 2010), meaning that implementing measures does not always lead to the expected results. Augros (2017) studies the relation between goals and the means employed by governments, and measures the disparity sometimes found between policy goals and instruments, which do not always match. While the majority of countries seek to promote their industry internally, in order to provide alternatives to North American hegemony, others seek to promote it abroad.

In the first place, the objectives, hypotheses and methodology are indicated. This is followed by an analysis of cinema policies in Colombia since 2003 and the different aid funds that shape the policy of stimulating the Colombian audiovisual industry. Finally, the conclusions are set out.

The present text has a double aim: on the one hand, it establishes a periodization of the system of aid for the Colombian audiovisual industry since 2003, and on the other, it analyzes the governance structure of support for the country's audiovisual industry through an organizational chart (Figure 3). The text is structured in two parts. The first studies and describes the three main laws of the Colombian audiovisual industry –together with the funds and aid constituted from 1997 to 2013– and then shows the structure of governance of the system of aid for the audiovisual industry resulting from the previously described laws.

The hypothesis set out here is that the system of aid has resulted in a strengthening of the cinema industry since 2003.

DESCRIPTIVE METHODOLOGY

Descriptive research is carried out when we want to show the characteristics of a group, a phenomenon or a sector, through the observation and measurement of its elements (Lafuente & Marín, 2008, p. 9). For Gutierrez:

In the social sciences, descriptive studies essentially aim to carry out a precise measurement of one or more variables in a defined population or in a sample of that population. In this sense, description is a discourse that evidences and signifies the being of a reality through its parts, its structural features, its qualities, its properties, its structural characters or its circumstances (in Sarabia Sánchez, 1999, p. 57).

In our research we have used a descriptive methodology, which seeks to develop an image or faithful representation (description) of the phenomenon under study based on its characteristics. In this case, we intend to describe how the system of incentives for the Colombian audiovisual industry is structured and the repercussions it has had on the sector.

First of all, we have focused on studying the relationship between the new Colombian laws and the aid they offer to the film industry. On the one hand, we have sought to show the changes that each law would introduce, for which Table 1 has been drawn up. Subsequently, the purposes of each fund created by each law were analyzed in detail. On the other hand, various publications of the Ministry of Culture and the funds that depend on it were consulted to see the impact of these funds. Finally, an organizational chart has also been drawn up to show and summarize the complex interrelation of funds and committees present in the Colombian audiovisual industry.

AID POLICIES AND FUNDS

The Colombian State recognizes the relation between public policies and the number of productions (Martín-Barbero, 2008, p. 3). The Colombian regulatory framework provides a wide range of opportunities (see Table 1) that any Colombian citizen can apply for. It is therefore common in the same call to find applications for projects from universities, public or private television channels, recognized directors and producers, and even from individuals with a limited professional trajectory.

The ease with which Colombian public funds can be obtained has made it possible to increase both the number of films and their popularity. An example of this popularity is provided by the numerous events that increase from year to year. In 2010 (Ministerio de Cultura de Colombia, 2010) there were 55 film festivals and audiovisual events in 22 departments, while in 2016 the Ministry of Culture registered over 80.

This aid has been provided through three important laws that will be considered in the following section. They set up a structure of funds that brings together different bodies.

NEW LAWS: THE GENERAL CULTURE LAW OF 1997 AND THE NATIONAL INCENTIVES PLAN. START OF A NEW ERA IN CINEMA PROMOTION

The aid system started in 1978, but its results were limited. The creation of the Cinema Fomentation Company (Focine) brought a relative increase in the number of productions, but did not result in the consolidation of an audiovisual industry. The aid measures were essentially intended for one element in the value chain of the audiovisual industry: production. It did not succeed in getting Colombians to see national films, with the result that the films at the top of the list were North American, nor did it manage to increase the international projection of national films (Ministerio de Cultura de Colombia, 2003, p. 113).

From Focine's disappearance in 1992 until 1997 there were no fomentation measures and barely any films were produced. Law 397 of 1997 was the first holistic law to promote the audiovisual industry as

TABLE 1
LAWS OF THE CULTURAL AND CINEMATOGRAFIC SECTOR IN COLOMBIA

Name of the law / Year of its approval	Description
Law 397 of 1997/ General Culture Law	<ul style="list-style-type: none"> - Declares that cinema is important for society. - Creates the Ministry of Culture. - Creates the National Incentives Plan (<i>Programa Nacional de Estímulos – PNE</i>). - Creates the Mixed Fund for Film promotion (<i>Proimágenes Colombia</i>). - Creates the Proculture Stamp for fostering and stimulating local culture. - Creates incentives for Colombian feature films screened in cinemas open to the public in Colombian territory.
Law 814 of 2003/ Film Law	<ul style="list-style-type: none"> - Promotes cinematographic activity in Colombia, stimulating investment. - Establishes the quota for Film Development under the responsibility of film exhibitors, distributors and producers of feature films. - Creates the Film Development Fund (FDC). - Creates tax benefits for donating to, or investing in, cinematographic production.
Law 1556 of 2012/ Filming Law	<ul style="list-style-type: none"> - Promotes cinematographic activity, encouraging the use of the national territory for filming audiovisuals. - Creates the Colombia Film Promotion Committee (CPF). - Creates the Colombia Film Fund (FFC), as a special account of the Ministry of Trade, Industry and Tourism. - Establishes special Visas for cinematographic talent.

Source: The authors.

it entailed two fundamental changes in the sector. In the first place, the creation of the Ministry of Culture together with two bodies dependent on it: the Directorate of Cinematography and the Mixed Fund for Film Promotion (Proimágenes Colombia), on which State actors and private agents are represented. In the second place, the Colombian State recognizes the role of the cinema industry in shaping collective memory and expressing national identity, which is why the State is committed to promoting the sector's conservation, preservation and divulgation, as well as its artistic and commercial development. As a result, to achieve the harmonious development of the sector, Law 397 proposed that the State, through the Ministry of Culture and the bodies affiliated to it, should stimulate not only production but all the links in the value chain as well: development, production, distribution and exhibition. In addition, complementary measures should be taken to construct and conserve the patrimony.

The creation of the Ministry of Culture transformed the map of the Colombian cultural sector into what we know today (see Figure 3). The National Incentives Plan (*Plan Nacional de Estímulos*–PNE) was created to articulate the programs of grants and prizes that had previously –since the year 1978– been awarded through the Colombian Institute of Culture (Colcultura). It establishes an annual national call, directed to Colombian artists, creators, cultural researchers and managers, resident in the country or abroad. The aid provided by the call is awarded through grants, internships, national prizes, awards and artists' residencies, in different areas of cultural activity, including cinema and television.

In addition to the PNE, the General Culture Law authorizes departmental assemblies and district and departmental councils to organize the creation of a territorial tax, called the *Proculture Stamp*, whose purpose is to obtain resources for funding culture in the country's different regions. The resources collected through this tax are administered territorially and allocated to projects that are in line with the national and local cultural plans. It is worth underscoring that while the Law sets out the general parameters, it is the departments and municipalities that define the specific characteristics of the Proculture Stamp in their jurisdiction. In those departments and municipalities

which have the Proculture Stamp there is an annual Regional Incentives call, which focuses on strengthening local cultural actors. The conditions of these calls vary from one region to another, which thus exercise the principle of government decentralization.

THE FILM LAW AND THE FILM DEVELOPMENT FUND (FDC). TOWARDS THE CONSTRUCTION OF A STABLE AND EFFICIENT STRUCTURE

The government delegated to the Directorate of Cinematography all the functions concerning cinema affairs that had been the responsibility of the Ministry of Communications. The promulgation of Law 814 of 2003 –the Film Law of 2003– resulted in the creation of the Film Development Fund (*Fondo para el Desarrollo Cinematográfico*–FDC), which will be discussed below, while Proimágenes Colombia was appointed as the body to administer the resources of the FDC. As Figure 3 shows, Proimágenes Colombia and the Ministry of Culture develop projects that are intended to consolidate a strong national cinema industry. Amongst these projects, Proimágenes Colombia created the Colombian Filmic Commission (*Comisión Filmica Colombiana*–CFC) in 2008, in collaboration with the Ministry of Culture and the Ministry of Trade, Industry and Tourism. The aim of the CFC is to promote the country as an attractive place for cinematographic and audiovisual production through the provision of advisory and information services.

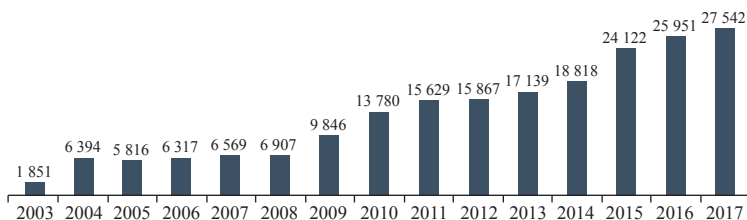
The Film Law is intended to convert the national film sector into a sustainable industry that does not depend on State resources. For that purpose two paths are proposed, which introduce a mixed system of financing involving private and public actors in the Colombian film sector, as shown in Figure 3.

By means of grants from the FDC, a total of 3 161 projects were supported between 2004 and 2017. The grants were awarded, through competitions, to directly promote production in line with the decision taken by the National Council of the Arts and Culture in Cinematography (*Consejo Nacional de las Artes y la Cultura en Cinematografía*–CNACC) in different categories: grants for screenplay writing, training, realization of short and feature length films, development,

production and postproduction; and automatic grants worth 143 897 million Colombian pesos for people and companies that promote the participation and presence of Colombian cinema at screenings and festivals.

In 2017, the FDC, which collects resources through a parafiscal quota paid by exhibitors, distributors and producers of Colombian films, approved 10.14 million US dollars in funds, of which 70% was distributed to the creation, production, co-production and realization of feature films, shorts and documentaries, and 30% to complementary lines of activity. This quantity approved by the FDC is somewhat higher than the value collected from the Quota for Film Development (*Cuota para el Desarrollo Cinematográfico*-CDC) (27 542 million pesos) due to residual values and yields from other years. The first path proposes to levy taxes on producers of feature films and distributors and exhibitors of films in national cinemas. The contributions of exhibitors and distributors account for 8.5% of the net total of its revenues, the producers account for 5%, which is deducible from the net total revenue that corresponds to them for screening the film in national cinemas.

FIGURE 1
REVENUES OF THE FDC THROUGH THE QUOTA FOR FILM DEVELOPMENT.
REVENUES= (P+D+E) IN MILLION PESOS



Source: Rangel (2018).

Figure 1 shows the FDC's Revenues = P+D+E from the Quota for Film Development, which is the tax that must be paid by producers of Colombian feature films (P) (5%), distributors (D) (8.5%) of non-Colombian films and exhibitors E (8.5%). It can be seen that these

funds began to increase significantly from 2010 onwards. In less than ten years they tripled to reach the figure of 27 542 million pesos. Tax incentives have increased by a lesser amount.

Table 2 shows the total quantities of revenues of the FDC based on funds proceeding from the Quota for Film Development (P+D+E), and on tax incentives consisting in Investments and Donations (I+D).

TABLE 2
REVENUES OF THE FDC, 2003-2017

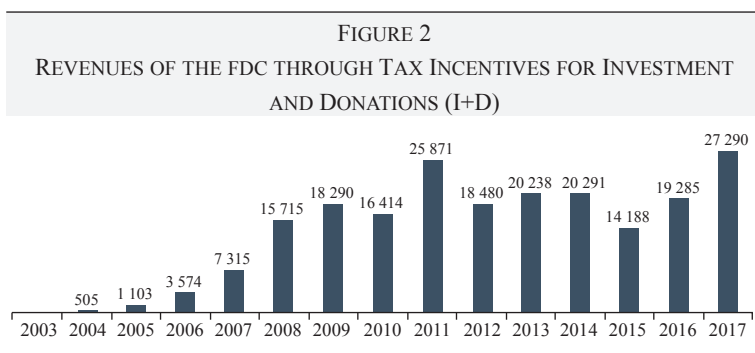
	Tax incentives		FDC revenues	
	Revenues I + D (\$)	Revenues I + D (USD)	Revenues P+D+E (\$)	Revenues P+D+E (USD)
2003			1 851	627
2004	505	171	6 394	2 167
2005	1 103	373	5 816	1 971
2006	3 574	1 211	6 317	2 140
2007	7 315	2 478	6 569	2 226
2008	15 715	5 325	6 907	2 340
2009	18 290	6 198	9 846	3 336
2010	16 414	5 562	13 780	4 669
2011	25 871	8 767	15 629	5 296
2012	18 480	6 262	15 867	5 377
2013	20 238	6 858	17 139	5 807
2014	20 291	6 876	18 818	6 376
2015	14 188	4 808	24 122	8 174
2016	19 283	6 534	25 951	8 794
2017	27 290	9 247	27 542	9 333
Total	208 562	70 675	202 555	68 639

Revenues I + D: sum of investments and donations in million pesos (\$) and dollars (USD) = TAX INCENTIVES.

Revenues P+D+E: sum of parafiscal tax on producers, distributors and exhibitors in million pesos (\$) and dollars (USD) = FDC REVENUES.

Source: Rangel (2018).

The second path provides incentives for income tax payers to invest in, or donate to Colombian cinema projects involving the production or coproduction of short or feature films, in exchange for the right to deduct 165% of the value invested in, or donated to, the project from their tax base. Donations do not involve film rights, while investments do. Certificates of investment confer rights to the film's reported income in proportion to the investment made, as agreed by the investor and the producer (Castellanos Valenzuela, 2003, p. 53). For tax payers to obtain the deduction from their income, the projects they invest in, or donate to, must be recognized as a National Project by the Ministry of Culture and the administration; the execution of resources is done through a fiduciary.



Source: Rangel (2018).

Following the approval of Law 814 of 2003 the first donation certificates were issued in the year 2004. By 2017, 1 406 certificates had been issued, benefitting 326 cinema projects. The financial resources contributed to strengthened the country's cinema industry. These are investments and donations made by television channels, cinema distribution companies, private companies involved in diverse activities, companies producing audiovisuals, not-for-profit companies, mixed capital entities, the financial sector and individuals, amongst others.

Between 2004 and 2017 this funding mechanism made it possible to provide the sector with USD 70 675 290.39. The record year was 2018 for the highest amount of certified money invested in and donated

to cinema with 33 627 million pesos, followed by 2017 with 27 290 million and 2011 with 25 872 million.

The year 2016 saw the creation of a new category of aid for Regional Narratives in the FDC, aimed at promoting regional cinema. In 2016, 111 projects were entered and resources were awarded to a total of 25 projects proceeding from different departments. In 2017, 119 projects were entered, of which 25 received awards (Dirección de Cinematografía, 2017, pp. 9-11).

THE FILMING LAW OF 2012 AND COLOMBIAN FILM FUND (FFC). CONSOLIDATION OF A STRUCTURE OF GOVERNANCE AND A SYSTEM OF AID

It was thanks to a project put forward by the Colombian Film Commission (*Comisión Filmica Colombiana*–CFC) that the Filming Law –Law 1556 of 2012– came into existence. This is an internationalization strategy that promotes Colombia as a land of filming locations for cinematographic works and television films, through the provision of benefits to companies in the form of cinema, hotel, food and transport services. The Law also offers to facilitate the processing of film permits, for example, permits for filming in public thoroughfares and special visas for cinematographic talent. It articulates the efforts of the Ministry of Culture with other ministries, such as the Ministry of Foreign Relations, which establishes a special regime for entering the country for foreign artistic, technical and production personnel who are carrying out projects in Colombia, without the need for issuing work visas. The Filming Law will be in force for 10 years. This Law created the Colombian Film Fund (*Fondo Filmico Colombia*–FFC), under the direction of the Film Promotion Committee (*Comité de Promoción Filmica*–CPF) (see Figure 3).

The CPF is responsible for approving film projects in Colombia, executing the corresponding contracts between the administrator and the film producer, and paying remunerations resulting from contracts signed with film producers. In addition, it approves and decides on the realization of projects that develop cinematographic activities that promote the national territory.

The Colombian Film Commission (CFC), besides providing information to producers on the benefits of the Filming Law (Quiroga et al., 2014, p. 45), helps foreigners to obtain work permits, and also provides help in searching for filming locations.

THE STRUCTURE OF AID FOR THE COLOMBIAN AUDIOVISUAL INDUSTRY

The Colombian Film Patrimony Foundation was set up by Focine in 1978. It is dependent on the Ministry of Culture and is responsible for preserving and conserving the Colombian film patrimony. As can be seen in the organizational chart (Figure 3), it is one of the most important activities of the Ministry of Culture, and Proimágenes Colombia is the main body administering the resources. The Ministry of Trade, Industry and Tourism participates in the promotion of Colombia as a land for audiovisual production, through its participation in the Film Promotion Committee (CPF).

The Ministry of Culture, in the person of the Minister or his or her delegate, presides over the National Council of the Arts and Culture in Cinematography (CNACC), which is made up of representatives from each of the areas that intervene in the Colombian cinematographic sector. It also directs and decides who will receive aid from the Film Development Fund (*Fondo de Desarrollo Cinematográfico*—FDC). Proimágenes Colombia is responsible for the technical secretariat and administers this fund and also the Colombia Film Fund (FFC).

The Ministry of Culture, through the Directorate of Cinematography, is responsible for developing a solid cinema industry in Colombia that will be sustainable in the long term. To this end, the Directorate of Cinematography works in coordination with Proimágenes Colombia and the Colombian Film Patrimony Foundation. The Ministry also intervenes in Proimágenes Colombia through the Director of the Directorate of Cinematography and the General Secretary of the Board of Directors of that administrative body. The Board of Directors of Proimágenes Colombia, as can be seen in the organizational chart (Figure 3), is formed of representatives of the public and private sectors. This explains the mixed character of the Colombian cinema

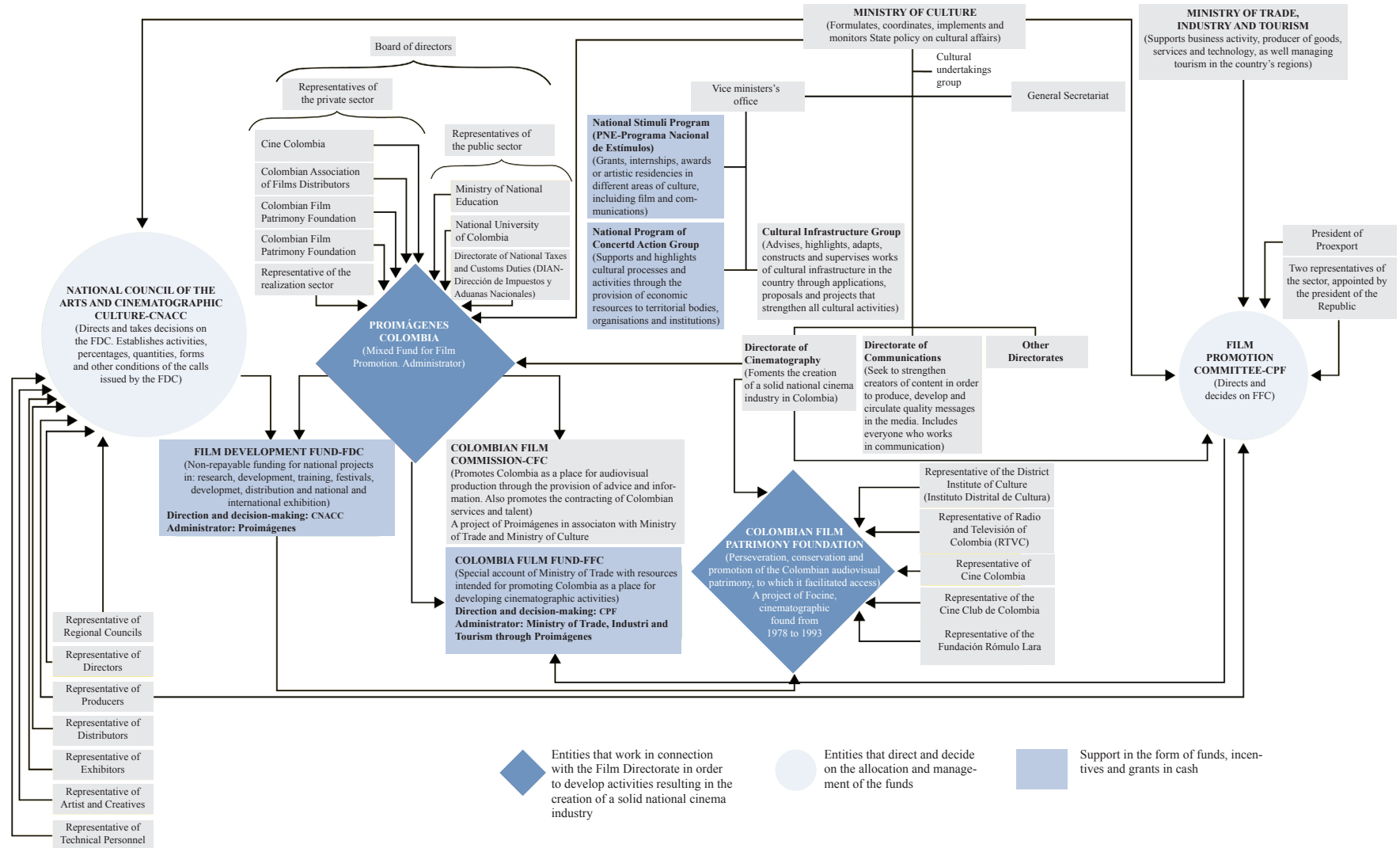
sector. Both the Ministry of Culture and the Director of the Directorate of Cinematography form part of the Film Promotion Committee (CPF), whose president is the Minister of Trade, Industry and Tourism. This committee directs and takes decisions on the Colombia Film Fund (FFC) as shown in Figure 3.

Proimágenes Colombia thus administers two funds (FDC and FFC) and is the body that appoints the Colombia Film Commission in association with the Ministry of Culture and the Ministry of Trade, Industry and Tourism.

Under current legislation, both individuals and companies in general can obtain benefits from the strategies established by the Ministry of Culture, while the benefits of the Film Promotion Committee (FFC) can only be obtained by companies. With respect to the calls issued by the Film Development Fund (FDC), both individuals and companies can apply in any of the categories, but producers who apply for the benefits of this call and/or the benefits of Law 814 of 2003 cannot benefit from Law 1556 of 2012; that is, they are unable to benefit from the FFC and the FDC. Conversely, the call issued by the PNE and the Regional Incentives calls are mainly directed to individuals, although there are some categories that benefit companies. The calls of the PNE and Regional Incentives are not incompatible with each other, or with any other call.

On the one hand, money received from taxes on producers of feature films, distributors and exhibitors under Law 814 of 2003, or the Film Law and, on the other, which is obtained as investments in or from donations to cinema projects in income tax declarations, are the two paths that feed the Film Development Fund (FDC). Through a special account it receives the resources that are allocated to stimulating national projects of research, development, production, training, festivals, distribution and national and international exhibition. The National Council of the Arts and Culture in Cinematography (CNACC) is the body that directs and decides on the allocation and distribution of these resources amongst the agents of the sector, while Proimágenes Colombia is the body responsible for collecting, administering and executing the resources, as can be seen in Figure 3.

FIGURE 3
ORGANIZATIONAL CHART OF THE PROMOTION OF THE CINEMA INDUSTRY IN COLOMBIA



Source: The authors based on Quartesan et al. (2007).

The Film Development Fund (FDC), through Proimágenes Colombia, issues an annual public call for the submission of Colombian projects that will be funded in non-repayable form in all their stages: development of screenplays, production, postproduction, distribution and exhibition. It also supports the participation of projects and films in cinematographic festivals, meetings, markets, workshops and prizes. Similarly, through calls, it provides grants for holding festivals and training courses in cinematography in the country, supports the improvement of exhibition infrastructure and also provides resources for the Colombian Film Patrimony Foundation's Consolidation Plan for the Colombian Audiovisual Patrimony. The FDC awards 70% of the resources it collects annually through calls.

The Colombia Film Fund (FFC) is a special account of the Ministry of Trade, Industry and Tourism and will operate for the ten years that the Law is in force. The resources in this Fund proceed from the General Budget of the Nation (Castellanos Valenzuela, 2013, p. 7) and are intended for reimbursing producers for a percentage of their expenditure in Colombia on services needed for filming for cinematographic and audiovisual productions, wholly or partially carried out in the country.

TABLE 3
TABLE OF OBJECTIVES OF THE AID AND FUNDS FOR PROMOTING
CINEMA CREATED BY THE NEW FILM LAWS IN COLOMBIA

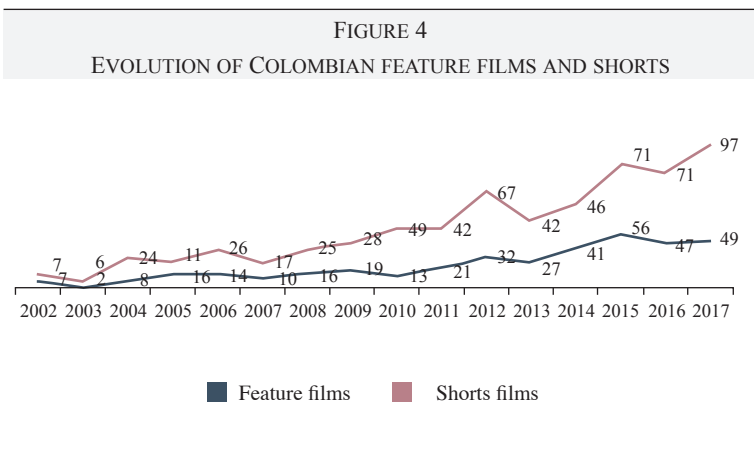
Incentive-Aid/Fund	Objective
<p>National Incentives Plan Created by: Law 397 of 1997 / General Culture Law Directed by: Ministry of Culture Decision-making: Directorates of the Ministry of Culture Administrated by: Ministry of Culture Origin of resources: Ministry of Culture, alliances with national and international, public and private bodies.</p>	<ul style="list-style-type: none"> - To stimulate creation, research and the training of actors in the cultural sector, including the cinema and audiovisual fields. - Finances projects in non-repayable form, through grants, internships, national prizes, recognitions and artistic residencies. - Mainly directed to individuals. - Supports the national and international circulation of cultural goods and services.

Incentive-Aid/Fund	Objective
<p>Local Incentive Calls Created by: Law 397 of 1997 / General Culture Law Directed by: Territorial, municipal and/or departmental bodies of the cultural sector Administered by: Territorial, municipal and/or departmental bodies of the cultural sector Origin of resources: Proculture stamp.</p>	<ul style="list-style-type: none"> - To stimulate creation, research and the training of actors in the cultural sector, including the cinema and audiovisual fields. - Finances projects in non-repayable form, through grants, internships, prizes and artistic residencies. - Directed to people born, or resident for more than five years, in each region.
<p>Film Development Fund (FDC) Created by: Law 814 of 2003 / Film Law Directed by: National Council of the Arts and Culture in Cinematography (CNACC) Decision-making: National Council of the Arts and Culture in Cinematography (CNACC) Administered by: Proimágenes Colombia Origin of resources: Quota for Film Development, which results in resources generated by the cinema returning to the same sector.</p>	<ul style="list-style-type: none"> - Non-repayable funding, through the following mechanisms: To stimulate the development at each stage, including distribution and exhibition, of film projects and works. Deduction of 125% of the real value of donation to, or investment in, film projects by tax payers. - Intended for supporting national projects.
<p>Colombia Film Fund (FFC) Created by: Law 1556 of 2012 / Filming Law Directed by: Film Promotion Committee (CPF) Decision-making: Film Promotion Committee (CPF) Administered by: Proimágenes Colombia Origin of resources: Budget of the Ministry of Trade, Industry and Tourism. In force: 10 years.</p>	<ul style="list-style-type: none"> - Promotion of the national territory as a place for developing film activities (Colombian Film Commission–CFC) - Reimbursement of producers who realize audiovisual works in Colombia. Thus: <ul style="list-style-type: none"> -40% of the value of expenditures made in the country on cinematographic services. -20% of the value of expenditures on hotel, food and transport. - To support national and international projects that contract the services of Colombian companies that provide cinematographic services and are recognized by the Ministry of Culture.

Source: The authors.

FILMS AND SHORTS PRODUCED IN COLOMBIA (2002-2017)

Recognition as a national product is provided by means of a resolution awarded by the Directorate of Cinematography of the Ministry of Culture. This is a requirement for obtaining tax incentives due to investment or donation, and also for obtaining other FDC incentives for producers, distributors and exhibitors that promote the exhibition of national shorts and feature films in cinemas, and for the non-payment of the parafiscal quota for exhibiting Colombian films. Between 2002 and 2017, 997 cinematographic works were recognized as national products, 625 shorts and 372 feature films.



Source: Rangel (2018).

One complementary incentive mechanism should be noted: Ibermedia. This was created in 1996 at a summit of Ibero-American heads of State. This is a program for stimulating the co-production of films made in 21 Latin American countries, including Spain.

The laws we consider as instruments of support and promotion of the Colombian audiovisual industry have unequivocally contributed to create and consolidate a film industry, which entertains a virtuous spiral: As support increases, the number of films produced increases, which encourages the creation of more cinemas and/or screens. At the

same time, more people go to the cinema. While in 2011 there were only 125 cinemas and just over 115 000 seats in cinemas, in 2018, there were 218 cinemas and close to 200 000 seats (Liu, 2020, p. 74). On the other hand, while in 2010 33.6 million people went to the cinema, in 2019 more than 73.1 million did (Proimágenes, 2020, p. 4). In addition, more films produced means more resources for the CDC, which can then be given as grants to new productions.

However, there is still a need to improve the rate of Colombian films in relation to other cinematographies, especially North American cinema. The percentage of Colombian films in the market is very low. Attendance peaked in 2012, when the percentage of attendance of Colombian films in relation to the total attendance of all films was 8.3%. In 2010 it was 4.5% and in 2019, 3.4% (Proimágenes, 2020, p. 6).

The reduced weight of national films compared to North American films is a fact that characterizes most of the world's cinematographies, especially those of Europe and Latin America. In some cases it is more than 10%, as in Brazil, Mexico or Argentina, but in general, it is less than two digits (Egeda, 2019, pp. 37-38).

One of the pending issues is to improve the relationship between cinema and television, so that the latter becomes more involved in film production. In Colombia, this relationship is so far non-existent (Rivera-Betancur, 2014, p. 135).

CONCLUSIONS

The audiovisual industry is an activity in which cultural and industrial aspects intersect, and these must therefore be considered jointly. Besides being an industry that generates employment, it is also a vehicle for identitarian creation and for producing and diffusing cultural content. This justifies the proactive action of States in boosting the audiovisual industry. Moreover, given the weight of the presence of North American films and television series in nearly all countries, actions that promote the national audiovisual industry contribute to the need to counteract that presence.

The system of aid for the national audiovisual industry in Colombia has been structured through different laws, especially since 1997 with

the creation of the Ministry of Culture, although 2003 was when the structure of aid for this industry began. The fact that it participates together with the Ministry of Industry is indicative of the double nature of the audiovisual sector: it is both industrial and cultural, as noted above. All the laws have a nationwide scope, although implementing regional support for the audiovisual industry is starting to be considered, 2014 is when the impact of the different laws can be observed, which is shown in the number of films released. In 2011 this was 21 and in 2017 44, far more than the 10 released in 2010.

The system of aid is essentially structured on the basis of FDC funds, which are the result of revenues from the taxes that must be paid by the producers of Colombian feature films (P) (5%), distributors of non-Colombian films (D) (8.5%) and exhibitors (E) (8.5%). And from tax incentives, through investments and donations, which receive special fiscal treatment. Both paths contribute a very similar quantity of funds, about 27.5 million Colombian pesos (17.2 million US dollars). On the other hand, Colombia receives more than it contributes to the Ibermedia program, from which it obtained 552 000 dollars, double the amount contributed.

All of this contributes to consolidating the audiovisual industry, which is mainly concentrated in the classic areas of production, like Bogotá. This means that a pending task is to decentralize production to the different regions.

Bibliographic references

- Alvaray, L. (2008). National, Regional and Global: New Waves of Latin American Cinema. *Cinema Journal*, 47(3), 48-65. <http://www.jstor.org/stable/30136116>
- Augros, J. (2017). National Film Policies: Discourses and Loopholes. In N. Mingant & C. Tirtaine (Eds.), *Reconceptualising Film Policies* (pp. 61-66). Routledge.
- Broche, J., Chatterjee, O., Orssich, I. & Tosics, N. (2007). Industry Report: Financing State aid for films. A policy in motion? *Cine Europa*, 1. <http://www.cineuropa.org/dd.aspx?t=dossier&l=en&did=80521&tid=1365>

- Castellanos Valenzuela, G. (2003). *Sistema jurídico de incentivos económicos a la cultura en los países del Convenio Andrés Bello*. Convenio Andrés Bello, Unidad Editorial.
- Castellanos Valenzuela, G. (2013). Prólogo. In E. Ordoñez, *¡Luces, cámara, Colombia!* Impresol Ediciones.
- Castendyk, O. (2018). Tax Incentive Schemes for Film Production: A Pivotal Tool of Film Policy? In P. C. Murschetz, R. Teichmann & M. Karmasin (Eds.), *Handbook of State Aid for Film Finance, Industries and Regulation* (pp. 597-615). Springer.
- Crusafon, C. (2011). El espacio audiovisual euro-latinoamericano: el cine como eje central de la cooperación supranacional. *Anàlisi*, 41, 27-45. <https://raco.cat/index.php/Analisi/article/view/244642>
- Crusafon, C. (2017). The Ibermedia Programme: How Supra-National Policy Developed the Ibero-American Audiovisual Space. In N. Mingant & C. Tirtaine (Eds.), *Reconceptualising Film Policies* (pp. 143-156). Routledge.
- Dirección de Cinematografía. (2016). *Anuario Estadístico del cine colombiano 2015*. Ministerio de Cultura. <https://bit.ly/3bYc0xs>
- Dirección de Cinematografía. (2017). *Asamblea Nacional de Consejos de Cinematografía. Información general del sector*. Ministerio de Cultura.
- Egeda. (2017). *Panorama Audiovisual Iberoamericano 2017*. <https://bit.ly/3kLQqRH>
- Egeda. (2018). *Panorama Audiovisual Iberoamericano 2018*. <https://bit.ly/3Hraa6J>
- Egeda. (2019). *Panorama Audiovisual Iberoamericano 2019*. <https://bit.ly/2YTUOWV>
- Falicov, T. L. (2018). Diversifying Public Film Funding Policies in Latin America. In P. C. Murschetz, R. Teichmann & M. Karmasin (Eds.), *Handbook of State Aid for Film Finance, Industries and Regulation* (pp. 367-382). Springer.
- Gallagher, B. K., Aughinbaugh, A. & Voss, Z. G. (2018). Beyond the “Studio System”: Public Support for Films in the United States. In P. C. Murschetz, R. Teichmann & M. Karmasin (Eds.), *Handbook of State Aid for Film Finance, Industries and Regulation* (pp. 463-480). Springer.

- García Leiva, M. T. (2016). Política audiovisual europea y diversidad cultural en la era digital. *Comunicación y Sociedad*, 27, 221-241. <https://doi.org/10.32870/cys.v0i27.4592>
- García Leiva, M. T. & Mastrini, G. (2016). La diversidad cultural en las políticas de comunicación: un estudio comparado de España y Argentina. *Chasqui*, 133, 299-315. <https://revistachasqui.org/index.php/chasqui/article/view/2770>
- Getino, O. (1998). *Cine Argentino: Entre lo posible y lo deseable*. Ciccus.
- Insun, C. (2015). Risk or chance: “the liberalization of foreign film imports” and its impacts in Korea and Japan. *International Journal of Cultural Policy*, 48(3), 1-17. <http://doi.org/10.1080/10286632.2015.1116525>
- Lafuente Ibáñez, C. & Marín Egoscozabal, A. (2008). Metodologías de la investigación en las ciencias sociales: Fases, fuentes y selección de técnicas. *Revista Escuela de Administración de Negocios*, (64), 5-18. <https://doi.org/10.21158/01208160.n64.2008.450>
- Liu, Z. (2020). The development of the Latin American film industry between 2017 and 2018. In B. Li, Y. Guan & H. Lu (Eds.), *Development of the Global Film Industry Industrial Competition and Cooperation in the Context of Globalization* (pp. 65-78). Routledge.
- Lorenzen, M. (2007). Internationalization vs. Globalization of the Film Industry. *Industry & Innovation*, 14(4), 349-357. <http://doi.org/10.1080/13662710701543650>
- Martín-Barbero, J. (2008). Políticas de la comunicación y la cultura: Claves de la investigación. *Documentos CIDOB. Serie: Dinámicas interculturales, II*. Fundació CIDOB.
- Mattelart, A., Delcourt, X. & Mattelart, M. (1984). *International Image Markets*. Comedia.
- Miller, T. (2003). The Film Industry and the Government: Endless Mr Beans and Mr Bonds. In J. Lewis & T. Miller (Eds.), *Critical Cultural Policy Studies* (pp. 134-141). Blackwell Publishers. <https://doi.org/10.1002/9780470690079.ch10>
- Miller, T. & Maxwell, R. (2006). Film and Globalization. In O. Boyd-Barrett (Ed.), *Communications Media, Globalization and Empire* (pp. 33-52). John Libbey Publishing.

- Ministerio de Cultura de Colombia. (2003). *Impacto económico de las industrias culturales en Colombia*. Convenio Andrés Bello. Unidad Editorial.
- Ministerio de Cultura de Colombia. (2010). *Informe de gestión 2002-2010*. <https://bit.ly/3H7g90e>
- Morley, D. & Robins, K. (2002). *Spaces of Identity: Global Media, Electronic Landscapes and Cultural Boundaries*. Routledge.
- Murschetz, P. C. & Teichmann, R. (2018). State Aid for Film: A Synoptic Overview of Current Issues. In P. C. Murschetz, R. Teichmann & M. Karmasin (Eds.), *Handbook of State Aid for Film Finance, Industries and Regulation* (pp. 23-32). Springer.
- Patiño, S. C. (2015). *Exploring the formal and informal distribution mechanisms for Colombian documentary films* (Doctoral dissertation). University of Salford School of Media & Arts.
- United Nations Development Programme-UNDP. (2014). *Informe sobre la Economía Creativa. Edición especial 2013. Ampliar los cauces de desarrollo local*. <https://es.unesco.org/creativity/publication/informe-sobre-economia-creativa-2013>
- Proimágenes Colombia. (2020). *Cine en cifras Ed. 19* [Newsletter]. <https://cutt.ly/Xk5EqVp>
- Quartesan, A., Romis, M. & Lanzafame, F. (2007). *Cultural Industries in Latin America and the Caribbean: Challenges and Opportunities*. Inter-American Development Bank. <https://publications.iadb.org/handle/11319/1143?locale-attribute=en>
- Quiroga, A., Castellanos Valenzuela, G. & Tavera Castillo, J. C. (2014). *¿Cómo? En Colombia*. Impresol.
- Rangel, V. A. (2018). *Anuario Estadístico del Cine Colombiano. 2017*. Dirección Cinematografía, Ministerio de Cultura. <https://bit.ly/3oAyBpH>
- Rivera-Betancur, J. (2014). ¿Va el cine colombiano hacia su madurez? Análisis de 10 años de ley de cine en Colombia. *Anagramas*, 13(25), 127-144. <https://doi.org/10.22395/angr.v13n25a7>
- Ross, M. R. (2010). Audiovisual laws and legal intervention in South American cinematic culture. *International Journal of Cultural Policy*, 16(4), 418-432. <https://doi.org/10.1080/10286630903383246>

- Sánchez Ruiz, E. (1994). The Mexican Audiovisual Space & the North American Free Trade Agreement (NAFTA). *Media International Australia*, 71(1), 70-77. <https://doi.org/10.1177%2F1329878X9407100111>
- Sarabia Sánchez, J. F. (1999). *Metodología para la investigación en Marketing y dirección de empresas*. Pirámide.
- Sinclair, J. (2005). Latin American Space. In J. K. Chalaby (2005), *Transnational Television Worldwide: Towards a New Media Order* (pp. 196-215). I.B.Tauris.
- Sinclair, J. & Straubhaar, J. (2013). *Latin American Television Industries*. Palgrave BFI.
- Talavera, J., Fontaine, G. & Kanzler, M. (2016). *Public financing for film and television content. The state of soft money in Europe*. European Audiovisual Observatory.