Film festivals: history and theory of a European phenomenon that became a global network

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Citation for published version (APA):
de Valck, M. (2006). Film festivals: history and theory of a European phenomenon that became a global network Amsterdam: ASCA
Chapter 2
Cannes and the "Alternative" Cinema Network: Festivals, Film Business and Hollywood
“The image of a beaming Moore... was priceless in terms of media eloquence and guaranteed international exposure.” p. 100

Figure 4: US Director Michael Moore accepts the Palme d’Or for FAHRENHEIT 9/11. © 2004, AFP Photo, Francois Guillot.
2.1 Introduction

In the late afternoon of Monday 17 May 2004, the most anticipated film in the Cannes 2004 competition premiers in the Salle Lumière. It is Michael Moore’s Fahrenheint 9/11 (USA: 2004). Two years earlier, Moore had established name and fame with the successful Bowling for Columbine (USA: 2002), a critical-populist investigation of the topic of violence in American society, inspired by the Columbine high school shooting of 1999. For Fahrenheint 9/11 Moore turned his cameras and unconventional research methods to the alleged relations between the Bush and Bin Laden families. The agit-prop documentary unabashedly makes fun of the American President and counters the official image of Bush as a strong leader with an equally oversimplified picture of the spoiled rich kid, the failed businessman, and the uncommitted politician who preferred going on vacation and who ignored the terror warnings just prior to 9/11. Moore shows footage of Bush visiting a primary school class when the first airplane crashes into the twin towers on the morning of 11 September 2001. We see someone coming in and whispering into the president’s ear. The images are not even that unflattering in themselves. Bush is made to look bad by the mocking voice-over, which guides our interpretation. We hear Moore suggesting what the president was thinking. Was he at a loss for what to do, sitting alone in the classroom with no one telling him what to do? Did he consider his options? Did he regret hanging out with the wrong crowd (the Saudis and Bin Laden family)? Did he wish he had spent less time going on holiday and more in the oval office? Did he, at that point, already think of blaming Sadam Hussein in order to turn away attention from his own failing policy? Whatever he was thinking, Moore emphasises, although he had been told the country was at war, he did not get up and do anything for a full seven minutes, but stayed reading a story with the children – about a goat. Throughout the film, Moore exposes a distinct interest in the legitimacy question of the American intervention in Iraq and displays a sharp political opposition to the Bush government. He is both
critical of the American government and a proud chauvinist. He objects to the Iraq war, but is also concerned about the American people who are fooled by a media campaign of fear. He, in particular, takes sides with the poor families, such as those in his hometown Flint, Michigan, whose class comprises most of the soldiers and who, therefore, suffer most from the rapidly growing number of war casualties.

Despite Moore’s initial denial, the film was clearly aimed at influencing the upcoming 2004 elections in the United States. Particularly because Disney was preventing its subsidiary Miramax from distributing the film in the USA, the competition entry became a knotty affair prompting a political stance and spurring debate. Although critics may not have been unconditionally praising the film and pointed to the unsubstantiated connections being made, there was effectively nobody who was not writing on or talking about FAHRENHEIT 9/11 and Michael Moore. When jury president Quentin Tarantino was asked for his opinion on Moore’s film during the opening’s press conference of the festival, he could still maintain that the film would have to prove itself artistically, “may politics be damned.” A fortnight later, this position seemed untenable. Although FAHRENHEIT 9/11 is clearly not an aesthetic masterpiece, it walked away with the Palm d’Or. In spite of Tarantino’s previous statements, allotting Moore the Golden Palm should, in fact, be interpreted as a political sign; it reflects the priority of the jury and its American president to lie with making a statement against the Bush government, against the Iraq War and against the inhibitive practice of the Disney Corporation. The image of a beaming Moore, in black tie for the occasion, who shows the precious prize to a crowd of reporters and journalists, was priceless in terms of media eloquence and guaranteed international exposure. Moore acknowledged the positive effect of the prestigious award on his chances to find distribution in the United States. He stated in Le Monde: “J’ai tout à fait confiance. Grâce à elle, nous avons la garantie d’avoir un distributeur. Je suis quasiment sûr de pouvoir l’annoncer dans les guarant-huit heures, on a beaucoup téléphoné aujourd’hui. Les Américains ont entendu parler du Festival de Cannes, ils savent que c’est un grand honneur.”

The question whether FAHRENHEIT 9/11 would find distribution became as important as the political controversies it evoked. The Disney entertainment enterprise shunned association with the left activist’s message of FAHRENHEIT 9/11, according to Moore, because headman Michael Eisner was connected with the Bush family. According to Disney, it was because its family policy did not accord with polemical political productions such as FAHRENHEIT 9/11. The company prohibited its daughter company Miramax from distributing the film in the United States. However, after all the media...

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xvii “I’m completely confident. Thanks to her, we are sure to have a distributor. I’m almost sure to be able to announce it in the next two days, we have made lots of phone-calls today. The Americans have heard about the Cannes Festival, they know it is a great honour. Michael Moore in: Sontinel, Thomas. “Michael Moore, réalisateur: «Je veux qu’on me rende mon pays».” Le Monde, 24 May 2004.
attention and the official cultural recognition bestowed on the film after it won the Golden Palm, it was unthinkable that FAHRENHEIT 9/11 would remain without distribution in America. The solution was found in a construction outside of the vertical integration of Disney’s studio model: Miramax took over the movie rights from Disney for six million dollars and, instead of taking up distribution itself, agreed to look for an alternative network for the American market. Distribution was secured at the onset of June when Lion’s Gate Entertainment and IFC Films signed for distribution in cinema theatres and the pay-channel Showtime bought the television rights.

In the previous chapter, I have drawn the history of the film festival phenomenon with an emphasis on the geopolitical issues at stake. Film festivals originated in Europe as showcases for national cinemas and developed into the influential film festival circuit of today. In this chapter, I approach the international film festival circuit from a different angle. Instead of looking at festivals as sides of diplomacy or hidden agendas and explaining the shift from nations to cities by means of political theories of globalisation, I concentrate on the economic function of the festival circuit. These two perspectives – like the ones in the following chapters – do not exclude each other, but in fact complement my analysis of the festival circuit as an alternative network/system for film culture. The example of FAHRENHEIT 9/11 shows that political interests and managerial restrictions for distribution can, in fact, go hand in hand to create the controversy that enabled Moore to win the Golden Palm of the world’s most prestigious festival and subsequently proceed to score a box office hit in commercial theatres and the DVD market. In this chapter I will argue that film festivals are central sites within a global, influential film system that both counters and works with the hegemony of Hollywood. Opposed to the vertical integration of the studio model, film festivals are central nodes in what I call the festival network. This network is not closed to Hollywood products, but, in fact, offers alternative and secondary platforms for marketing and negotiation. The chapter starts off with a historical reconstruction of the emergence of the festival network in relation to Hollywood dominance after World War I and investigates its inherent premises. I describe what effects the transformations in the film industry, in particular the success of video, have on the function of film festivals in terms of business, and analyse what alternative options the festival network offers the world cinema market for doing film business. I then shift attention to the actual festival site in Cannes, in particular the Marché du Film. I study the network in action at its local level before turning – as a prologue to the third chapter on Venice and the international press – to Cannes as a media event, addressing the importance of media presence at the festival in relation to economic value.

2.2 Film Wars between Hollywood and the European Film Industries

Before World War I, France, Italy, Germany, England and Denmark dominated the film market. After the war the new American independents,
that were to be known by the location for their film production studios – Hollywood –, began to get an irreversible grip on the European film markets. It is in this context of early American film hegemony that the first film festivals are organised on the European mainland. As I showed in chapter one, the foundation of the international film festivals in Cannes and Berlin was co-orchestrated by Americans for geopolitical purposes. At the same time, however, the festivals offered the European film industries exhibition spaces outside the mainstream film market, and outside the grip of the Hollywood majors. Films were shown at international platforms that attracted media attention and, through their prizes, could generate a new type of value (see chapter three on value addition). These first European film festivals laid the foundation for a new type of cinema network that would become more and more important for the European film industries. Film festivals did not emulate the Hollywood studio model of vertical integration and aggressive export trade strategies, but would use Hollywood productions and stars to add festivity and glamour to the events, which gained in status as a greater amount of spectacle was displayed. Before turning to the business potential of the festival network for the film industry in 2.3, it is important to sketch the historical conditions of the so-called film wars between Hollywood and the European film industries (in particular Germany and France) in this subchapter. First I will explain why Hollywood was able to dominate the European film industries. Then I will elaborate on the crisis in European film industries that was the result of the Hollywood hegemony and lies at the basis of the festival network. Finally I will discuss how these economic power relations contributed to the foundation of film festivals as alternative forms of exhibition, sidetracking distribution.

2.2.1 The Emergence of Hollywood: vertical integration

The first monopoly on the American film market was held by the manufacturers, who were united in the MPPC (Motion Picture Patent Company) and controlled the market through a system of patent fees. The now omnipotent Hollywood studios were originally known as the “independents” and had to struggle for survival. They invented new strategies to break the monopoly existing at the time and became successful at this from 1914 onwards. The early independents moved to Hollywood for production while the administrative offices stayed behind in New York. They invented the star system, block-booking, extended marketing, and finally turned to vertical integration. Vertical integration was achieved in the major Hollywood companies by way of integrating the production, distribution and exhibition of films. This process of cartelisation transformed the American film industry completely in the 1920s. The eight major players of the time were the fully integrated Warner Brothers, Paramount Pictures Inc.-Loew’s Inc., Twentieth Century-Fox, MGM and RKO; the production & distribution houses Columbia Pictures Inc. and Universal Corporation; and United Artists, which only facilitated distribution until 1941. The big five controlled the industry (mainly through distribution and first-run movie houses) and also
exhibited the films from the smaller three. Vertical integration marked the beginning of the studio system. The success of the studio model was based on its vertical integration and the systematic use of feature films, film stars and block-booking. As Ulff-Møller argues: “The feature film, film stars, and block-booking first emerged in Europe, but it was [Adolph] Zukor [from Paramount] who first systematically applied the new inventions to monopolize the market.”

Moreover, opportunities for overseas expansion consolidated Hollywood’s dominance. European cinemas had suffered a severe crisis during World War II; production was cut and facilities were destroyed. After the war, America was allowed almost a free hand in dumping hundreds of films on the European market that had been blocked by the war and/or for which the costs had already been recouped at home. This was one of the factors that enabled the United States to gain dominance in the European film markets. Investigating Hollywood’s film wars with France, film historian Ulff-Møller lists four main reasons why Hollywood could acquire dominance in the French film market. The first reason concerns the structural differences between Hollywood and France in development of monopolistic practices. A second one is the restrictively applied cinema law in France. He also draws attention to the aggressive export trade policy in America after World War I. And, finally, he emphasises the fact that the US government worked with the film industry in trade negotiations, whereas the French government only took protectionist measures. Similar reasons allowed Hollywood to gain dominance in other European countries. Whereas the United States saw the emergence of vertically integrated industry organisations in Hollywood, European film industries – with the exception of UFA – did not make this essential transformation. Moreover, the Hollywood companies and their trade association, the Motion Picture Producers and Distributors of America (MPPDA), received unrestricted support from the federal government. Thus, whereas the Sherman Antitrust Act officially prohibited cartelisation in domestic trade, the Congress adopted a policy in 1918 that allowed cartelisation for foreign trade in order to promote American export. The integration of the German film industry established the only European monopoly that was able to fight the American film invasion of Europe successfully, even though only temporarily. In fact, as Ulff-Møller argues, “the development of foreign cartels was a large factor behind the enactment of the Webb-Pomerene Act. The high degree of cartelisation of the German industry especially influenced American legislators to favour anti-competitive measures in exports.” Other European film industries were unable to implement effective monopolies and only used protectionist measures against the American dominance.

2.2.2 The Crisis in European Film Industries: the fall of UFA
In the introduction I have pointed out that the crisis in European film industries in the 1940s was related to the crisis that was the result of the conversion to sound cinema in the 1930s. My argument was that film festivals
turned the “problem of language” into an advantage by making the variety in languages a “natural given” of the format of the showcase between national cinemas. There is, however, another important origin to the crisis in European film industries, to which film festivals, I argue, offer a fundamental solution. That crisis is related to the introduction of distribution to the dominant business model for cinema. Distribution was introduced in response to the transition from travelling cinema shows to permanent movie theatres, which took place in the major European cities around 1904/05. Exhibitors no longer travelled with their films from city to city and fair to fair, but started to use rental systems that could provide their stationary movie houses with a regular supply of new films to attract local audiences. Major companies, like Pathé in France, aimed to monopolise the market by opening their own movie theatres and moving into distribution. The only European film company, however, that was successful in its cartelisation and seized complete control over distribution was the German UFA. UFA was founded in 1917 at the order of the Army Supreme Command to counter the successful media war propaganda of the enemies of the Prussian elite during World War I. The German Bank financially supported the new company. Klaus Kreimeier gives several reasons for the successful transformation of the propaganda initiative into a thriving economic enterprise: “Inflation, Germany’s boycott of foreign films, and a huge popular demand for movies meant that the stockholders made money hand over fist. German films soon became hits in the United States. Ufa started to compete with Hollywood, with France’s Pathé and Gaumont, and with Italy’s film paradise Cinecittà.” German producers, distributors, and exhibitors were united in the “Spitzenorganization der deutschen Filmindustrie” and jointly promoted the quota system for foreign film import. This cartelisation enabled Germany to impose strict import restrictions on foreign films. The quota policy adopted in 1925 allowed two foreign film imports for every German film produced. Distribution of foreign films, moreover, could only be handled by German distributors. Other European countries without an integrated film industry were unable to take similar measures for their protection because exhibitors preferred the Hollywood products that maximised their profits, and governments therefore were caught between trying to protect the interests of national film producers and those of national film exhibitors. In addition, the American diplomacy was more successful in neutralising protectionist quota measures outside of Germany by means of diplomacy. In France, for example, quotas were introduced in 1928 as an ineffective seven-to-one system that, moreover, was modified from an import- into a screen quota with the Blum-Byrnes Agreement of 1946; reserving four weeks per quarter of the year for the screening of French films.

At the end of World War II, Hollywood’s hegemony in Europe was complete. UFA, which had offered the only viable alternative cinema monopoly in Europe, had been converted into a State-controlled company under the Nazi regime and was therefore immediately dismantled by the Allied forces in the spring of 1945. The Soviets had been the first to occupy the
film production centre in Berlin, Neubabelsberg, but were soon joined by the Americans in a fight for assets and files of UFA and its subsidiaries. As Kreimeier describes: “While the Red Army in Neubabelsberg was cleaning out the equipment, cameras, spotlights, editing tables, cranes, emergency lights and generators, the office employees at Dönhoffplatz concealed from Soviet troops the existence of the safe with Ufa’s administrative files, money, and securities; in the next few weeks, these were secretly transported to Tempelhof, which was in the American sector.”\textsuperscript{150} The fragmentation of the UFA conglomerate and its entanglement in the emerging Cold War opposition of interests would prevent the German film industry from recovering completely and ever reclaiming its leading position in the national, let alone the European, film market: American movies invaded the German cinema theatres like they had flooded other European nations before. The post-war period marked the beginning of a new period in the relations between Hollywood and Europe. European governments became less protective as the screen quota from the Blum-Byrnes Agreement in France and the British abolition of the numerical quota system in favour of a levy on exhibition showed. In addition, the end of World War II gave way to the beginning of the Cold War, which divided Europe in a Western and Eastern part and, with this division, introduced two distinct formative new ideologies after which to rebuild the nations. The American model that served as a mirror for Western Europe was a new democratic order that entailed a major emphasis on free trade, consolidated with the first General Agreement on Tariffs and Trades (GATT) as early as 1947.\textsuperscript{151} GATT set the tone for the attitude towards film as an economic product and naturalised the American dominance of the European film markets as the result of market mechanism. The modest restart of several European film industries was, however, not the result of any market mechanism, but realised thanks to protectionist measures largely taken to prevent mass unemployment among cinema labourers and protect capital investments in the film industry. Though experimental films, national comedies and popular spectacles kept the European film industries alive, they did not amount to a healthy cinema economy. When trying to compete on Hollywood’s terms, the industries felt terribly short. The post-war period, however, also witnessed the development of a European phenomenon in cinema that would be able to generate an alternative cinema network – revolving around film festivals – that was not grounded in a dominant role for the distributors.

2.2.3 Film Festivals as Alternative to Distribution
Parallel to the treatment of film as economic product for export and import, the post-war European nations began to organise film festivals as events where films were exhibited as expression of national identity and culture. Here economic considerations did not rule programming. Instead, nations were invited to participate in international competition programmes with a more equal ratio of national representation. No less than twenty-one countries participated in the film festival in Cannes in 1946. Such diversity in
nationalities was unimaginable to be found screening together in any movie theatre of the time, as it remains unthinkable in commercial settings today. Film festivals were foremost regarded as a means to contribute to the actualisation of the new democratic order in the West. Cannes had been founded in response to the fascist agenda of Venice, and Berlin was to adduce evidence of Western superiority in the East. Karlovy Vary and Moscow, on the other hand, became leading sites for the celebration of cinematic accomplishments in the socialist countries of Europe. Although the main reason behind the foundation of the major European festivals was political in nature (also see chapter one), economic interests were liable for a share of the motivations as well. For one, tourism at festivals generated substantial profit for the locations where the festivals were organised. In addition, festivals offered opportunities for the national film industries to surpass the American grip on the market at commercial movie houses. The temporary structure of the festivals, in fact, harked back to the pre-distribution era when films were ambulant commodities displayed at fairs, carnivals and other festive occasions. Film festivals bypassed distribution, the bottleneck for the European film industries that were not cartelised. The name “film festival” seems to have been directly inspired by the widely-spread practice of community festivals through which nations, regions or ethnic groups support and confirm essential cultural identities. The acknowledgement of film as an artistic and cultural creation could also serve as justification for the search for exhibition sites that were not based on business models for maximised profits. The format of the festival, then, offered European nations a chance to inaugurate a public space for film outside of the established cinema theatre outlets that were controlled by the laws of economic markets.

The festival space was a success from the beginning and film festivals mushroomed in Europe. Film professionals travelled to these events and soon discovered the value of the festivals beyond their function as showcases for national cinemas. They offered opportunities to meet international colleagues, to compare situations and strategies across borders, and exchange ideas to improve business. In Cannes, film professionals met on an informal basis in the cinemas in the Rue d’Antibes. Although the 1950s were characterised by the attempts of European film companies to enhance their production by seeking co-operation in co-production deals with both European companies and Hollywood, the use of the festival event as a market for facilitation of such deals was not officially organised until the foundation of the Cannes Film Market – le Marché International du Cinéma – in 1959. What started as a modest event “with one flimsy twenty-seat room jerry-built onto the roof of the old Palais,” as Kenneth Turan describes the first Cannes market in his film festival anthology Sundance to Sarajevo, developed into one of the festival’s main assets. Slowly but steadily film festivals became central sites for players in the film industry.

2.3 Transformations in the World Cinema Market
Festivals were popular with the film industries for two main reasons. For the European film industries, the events were an important way to bypass the American hegemony on the various national film markets and exhibit films in prestigious international settings without being dependent on intermediate distributors. In addition, the festivals acted as meeting points for film professionals. Some festivals followed the example of the Cannes Film Market and established their own markets. The business conducted at these markets was not limited to the festival program and was equally interesting to the professionals from Hollywood and Europe, as well as from other continents. After the upheavals of 1968 and 1971, the festival programmes were opened up to world cinema. Festival programmers started scouting for quality productions around the globe, looking for discoveries and new waves. They did not have to feel restricted by the borders that had previously been set by channels of diplomacy or nationalist biases and the festival programmes became more diverse as a result. Although Third World filmmakers had been present in Cannes before – such as Youssef Chahine (Egypt) in 1952 and 1954 and Satyajit Ray (India) in 1956 – their chances for festival exposure increased significantly after 1972. The African filmmakers Ousmane Sembene (Senegal), Idrissa Ouedraogo (Burkina-Faso) and Souleymane Cissé (Mali), for example, achieved international acclaim through their participation in and awards allotted by Cannes. At the time that Fernando Solanas and Octavio Getino launched the term “Third Cinema” to claim attention for the decolonising cinematic art of Third World filmmakers, new types of “specialised” and “themed” programming emerged, in which films were selected for their cinematographic innovation or political content. Political interests, thus, had never completely abandoned film festivals. They returned through the backdoor thanks to ideological concerns of programmers; pressure by (national) lobby groups; the status of current affairs; and recognised marketing potential. I will discuss the change in festival programming of the late 1960s and 1970s in more detail in chapter four. For the economic perspective of this chapter it is important to emphasise that the film markets also transformed as a result of the change in festival format. In Europe, circuits of subsidised art houses and distribution labels were formed where the “better” films and productions with explicit political content could be screened. The films for this subsidised (art) circuit were predominantly selected at festivals and the festival film markets. Films that had won prestigious prizes, that had been festival discoveries (festival hits), that belonged to the latest new wave or had attracted attention otherwise, had a good chance of finding distribution in this circuit. The opening up of film festivals to what we now call world cinema led to trans-national film markets. Directors from Argentina to Zimbabwe realised they could build a career through the international “art” forums of festivals, instead of aiming at commercial success at home. Festivals, in their turn, realised they could distinguish themselves from other festivals not only by means of discoveries of talents from established film countries, but also that of new cinema from developing film countries. Because, however, financial resources for producing such films
were limited in many of these new countries, international film markets such as the one in Cannes were used to seek interested investors, close production or coproduction deals and secure other types of funding. If we consider the creation of the world cinema market after 1968 to be the first major transformation that affected the film festival network positively, then there are two other transformations that need to be highlighted as formative for the festival boom that began in the early 1980s: the impact of video and the presence of the porn industry; and the arrival of new independents, such as Miramax.

2.3.1 Video and the Porn Industry
A key development in film festival history is the transformation that occurred in response to video. Invented in 1959 by the Radio Corporation of America (RCA), the new technology of video was not successfully launched for the consumer market until 1975, when Sony introduced its Betamax system as the solution for time-shifting television broadcasts. A couple of years later, JVC (Japan Victor Company) entered the market with the alternative system VHS. VHS became the standard for video and, by 1985, Sony had stopped the manufacturing of new Betamax videos and video recorders. Video had a profound and positive impact on the film industry. The technological invention was, however, at first regarded as a threat by the major Hollywood studios. In 1976, Universal and Disney even filled a suit against the Sony Corporation of America for contributory infringement with the claim that video recorders did not pass the fair use test of exemptions. Both Universal and Disney had significant interests in television and the lawsuit was directed against the time-shifting function of video and not against rental. In 1984, the US Supreme Court ruled against Universal, who, previously, had won in an appeal to the original decision in favour of the accused Sony Corporation of America. As Frederick Wasser points out:

In the long run, the VCR has proven to be a rich profit center for copyright holders and, in the greatest irony of the video age, a great friend of the co-plaintiff, Disney. This reversal of fortune had little to do with time shifting and everything to do with the sale of prerecorded tapes...The sale of prerecorded cassettes has had a far more important impact on the film entertainment industry than has time shifting. The Universal case took place in the transitional period when very few understood the VCR.

Though video rental had not been the original selling point of the technological invention, it would become one of its main attractions. Leading the development and exploitation of video rental was the adult industry. The introduction of the VCR coincided with the rise in pornographic interest in the 1970s, when sex theatres were attracting large numbers of visitors. Compared to these public outlets, video had the added advantage of privacy. Pre-recorded sex tapes were watched within the privacy of the home by an
audience that would not enter an adult theatre, but were interested in the pornographic products, and thus expanded the original porn public. The X-rated industry greatly stimulated the start-up phase of home video. Video, in its turn, influenced the porn business: sex theatres closed down and producers left 16 mm. to shoot on cheap videotape.

The surge in pornographic interest also affected film festivals. The Cannes Film Festival of the early 1970s, especially, was dominated by the presence of the porn industry. Because movies shown to potential buyers in the market were not subjected to the French censor board, the porn niche market had a chance to grow at the Côte d’Azur. The extent of establishment of the porn industry at Cannes becomes clear when we read Michel Pascal describe how “[o]n 1973, on s’arrache un certain petit livre rouge du marché du film qui répertorie une list impressionante de films porno, regroupant toute la production américaine, allemande ou suédoise. Les amateurs ont le choix entre Vingt mille lieux sous l’amour, Suzanne, ouvre-toi, Passeport pour Lesbos, ou Messe pour Messaline.”\(^\text{18}\) The French Parliament, however, did not approve of the situation of a booming porn business and adopted a law in 1976 that marginalised the genre and closed channels for open publicity. The festival administrators followed the Parliament and, from 1976 onwards, demanded a synopsis before allowing films to enter the market. The number of porn movies at the Cannes market declined. But the adult X-rated industry did not disappear from Cannes. Instead, a shadow festival was formed that took (and still takes) place each year during the festival – in its vicinity though not under its auspices. Porn companies rented yachts and villas to celebrate, sell and buy adult films and videos. The glamorous location, moreover, prodded the companies to shoot their production on the spot, for example EMMANUELLE GOES TO CANNES (France: Jean-Marie Pallardy 1985). The productions were shot both on film and by means of the profitable new technology of video.

In the late 1970s and early 1980s players, from outside the film business entered the film markets. Cable television and video were the two important new technologies that challenged the domination of the Hollywood majors: the movie market had to transform to a multimedia entertainment industry that could generate additional revenue from each of the channels. Cable television was not considered a serious threat, because Hollywood could demand a flat fee or per-viewer rate and retain control over its products. Video was a different case. Initially, American film distributors sold videocassettes (for extravagant high prices) and were reluctant to rent them out for fear of a decline in cinema theatre attendance. As Wasser argues: “They [American film distributors] were surprised to learn that despite the

inconvenience of the pickup and return, the rental of videotapes grew exponentially everywhere. An ever-expanding pool of new VCR owners seemed willing to rent titles in quantities that have not been seen since...It became popular in rural areas, in the suburbs, and in urban areas."  

In the period 1981-1986, video rental was developed as a completely new major channel for film exhibition. Most majors, who had not already set up their own distribution before, brought home video exploitation under their direct control in this period. At the same time, however, a new generation of independent distributors entered the market. Video created new opportunities for film financing that were specifically explored and exploited by these new players on the market.

As a result of the transformation on the film market, the Cannes Market underwent a profound change as well. The business strategies that dominated during these days were pre-sales and star signing. Pre-sales meant that when films were still in pre-production, the film, video and cable rights were already sold, often adding on to the necessary financing and making the actual box-office revenues superfluous and purely profitable. Star signing regularly involved acquiring the signature of superstars in return for providing a relative or loved one with the job they desired. The embedding of the Cannes Market in the festival format guaranteed top conditions for doing business according to these new rules; the festival atmosphere enabled companies to build up the necessary portfolio for products that were not yet in production in order to pre-sell and persuade stars – present in large numbers at the festival – to sign mutually beneficial deals. Whereas the glamour of the 1950s had been mythical and constituted by the presence of stars and the scandals of starlets, the glamour of the 1980s turned commercial. In support of their activities on the market, companies would light up the city with billboards, merchandise, advertisements, marketing stunts and parties. Especially Menahem Golan and Yoram Globus from the new independent Cannon group were renowned for buying and attracting excessive media exposure in the 1980s. Pascal quotes a distributor who remembers:

Ils prenaient cinquante chambers au Carlton, dépensaient plus de 12 millions de francs pendant la manifestation, donnaient des conférences de press tapageuses annonçant trente à cinquante projets (y compris un *Roi Lear* avec Godard tourné aux îles Vierges en américain !), protégés par des gorilles derrière des barrières métalliques, surgissant comme des ‘parrains mafieux’ au milieu des ors der des dorures de la salle à manger des Ambassadeurs... Cette force de frappe, ce deluge d’argent, cette agressivité publicitaire marquaient la fin d’une époque, le début de l’ère des films-kleenex, jetés à peine terminés, au détriment des grandes fresques qui savent avaient marqué les années 1960-1970.

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**XIX** They used to take 50 rooms in the Carlton, spend more than 12 million Francs during the Festival, give ostentatious press conferences announcing 30 to 50 projects (including a *King*...
To these new independents on the film market I now turn my attention.

2.3.2 The New Independents versus New Hollywood: Miramax

 Whereas the major Hollywood studies in the early 1980s regarded video rental as a threat to their successful system of vertical integration and initially tried to fight the competing technology with legislative actions, new independent companies such as Cannon, Vestron and Embassy grabbed their chance to enter the film market with aggressive and flexible responses to the emerging home video market. Film festivals – especially the festival in Cannes – were used to promote the surge of marginalised and new productions, such as horror - e.g. HALLOWEEN (USA: John Carpenter 1978), instructional videos - e.g. JANE FONDA'S WORKOUT (USA: Sidney Galanty 1982) and music videos - e.g. MICHAEL JACKSON'S THRILLER (USA: John Landis 1983). In a review on the 1981 festival Simon Perry writes: “[B]y 1980, the more successful of such operators could claim that Cannes needed them as much as they needed the festival.”\(^{160}\) In the same article, however, Perry states that there was a lack of hype and a lack of playable products during the 1981 edition of the festival. As most important reason for this diminishment of the business conducted in Cannes, he mentions the newly-founded American Film Market (AFM), held a couple of months earlier in Los Angeles. The hot activity on the film markets, that was a response to the expansion of film’s ancillary markets with cable and video, had led to the foundation of the competing film markets MiFed in Milan (1980) and AFM in Los Angeles (1981). Contrary to the reliance on festivity and hype in Cannes, MiFed and AFM offered a “quiet” ambience for hard business. When the film and video market consolidated in the second half of the 1980s, these advantages of Cannes were exploited in the new marketing strategies that were developed for “light art-house cinema” by New Hollywood and the few companies of the new independents that survived the shake-out.

The name New Hollywood refers to the reorganised studio system that responded to the emergence of the multimedia environment with measures that bound mass audiences to its products across the various outlets.\(^{161}\) It introduced the two-tiered system for video pricing, dividing cassettes effectively into rental tapes (high price) and sell-throughs (low price). By then, video revenues had outgrown cable profits and the standard order of media releases had settled into the sequence theatre – video (rental or sell-through) – pay TV – and, finally, national TV. In order not to interfere with cinema attendance, but still profit from the marketing campaigns that accompanies theatrical release, the period between theatrical and video release was

\(^{160}\) Lear which Godard shot, in English, in the Virgin Islands!), protected by frightful bodyguards behind metallic barriers, emerging like “mafia godfathers” in the midst of all the golds and the golden items of the Ambassadeurs’ dining-room... That power to impress, that flood of money, that aggressive advertising, were the sign of the end of an era, the beginning of the kleenex-film period, thrown away as soon as they’re finished, instead of the great frescos that characterised the 1960s and the 1970s. Pascal. Cannes. Cris et Chuchotements: 178.
standardised at six months. At the same time, profits from video sales allowed the companies to invest in more attractive and comfortable cinema theatres, the multiplexes. The multiplexes imitated the success of the video store with their larger collection of titles to choose from at one's leisure. They not only screened more films, but also offered the moviegoer a selection of starting times so that one could now walk into the multiplex at any given time and see a film. Moreover, to compete with the abundance of mediocre products that were directly released onto video, a new marketing approach for blockbuster movies was developed: “high concept.” A high concept film is characterised by a triple quality that Justin Wyatt refers to as “the look, the hook and the book.”

It can be captured in clear images, has a strong impulsive appeal and may be reduced to a concise narrative that is quickly retold. These simplifications and redundancies facilitate the easy recognition of the product on posters, in the media, promotional tie-ins and other film-related commodities. High concept films not only attracted large numbers of spectators to the multiplexes and cinema theatres, such as JURASSIC PARK (USA: Steven Spielberg 1993), they also stimulated video sales. High concept films were popular with mass audiences in all their multimedia expressions. New Hollywood, then, used the ancillary revenues to increase the production and marketing budget for a relatively small group of new high concept films, the blockbusters, that aimed to be world-wide hits and return extremely high profits on investments. Because emphasis shifted to a small number of mega-money makers, the box office of the opening weekend became all-important. If a film did not do as well as expected, the risk of prolonged theatrical relation was considered too high and the movie would be replaced with another one that again had to proof itself on the first weekend of its release. (Prime time) TV commercials, in particular, were deployed to build up the awareness of a film’s opening and convince people they had to see the movie and they had to see it now.

The New Independents that had entered the film market in the 1980s had chosen a different path. Instead of relying on a couple of blockbuster they invested the (pre-sales) revenues in large numbers of new productions, which were believed to fill the (video) market demand for more and different products. By the end of the decade, most of these companies had to file for bankruptcy (for example Vestron and Cannon). Wasser argues that “independents lost video market share as the cost of theatrical releasing grew higher. Eroding profit margins are even a more powerful explanation of the independent bankruptcy than lost market share. The independents did make hit movies, sometimes in the same ratio as the majors. They just did not make enough of them to accumulate power and long-term relationships with wholesalers and exhibitors.” The result of this competitive disadvantage of the new independent was that the new technological outlets, in the end, only strengthened Hollywood’s grip on the global film market. Even successful independents like Miramax and New Line had to become subsidiaries of the Hollywood multimedia empires in order to survive (becoming mini majors themselves). In historical perspective, the major contribution of the New
Independents to film history has been that they were the first to recognise the economic potential of niche markets, which was picked up by New Hollywood only afterwards.

The New Independents created what Alisa Perren refers to as the “indie blockbusters – films that, on a smaller scale, replicate the exploitation marketing and box-office performance of the major studio high-concept event pictures.” Harvey and Bob Weinstein from Miramax took the lead in making that significant turn when the independent sector got more and more entangled in the crisis that was brought on by the maturing of the video market. Miramax had had experience with the exploitation of film classics, rock concerts and concert movies, as well as with the organisation of film festivals for cult and foreign language films before moving into production and distribution. Harvey Weinstein reached an almost mythical status by successfully distributing independent movies with effective marketing that exploited controversies and included sex and violence as its main selling points. In other words, Miramax used the high-concept approach of the Hollywood studios to conquer niche markets and make huge profits. The indie boom began with Steven Sonderbergh’s highly successful *SEX, LIES AND VIDEOTAPE* (USA: 1989). Although the film had been an investment of a mere $1.1 million, it returned over a stunning $24 million in the North American market alone. Building up to this box-office hit was the participation in the Cannes film festival, topped by winning the Golden Palm.

The use of film festival exposure points to the key difference between the strategies of New Hollywood and Miramax. As Hollywood aimed to reach a mass audience, film festival competitions were shunned when they were feared for artistic connotations that would put off mainstream audiences. Miramax, on the contrary, actively promoted their films with labels such as “quality,” “sophisticated” and “independent,” in order to address the niche audience looking for the “better” film. Film festivals offered excellent opportunities for attaching quality markers to a production, especially when allotted an award. These events, in addition, helped to put the emphasis on the filmmakers and their creations and underplayed the fact that the presented films were also the result of a complex industrial system based on profit. Miramax’s strategy and success attracted the attention of Hollywood’s studios. In the 1990s all major studios and media corporations turned to the branch of niche film exploitation by either creating their own division or buying successful independents. In April 1993 Disney purchased Miramax. Hollywood’s acquisition of the new independents was followed by an appropriation of the niche market according to the rules of the mainstream market logic. The tendency became to restrict niche productions ever further to those capable of addressing a strong niche audience and thus likely to be successful: literary adaptations, established directors, women issues, African-Americans, etcetera. This meant that the diversity of the early 1980s’ surge of independents was lost and had consolidated into a practice controlled by New Hollywood. As the example of Michael Moore’s *FAHRENHEIT 9/11* at the
beginning of the chapter has shown, this control is not uncontested in public discourse.

For a brief period Miramax offered filmmakers the dream of an economically viable art system, in which the commercial treatment of films would ensure greater exposure in the media and generate more audiences while the artistic integrity of the director was respected. It would help them to move away from the subsidised circuit of national film funds, non-profit distributors, and art houses. It would also make it easier to find funding for new projects and create more job opportunities, so they would finally be able to experience the process of trial-and-error and improve the quality of their films while building an oeuvre. Unfortunately, Miramax was not only highly successful in turning the former stigmata of “art cinema” into a commercial selling point, the company also proved to be an extremely difficult partner for filmmakers to work with. Harvey and Bob Weinstein soon became infamous for disrespecting the artistic freedom of directors and considering intimidation and crudeness part of their daily business. Many filmmakers ended up disillusioned when Miramax seized control in the editing room, broke agreements or withdrew support when money needed to be invested for marketing campaigns. Miramax’s effect on film festivals, however, cannot be denied. Films produced by the company continue to dominate the competition programs of the major festivals. But there are other important trends as well. In order to understand how business is facilitated at the contemporary international festival circuit, it is necessary to turn to theories that can help to link the various entities together. The transformations on the world cinema market that followed 1968—opening up to world cinema, the introduction of video and the arrival of New Independents—helped to consolidate what I call the festival network. In the next subchapter I will draw on Actor-Network Theory (ANT) to explain how this network works to sustain an “alternative” cinema system that both operates with and against Hollywood.

2.4 The Festival Network

In the introduction, I have presented my concept of the festival network. I used ANT and, in particular, the work of Bruno Latour to draw a theoretical framework for film festivals that allowed me to investigate them in relation to other presences, such as that of Hollywood and the Avant-garde. Here I want to present this larger festival network as an “alternative” to the Hollywood entertainment industry, which is not based on a strict opposition to Hollywood but on a different mode of economic sustainability that involves multiple actors including Hollywood. The alternative film network in which film festivals assume key positions is “alternative” in the sense that it operates according to different principles than those that dominate Hollywood media conglomerates. The concept of network helps one to move away from the notions of “institution” and “nation-state” with which respectively Hollywood’s vertical integration and the incipient phase of film
festival history until 1972 can be assessed, while at the same time allowing these notions to be present as stratifying forces within the network. The concept of network also allows for an understanding of film festivals as a set of relations instead of organisations. The appropriate question may be asked of what is gained by approaching these events not as institutions but as relational entities? My argument is that the concept of a network is essential in order to capture the complexity of the festival system, in particular since the 1980s. If one follows Latour’s notion of a network as being formed in relation to living and non-living actors and thus as a continuous circulating process that prevents stable definitions, it becomes possible to explain how the various transformations on the world cinema market have been part of the ongoing processes of translation with which film festivals have not only been able to sustain themselves, but also to multiply and spread world-wide.

The concept of the network implies a move away from the notion of the festival as superstructure, in which actors are merely caught, and liberates attention for the flexible festival network as an economically sustainable alternative for the hierarchical Hollywood system. This becomes clear when comparing film festivals to Hollywood using Latour’s method of ANT. Both display processes of translation. The invention of high concept movies, for example, may be seen as a translation of Hollywood’s marketing strategies in reaction to the expansion of cinema onto a multimedia market. The difference with the festival network is that Hollywood’s objective of economic dominance of the world cinema market and maximised profits is a constant factor throughout its development. Hollywood’s response to market developments, technological innovations and changes in consumer behaviour is in the service of economic expansion and gain. The functional economic system of the (multi) media conglomerates subordinates all translations to this objective. The translations occurring in film festivals, on the other hand, are more diverse, because there is not one dominant principle governing the festival circuit. Festivals are cultural canon-builders, exhibition sites, market places, meeting points and city attractions. Therefore they constantly deal with a variety of agendas. The lack of a dominant objective renders the festival system inherently more complex than Hollywood. In Deleuzian terms, the stratifying forces in Hollywood are to a large extent unified (and thus maximal effective), whereas such stabilising trends are more competitive and therefore less effective in film festivals. This is not to deny that film festivals have institutionalised. They have, but as a network that allows the various agendas to be met. In this respect it may be telling that Latour purposefully used the abbreviation ANT to allude to Deleuze and Guattari, who argue in A Thousand Plateaus: “You can never get rid of ants because they form an animal rhizome that can rebound time and again after most of it has been destroyed.” Like ants, film festivals have become an entity that stays, a rhizome or network that circulates through historic conditions and developments and is capable of translating its constitutive relations according to changing circumstances.
Economic, political and cultural agendas can be hard to distinguish. National governments support cinema as cultural expression of national identity and as protection of a branch of economic activity that would not survive without financial aid. Film festivals are also supported due to a combination of these three factors. The combination of agendas distinguishes film festivals from Hollywood's multimedia corporations. The festival network is not geared towards moneymaking, but does provide economic sustainability to films that fall outside of the commercial parameters. The main motivation for providing economic support to European cinemas has been cultural value. In this subchapter, I will study the economic agendas that set the festival network apart from Hollywood. The three main festival “alternatives” that are explored are 1) its substitution of commercial distribution with subsidised festival exposure 2) its translation of culture into value through competition programmes and awards; and 3) its recent turn to industrial tasks.

2.4.1 Festivals and the Distribution Question
As argued earlier, Hollywood’s domination on the global film market is historically related to the period when travelling exhibition sites were replaced with permanent movie houses and distribution was invented. Distribution also remains the key in understanding the extent of its monopoly today. In the blockbuster age, films are ever more expensive commodities that need to make sufficient profit in order for the production companies to survive and be able to invest in new big budget productions. In order for a film to make money it has to be sold – via various distribution channels / distributors – to exhibition outlets. Therefore, distributors are the ones in the production-distribution-exhibition cycle that have the most powerful position. They control the scale of films' releases and supportive marketing campaigns and, as such, act as gateways to economic profitability. Distribution is one of the most important reasons why Hollywood has a competitive advantage over European film industries. In a 1992 report for the Media Business School (an initiative of the MEDIA programme of the European Community) it is stated:

8. Only large-scale distribution business can finance big-budget film making
Distributors, large and small, effectively finance the production of films. A large-scale co-ordinated release by distributors is needed to ensure the financing of a commercially ambitious film, and European bid-budget film cannot succeed without it. Distributors business is based on long term relationship with exhibitors – to whom they implicitly guarantee a minimum box office return – and with producers – to whom they guarantee access to the primary film market of theatrical exhibition.
9. The distinctive capability of the US majors is the large scale of their distribution operations
The main source of the competitive advantage of the US majors is not production expertise but their distribution business. The large scale of their distribution operations, and its long-established nature, mean they are the only companies capable of launching big-budget films. The US majors have two main export advantages in Europe. Firstly, they distribute a portfolio of films that have already largely proved their box-office potential in the US. And secondly, several of them constitute an export cartel whose release strategy maximises the chances of success.\(^{169}\)

Having identified distribution as Europe’s biggest concern, the MEDIA programmes – 1 (1990-1995), 2 (1996-2001) and Plus/3rd generation (2001-2005) – allocated almost half of their funding to distribution for cinema, television and video. The main problem of these programmes, however, has been that film professionals were divided on the question on what grounds funding should be allocated. In the spirit of the 1960s and 1970s, some continued to believe only productions that had sufficient cultural/artistic value to justify the use of taxpayers’ money should be considered eligible to receive subsidies. This resulted in initiatives such as the European Film Distribution Organisation (EFDO) that supported the distribution of low-budget films and was headed by future Berlinale director Dieter Kosslick from 1988 till its dissolution in 1996. The EFDO supported films that were categorised as “independent movies and intelligent entertainment.”\(^{170}\) Many others, however, were critical about the focus on “auteur and art cinema,” for example Martin Dale who argued that “[t]he ‘experts’ employed by the MEDIA programme now play a critical role in deciding which films should be developed and exported, and have helped consolidate the idea that European cinema is uniquely about niche films which represent ‘intelligent’ entertainment.”\(^{171}\) The reports of the Media Business School can be read in line with this type of criticism and advocated the view that producing mainstream European films would be the only viable strategy to counter Hollywood’s film hegemony, because the necessity of finding a large distributor willing to invest in European films is specifically linked to the availability of “plenty of European films with mass appeal.”\(^{172}\) In practice, only a couple of European producers (e.g. David Puttnam) and production companies (e.g. Berlusconi’s Penta) have emulated Hollywood’s big-budget productions, large-scale distribution, and the triple m-combination of “market control,” “marketing” and “mass appeal” with various levels of success. I argue that the most “successful” solution to the distribution question for European cinemas so far has been the creation of the international film festival circuit.

As shown in chapter one, the number of film festivals increased significantly from the 1980s onwards and was characterised by a global spread of this increase. In the 1980s, the film industry also underwent an
important transformation under the influence of cable and (predominantly) video. These two developments combined led to the creation of the international film festival circuit in which some major festivals operate as market places, cultural capital generators, and agenda setters and the remaining majority focuses on (thematic) exhibition of (festival) films and, occasionally, the discovery of new talent. Film festivals have been able to multiply because they offer opportunities for film exhibition outside the regular movie theatres and outside the regular year-round programming rhythm, in particular to films that do not have the commercial potential (yet) to be bought for distribution while being of special interest to the niche community of film lovers that visit festivals. For films that already have secured distribution before they are screened at festivals, the choice to participate in a specific festival is normally taken by the distributor for the territory where the festival will take place. The festival site thus becomes part of the marketing strategy laid out by a distributor. Especially for European cinemas, film festivals are considered good marketing opportunities as participation in and winning one of the major competition programs is believed to help a movies' box-office success in the art house circuit. American companies, on the contrary, sometimes avoid film festival competitions, afraid of having their product stigmatised as an art movie. Especially for bid-budget productions, American distributors tend to choose a different use of festivals, namely exposure in the sections "Out of Competition," "Special Event," "Opening Film" and "Closing Film." The Matrix Reloaded, for example, had its world premier in Cannes in 2003, in order to boost its synchronised world-wide premier. The happening and hype of festivals is used to draw global media attention to such blockbusters without having to subject them to the critical evaluation of competition programmes.

The growth of film festivals and their positioning as alternative exhibition sites has resulted in the institutionalisation of a non-profit distribution system in which festival exposure constitutes a substitute for commercial distribution. Now that access to film festivals has become easy and most countries have at least one major (international) film festival targeted to the general public and many specialised festivals on the side, it seems that the international film festival circuit functions as an "alternative" model that operates independently from commercial objectives while being able to reach audiences world-wide. The supply of film festivals world-wide has, in fact, reached the point of market saturation, being estimated between 1200 and 1900 per year. The public has found its way to the festivals and goes there to see the latest movie of a Japanese cult director, a program specialised in Sub-Sahara cinema, animation or, for example, shorts. Visiting festivals has become an established cultural practice. The festival solution to the unbalanced distribution market can be considered, on the one hand, successful, because it gives audiences a chance to see the smaller budget and niche films that are not made available to them in the commercial context while offering sure art-house hits the chance to accumulate the necessary
critical acclaim before entering the theatrical market. On the other hand, it must be notified that the “success” of the subsidised festival network has made it very difficult for many producers and filmmakers to find creative ways to become financially independent. They have, in other words, become trapped in the subsided festival network. Supplying festivals with films is not bound by the same rules as commercial releases. Because film festivals are not commercial enterprises oriented at making profits, but organisations that pursue their economic sustainability in order to perform a specialised task for film cultural means – as well as a series of other reasons, such as tourism, support of national film industry, etcetera – they cannot pay large amounts of money for the films they include in their programming. Because the number of films that is screened per festival is too high and the number of screenings per film during the festival is too low, the expensive lease-deals that are common for commercial exhibition do not apply at festivals. Ergo, festival exposure in itself is not very profitable. Festivals enter into a negotiation process with producers, sales-agents or distributors that may differ per film. Major festivals tend not to pay at all for prints, while smaller festivals without many extra services (premiers, film market etc.) are charged relatively high. Promotional prints travel from festival to festival and festival schedules are adjusted to allow for logistical transport in-between the various events. The result is a widespread alternative exhibition circuit where many people have the opportunity to see a variety of films, while little profit can be made from the festival exposure itself and only a couple of films manage to move on to theatrical release and/or other forms of distribution. An urgent question for the near future is whether developments in digitisation and satellite transmission will turn the market upside down by breaking established distribution patterns.

2.4.2 Festivals and the Culture Industry

The festival network is created as a zone where the cinematic products are critically evaluated as expression of culture and not measured on box-office result. By changing the parameters of evaluation, the contours of an “alternative” type of culture industry are set by film festivals as the sites of passage for critical praise. As argued in the previous section, because the film festival phenomenon has attracted global following, it was able to become an “alternative” exhibition circuit on its own, supporting and reinforcing its own survival. At major festivals like Cannes, Berlin and Venice, films premier that, subsequently, appear in the programming of whole series of medium and smaller size festivals. Vice versa, specialised festivals may discover new talents that, subsequently, move on to the prestigious competition programmes of the A festivals. A good example of the latter route is the Thai director Apichatpong Weerasethakul, who acquired recognition with DOKFA NAI MEUMAN/MYSTEROUS OBJECT AT NOON (Thailand: 2000) at the Vancouver International Film Festival and with SUD SANAEHA/BLISFULLY YOURS (Thailand/France: 2002) at the international festivals in Cannes (“Un Certain Regard”), Thessaloniki, Rotterdam, Buenos Aires and Singapore before
winning ex aequo the extra jury prize in the Cannes 2004 competition with
SUD PRALAD /TROPICAL MALADY (Thailand/ France/Germany/Italy: 2004). 176
Weerasthakul is one of many Third World filmmakers that depend on the
international film festival circuit and its related opportunities for financing.
His films are devoid of any conventional structure and self-consciously fuse
an observational realism of the quiet life in Thailand’s tropical forests with
mythical undertones and intense encounters. By travelling the festival circuit
and winning prizes, a “difficult” film like TROPICAL MALADY can accumulate
cultural value and reach substantial festival audiences, although distribution
outside the festival circuit remains marginal.

Festivals can, however, also translate cultural value into economic value
through competition programmes and awards. For films with cross-over
appeal, the format of competition programmes and awards is, in fact, a
successful preparation for theatrical release. Art-house favourites such as
Wong Kar-Wai do not depend on festival exposure, but participate in
prestigious festival competitions because the global media attention
constitutes good marketing that is believed to increase the box-office results
later on. Wong Kar-Wai’s highly anticipated sequel to IN THE MOOD FOR LOVE
(Hong Kong/France/Thailand: 2000) – 2046 (Hong Kong/USA/France/China/
Germany: 2004) – premiered in the Cannes competition of 2004. The co-
production was handled by the Dutch sales agent Fortissimo Films and had
been pre-sold to more than twenty territories including Japan (BVI), France
(Ocean), Italy (Istituto Luce) and Spain (Araba) before its premier in Cannes
on 20 May 2004.177 Wong Kar-Wai’s new film belongs to the brand of
international art cinema, which, in contrast with Weerashtakul’s national art,
is characterised by a postmodern style and universal appeal and, as a result,
dresses a global audience not only at film festivals, but also afterwards in
cinema theatres and film houses world-wide. Art houses and the more
commercially oriented niche cinemas specifically visit festivals to prepare for
their programming and scout for potential hits. This means that the large
international film festivals operate as trend-setters in the global art-house
circuit and the films that win (important) awards at these events are most
likely to make it into the theatres. Festival logos are prominently used for
promotional purposes. How this process of value adding works, and what
the role of media and press is, will be the central issue of the case study on
the film festival in Venice in chapter three.

For the assessment of the festival network as alternative to Hollywood’s
hegemony it is important to recall that the notion of cinema as cultural
expression or art form has been a continuing point of debate between Europe
and the United States.178 France, in particular, has been a fierce opponent of
the American position that cinema should be treated as economic product
(and consequently subjected to the rules of free trade, which had already
been the American objective of GATT in 1947). During the GATT
negotiations for 1994, the opposition between France and the United States
was played out on high levels. President François Mitterand took part in
what is known as the France-American film war and defended the French
view as follows: “Creations of the spirit are not just commodities; the elements of culture are not pure business. Defending the pluralism of works of art and the freedom of the public to choose is a duty. What is at stake is the cultural identity of all our nations. It is the right of all people to their own culture. It is the freedom to create and choose our own images. A society which abandons to others the way of showing itself, that is to say, the way of presenting itself to itself, is a society enslaved.” Although, under French leadership, European nations together advocated the view that film and television should be excluded from the agreement, the GATT negotiations also showed how fragmented European film policies were. Michael Chanan argued, moreover, that the real stakes for the US were hidden and that the negotiations for them were “an attempt to shift the balance from protection based on authorship towards the interests of corporate bodies, from film and record producers to computer software companies.” Film and television became one of the two obstacles of GATT 1994 (agriculture being the second) and was signed under the agreement to disagree about film and television. The cultural defence position was upheld and quota continued to be used for protection by European nations (especially France) as well as opposed and legally fought by the Americans. Until today Europeans continue to be divided on the best strategy to fight Hollywood’s hegemony. Some persist with the idea of cultural defence, while others emphasise industrial competitiveness. For film festivals Europe’s official governmental support of the position of cultural protectionism is relevant, because it endorses the cultural function of festivals and, in doing so, justifies the subsidies granted to festivals. At the same time, the call for more economic and industrial measures did not remain unnoticed on the festival circuit. Encouraged by the political climate as well as the growing competition between festivals as a result of globalisation, many festivals turned to development and training. To this third trend I turn next.

2.4.3 Festivals and the Transnational Film Business

A common argument against Europe’s cultural defence position is that if only it would make better films it would be more successful with audiences as well. And although European governments are right to point out that Hollywood is not competing on equal terms – especially considering its advantage in distribution – they also acknowledge the need to invest more in the development of projects and the training of talents. Whereas the rich infrastructure of Hollywood offers young talents many opportunities to learn the trade through trial and error, Europe’s film education remains fragmented. There are film schools, media studies programs at universities and other initiatives, but few have direct relations to the film industry or can offer placement opportunities. Moreover, as Angus Finney argues: “While film schools and university courses abound across Europe, few if any teach about the way the audiovisual market operates on a pan-European level – or an international one, for that matter.” An additional problem for Europe is its lack of geographical concentration. Bjorn Erickson, former principal of the
European Film College, argued that Europe needs six or seven excellent training centres based on the American model.\textsuperscript{182} The example of the Sundance Institute shows that the combination of such an excellent training centre with the organisation of a film festival can be very effective. Sundance developed into a valuable resource for fresh talent, in particular for the American market and Hollywood corporations. The exposure and competitive evaluation at the festival in Utah generate favourable conditions for talents to be discovered and signed by commercial companies.\textsuperscript{183} The situation in Europe differs from the American in its lack of a healthy industry. Film festivals can, however, be used to train upcoming talents and act as matchmaker between the creative professionals and the industries/investors. The main advantage of using film festivals as nodes for such industrial support programmes is that they, by definition, transcend national boundaries and, thus, are highly suitable to facilitate a branch that is more and more dependent on co-productions and international investors. They stimulate the transnational approach to cinema that, nowadays, seems to become a pre-condition for industrial viability, especially for productions without a large domestic market.

It is a trend of the late 1990s that film festivals turn en masse to industry facilitating services. They organise film markets, industry meetings, producers' networks, trainings for script development and production, and all kinds of seminars. With this kind of initiatives, festivals try to make useful contributions to the development of the transnational film market. The Berlinale Talent Campus (2003) and Cannes' Cinéfondation (1998), for example, specifically support young filmmakers. The Berlinale Talent Campus is a five-day training program for 500 selected talents. At the festival in Cannes, Cinéfondation present a selection of about twenty films from film schools or first films under 60 minutes that "deserves special encouragement." CineMart in Rotterdam, in its turn, pre-selects projects, both from young filmmakers and established directors, that are intensively assisted in their search for financiers among the many festival partners that attend the market. At such targeted festival industry events, the international film community meets to network and seek forms of co-operation. Because the industry has become transnational, it is very important that professionals can come together at these nodal points to join forces. It helps individual projects to get realised in the larger network. The festival environment is a rich source of possibilities, because it is, on the one hand, dynamic and flexible enough to bring together different parties and create opportunities, and, on the other hand, institutionalised and established enough to attract these different parties in the first place. Initiatives like the Berlinale Talent Campus and Cinéfondation in Cannes are particularly effective because they offer the participants an insider's view of the international film market and allow them to make the connections that will be vital to the development of their careers. Through training on the spot, festivals help new talents prepare for the transnational practice of the contemporary film industries. This means that they are aware of the need to address universal values or be convincing in
their representation of national identity and learn how to use decentralised and international facilities for financing and production. It is important to note that major festivals like Berlin and Cannes have the advantage of facilitating the film market in all its diversities: from Hollywood’s most commercial strategies to international co-production deals for art house favourites as Lars von Trier or Wong Kar-Wai and the bustling activity in the margin.

There is yet another trend with which festivals have begun to support film talent in the transnational market place. Ella Shohat and Robert Stam assessed that international film production in the 1990s has witnessed “the appearance of First World nations and institutions (notably in Britain, Japan, Canada, France, Holland, Italy and Germany) as funding resources for Third World filmmakers.” I would add that these funding resources are more and more linked to established festival institutions. An example is the Hubert Bals Fund, named after the founder of the International Rotterdam Film Festival and established after his sudden death in 1988. Following Bals’ preference for South-Asian cinema, the fund set itself the task of supporting filmmakers from developing film countries. Its strategy is to concentrate on artistic productions that have a good chance on the international film festival circuit, but lack popular appeal of a national audience and therefore rely on international funding. This strategy is so successful that the Hubert Bals Fund has become a hallmark of quality. The Cannes competition of 2004 featured no less than four productions that received support from the Hubert Bals Fund. The prize-winner TROPICAL MALADY was not only realised with the support of the Hubert Bals Fund, but was also one of the seven projects that had participated in the Rotterdam CineMart (see chapter four for a closer analysis of the Hubert Bals Fund).

The turn to various industry-supporting services is a significant development in the transformation of the festival network model. It strengthens the nodal function of a couple of leading festivals and adds a strong business agenda to the dominant cultural agenda. It may also help to establish regional hierarchy between festivals. The Thessaloniki International Film Festival in Greece, for example, initiated the organisation of the Balkan Fund parallel to the festival in 2003. The Balkan Fund “offers seed money for script development” to five feature films from selected Balkan countries and is to the advantage of both the festival and the film industry in the region. The festival in Thessaloniki foregrounds itself as leading the cinematic developments in the Balkan. With the Balkan Fund it not only offers a central platform for exposure and critical evaluation after completion of production (the section Balkan Survey since 1994), but also establishes a central facility for script development as incentive for regional pre-production. The festival thus combines its position as cultural gateway and meeting point for professionals with training in an attempt to mobilise its expertise within the regional film industry and improve the creativity of local talent as well as the infrastructure of the industry. The Balkan Fund distinguishes Thessaloniki from the festivals in Sofia (Bulgaria), Sarajevo (Serbia) and other events in the Balkan and turns
the festival into an all-round centre of film expertise. Precisely because film festivals already assume a dominant position in the cultural nurturing of European cinema, they have been able to develop initiatives that come closest to the excellent training centres that Erickson had in mind.

The weaker side of initiatives like the Berlinale Talent Campus and Cinéfondation is their short duration. Whereas cultural programmes benefit from the concentration of the festival event as it attributes the screenings with a touch of exclusivity, professional training and development cannot be achieved in a fortnight. The various festival initiatives offer valuable platforms for the international film community to meet and extend networks, but the question remains whether the spatial and temporal dispersal of the festival network can provide sufficient continuity for the film professionals and film industries to flourish. The Cannes Film Festival Cinéfondation responded to this challenge in 2000 by creating the Résidence du Festival, which provides accommodation in Paris to young filmmakers from around the world and offers a program of seminars and professional contacts to assist them in bringing to fruition their project for a first or second feature film. Each group of students stays for four-and-a-half months, in which time they have the chance to develop their own project while learning from established directors, script writers and industry professionals. Considering the trend among festivals towards co-operation with film industries, it seems likely that more initiatives will be developed in this direction in the near future.

2.4.4 Picking up on Trends in Cannes
Returning to the case study on the Cannes Film Festival of 2004, I will specify how some of the latest trends are picked up and discussed at the actual festival site. The festival in Cannes provides the international film industry with an excellent occasion to catch up on the trends in the world film market. A variety of publications is central to the discourse and debates. There are both comprehensive studies and daily festival papers. A good example of the former is the yearly report of the European Audiovisual Observatory. The observatory prepares a bilingual French/English report on the world film market trends since 1998, which is published by the Marché du Cinéma and presented during the festival. Using statistical input from different countries, all continents are covered with figures for the number of productions, admissions, box office, number of screens, average ticket price and more. In Focus 2004. World Film Market Trends André Lange, Head of Department Markets and Financing Information, summarises the annual trends in three observations: 1) Blockbusters perform well but “B list” is fragile; 2) Circulation of European films declines sharply; and 3) Too few popular European films with European and international potential. At the top of the world box office list for 2003 are three American productions: FINDING NEMO (766 millions USD), THE MATRIX RELOADED (739 millions USD) and PIRATES OF THE CARIBBEAN: CURSE OF THE BLACK PEARL (653 millions USD). The top 20 consists solely of US productions or co-productions in the English language.
The presented approach to the world film market is one of clean economic statistics with many numbers, percentages, tables, figures and pie diagrams. This approach is complemented by the daily festival papers. Publications such as Variety, Screen International and Hollywood Reporter not only present the facts and figures from the film industry, but also try to translate these data to verbal analyses. The reports rely on lots of quotes from leading professionals from the film industry and, first of all, provide information on the achievements of individuals and individual corporations. Together with the festival daily published by the Cannes Market itself (Cannes Market News), the four daily publications constitute the main public news channels for observing developments and trends on the Croisette. The business priority of these publications can be read from the decision to place reviews and screening schedules after the pages with business news. Clearly, support of the film industry with information and analyses is their main objective, not the films in the festival programme. That the dailies are, indeed, read by large numbers of film professionals is reflected in the large number of glossy advertisements that turn Variety and Screen International into heavy, inept magazines. The declining thickness of the publications from day six onwards, runs parallel to the activity on the market, which has its peak around the first weekend (day three-six). Variety, moreover, extends its service of printed information with a series of public conferences in Cannes. The panels are held in the Variety Beach Club and feature leading professionals to discuss topics as diverse as “Fest toppes tout tips,” “Financing independent film”, and “D-cinema: the digital solution.” Apart from the public conferences and panels many more closed meetings that evaluate developments and discuss strategies are organised during the festival in Cannes. An example is the annual meeting between the European Ministers of Culture.

One trend that is picked up upon during the 2004 Cannes market is the increasingly important role of the salesman. Screen opens its ninth daily edition with the catchy heading “Croisette witnesses the rebirth of the salesman,” followed by the observation that “Cannes may have been slim pickings for US buyers, but business was refreshingly brisk for the rest of the world. Pre-sells were particularly buoyant with international buyers snapping up modestly budgeted pictures in commercial genres.” Ever since the decline of market activity following the shake-outs and consolidations of the late 1980s, film professionals are looking for the next golden egg to act as incentive for the world film market. The two central figures that have emerged in this period are the international sales agent and the media lawyer. Both figures are the effect of the progressing globalisation and transnationalisation of the film market. The media or entertainment lawyer has gained in importance as film financing turned international and consequently became more and more complex. Different systems for tax relief as financial service for investors and tax incentives for regional support of the film industry made the lawyer one of the most important persons on the negotiation table. The second figure, the sales agent, acts as mediator between products and (ancillary) international markets and has become more
and more essential to film industries that are not integrated. His (or her) growing influence means that the marketability of films as business-to-business products also increases in importance. Successful movements such as Iranian cinema and the Dogme movement, prove that different types of films can be sold globally, provided that there is a shared sense of coherence and outstanding value between films. The signature of one filmmaker may also be the criteria for such a collection. Sales agents and companies recognise that film festivals are valuable platforms for the creation of international recognition and outstanding value through its classification system of selection and awards. They will consequently lobby to get their films in festival competitions. When one looks at the number of films represented by French sales companies – for example Celluloid Dreams and Wild Bunch – in the Cannes 2004 competition (fifteen), one tends to become susceptible to the idea that this type of lobbying might be very effective. The first German feature in competition in Cannes since eleven years, Hans Weingartner’s DIE FETTEN JAHRE SIND VORBEI/The EDUKATORS (Germany/Austria: 2004), is, indeed, sold internationally by the French Celluloid Dreams.

Among the most recent trends on the international film festival circuit are also a declining interest in American independents and a growing attention to films from developing (mostly Asian) cinema countries. In the last subchapter, I will continue to concentrate on my case study of the Cannes Film Festival and study how the festival facilitates both the film business and the festival film business on the local level, the festival site on the Riviera.

2.5. Le Marché du Cinéma: the Festival, Business and Festival Business

The official film market in Cannes – le Marché du Cinéma – was founded as independent organisation in 1959 that organised an annual event for the film industry during the festival. In 1983, the market became part of the festival organisation, a decision that was rendered visible with the construction of the Riviera Hall in 2000 that was build as extension of the new Palais des Festivals (inaugurated in 1983) and would allow festival visitors to walk directly from the palais into the market and vice versa. The Riviera offers 7000 m² of exhibition space for a multitude and variety of companies and is equipped with eight modern (Dolby) screening theatres, “bringing the total to 28 Dolby screens for the Market,” as we are informed on the festival website. The market developed from a modest meeting into the world’s leading event for the international film industry, with over 8,000 participants and 1,400 market screenings in twelve days. The range of services offered by the Cannes Market is great. Apart from the screenings, the organisation facilitates meetings between professionals and provides access to information. There is a business centre for help in communications, rental services for mobile phones, Internet access, and the daily Cannes Market News publication that is distributed (each day from 4 pm) in the Riviera as well as the major hotels. The market, in addition, offers continuous updated information through the databases on their website http://www.cannesmarket.com that can also be received on
PDA. Industry professionals with high accreditation have access to the Plage des Palmes, a quiet location for business meetings. Moreover, in 2004, the Producers Network is initiated to streamline the opportunities for meetings as producers become more and more dependent on international film financing. The Producers Networks entails "a set of means to help producers find new partners and financiers, as well as to encourage new projects and international meetings," says general director Véronique Cayla. The project is part of the Village International that offers pavilions to national organisations that support and/or promote national cinemas with presence, information and network facilities in Cannes.

Effectively, the business conducted at Cannes during the festival is not limited to the official festival spaces. It can be everywhere. Especially restaurants, hotels, apartments and yachts are favourites. Companies rent locations (hotel suites, apartments or yachts) that they transform into communication centres and use as temporary offices and private settings to welcome (potential) partners and discuss deals. Walking through Cannes during the festival, one sees big banners hanging from balconies and boat railings that attract attention to the organisations that have taken up residence there. Compared to the normal situation, the festival creates more opportunities for people to meet, because barriers tend to be lower. When looking for contact, one can easily walk into these provisional offices to pick up information or leave a calling card. Since the professionalisation of the world cinema market, the real business, however, is not left to chance encounters, but is carefully planned beforehand. Sales agents, buyers, distributors, lawyers and filmmakers are constantly on the move to make the most cost-effective use of the gathered film professional crowd. Business is conducted during endless sessions of meetings over breakfast, lunch, dinner and drinks. People meet at the booths and screening theatres of the Marché, during the many organised events and, of course, the numerous parties given at night. Parties are, in fact, thrown to boost business. The productions in the market benefit from the glitter and glamour of Cannes, which – as Jérôme Paillard, director of the Le Marché du Cinéma, argues – distinguish the Cannes Market from the competing markets in Milan (MiFed) and Los Angeles (AFM). The additional flavour and festival ambience make Cannes the number one market. In this subchapter I will start by assessing the importance of glitter and glamour for the festival as premier business site. Then, as prologue to the third chapter, I turn to the festival as media event.

2.5.1 Doing Business in Cannes: the function of glitter and glamour
The success of Cannes as market place is related to the exclusivity, glitter and glamour that are added by the festival and distinguishes the site from plain film markets. The decision to develop the Cannes Film Festival in this direction was a conscious choice at its initiation. Cannes was chosen as festival location in 1939 over Biarritz, Vichy and Algiers, as Gilles Jacob recounts "for its sunshine and enchanting milieu." With the Venetian Lido as its model, the French specifically selected a location that used to be a
leisure resort for the old elite. The ambience of old glory at Cannes made it easy to transform the beach city into a hotspot for the new elite of film stars and other celebrities. While it would have been much harder for the festival to distinguish itself from all the other cultural activities in Paris, the location at the Riviera contributed to the exclusivity and appeal of the event, as if it were a luxurious holiday where life would be much lighter than in the everyday. It is, in addition, important to note that this trend was shared between festivals, choosing a small leisure resort instead of the capital as location. The festival organisations might be in Paris, Rome or Prague during the year, but the festival circus travels to Cannes, Venice and Karlovy Vary each year. The smallness of the festival site and the absence of distractions is beneficial to the efficiency of the market and can be compared to the American move of production facilities to Hollywood in the 1910s, while the financial headquarters stayed behind in New York to benefit from its close proximity to all governmental and business services.  

From 1946 onwards, it was the festival in Cannes that attracted worldwide attention. With Venice abandoning most of the glitter and glamour that had characterised its festivals before the war, the beautiful location on the French Riviera became the place where the rich and famous from the movie world met and mingled with other celebrities. Numerous books have been written about the glamour and the scandals of Cannes. Even when the interest in Cannes is not raised by this particular element of the festival and its history, it proves too intrinsic to the festival to leave unmentioned. Writing about the cultural significance of the film festival in Cannes, Robert Sklar makes a passionate plea to "look beyond the hoopla." In his view, the "hoopla" is not natural, but created by the media, and it can only be discredited for distracting the people's attention from the festival's cultural significance. Andrew Sarris, on the contrary, argues that the riots, scandals and the likes, were what made Cannes stand out. In his view "the worst of Cannes has always been the best of Cannes...If it were less a zoo, and more an art gallery, Cannes would be paradoxically less interesting even to people whose primary interest is ostensibly in the art of the film." The effect of the scandals and glamour should, indeed, not be underestimated. It was this part of Cannes that led to the leading position that Cannes assumed among international film festivals in the 1950s. Cannes established the popular mythology of festival folly and glamour in the period from 1946 till the end of the 1950s. There were extravagant parties, the novelty of (nude) starlets, people competing for stardom or attention, and real stars. In Le Festival de Cannes: D'or et de palmes Pierre Billard describes the extravaganza as follows:

Le Festival des premières années a des airs de guerre en dentelles. On y livre bataille, mais ce sont des batailles de fleurs avec défilés de chars (à thèmes cinématographiques), auxquelles participent les vedettes. Ou encore des batailles de luxe, de festivités, de banquets, de bals et de réceptions en tous genres. L’événement, en 1949, ce sont les 350 bouteilles de champagne de la réception italienne; en
1952, l’arrivée tardive à la réception espagnole d’une paella cuisinée à Madrid dont l’avion transporteur a été détournée par la tempête; en 1959, les 500 bouteilles d’Ouzo et le 50 000 verres cassés à la réception de Jamais le dimanche.xx

Andrews Sarris describes the glamour of Cannes as a combination of the Hollywood celebrity system and French Folies-Bergère. There were, on the one hand, stars that came to Cannes to be seen and enjoy themselves in the extravaganza of the elite and, on the other, the sexual excesses and scandals that provided juicy divertissements. The festival used the stars, the glamour and the scandals to promote its own institution and guarantee its status as the most important international festival. Thus, when Grace Kelly and Prince Rainier from Monaco’s first meeting – organised by the festival in 1955 – resulted in their marriage on 19 April 1956, the festival was happily rescheduled to 10-24 April in order to allow the wedding guests to attend both the festival in Cannes and the wedding in Monaco. The wedding formed a beautiful example of the fairytale dream of fame and fortune becoming reality at Cannes. The myth of Cannes became so powerful, that nobody in the film business could afford to neglect the festival on the Riviera. Everybody who was anybody in the film business gathered in Cannes for the festival, making it one of the most important events for the film industry.

As argued before, the special festive atmosphere and the almost tangible relation to myth continues to be part of the reason why the Cannes market is so successful today. The film business is unlike most other businesses in the sense that the products concerned have a creative origin and a strong emotional appeal. As a result, making film deals is essentially different from, for example, selling cans of tuna or cargo coal. The stars, the red carpet, the parties and all other expressions of glamour, predispose film professionals to approach the film products not only rationally but also affectively. From the 1980s onwards, the glamour of Cannes was completely appropriated for business purposes. The Cannes tradition of glamorous parties was successfully used by the film industry as a supportive means to do business. Until today, parties are thrown to woo people with exclusivity and extravaganza, and actively sell an image – of a movie, national cinema, and production company etcetera – with spectacle and experience instead of arguments and negotiation. The organisation of parties during Cannes has become a profitable business in itself. The careful selection of locations is vital.

xx The Festival, in its first years, looked like a war of lace. A battle is going on, but this is a battle of flowers, with chariot processions (of cinematographic themes) in which the stars participated. Or luxury battles, festivities, banquets, balls, and receptions of all sorts. The event of 1949 was the 350 bottles of Champaign of the Italian reception; in 1952, it was the late arrival, during the Spanish reception, of a paella prepared in Madrid – the airplane carrying it was delayed by a storm; and in 1959, it was the 500 bottles of ouzo and the 50 000 broken glasses of the reception for Jamais le Dimanche. Billard, Pierre. Festival de Cannes: d’Or et de Palmes. Paris: Gallimard, 1997: 24-25.
to parties’ success and potential business spin-off. Dennis Davidson, founder of the PR film company DDA, reflects: “I think that the biggest challenge is to find a venue that has not been done to death and actually fits the bill. There comes a point where even the most ardent partygoer gets bored queuing to get into the same venue five nights out of 10 and then faces the same catering and entertainment. Trying to re-create the wheel whenever possible is our basic rule.”

The observation that parties are predominantly thrown for business purposes becomes apparent when one analyses the daily “party line” column in the Hollywood Reporter that is devoted to evaluation of the parties of the previous night. The criteria for evaluation are a combination of business and entertainment interests, looking subsequently at the attendees, the cuisine and the highlights/lowlights. The evaluation is presented in style, with a score of 1 – 5 martinis. One of the top rankings of the 2004 festival edition (4.5 martinis) is the International Film Guarantors Lunch at the ultra exclusive Hotel du Gap. The Hollywood Reporter’s description emphasises that nowadays the (business) people make the party in Cannes: “This is the lunch during Cannes. IFG’s annual gathering of financiers, bankers, fund managers, lawyers and accountants represents a who’s who in the industry. As someone quipped during the lunch, ‘If this veranda falls into the sea, there would be no industry left.’ [...] You can feel the power. You can take in the view. You can’t get much better.”

The combination of power and view, or, in other words, the people and the festival site, is what makes Cannes the leading business event for the international film industry. The Cannes Film Festival and Marché du Cinema constitute an unchallenged business event because everybody attends and the festival setting offers unique opportunities to do business with a glamorous twist.

The positive effect of glamour and glitter has not been limited to the festival, but extends to the city as a whole. Originally, the festival took place in the Municipal Casino. From 1949 onwards the “Palais des Festivals” left a permanent visual marker on the city of Cannes. In the 1950s pictures of Cannes, the stars on the Croisette and the starlets on the beach were distributed globally. The city of Cannes became famous for the film festival. As the equation of Cannes with the festival turned irreversible, the city became economically dependent on the business generated by the festival. Hotels and restaurants mushroomed to accommodate and cater the crowds arriving in May. The effect of the festivalisation of the city has extended beyond the Festival du Cinéma. Cannes transformed into a city for (international) conferences. When the new Palais des Festival was inaugurated in 1983, its full name “Palais des Festival et des Congrès de Cannes” pointed to the municipality’s main economic industry. All year round conferences are organised in Cannes, which has the infrastructure and climate to make various sized events run smoothly. In order to keep attracting companies, the Festival du Cinéma remains the city’s most important annual promotion. The global coverage of the stars walking the red carpet is priceless in marketing the Palais as conference centre. When conference organisers select Cannes as location, they not only choose for the modern and high tech
facilities in the Palais, but also for the imprint of glamour that remains invested in the buildings and surroundings of the world's leading film festival. It is an added value to their event that conference participants can sunbathe on the same beach where Brigit Bardot posed for pictures in bikini, and sleep in the same hotels where the celebrities stay during the festival. The festivalisation or conferenciation of Cannes has, however, negative effects as well. It has weakened the city as a flourishing residential area. The festival has caused real estate prices to skyrocket, making them too expensive for the average Côte d'Azur citizen. Instead, many apartments are bought by foreigners who do not live there year-round, but only come to spend their holiday or rent the accommodation for good money to festival (or conference) visitors. As a result, apartments remain empty in the low season and conditions for living have deteriorated. Moreover, nowadays it is hard for the local youth to find a job outside of the conference/tourism business and, as a consequence, many leave to nearby cities such as Nice. It is almost as if the festival and conference visitors are the real citizens of Cannes and the city only comes alive when business from the outside takes up its temporary residence.

2.5.2 The Media Factor

The glitter and glamour of Cannes is not only relevant to the business conducted locally during the festival, it is also a vital ingredient for the global media coverage of the festival and, as such, part of marketing strategies. The presence of media is necessary to report on the local festival activities and spread the festival news around the world. In the next chapter, I will analyse in more detail how film festivals, media and press co-operate in order to create additional value for films. For the case study on Cannes and the relation between festivals, business and festival business, it is important to give a preview of the issues central to the next case study on Venice and draw attention to the impact of the virtual festival world that is created by the media. The local performances during the Cannes Film Festival acquire global value by means of media exposure. The Croisette, the beach, the Carlton and above all de Palais des Festival have become powerful media icons that represent Cannes and its international film festival throughout the world. Part of the local magic of Cannes, therefore, is the chance to become part of its global coverage. For a first-time visitor to Cannes it is, for example, almost obligatory to acquire one of the silvery tickets that will grant access to a competition screening in the Lumière Theatre of the festival palace and – more importantly – allows participation in the red carpet ritual. Mounting the festival stairs in the prescribed black tie or evening dress is the quintessential mediatised festival moment: images are continuously captured on cameras and projected onto huge screens both inside and outside the Palais, where people line up to catch a glimpse of the privileged ones (preferably famous) on the carpet. For the non-famous, there is the additional luring promise that their picture may be chosen and transmitted to a global audience susceptible
and eager to consume the myth of glitter and glamour, thereby fulfilling Warhol’s word and present them with their fifteen minutes of fame.\textsuperscript{209}

I believe it is important to see that the media spectacle of the festival network is similar to the media spectacle of Hollywood. Despite the clear difference in economic power between the Hollywood film business and the international film festival circuit, between the studio model of vertical integration and the festival network, they both rely on a similar spectacular mode of conduct. Both create images and circulate these globally in the media. When Guy Debord linked the spectacle to commodity’s dominion over the economy, he was waging a Marxist critique against the spectacle as “a permanent opium war” that manufactures pseudo-needs.\textsuperscript{210} The critique was essentially a critique of power sustained with and inseparable from the new virtual worlds of the society of the spectacle. The term spectacle has maintained current value to allude to many contemporary (economic) practices apart from political ideologies. For the contemporary globalised film markets, media event and media hypes are indispensable for generating sufficient attention. Thus media is not only the interface of the product sold, but also the factor essential to successful sales. The media factor is the x-factor of all film systems, making the objects in the business sexy and wanted. This becomes all the more clear when one visits Cannes and asserts that the city suffers from degeneration. Cannes left its heyday behind and when the sun is hiding behind the clouds one notices, even at a casual glance, that the streets are dirty and the apartments above the designer shops shatter flakes of paint. Cannes as a city is not sexy. However, when captured on camera during the festival, the city shines in the presence of stars, premiers, debates, scandals and the general condition of happening and hype. These fragmented images of Cannes amount to a virtual city that seduces. It seduces with the possibility of transforming the everyday to the larger than life.

The 2004 Cannes festival poster strikingly represents this dream image. It features a small girl posing in the foreground while a thick beam of light casts her shadow on a wall. The shadow, however, is not a lifelike representation of the little girl’s profile, but the iconic image of an immense Marilyn Monroe holding down her shirt against the air blowing from a subway air shaft. The picture can be read straightforwardly as the girl’s fantasy: she is pretending to be the star Marilyn Monroe, who poses for the cameras in Cannes. With a different perspective, the picture can be interpreted as self-referential: Cannes presents itself as the place where ordinary people are transformed into media icons, where a mediocre city becomes exclusive, and where thousands of global media cameras merge into one strong spotlight that is capable of generating larger than life hype. This transformation is not merely reached by local glitter and glamour, but, above all, by the festival as media event. The multitude of media representatives at the festival generates inevitable global media hypes that are highly beneficial to both the festival and the business.
2.6 Conclusion

If, during the 2004 edition, one had asked jury president Quentin Tarantino the question of why Cannes is the leading event in the film business, we might have heard him pointedly paraphrasing David Carradine, protagonist in Kill Bill, Vol. 2. (USA: Quentin Tarantino 2004) in his reply: "Cannes is the man." More dialogue, more explanation, is unnecessary, just like Bill deems it unnecessary to be more specific about the Bride's question on how he was able to find her after running off to marry another man. One cannot sidetrack Bill. Likewise, in matters of cinema, one cannot sidetrack the Cannes Film Festival. Cannes is the man. In the international film festival circuit, Cannes occupies an undisputed leading position. Besides the attention for and evaluation of the creative achievements, the festival is foremost concerned with cinema as economic product: the competition contributes to the positioning of films in the market; the festival platform and global media attention are used to optimise the release of Hollywood mega-productions; the high number of market premiers is important to continue and attract buyers to Cannes. The festival facilitates the encounter between various economic partners with the important addition of a historically-invested ambience and the x-factor that is lacking at film markets such as the AFM and MiFeD. Cannes offers the ultimate network opportunity for the contemporary transnational cinema market. It takes part in the recent festival trend to develop more and more film industrial services (such as training and development) and establish professional co-operation with business partners.

The festival in Cannes, however, does not only bear the features of Tarantino's Bill. It also resembles the Bride. Compared to Hollywood, Cannes is the less powerful one, standing up against the hegemony of the studio system and multimedia corporations. Like Bill and the Bride, Hollywood and Cannes, at the same time, share an intimate history. Metaphorically speaking, Cannes even carried Hollywood's child—the star system, glamour and glitter—and gave birth to the highly successful phenomenon of the festival media event that is as much a part of the art-house and smaller budget productions of world cinema as it is of the lavish marketing strategies for blockbusters. The controversy around Michael Moore's Fahrenheit 9/11 cannot hide the fact that, underneath the anti-American rhetoric of the festival jury, the festival depends heavily on the Hollywood film business. It needs its big-budget premiers to attract media and powerful film industrials to guarantee enough market activity. For Miramax film producers Harvey and Bob Weinstein, who still controlled the marketing of Fahrenheit 9/11 after having sold the distribution rights for the American market, the controversies were a business blessing. Moore and his movie were set firmly on the media agenda and discussed as a hot topic by both opponents and proponents. Anti-Moore websites mushroomed, at which Moore was criticised for inconsistencies in his polemics and insincerity in actions (such as profiting from others' misery and sending his child to an elite school while pretending to be an average guy). Others praised Moore's
subversive interview techniques, which exposed the empty rhetoric of the power that be. Samuel Douhair from *Libération* wrote, for example: “Mais le vrai sujet, le vrai héros des documentaires de Michael Moore, c’est Michael Moore. Le réalisateur se met en scène dans le rôle d’un faux candide mais vrai retors: avec son bagout et sa bedaine, il sait amadouer ses interlocuteurs pour mieux, ensuite, leur rentrer dans le lard et les ridiculiser. *Dans Fahrenheit 9/11*, on le voit aborder tout sourires des parlementaires proguerre pour leur proposer... d’envoyer leurs fils combattre en Irak!”

For the Weinstein brothers all exposure was welcome marketing material. It helped to position the film as a must-see. The prestige of having won the Golden Palm added to the film’s success both in the USA and abroad. *FAHRENHEIT 9/11* was sold to all territories. When the film opened in the USA on 25 June 2004, it immediately broke records. The box office revenue for the first weekend was 21.8 million dollars, which made *FAHRENHEIT 9/11* the first documentary to surpass all feature films and reach the number one spot in the box office revenues charts for its scale of release. The opening weekend revenue, in addition, broke Moore’s previous record of the total revenue of 21.6 million for *BOWLING FOR COLUMBINE*. The independent status of the Cannes Film Festival allowed for an intervention in Hollywood politics and helped secure world-wide distribution for *FAHRENHEIT 9/11*.

Thus one must conclude that the objective of the festival is not to kill its Bill. Its own survival is too much intertwined with Hollywood’s for this to be a realistic option. Instead, the festival aims to counterbalance Hollywood’s hegemony by facilitating and participating in the transnational cinema market. In this chapter I also argued that its alternative business model, the festival network, is successful in bypassing distribution by offering a global exhibition circuit for festival films that are not interesting to the commercial companies. Moreover, the films with cross-over appeal can accumulate the necessary cultural value to be of economic interest to the art house circuit by travelling this circuit. For the next chapter, we will move to Venice to investigate the phenomenon of value addition at the international film festival circuit in more detail.

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xxi But the real subject, the real hero of Michael Moore’s documentary films, is Michael Moore. The director directs himself in the role of a false Candide but really calculating/crafty; with his carelessness and his belly, he knows how to soften his interlocutors in order to better ridicule them. In *Fahrenheit 9/11*, he is filmed addressing, all smiles, prowar congressmen, and proposing that they send... their own sons to fight in Irak! Douhaire, Samuel. “Le vrai héros, c’est lui.” *Libération*, 24 May 2004.