INTERNATIONAL COMPETITIVENESS OF THE TURKISH FILM INDUSTRY

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ABSTRACT

International Competitiveness of the Turkish Film Industry

Creative industries have recently become important topics in G-20 countries due to the great number of opportunities for expanding revenues to cover account deficits particularly for emerging economies. The film industry in particular seems the most popular sub-sector of creative industries, not only for its big share of revenues, around $40 billion, but also for the opportunity for culture diffusion. Culture diffusion gives the opportunity for country to infuse its local lifestyle into new markets. The advantage of cultural diffusion is that it provides high benefits to the multinational companies of the country and this brings a big share of gain in return. We can see this in the case of Hollywood and multinational brand of the United States of America.

We can accept that film industry means much more than $40 billion industry. The aim of this study is to evaluate the international competitiveness of Turkish Film Industry through Porter's Diamond Model. This will reveal a big picture of the Turkish Film Industry to make strategic moves to capture significant share of returns in the worldwide film industry.

ÖZET

Türkiye Film Endüstrisi'nin Uluslararası Rekabet Gücü

Yaratıcı endüstriler, G-20 ülkelerinin ve gelişmekte olan ekonomilerin gelirlerini arttırıp cari açıklarını kapatma konusunda büyük şans olduğundan son zamanlarda önem verilen başlıca konulardan olmuştur. Özellikle film endüstrisi hem sahip olduğu 40 milyar dolarlık büyüklük hem de kültür difüzyonu olanağından dolayı yaratıcı endüstrisinin en popüler alt sektörü konumundadır. Kültür difüzyonu ilgili ülkeye kendi yerel yaşam şeklinin yeni pazara aşılanması fırsatını sağlar. Kültür difüzyonunu ilgili ülkenin çok uluslu şirketleri için avantaj yaratmakta ve büyük bir gelire olanak sağlamaktadır. Bunu Amerika Birleşik Devletleri'nin çok uluslu şirketleri ile Hollywood arasındaki bağda görebiliyoruz.

Bu perspektifte film endüstrisinin sadece 40 milyar dolarlık bir endüstri değil bundan çok daha fazlası olduğunu kabul edebiliriz.

Bu çalışmanın amacı film endüstrisindeki pazar payını yeteri kadar büyüklüğe ulaştıracak stratejik hamleleri yapmak amacıyla Türkiye film endüstrisinin uluslararası rekabet gücünü Porter'in elmas modelini kullanacak ölçmektir.

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CHAPTER 1

INTRODUCTION

Creative industries offer the important opportunities for countries to maintain effective future growth. The course of events and the move towards a worldwide economy bring new trends, and creative industries are the shining stars of this upcoming new world. For now, the film industry alone provides around $12 billion to the United States economy, solely by selling tickets at theatres around the world. Turkey's share is only 300 million dollars from the same industry.

According to World Bank data, Turkey's GDP is 820 billion dollars and the latest growth rate is 2.9%. This growth rate makes a yearly revenue of 23.78 billion dollars. When we consider the income from film industry in the United States, this is almost half of yearly revenue of the Turkish economy. I reiterate: This is only the box office revenues.

However, Turkish movies have had much success in the film festivals since 2004. Turkish directors won the most prestigious awards at the most respected film festivals such as the Cannes Film Festival in France, Germany's Berlin Film Festival, Italy's Venice Film Festival, Canada's Montreal Film Festival, Japan's Tokyo Film Festival, the Netherlands' Rotterdam Film Festival and the Czech Republic's Karlovy Vary Film Festival. This list continues. Additionally, Turkish TV series are being watched by audiences in 75 countries around the world. These successes mean a great chance for the Turkey to extend its market share.

The possibility of success and potential power of the Turkish film industry are going to be analyzed in this thesis through Porter's Diamond Model.

The main argument of the thesis is that the Turkish film industry has the potential to be competitive in the international movie market.

CHAPTER 2

LITERATURE REVIEW

2.1 Industrialization and culture

People's attitudes towards society, nature, community and their rationalization process in particular are changed by industrialization. There were four basic industrialization waves from the late eighteenth century to twentieth century.

The first industrialization wave marked the move from an agricultural society to an industrial society in the eighteenth century to early nineteenth century, also known as the Industrial Revolution, basically in Northern America and Europa.

Consumer goods and services markets of all kinds broadened and provided further inducements to consumption, investment for the revolution and economic growth. As a result, the income of industrial workers increased. This also caused economic rationalization that lead to ignoring societal matters.

The period of automation was the moving force of the second wave of industrialization, starting from the mid-nineteenth century. That enabled by the production of electricity, the construction of railways and canals, the use of assembly lines in factories, and the refinement of the steam engine.

The starting point of the third wave was the date the service sector's wealth generation exceeded the manufacturing sector of the economy. Because of that the post-industrial society was born as a sociology concept.

A shift towards the information age and a focus on renewable energy created the last wave. This change, which was based on technological developments directly affected our culture and the way society behaves and communicates.

Researchers and commentators have been arguing for almost two decades that globalization, especially driven by the revolution in information and communication technologies heralds the ‘end of geography’ (O’Brien, 1992), the ‘death of distance’ (Cairncross, 1997), and the emergence of a ‘borderless world’ (Ohmae, 1990).

The shift from an agrarian society to an industrial society caused by the technological innovation because of industrialization and economic development. Improved productivity changes consumption habits, thus; technology affects culture and culture influences technological innovation that leads social innovation as society adapt to the new technology and seeks for new solutions.

Culture is entirety shaped by interpenetrating characteristics that involves knowledge, art, morals, religion, law, customs, habits and all other skills gained by individual as a result of being a part of the community he/she belonged.

So new notion rose from this point: culture-based creativity which is essential feature of a post-industrial economy. A firm needs more than a good technological base, an efficient manufacturing process to maintain competitive. It also requires motivated team members, creative managers and powerful brands.

It also needs the improvement of products and services that meet the expectations of its citizen. Culture-based creativity can be very helpful in this respect.

Cultural productions such as movies, music and publishing create direct bridges between technology and the customer. In this new era, creative skills and production are important just as marketing and services

In today’s world innovation and creativity runs the new form of economy. All countries are started to integrate creative industries into their policy agendas.

Works of art and cultural products are a collective “memory” for a community, and serve as a reservoir of creative and intellectual ideas for future generations. Arts and cultural institutions improve the quality of life (Pol, 2007).

Now culture is very important to help find a route in the market. Today’s rapid changes, way of creation and consumers’ behavior shapes cultural products. Internet, multimedia, worldwide communication channels have created new type of consumers who become co-creators of contents.

2.2 Cultural economy and creative economy

Cultural economy is the sum of culture and creative industries of which input is creativity and cultural efforts, and output is products that are protected by intellectual property rights.

Cultural economy is a collection of activities that have three features; first of all, these activities have relationship to the creation of aesthetic and semiotic content; second, the cultural economy is subject to Engel’s Law, which means that as disposable incomes rise, so does consumption of cultural goods and services; and third, the production of these goods and services is typically found in industrial districts (Scott, 2004). Cultural economy provides its own values and domestic gains to be globalized. Also culture economy is an economic value of the creative industries and is emerging in the transformation’s process of creative products.

The idea of creativity has been an asset of economic policies since the 1990s. The idea evoked a variety of new terms, such as the “creative sector”, “copyright industries”, “creative business sector”, “art centric business”, “cultural and communication industries”, “media industries” and “knowledge economies”. Creative Economy is presented in European and other countries policy documents, including EU policy, United Nations Development Program and many other

strategy documents of countries. The creative economy prompts new perspectives on value creation thus leading the transformation of creative ideas into the tangible production of products and services (Tarani, 2011). The creative economy can be accepted as social innovation that needs creativity, culture, and knowledge. The notion starts to be seen as fundamental to economic and social development.

Creative economy changes the labor market through gender balance, culture, education and art. The creative economy generates new ideas bringing positive impact on the quality and quantity of life of society.

Additionally the report named ‘Creative Economy’, published in 2008 by UNESCO, United Nations Conference on Trade and Development (UNCTAD), the World Intellectual Property Organization the United Nations Development Program and the International Trade Centre was also a cornerstone in consolidation the concept. In this report UNCTAD makes a distinction between ‘upstream activities’ which is traditional cultural activities as visual arts or performing arts and ‘downstream activities’ those directly related to the market, such as publishing and advertising.

2.3 Knowledge based economy

Historically economy has undergone three interrelated stages. The first stage is search of new resources such as crops and livestock; the first stage is followed by international trading and capital movements and the final stage is technological and institutional innovation (Maddison, 2006). Due to the final stage, intellectuality and quality becomes natural resources of the main engine of economies. So, economic growth of nations has been increasingly influenced by knowledge that leads to concept of knowledge economy.

Knowledge has become one of the main factors of production in countries

productivity and growth. These are now less reliant on the natural resources than the human capital quality and intellectual capacity. Also Economic knowledge is defined as the situation where organizations attain, circulate, develop and create knowledge in a more proficient manner (Houghton & Sheehan, 2000). In other words, creation of new knowledge and innovations and integrate them into people or equipment have become increasingly important for economic growth (Friedman, 2009), (Lewicka, 2011). That is got Knowledge based economy to the stage.

On the other hand knowledge based economy refers to condition where an economy which is developed through the application of it knowledge capacity and diversification (UNESCO, 2005)

It provides occasions for countries to maximize their economic potential through the progress of an effective and efficient ways of producing goods and services and deliver it at low costs to higher number of customers. In fact knowledge based economy relies on production, distribution and application of knowledge and information and tries to take advantage of knowledge for economic development.

Some thinkers believe that the Knowledge Economy is the next stage of global economic development after an agricultural age that is based on land, followed by an industrial age that is based on capital and labor. The fact that almost all international development, research and governance agencies cite knowledge as a central capacity builder for countries, and the knowledge based economy should be taken seriously in national planning strategies.

2.4 Cultural industry

Cultural industries are defined as industries which combine the creation, production

and commercialization of creative contents which are intangible and cultural in nature. Cultural industries are also refers to those industries producing and distributing goods or services which at the time they are developed are considered as a specific attribute which materialize cultural expressions. These include the main arts as visual arts, performing arts, TV and radio, music, books and press as well as film.

The creation, production and commercialization of the products of human creativity are directly related to the cultural industries. These are also reproduced by industrial processes and worldwide mass distribution.

Cultural industries provide cultural goods and services, which are products for consumption. For example music recordings, books, art and concerts. The richer societies become, the more immaterial consumption patterns become, when basic needs are covered and satisfied, consumption is increasingly a cultural statement (KEA 2009).

Cultural industries' products' contents are protected by national and international copyright laws and they can take the form of a good or a service. Cultural industries include publishing, printing, and multimedia, audiovisual, phonographic and cinematographic productions. Convergence between technological, social, economic and cultural aspects has forged changes that affect our daily environment. Creativity is now acknowledged as fostering cultural, social as well as economic gains.

The concept of cultural industries was first used in the book of Dialectic of Enlightenment's chapter of "The Culture Industry: Enlightenment as Mass Deception" which is written by Theodor W. Adorno and Max Horkheimer in 1944. The term of cultural industries provide paradoxical link between culture and

industry. It explains the notion of cultural production in a capitalistic society through expresses how technological innovations have transformed artistic practice. United Kingdom's Department of Culture, Media and Sport (DCMS) defines the cultural and creative industries (CCI) as "those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property". According to UK DCMS' definition which is placed at the main part of its policy marking agenda in 1990's, CCI relies on human capital's talent, skill and creativity to create new jobs and produce wealth through the generation of creative work. An industry which wants to develop, it should demonstrate the growth from the micro to the macro levels, from the development at personal level, business level to industry level. So, the improvement of the abilities and capacities of creative human capital will bring the growth in their business, and when collective growth of all creative businesses in one field will bring the industry to develop. Anglo-Saxon countries as New Zealand and Australia followed United Kingdom and adopted their own definitions and nuances accordingly.

Especially globalization and the 'digital shift' like faster communication channels, global connectivity have radically changed our environment, have opened new ways and have enabled greater cultural diversity that are drivers of further development for the CCIs.

CCIs are naturally inter-disciplinary industries. They combine culture on one hand and economy on the other. Culture and art are described as the core in a system where the CCIs surround the core and the wider economy surrounds the CCIs.

2.5 Creative industry

It is important to understand how creative industries have developed from the cultural industries. There is long and winding history of the 19th, 20s and 21st centuries and one should acknowledge that history to the understand concept of creative industries.

Briefly, culture took industrial form in an industrial environment. The industrial revolution changed societies' life, consumption patterns and brought liberalization through introduced major and evolving changes. This new industrial environment led to popular culture and the concept of commercial culture. Radio, the gramophone, cinema and novels made culture available for the masses and simultaneously caused its artificial reproduction and wide distribution. These changes have created the term of Cultural Industries. Creative industries contain the notions of the digital era since 1990, which changed the context of cultural industries.

Creative industry was first certified in Australian Government's Department of Communications and the Arts' new cultural policy which is designed to help Australia to materialize new Information Technology opportunities and the growing wave of global culture enabled by digital media in 1994: "Creative nation: Commonwealth cultural policy"

In the UK, DCMS highlights the term of creative industries to show the economic contribution of commercial cultural production, leisure activities and entertainment as well as the economic potential of many subsidized cultural activities.

Creative industries are people oriented and rely on creativity of human beings which is renewable. According to The United Nations Conference on Trade and Development creative industries are potential drivers of job creation,

innovation, and social inclusion. Creative industries have also an important influence in the wealth of a region. According to UNESCO creative industries via culture have become an essential milestone of modern day post-industrial knowledge-based economies.

All in all creative industries have a potential for wealth and it also capable of job creation. Core elements of the creative industries are talent, skill and creativity. For Creative Industries, creativity is an input and intellectual property is the output. The creative industry supports economic, social, cultural, political and technological issues and is at the crossroads of the arts, technology and business. Its uniqueness comes from an unlimited resource which is human creativity. Because of that growth strategies in the creative industries focus on development of potential resources not on optimizing limited resources as traditional manufacturing industries.

Creative industry is on the top of industry value chain, the process of creative idea generation, creative ideas' realization and the commercialization of creative achievement is the result of knowledge flow and innovation activities.

The growth of these industries directly dependent the creative talent and this is necessary for sustainable growth of creative industries in any country.
The British Parliament's report indicates that the imagination which conceives invention, scientific discoveries, economic benefits, technology upgrading, employment opportunities; is the most enormous resource of a nation.
Imagination is mainly output of illumination. Art would not replace mathematics and science and technology, but enriches them, so; the welfare of society could be achieved.

Researchers have distinguished four different groups to articulate creative

industries:

• The first approach is that certain sectors constitute the spectrum of creative industries. The creative industry is ‘just another industry’. (Potts & Cunningham, 2008).

• The second group is when creative industries can be approached as a group of certain occupations – this approach is reflected mostly in the concept of a ‘creative class’ where the field of creative industries is based on occupations or fields of activity. (Florida, 2002).

• The third approach is holistic urban development, comprising the concept of the ‘creative city’ (Landry, 2000).

• The fourth approach is seeing creative industries as an important part of the wider economic system, supporting the new economy and “is constituted as a constellation of workers, firms, institutions, infrastructures, communication channels and other active ingredients” (Scott, 2006).

The classification of what constitutes a ‘creative’ industry is highly contested.

Several alternative classificatory systems have been developed. For example, Throsby's concentric circles model proposed to differentiate between the ‘core creative arts’ such as literature, music or performing arts, other ‘core cultural industries’ such as film, museums or photography, ‘wider cultural industries’ such as publishing, television or video/computer games and, finally, ‘related industries’ such as advertising, architecture or design.

In contrast, Hesmondhalgh suggested that only those industries that create texts or cultural artifacts and which engage in some form of industrial reproduction should be considered as ‘core cultural industries’, including advertising,

broadcasting, film, internet, music, publishing and games.

Alternative approach is the classification system of the World Intellectual Property which focuses on the role of copyright in mediating value creation and appropriation. According to this logic, sectors such as advertising, film and video, music or publishing constitute the ‘core copyright industries’, whereas sectors such as design, architecture and fashion are considered as ‘partial copyright industries’ because copyright plays a more peripheral role to their business models.

The World Bank’s approach was to identify products and outputs that were protectable under some form of intellectual property law. For the World Bank the most significant creative industries were software, multimedia, video games, industrial design, fashion, publishing, and research and development.

Widely accepted approach was The DCMS’. It included and researchers, policy makers and practitioners often considered a list of 13 sectors that build the creative industries: advertising, music, architecture, art and antiques market, crafts, publishing, design, fashion, performing arts, software, television and radio, video and computer games and lastly film and video. All these sectors have basis on intellectual capital which is defined as the complex of Human Capital, Organization Capital and Customer Capital by OECD.

CHAPTER 3

INTERNATIONAL FILM INDUSTRY

The movie industry is one of the sub-sectors of the creative industries and it is divided into main branches such as cinema, TV, advertising films and series. Film industry has a strategic importance for development and promotion of a country. Recognition of this importance and development of the sector both financially and morally are significant.

Global film industry's gain from ticket sale has total size of around $36 billion in 2013 and it has 4% growth rate. U.S. and Canada has a biggest share with $11 billion box office. All countries regions experienced growth in 2013. (see Table 1.)

Table 1. Change in Total Market Size 2004-2013

Film Industries (in billion)	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**
World Wide	$35,9	$34,7	$32,6	$31,6	$29,4	$28,1	$26,7	$25,4	$23,1	$24,9

Source: http://www.mpaa.org/

Chinese box office ($3.6 billion) grew by 27%, becoming the first international market to exceed $3 billion in box office. (2013 Theatrical Market Statistics Report) (see Table 2.)

Worldwide cinema screens increased to 134.588 due in large part to continued double digit growth in the Asia Pacific region as 11%.

Digital cinema continues to grow by 25%, although the rate of growth slowed in 2013. Over 80% of the world's screens and at least 50% of the screens in every region are now digital.

The average cinema ticket price increased around 20 cents as 2%. Films provides budget-friendly fun option for a family and cost under $40.

Table 2. Market Size of the Top 20 Film Industries

Countries (in billion)	2013	2012	2011
USA/Canada	$10,90	$10,80	$10,20
China	$3,58	$2,70	$2,00
Japan	$2,40	$2,40	$2,30
UK	$1,70	$1,70	$1,70
France	$1,60	$1,70	$2,00
India	$1,50	$1,40	$1,40
South Korea	$1,40	$1,30	$1,10
Russia	$1,36	$1,23	$1,21
Germany	$1,30	$1,30	$1,30
Australia	$1,10	$1,20	$1,10
Mexico	$0,90	$0,79	$0,76
Brazil	$0,89	$0,83	$0,78
Italy	$0,80	$0,76	$0,90
Spain	$0,70	$0,79	$0,85
Argentina	$0,40	$0,27	$0,23
Netherlands	$0,30	$0,29	$0,31
Turkey	$0,27	$0,22	$0,23
Taiwan	$0,26	$0,22	$0,20
Sweden	$0,20	$0,25	$0,23

Source: http://www.mpaa.org/

Table 3. Market Size of the Regions

By Regions (in billion)	2013	2012	2011	2010	2009	2008	2007	2006	2005
USA/Canada	$10,9	$10,8	$10,2	$10,6	$10,6	$9,8	$9,6	$9,1	$8,8
Europa, Middle East & Africa	$10,9	$10,7	$10,8	$10,4	$9,9	$9,7	$8,7	$8,6	$7,6
Asia Pacific	$11,1	$10,4	$9,0	$8,5	$7,2	$6,8	$6,5	$6,5	$5,6
Latin America	$3,0	$2,8	$2,6	$2,1	$1,7	$1,6	$1,4	$1,3	$1,1

Source: http://www.mpaa.org/

15% of filmgoers are juvenile people in the age group of 2-11. Also they represent 12% of tickets sold. For people in the age group of 18-24 purchased tickets as amount of 226.1 million.

CHAPTER 4

TURKISH FILM INDUSTRY

As Turkish cinema celebrates its 100th anniversary, the Turkish film industry looks back at a dynamic and eventful history. After creating an almost unique local film market in the 1960s and 1970s it collapsed into a deep crisis which saw production levels fall dramatically and the number of cinema screens plummets by almost 80%.

The Yeşilçam period is generally regarded as the golden age of Turkish filmmaking. Boosted by cheap ticket prices cinema became the by far single most important family entertainment source for wide parts of the population. Ticket sales boomed and the number of cinemas increased to over 2424 screens by 1970. Practically all cinemas at the time were monoscreens, i.e. they operated one single but generally very large cinema hall. Approximately half of the cinemas were open-air theatres operating only during the summer season. Unfortunately box office figures of this period have not been well documented. Some sources, however, report admissions shooting to up to 247 million tickets sold in 1970. The box office market was dominated by popular local productions which created their own very specific - mostly melodramatic- film language and production characteristics.

Since the turn of the century the Turkish theatrical market, however, registered an impressive growth trend, firmly establishing Turkey as the second largest

European growth market and the 7th largest European theatrical market, only superseded by the big five EU markets and the Russian Federation. The Turkish film market also stands out in the pan- European landscape as the only market where national films regularly outperform US films.

With 50.4 million cinema tickets sold in 2013 Turkey further strengthened its position as Europe's 7th largest theatrical market in terms of admissions, superseded only by the 'big 5' EU markets and the Russian Federation. Gross box office reached EUR 200 million in 2013. These are the highest levels achieved in Turkey in recent history and represent the interim climax of an impressive growth trend registered over the past ten years. At the same time, Turkey´s cinema going rate still ranks among the lowest in all of Europe. Even in the record year of 2013, admissions per capita did not surpass 0.7. This compares to an average of 1.8 tickets sold per inhabitant in the EU. This suggests a significant further growth potential.

4.1 Accepting Porter's Diamond Model

International trade management's classical theories propose comparative advantages which resides in the factor endowments. Factor endowments are labor, population and natural resources.

In 1990 an academician in Harvard Business School, Michael E. Porter argued that a nation can create new advanced factor endowments such as skilled labor, a strong technology, knowledge based developments, government support and the culture. Porter used a diamond shaped diagram as the basis of a framework to illustrate the determinants of national advantage. This argument is widely accepted by academicians as well as industries. Because this work applied both national and industrial levels. Porter's diamond of national advantage have four plus one determinants as factor conditions, demand conditions, related and supporting industries, firm strategy, structure and rivalry and the role of government

In this thesis we applied Porter's Diamond Model to determine Turkish Film Industry's international competitiveness. Factors in the Porter's Diamond Model's determinants are categorized into three different values of high, medium and low. After categorizing factors, same methodology applied for the determinants, too. To achieve we used secondary data mostly from Ministry of Culture and Tourism, Film Producers' Association of Turkey and Motion Picture Association of America. The most important part of the thesis was collection primary data. To do this the focus group is established with experienced, well-known and successful workers in different areas of Turkish Film Industry. (See Table 4.)

Table 4. Focus Group Participants

Participants	**Area of Work**	**Most Known Projects**
Janset Paçal	Acting	TV Series: Ayrılsak Da Berabariz President of BİROY
Uğur İçbak	Director of Photography	Films: Eşkıya, Son Mektup, Vizontele Tuuba
Kamil Koç	Production, Directing	General Director of Boğaziçi Film Festival, Board Member of Directorate of the Cinema
Taylan Oğuz	Sound	Founder of Melodika
Kayahan	Lighting	Films: Kabadayı. TV Series: Sıla
Mesut Ulutaş	Post Production	Films: Zerre, Çekmeceler
Özgür Çevik	Acting	TV Series: Yabancı Damat Board Member of Union of Actors/Actresses
Evren Erdem	Directing	Films: Yola Çıkmak
Natali Yeres	Art Directing	Films: Saç, Bornova Bornova, Kars Öyküleri
Zeynep Ünal	Festivals	Member of Mithat Alam Film Center

Addition to focus group, one-to-one interviews are made with carefully selected participants. (See Table 5.) Open-ended questions are prepared and they are asked to each participant. According to their answers and collected secondary data, every factors are categorized then the determinants.

Table 5. Interview Participants

Participants	Area of Work	Most Known Projects
Derviş Zaim	Directing	Films: Tabutta Rövaşata, Cenneti Beklerken
Gülşah Erol	Music	Films: Gişe Memuru
Ali Çağlar Özkan	Directing, Theatres	Director of BOUN Theatre
Suat Gündoğdu	Short Movies	Films: Kurt
Ali Arıkök	Sound Engineering	Dubbing: Avatar, Star Wars
Bilge Elif Turhan	Producer	Films: İncir Reçeli
Ceyhan Kapusuz	Animation	Films: Prensesin Uykusu

After determination of Turkish film industry's international competitiveness, strategies and solution offers are made through participants' views.

4.2 Factor conditions in the Turkish film industry (High)

Eleven different components are analyzed to identify Turkish Film Industries' Factor Conditions' international competitiveness and the result is high.

4.2.1 Quality of human resources (High)

One of the main characteristics of Turkish Film Industry is almost all of its labor force composes of Turkish citizens and the industry doesn't need foreign human resources to shoot successful movies and TV series. When we look into the archive that shows all-time top ten blockbuster movies of Turkey which includes local and foreign productions, we see that all of the main creator crew of directors, scriptwriters, lead roles, directors of photography, directors of art and film editors are Turkish citizens. (see Table 6.)

In addition to this world renowned 1981 Cannes Film Festival Palme d'Or winner "Yol", 2014 Cannes Film Festival Palme d'Or winner "Kış Uykusu" and 2011 Berlinale Golden Bear winner "Bal" movies' all crews are gathered as Turkish human capital. (see Table 7.)

Table 6. Creative Crew of the Ten Most Watched Turkish Movies - June 2015

Films	Director	Script	Lead Role	DOP	Director of Art	Post Production
Recep İvedik 4	Togan Gökbakar	Şahan Gökbakar	Şahan Gökbakar	Gérard Simon	Tural Polat	Erkan Özkan
Düğün Dernek	Selçuk Aydemir	Selçuk Aydemir	Ahmet Kural	Türksoy Gölebeyi	Veli Kahraman	Çağrı Türkkan
Fetih 1453	Faruk Aksoy	Attila Engin	Devrim Evin	Hasan Gergin	Servet Aksoy	Erkan Özkan
Recep İvedik 2	Togan Gökbakar	Şahan Gökbakar	Şahan Gökbakar	Ertunç Şenkay	Savaş Özdemir	Erkan Özkan
Recep İvedik	Togan Gökbakar	Şahan Gökbakar	Şahan Gökbakar	Ertunç Şenkay	Koray Fındıkçıoğlu	Erkan Özkan
Kurtlar Vadisi: Irak	Raci Şaşmaz	Raci Şaşmaz	Necati Şaşmaz	Selahattin Sancaklı	Yavuz Fazlıoğlu	Kemalettin Osmanlı
G.O.R.A.	Ömer Faruk Sorak	Cem Yılmaz	Cem Yılmaz	Veli Kuzlu	Bahattin Demirkol	Çağrı Türkkan
Eyyvah Eyvah 2	Hakan Algül	Ata Demirer	Ata Demirer	Gökhan Atılmış	Tural Polat	Mustafa Gökçen
CM101MMXI	Murat Dündar	Cem Yılmaz	Cem Yılmaz	Gökhan Tiryaki	İlker Özcan	Hakan Yarkın
Babam ve Oğlum	Çağan Irmak	Çağan Irmak	Fikret Kuşkan	Rıdvan Ülgen	Murat Güney	Kıvanç İlgüner

Table 7. Creative Crew of the Three Most Prestigious Films of the Turkish Film Industry - June 2015

Films	Festival	Award	Director	Script	Lead Role	DOP	Director of Art	Post Production
Bal	Berlinale	Golden Bear	Semih Kaplanoğlu	Semih Kaplanoğlu	Bora Altaş	Barış Özbiçer	Naz Erayda	Semih Kaplanoğlu
Yol	Cannes	Palme D'or	Şerif Gören	Yılmaz Güney	Tarık Akan	Erdoğan Engin	-	Yılmaz Güney
Kış Uykusu	Cannes	Palme D'or	Nuri Bilge Ceylan	Nuri Bilge Ceylan	Haluk Bilginer	Gökhan Tiryaki	Gamze Kuş	Nuri Bilge Ceylan

Also there is interesting example of 007 James Bond Skyfall movie which had budget of 200 million dollars. The producers of Skyfall had unlimited access to the most talented film industry workers all around the world but during the scenes that shot in Turkey they decided work with Turkish sound and photography crews.

In our questionnaires we asked open ended question of “Which four line of works are the most competent among others?” to 18 experienced delegates from five different line of works as directing, acting, photography, art and editing. (see Table 8.)

Table 8. Questioannaire Responses

Line Of Work	**1st**	**2nd**	**3rd**	**4th**
Directors	Director of Photography	Actors and Actresses	Director of Art	Film Editor
Actors and Actresses	Directors	Director of Photography	Director of Art	Wardrobe
Director of Photography	Directors	Electric Crew	Actors and Actresses	Film Editor
Director of Art	Directors	Scriptwriters	Actors and Actresses	Wardrobe
Post Production	Scriptwriter	Director	Sound Crew	Director of Photography

Almost each of them indicated the other four lines of works. And the other question was “Which line of work is the incompetent among others”, nearly 90 percent of the answers was “Producers” and the remaining was “Investors”. Producers and investors are not included in creative crew so this result hasn’t counted as negative for algorithm of the quality.

On the other hand there is upcoming problem for Turkish film industry about upcoming labors. This problem has not effeted the industry, yet. An increase is observed in the number of cinema, TV and radio departments of private universities in Turkey recently. However, the education offered by these departments is more theoretical than practical. The reason is that since we do not yet have a film set or film center, students have limited opportunities to work at the field, this can only be possible by being a part of a few film projects. Moreover, as mentioned previously, there is not a minimum wage for professional branches of Turkey Film Industry. As the recently launched cinema schools graduate their students, these graduates have concerns about finding jobs due to being equipped with solely theoretical knowledge. Therefore, they apply for positions offering much lower wages than regular prices or even work for free; and producers witnessing this situation include these employees within the projects to lower the costs. This circle is expressed by the participants of

interviews and focus group meetings, particularly by filming and audio professionals, as that a new unqualified generation is included in film projects. They even claim that they are unjustly obliged to lower the wage they receive because of this new generation of employees.

Comprehensive education of new generation is essential for a film industry which aims to create an ecole and occupy a position within world cinema literature through high competitive power. Joint suggestion of solution as a result of the common opinion of all participants is to raise the new generation through an education perspective of European and American film schools for both specialization of professional branches and for practical education rather than theoretical. Whether Turkey will be able to sustain the qualified labor force, considered as the area where it has robust competitive advantage, in the following years depends on this.

In focus group meeting nineteen meeting participants from directing, acting, photography, art, electric, sound, scriptwriting, producing, music and editing fields arrive a consensus of “The most powerful aspect of Turkish Film Industry is its qualified and talented human resources.”

4.2.2 Accessibility of the optimal technology (High)

Equipment of the films and TV series produced in Turkey and of world-wide famous productions do not differ at all in terms of technicality. Access is particularly easy to filming equipment such as camera and lenses, lighting equipment and audio equipment addressing 3 basic needs. Since technology changes fast, rental is generally preferred for each film rather than purchasing equipment.

There are more than 100 film and TV series equipment rental companies solely in Istanbul. Arri Alexa cameras, used for Iron Man film and Game of Thrones TV series and recognized today as a product of the most advanced technology, have been used even for short films in Turkey since 2010. For example Gökhan Tiryaki, director of photography of the test shots of Aslı Özge's new film project, used those 5 years ago in December 2010. Same camera set was used for Suat Gündoğdu's short film production -the finalist of Golden Boll Film Festival- titled Kurt (Wolf) in 2013 and for Birdman film which received academy award for best picture in 2015. In addition to this level of digital production, we have also proved our quality for production of 35mm films. Most significant examples of this are the "Üç Maymun" (Three Monkeys) film produced as 35mm film and received award for best directing at Cannes Film Festival in 2008 and right after that "Bir Zamanlar Anadolu'da" (Once upon a Time in Anatolia) film awarded Grand Prix again at Cannes Film Festival in 2011.

There are robust audio studios and dubbing and audio restoration of films such as Star Wars, Avatar and Ice Age can be carried out in audio studios located in Turkey. Since the products are of good quality, there is also a success at box office; for example Ice Age film was viewed in Turkish in Turkey and achieved box office success. (see Table 9.)

Table 9. Turkey's Box Office Number of Ice Age Quarta

Films	**Box Office**
Ice Age	1.526.938 TL
Ice Age: The Meltdown	6.224.367 TL
Ice Age: Dawn of the Dinosaurs	11.448.378 TL
Ice Age: Continental Drift	18.671.768 TL

Source: http://boxofficeturkiye.com/

Interviewed directors of photography, lighting chiefs and audio teams among the participants of the meeting expressed no technical problem and stated that they are at ease to access new products. Post-production staff and montage staff expressed that they are working within conditions complying with world standards in terms of both software and hardware.

4.2.3 Entrepreneurs and producers (Low)

It is expected that under normal conditions producers take the risk, coordinate the production process of films or TV series beginning from screen-writing process, include backstage and cast staff with whom director would like to work in the project, monitor the budget, meet costs of production, make payments, establish optimum working conditions, arrange post-production process following the footage and right after its completion enable distribution of the film to cinemas and festivals and television screening for TV series and films.

However, he/she does not get involved in the creative process and acts as the force with a direct external impact to ensure the outcome of this process is the best. On the other hand, investors provide solely financial support and leave the whole business to film team. There is not a professional group which we can call producer in the strict sense in Turkey.

Similarly, those working as producers within production companies do not provide general budget but tries to find that budget and thus shoulder actually the role of executive producer. When we examine the production companies of projects supported by the Ministry, we understand that 90 per cent of those belong to directors. And the number of production companies is close to that of supported films as a whole. Directors shoulder the role of producer as well within

Turkey Film Industry; which means an extra work load for the directors who should instead focus on creative part completely and improve the quality of the film. The lack of specialization caused by this creates an adverse impact in terms of competition. It is expressed by all participants of the meeting -except the producers- throughout focus group meetings and one-to-one interviews that production is the professional branch where most of the problems are encountered and that problems are experienced during identifying both qualified producers and investors.

Expectation of TV series sector is to be able to receive support of investors for financing the first 5 episodes. Basically, the decision to end the screening of TV series is made in accordance with the rating figures of 1st or 2nd week because the investing television channel expects a rapid return. According to focus group, a funding for 5 episodes would also increase the number of TV series continuing to be screened.

4.2.4 Advantage of geopolitical position (High)

When the distribution channels of film and TV series sector and their success are taken into account, it is observed that they are positioned in two different markets. Primarily, films transfer stories and perspectives peculiar to eastern tradition to Europe and gain success in this market; however, when we take into account TV series, we observe that the productions -based on stories where more Western life style is dominant- are distributed to Middle East and Arabic world and that gain success thereby.

We can identify the basic reason of this as the position of Turkey and its influence realm over the Ottoman land. Entrance to Middle East with the TV series proving the existence of European life style in a Muslim country called as “most

Western of Easterners" results in arousal of interest hereby and ensures success thanks to the cultural codes of being lived under the sovereignty of Ottoman for long years. On the other hand, Europe always considers East as a mystical and intriguing geography. East starts with Turkey for Europeans in accordance with the "most Eastern of Westerners" approach. When the stories of this land combines with robust images, both festival achievements and box office success in Europe becomes inevitable.

When we examine the European box office figures of our films awarded 3 grand prizes in festivals, we observe that they acquire more revenue than that in Turkey. Moreover, it cannot be a coincidence that the countries, where TV series are sold abroad, used to be within the Ottoman lands. These are the countries that Turkish TV series are broadcasting: Afghanistan, Germany, Albania, Austria, Azerbaijan, the United Arab Emirates, Bahrain, Bosnia-Herzegovina, Brunei, Bulgaria, Algeria, Czech Republic, China, Indonesia, Estonia, Morocco, Georgie, Croatia, Iraq, Iran, Sweden, Switzerland, Japan, Montenegro, Qatar, Kazakhstan, South Korea, Kosova, Kuwait, Latvia, Libya, Lithuania, Lebanon, Hungary, Macedonia, Malaysia, Egypt, Uzbekistan, Pakistan, Romania, Russia, Slovakia, Slovenia, Thailand, Taiwan, Tunisia, Ukraine, Oman, Jordan, Vietnam, Yemen and Greece.

4.2.5 Industrial areas, film fields (Low)

There are not sites dedicated to creative industries in Turkey like Hollywood or that of Germany and France. Actually, the center of cinema could be argued to be İstanbul because of the fact that it's the center of finance and general directorates of television channels are located there.

However, there is not a designated film center in İstanbul. These kinds of initiatives have been tried before. Antalya Film Studios, the most significant example of this, was established by Tekfen Conglomerate in 1999 at Çandır town of Serik district of Antalya and it costed 17 million Dollars. Antalya Film Studios, which came into service in 1999 at Çandır town of Antalya, became the victim of bureaucracy. The biggest studios of Middle East, which was called "Çandırwood" by people, turned to be inert because of the lack of a discount for items such as "tax, fee and withholding" expenditures. It was established on 10 thousand 200 square meter closed area covering 120 acre area rented for 25 years and it had 2 separate studios. Bülent Güçer, general director of Antalya Film Studios, expressed those items such as tax and withholding in force in Turkey have a negative impact on producers and that "Our studios are now on hold. Hungary and Canada provide tax and accommodation incentives for the producers coming to their country.

However, foreign producers do not prefer our country because of the taxation system in Turkey. On the other hand, local producers do not want to spend money on studios since they prefer natural settings." This facility with 2 studios of 3040 m2 and 200 m2, production offices, make-up and dressing rooms, ambulances and water tanker and comprehensive photography archive is recognized as the biggest film set of Middle East. Only Arabian Nights by American Hallmark and G.O.R.A. –written and acted by Cem Yılmaz- were shot at Çandırwood. Only 2 films could have been shot in these studios in 8 years.

4.2.6 Internationalization of actors/actresses and directors (Low)

One of the most important shortcomings of Turkey Film Industry is the fact that although there are talented and high-level actors and directors, they are not

summoned abroad or take place within international productions. It is obvious that particularly some directors of film industries of developing economies become persona grata at Hollywood; become candidates of grand prizes at ceremonies such as Academy, BAFTA and Golden Globe and even awarded these prizes.

We witness that Turkish actors have taken place within some international productions of large budgets lately; however, we observe that the call for the actor is based on the fact that there is a Turkish character in line with the story or project is conducted in Turkey or in a close country. We can say that it is a need for a specific character in line with the story instead of a need for talent. When we take into account directors, we do not have a director who went to A-level festivals or ceremonies with a production produced out of Turkey. Same is true for TV series. We do not have a director or actor who took place and gained fame in a non-Turkish project. Only exemption is that screen-writer and cast of Umuda Yolculuk (Journey of Hope) film, which is an Italian production and received academy award for best foreign language film, are Turkish. However, this single prize out of the 100 years film history indicates more of a failure than success. (see Table 10.)

Table 10. Creative Crew of the Oscar Winning Movie: Journey of Hope - 1990

Film	**Ceramony**	**Award**	**Director**	**Script**	**Lead Role**	**DOP**	**Director of Art**	**PostProduction**
Journey of Hope	Academy Awards	Oscar	Xavier Koller	Feride Çiçekoğlu	Necmettin Çobanoğlu	Galip İyitanir	Kathrin Brunner	Daniel Gibel

4.2.7 Originality of scripts (High)

One of the strongest features of Turkey Film Industry is the stories of films. Each corner of Anatolia, which includes Mesopotamia where writing was invented, is home to various stories. Basic reason of this is the fact that this geography is a mosaic where many ethnical groups of different languages, religions, races and faiths

live together. There are twenty four different ethnicities, eigthteen different religious faiths and 30 different languages. Since these differences penetrate the geography differently, very different stories can be adapted into film scripts according to the places where screen-writers live.

Turkey is divided into seven regions. When we examine Mayıs Sıkıntısı (Clouds of May), İklimler (Climates), 3 Maymun (Three Monkeys), Bir Zamanlar Anadolu'da (Once upon a Time in Anatolia), Kış Uykusu (Winter Sleep) films by Nuri Bilge Ceylan returning from Cannes Film Festival with prizes, we observe that each film was shot in a different city and that in terms of regions 5 different geographies -Central Anatolia, Eastern Anatolia, Marmara, Aegean and Mediterranean- are used. In addition to those, Yumurta (Egg), Süt (Milk), Bal (Honey) films by Semih Kaplanoğlu receiving awards at Berlin Film Festival (Bal was awarded Golden Bear) were shot in Black Sea region. Stories of these films again belong to the places where they are shot, where they are experienced. Since there are not sets or large footage areas for shooting, films are usually shot at the places where the story took place like Dogma principles. Since false places can never substitute the real ones, some part of the success of Turkish films indirectly derives from the real settings where they are shot. Whole Anatolia and Thrace is benefitted from as a natural and self-made set. In this respect, international productions of large budget can prefer to produce films in Turkey because of the natural beauties it has despite the lack of taxation advantage.

4.2.8 Be organized (Low)

Organization is an on-going problem of casting and backstage staff for years. It has become a problem not only for film industry but for all employees throughout the

100 years-long history of Turkey cinema due to the collapse of Ottoman State by World War and interruption of democracy of newly founded Republic because of 64, 72, 80 military coups. We can start the organization history of Turkey from 1980 since all union activities were suspended by new constitution at September 12, 1980.

We can argue that film industry staff has been unsuccessful in terms of rights struggle through organization within this duration of 35 years. These bans were removed from the constitution by the referendum took place in 2010. September 12 government shut down Sine-Sen (Cinema Workers' Union) affiliated with DİSK (Confederation of Progressive Trade Unions of Turkey) in addition to several other workers unions and mass unions. 25 executives of the union were asked to be sentenced to death, sentenced to prison from 6 months to 2.5 years and tortured. For example Şerif Gören, Necmettin Çobanoğlu and Gani Turanlı are only a few of the tortured cinema professionals. Even the regulation placing film set working conditions among hazardous category came into force only in 2014. This regulation obliges work safety and medical officers at sets. It is a direct indicator of the unfavorable conditions of work place because films were produced without either work safety or medical officers until 2014.

Apart from work conditions, another fundamental problem is that none of the professional branches has daily minimum wages and thus, since it is possible to hire through low prices under these conditions, quality is declined due to the employment of unqualified employees and thus decreasing average income level of film industry and preventing it to become an attractive industry. It is quite easy to claim that most effective initiative in terms of organization took place in Hollywood. When particularly screenwriters of TV series initiated a strike as an organization following

the dissension they experienced with the producers in 2007 about their share from digital media revenues, there was a strike by a huge participation including the screenwriters of TV series such as Grey's Anatomy, Lost, Prison Break and Sopranos. Thereafter, 150 thousand actors of Hollywood Alliance of Theatrical Stage Employees decided to support the screenwriters by not renewing the contracts after their due date.

Sector lost 1 billion Dollars as a result of the 3 months-long strike and producers were obliged to come to terms with the delegation of Writers Guild of America which has 12 thousand members. Focus group meetings expressed that when compared with US this kind of a strike cannot take place in Turkey basically because "Film industry employees do not have the savings to sustain their life without any income for such a long time of 3 months."

4.2.9 Self-independency (Low)

Screenwriters and directors should be able to pen and shot the stories they want freely. When restrictions of freedom of thought are reflected particularly into art, it composes a barrier before the enhancement of art. Censor applied by state in Turkey from the past to the present is one of our unresolved problems.

Antalya Golden Orange Film Festival, the biggest festival of Turkey, was censored by the government in 1979 and full-length film competition was cancelled. Military coup took place in 1980 and Antalya Golden Orange Film Festival was cancelled again under the military coup government. Those films which could not be a part of these two censored festivals were included to the competition and restoration of the honor of those awarded a prize was ensured at September 12, 2011. This can be considered as a positive development and an indicator of improvement

but when we turn our eyes to present day, all films competing under full-length and documentary categories were withdrawn and competitions were cancelled because of a documentary film project censored by Ministry of Culture and Tourism during the İstanbul Film Festival of this year. Ankara Film Festival was also cancelled as a reaction.

I have mentioned that the only source of funds for the films is the General Directorate of Cinema of Ministry of Culture and Tourism. Particularly the directors who will shot their first films do not receive any support from TV series producers or film production companies and they are completely dependent on the funds of state. Another common opinion coming forward at focus group meetings is that financial sources determine the production processes. Therefore, it is obvious that when the funding is received from the state, the scripts which criticize the state or contain an incident against government policies cannot be supported. Thus, the topics which considered being a barrier before the funding are automatically censored by the screen-writer just at the phase of screen-writing. Censorship was applied not only by preventing the screening of films at movie theatres but also indirectly by 18+, 15+ and 13+ regulations setting the age of the viewers of the film by the Ministry. Films labelled as 18+ -in accordance with the Article 11 of the Directive stating "film can be viewed by audiences at and over 18 because of including elements affecting mental and physical health of children and youth and general morals, human dignity and violence"- are completely deprived of the support of Ministry and the number of viewers are indirectly decreased.

We can point Onur Ünlü's İtirazım Var (I have an objection) film produced in 2012 as an example to the fact that this article is applied for censorship. Onur Ünlü

used to be a successful TV series director at TRT, states' TV channel, but his contract was terminated with this channel when he supported Gezi Protests against the government. İtirazım Var (I have an objection), which he shot after this incident, was labeled 18+ by the Ministry although it did not have an adverse element. The lawsuit following this decision withdrew the 18+ label and proved the above mentioned opinion. Thus, Turkey Film Industry is an industry with low competition power in terms of the freedoms of screen-writers and directors to pen the story they desire. Self-censorship takes place because of the present conditions. Cinema and festival screenings of the products without self-censorship can be censored by Ministry of Culture and Tourism and their TV screenings can be censored by RTÜK (Radio and Television Supreme Council).

Censor problem in Turkish film industry is one of the mutual problems of all employees working in the sector. Ministry of Culture and Tourism being the only national fund provider for Films projects, causes the support to Films which are parallel to political views and social concept of government party. And this causes self-censorship application of project owners. Inspecting and regulation institution in televisions for TV series is Supreme Council of Radio and Television. Because this institution works in connection with prime ministry, it applies indirect censor on the tv series which consist situations opposite to its own political view. This is proved with the penalties given to the channel where the TV series is broadcasted. Because censorship has an application area not in written but directly, it makes the sector feel uncomfortable. No legal regulations are made by the state to prevent such direct or indirect censor applications. There is a direct censor application of both Ministry of Culture and Tourism and Supreme Court of Radio and Television especially for the projects having sexual content. It may be the reason of elimination during having

fund if the project has contents such as swearing and slang language. The scope of artwork is limited with such perception. Turkish film industry is quite weak in international level in term of self-independency because of the reasons above.

4.2.10 Institutionalization of titles (Medium)

There is not an answer in Turkey to the question of how one acquires the titles of film and TV series sector such as a director of photography, lighting chief, boom operator, director of art, audio recording staff, montage staff, and color correction staff. Although there are courses offering theoretical education for these jobs, there are not film schools for different academic specializations. Most of the time, a person considers himself/herself qualified for a title after a certain experience at a profession following practical experiences gained at the field.

When we examine the careers of the participants of one-to-one interviews and meetings, we observe that technical staff come completely from the field and learn the profession through master-apprentice relationship. However, this is not true for acting. Acting education exists as an academic branch within conservatories and fine arts departments and in addition to these there are long-term schools where particularly the title of actor can be acquired. Again there are audio engineering departments in universities. On the other hand, despite the lack of specialization in Cinema, TV and Radio departments, there are departments where practical education can be received on technical topics. Long-term workshop practices of independent film schools are also on-going for the last 5 years in terms of screen-writing and directorship. On the other hand, it attracts attention that there are separate departments, film schools and festival workshops in Europe and America.

Participants claim that although there are not currently departments designated for specialization in each branch, it will not take long that a structure similar to that of Europe established in Turkey. On the other hand, master-apprentice relationship comes forth as the strong aspect of the education and actually this contributes to the industry significantly in terms of transfer of experiences. When we take into account the whole picture, we conclude that institutionalization of titles would provide medium-range competition power.

4.2.11 Non-profit support for art house movies (High)

When the researches focus solely on quantitative data, an important shortcoming of art films produced in Turkey is their budgets. Since these films cannot achieve success at box office, they are supported by state because of solely their potential of artistic success. When the supported films receive an award at the festivals of Antalya Golden Orange, Adana Golden Boll and İstanbul Film or when they get the right to be screened at one of the international A-level festivals, this support becomes a grant. This attitude of state towards the success of art is also true for the staff of backstage and casting. It is stated during the interviews and meetings that they work for much lower prices in art films compared to the success potential of the script and its director. They support the films, which cannot be produced under normal conditions particularly with the budget of about 300 thousand Turkish Liras offered to the directors who produce his/her first film, both to gain professional satisfaction and also to establish ecole of Turkey cinema through festivals. We can encounter with the same technical team when we take into account the films produced in Turkey with the largest budget and with the budget of 300 thousand Turkish Liras which can be considered as the minimum budget. This is also true for technical

equipment support, logistic support and even catering support along with human resources. Executives of rental companies express that they rent the equipment for more reasonable prices particularly to short films and young directors. Similarly, owners of audio and post-production studios stated during the interviews that they have a quota for films with a high potential through which they provide post-production support free of charge both privately and during the competitions they organize within festivals. Thus, films may seem to be produced for budgets of 300 thousand Turkish Liras -much lower than their actual value-; whereas their actual value would be millions of Turkish Liras. This proves that fact that Cinema Industry of Turkey can act together for the films independently from the necessary capital and thus has a high competitive power in this regard.

4.3 Demand conditions in the Turkish Film Industry (High)

Seven different components are analyzed to identify Turkish Film Industries' Demand Conditions' international competitiveness and the result is high.

4.3.1 Home Demand (High)

According to the figures declared by the Ministry of Culture and Tourism, the 60 million-viewer threshold has been passed for the first time since 1990, when box office data was started to be recorded in Turkey, and box office record has been broken with a total of 654 million TL.

In the viewer survey carried out by Mars Media, the advertisement and marketing company of the biggest cinema chain of Turkey, Cinemaximum cinemas, the ratio of men to women in cinema viewers appear to be 50%. In age distribution, viewers between the ages of 21 and 29 constitute the biggest share (32%). Since the

majority of these viewers are young, 64% of them appear to be single. Married viewers with children constitute 25%. A striking conclusion is that monthly income of 1790 TL, which is the average income in Turkey, goes up to 3300 TL per month when cinema viewers are considered. In fact, we can infer that the group of people which the cinema sector appeals to is medium-upper-income families and their children especially at the ages of 15-29. The number of viewers aged 15-20 and 21-29 form 51% of the total number of viewers. The main property of Turkish Film Industry, which has a huge viewer mass of 60 million, that increases its international competitive power in this sense is the support provided by viewers for Turkish films. According to 2014 data of the Ministry of Culture and Tourism, 58% of total number of viewers opted for Turkish films sending the revenue of 356 million TL out of 654 million TL to Turkish films. (see Figure 1.) When we examine the most watched 10 movies again in 2014, we see that all 9 films are Turkish productions. (see Table 11.)

Table 11. Top Ten Most Watched Movies of the Turkish Film Industry - 2014

Films	Country	Audience
Recep İvedik	Turkey	7.349.000
Eyyvah Eyvah	Turkey	3.414.000
Düğün Dernek	Turkey	2.889.000
Pek Yakında	Turkey	2.183.000
Unutursam Fısılda	Turkey	1.658.000
Birleşen Gönüller	Turkey	1.542.000
Deliha	Turkey	1.456.000
İncir Reçeli 2	Turkey	1.378.000
Patron Mutlu Son İstiyor	Turkey	1.297.000
Noah	USA	1.178.000

Source: http://www.sinema.gov.tr

Turkish film industry has high international competitive power in terms of home demand. (see Figure 2.)

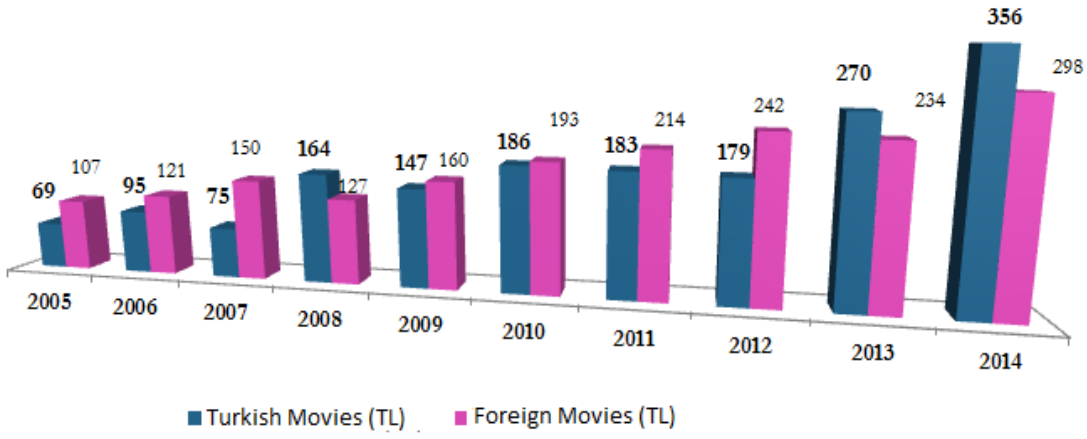

Fig 1. Box-office receipts of movies released in Turkey 2004-2014 (Million TL)

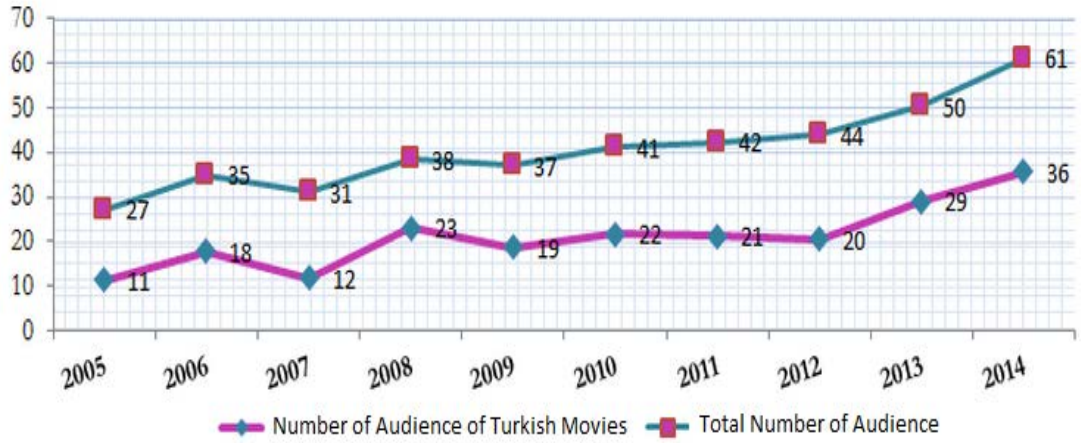

Fig 2. Viewer numbers of movies released in Turkey 2004-2014 (Million)

4.3.2 Quality and quantity of theatres (Medium)

According to the report prepared by the Professional Association of Cinema Work Producers in June 2014, there are 423 cinemas, 2134 screens and a viewer capacity of 261.341 people in Turkey. 65% of these movie theatres are digitalized. Digitalization means new generation movie theatre. Today, movies are played through DCP for which virtual copies called VPFs are required. In this sense, digitalization is a very important subject for movie theatres.

Movie theatres which show 35mm film copy are no longer preferred as they are costly for distributors, theatre owners and producers. In Turkey, where IMAX 3D movie theatres, which is considered the highest technology movie theatre, are also available, digitalization rate in 1268 movie theatres out of 2134 ones that belong to group cinemas was found 83%. However, when independent cinemas are also taken into account, this percentage drops down to 61%. While this figure is 90% in Germany, it is around 75% and 70% in countries like Italy and Spain. Smaller European countries have completed their digital transformation more rapidly as they have fewer movie theatres. The rate is 27% for Greece, which is experiencing economic difficulties.

In terms of number of movie theatres, Turkey ranks 7 in Europe while France, Germany and the United Kingdom share the first three places. The United States has 39641 movie theatres and is way ahead in terms of competitive strength. However, France (5465), Germany (4640) and the United Kingdom (3767) are at an attainable level for such a developing economy as Turkey. It is seen that Turkish Film Industry is at an average level in terms of quality and quantity of movie theatres when compared to Europe.

4.3.3 Number of movies (High)

According to data of the Ministry of Culture and Tourism, a total of 357 movies were released in 2014 in Turkey. Year 2014 is considered 100th year of Turkish Cinema and producing 100 feature-length movies in the 100th year was set as the common goal by the sector at the beginning of the year. This target was exceeded and 108 Turkish movies were produced in 2014. However, the United States is the country with the highest number of movies released. This is followed by 108 Turkish movies,

28 French productions and 24 movies from the United Kingdom. Although we fall behind 1400 annual movie number when compared to the United States, we are in a good state in comparison with Europe, which is considered to be our main competition market.

France produced 208 while Germany produced 156 movies. The main point here is the fact that most of the movies are co-productions with other countries. Only 8 out of 108 Turkish movies in Turkey are co-productions. These movies constitute 30% of the movies released. The fact that 58% of all viewers prefer Turkish productions shows that these 108 movies have good quality. Turkish cinema industry has the power to attain the targeted movie production number on its own and this is another strong competitive power element in international industry. (see Figure 3.)

4.3.4 Effective independent theatres (Low)

41% of movie theatres in Turkey consist of independent movie theatres while 59% consists of group cinemas. In viewer capacity, this ratio drops down to 36% for independent cinemas with a viewer capacity of 95.167. Out of 866 independent movie theatres, only 326 ones could switch to DCP.

One of the main reasons of this is the failure to find a fund both in the sense of public and private sector in order for this technological change to take place. It is a move of technological change which they need to make completely by their own efforts. According to the report published by the Professional Association of Cinema Work Producers in June 2014, it was found that it was impossible for a large majority of 164 independent cinemas, which accommodate 1-3 movie theatres, to switch to digitalization. Apart from this, a structure where group cinemas are

empowered and are moving towards monopoly exists. Mars Group has 30% of the sector by itself with 68 cinemas, 602 movie theatres and digitalization ratio of 97%.

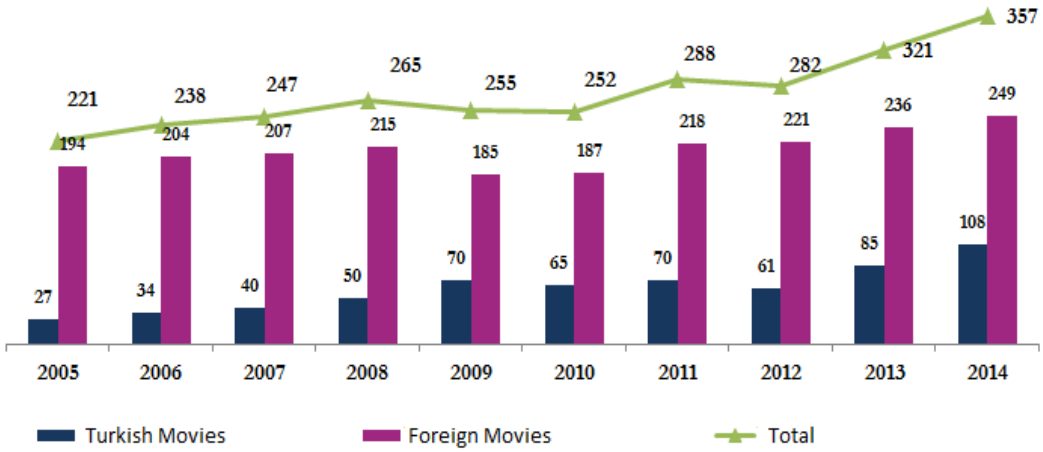

Fig 3. Number of movies released in Turkey 2004-2014

When digital movie theatres are taken as basis, this ratio goes up to 44%. In the one-to-one interviews conducted with owners of independent movie theatres, they indicate that movies that will do well in the box office prefer group cinemas instead of being given to independent movie theatres due to this monopolization. Independent cinemas are places where people can watch alternative movies. They take movies as works of art, not as an industrial product just because of box office concerns. This is an important factor in formation of movie system in countries. An antitrust law that will inhibit monopolization of movie theatres does not exist in Turkey. The structure of independent movie theatres does not operate in Turkey and they will decrease day by day in the years ahead. In terms of independent movie theatres, Turkey has fallen behind Europe and it will become even weaker in the years to follow.

4.3.5 Screening & broadcasting durations (Low)

Monopolization in movie theatres has also a direct effect on new directors and box office status of art movies as well as independent movie theatres. Basically, a projection as to how well a movie will do at the box office can be created based on data obtained after release of a movie in the first three days. This projection reveals how many days the movies will be shown. Here, no quota exists for government-funded movies or for directors shooting their first movie.

Hollywood movies that have a budget of 100 millions of dollars and strong distributors are considered in the same pool as independent movies which receive minimum amount of government support and have no distributor. As group movie theatres have the position of monopoly in the sector, these movies can find a place in movie theatres in periods called dead season, when schools are closed or box office movies are not released, and are shown for 1-2 weeks on average. In how many movie theatres the movies will be shown is also decided on under monopoly of group cinemas. Group cinema companies can decide on the number of copies they will demand for a movie any time until the date of screening. No sanction is imposed on group cinemas for decreasing the screening number of a movie on the last day. In a similar way to movies, series are also ended in the short run taking the rating figures into account before the first season as producers seek fast feedback in series sector. The situation is worse in short-length movies. There are no screening charts for short-length movies in televisions or movie theatres. Short-length movies only find a screening chance within the scope of festivals.

The one-to-one interviews conducted with meeting participants also see monopolization as a big problem in cinema and Turkey remains weak in this respect when compared to Europe.

4.3.6 Finding new markets (High)

In recent years, initiatives for new markets overseas and positive feedbacks in relation to them exist in Turkish series sector. Especially Middle East and Arabic Peninsula attract attention as new markets for Turkish series. High revenues are gained through sale of Turkish series to the countries concerned. (Table: the series sold overseas and revenues earned). While Turkey sells series to the east, Europe appears to be a new market for movies. European viewers, whose number peaked with success of Nuri Bilge Ceylan in Cannes Film Festival, are interested in Turkish movies. In focus group meetings, participants from the Ministry of Culture are of the opinion that Turkey desires to enter Asian and African markets. Turkey provides support to such poor countries as Nigeria and Sudan by helping them build movie theatres. As a strategic move, the second stage contains building a structure that will involve Turkish movies and in this way, promoting Turkish culture. Again, when we take our festival success into account, the number of our movies that gain success in Southern America and Far East festivals have recently been on the rise. (Table movies in South America and Far East film festivals) We also started to have influence in the Balkans. In Bosnia-Herzegovina's Sarajevo film festival, which is the biggest film festival of the Balkans, the best film of 2014 award was given to a Turkish film: Annemin Sesi (The Voice of my Mother). In terms of penetration into new markets, Turkey has the position of a highly competitive country.

4.3.7 Stability in success (High)

Although little government support is provided for the Turkish cinema as of 2004 in terms of figures, the support for the Director Shooting his/her First Movie- which is given under a separate category for new directors- paved the way for new achievements and formation of a positive graphics in the sector. When we review the decade starting from 2004, it is seen that our movies have been nominated for major awards in world-wide known festivals and they even won them each year. The number of movies produced is increasing year by year.

In the same way, the number of viewers and the box office revenues are also rising each year. Reflections of 2007 mortgage crisis, which affected all countries negatively, are also seen in Turkey. However, Turkish movie sector managed to weather the storm within a short time. Sales of our series abroad are on the rise for the last decade. Today, a Turkish Movie Industry which does not retrogress, makes progress, achieves its targeted objectives and successes exists. This situation is seen as the reason for being optimistic for the future in the discussions made with the participants. A sustainable success has been achieved despite difficulties. In Turkish Movie Industry, consistency is seen as a strong element in success. (see Table 12.)

4.4 Related and supporting industries in the Turkish Film Industry (Medium)

Six different components are analyzed to identify Turkish Film Industries' related and supporting industries' international competitiveness and the result is medium

4.4.1 Number of film schools (High)

Revenue of Movie and TV series industry in Turkey has been increasing with economic growth in Turkey and parallel with developing country economics for the

last 10 years. With this attractive increase and winning prizes from festivals worldwide, prestige of movie industry in Turkey has increased. It is also seen as an opportunity for a working area. That is why a dramatically increase is observed in movie schools. There are 52 movie schools in Turkey, 31 of them are state, 18 of them are private and 2 of them are academies.

Table 12. International Award Winning Turkish Films 2010-2014

Year	Films	Directors	Festivals	Awards
2014	Kış Uykusu	Nuri Bilge Ceylan	Cannes	Palme d'Or
2014	Kış Uykusu	Nuri Bilge Ceylan	Cannes	FIPRESCI
2014	Kuzu	Kutluğ Ataman	Berlinale	C.I.C.A.E
2013	Eve Dönüş	Alphan Eşeli	Montreal	Golden Zenith
2013	Eve Dönüş	Alphan Eşeli	Montreal	FIPRESCI
2013	Yozgat Blues	Mahmut Fazıl Coşkun	Warsaw	FIPRESCI
2013	Zerre	Erdem Tepegöz	Moscow	Golden St. George
2013	Zerre	Erdem Tepegöz	Moscow	Best Actress
2012	Tepenin Ardı	Emin Alper	Berlinale	Caligari
2012	Tepenin Ardı	Emin Alper	Karlovy Vary	NETPAC
2012	Lal Gece	Reis Çelik	Berlinale	Crystal Bear
2012	Lal Gece	Reis Çelik	Mar del Plata	Best Director
2012	Lal Gece	Reis Çelik	Mar del Plata	Best Actor
2012	Lal Gece	Reis Çelik	Tokio	Asian Film
2012	Küf	Ali Aydın	Venice	Luigi De Laurentiis
2012	Ateşin Düştüğü Yer	İsmail Güneş	Montreal	FIPRESCI
2012	Ateşin Düştüğü Yer	İsmail Güneş	Montreal	Grand Prix des Amériques
2012	Araf	Neslihan Atagül	Abu Dhabi	Black Pearl
2012	Araf	Neslihan Atagül	Tokio	Best Actress
2011	Bir Zamanlar Anadolu'da	Nuri Bilge Ceylan	Cannes	Grand Prize of the Jury
2011	Bir Zamanlar Anadolu'da	Nuri Bilge Ceylan	Karlovy Vary	NETPAC
2010	Bal	Semih Kaplanoğlu	Berlinale	Golden Bear
2010	Bal	Semih Kaplanoğlu	Berlinale	Prize of the Ecumenical Jury
2010	Çoğunluk	Seren Yüce	Venice	Luigi De Laurentiis

When we consider two major movie industries in Europe, the number of movie schools in Germany is equal with Turkey and total number of movie schools in France is 41. That number in Spain which is bigger than us is 24 and it is 21 in Italy. Because most of the schools in our country are new, qualification of our schools may be lower than the schools in these countries but the number of schools in our country is much more and this will increase competition between each school so the successful results may reveal in the sector. For example, technical opportunities of Plato Movie School consisting of fiction computers, camera, light and sound systems with New York Movie Academy are similar. So, Turkey is a potentially high competitive country about movie schools..

4.4.2 Creating the film ecole (Low)

There are certain movements in world cinema literature such as France's new wave and Soviet Union's revolution cinema as a movement rejecting Hollywood since World War II; Germany's expressionism cinema as a social reflection following World War I; Italian neo-realism following Great Depression; Iran's new wave; Czech cinema, Poland cinema and Hollywood cinema.

Cinema could not have been nurtured from a social force and form a movement in Turkey even despite the huge revolution of Republic, devastations such as Battle of Gallipoli and military coups. It is not possible to talk about either a cinema school or literature particular to Turkey. One of the main reasons of this is the lack of a film school robustly survived through its past. Almost all of the directors who are deemed as successful have an education different than film. We still do not have schools creating their own school, and being nurtured from their past and tradition such as American Film Institute, New York Film Academy, Prague

Film Schools, Lodz Film School, Deutsche Film Berlin, FEMIS and London International Film School. Even when directors -who received an education within the fields such as Engineering, Economic and Administrative Sciences, Medicine- achieve international success, they are not qualified enough to establish an ecole particular to Turkey; and when the films produced by those have internal coherency, they are mentioned not a country's cinema but as director's cinema. (See Table 13.)

Table 13. Educational Background of 11 Well-known Turkish Directors

Director	Degree	University	Department
Nuri Bilge Ceylan	Bachelor	Boğaziçi University	Electrical and Electronic Engineering
Semin Kaplanoğlu	Bachelor	9 Eylül University	Cinema and TV
Derviş Zaim	Bachelor	Boğaziçi University	Business Administration
Reha Erdem	Bachelor	Boğaziçi University	History
Reis Çelik	Bachelor	Istanbul University	Economics
Mustafa Altıoklar	Bachelor	Istanbul University	Medicine
Sinan Çetin	Bachelor	Hacettepe University	History of Art
Çağan Irmak	Bachelor	Ege University	Cinema and TV
Atıf Yılmaz	Bachelor	Istanbul University	Law
Metin Erksan	Bachelor	Istanbul University	History of Art
Yılmaz Güney	Bachelor	Istanbul University	Economics

4.4.3 Eligible film festivals and ceremonies in Turkey (Low)

Worldwide accepted union which grades Movie Festivals is FIAPF centered in Paris (International Federation of Movie Producers' Organizations). This union consists of 30 members which are elected from 27 countries which are famous with their movie industry. Festivals accredited by FIAPF are considered as esteemed festivals. The most important of them are Competition Festivals called as A List Festivals. (See Table 14.) 15 festivals worldwide are included in this category. These festivals are also belong to biggest movie industries related to market share (Chart, ordering of countries with festivals in movie industry and Market share). Turkey is quite weak

about movie festivals. Because none of 12 international festivals are in Turkey included in this list, they are not seen as esteemed ones internationally.

Table 14. Accredited Category A Film Festivals

Festivals	Country
Berlin International Film Festival	Germany
Cairo International Film Festival	Egypt
Cannes Film Festival	France
International Film Festival of India (Goa)	India
Karlovy Vary International Film Festival	Czech Republic
Locarno International Film Festival	Switzerland
Mar del Plata Film Festival	Argentina
Montreal World Film Festival	Canada
Moscow International Film Festival	Russia
San Sebastián International Film Festival	Bachelor
Shanghai International Film Festival	China
Tokyo International Film Festival	Japan
Venice Film Festival	Italy
Warsaw International Film Festival	Poland
Tallinn Black Nights Film Festival	Estonia

Source: http://www.fiapf.org/

The reason of this is not based on movie schools or any tradition but because they are festivals held by municipality of the city. Moreover, sometimes the source to hold festivals cannot be arranged because the related municipality and government have different views. That is why we do not have any festivals which may be regarded as intellectually traditional. Holders of our two major festivals, Antalya Golden Orange Movie Festival and Adana Golden Ball Movie Festival, are municipalities of cities. The clearest example of being so far from creating a cult is that launching of movie festivals are executed by mayors not by artists. The basic problem of our independent festivals such as If and İstanbul movie festivals, which are regarded more successful than festivals of municipality, is that they are supported by only one sponsor. This is a factor that increases the consistency risk of our

independent movie festivals which has success potential. On the other hand, no ceremony out of festival which is seen as compliment department and giving prizes is available. Organizations like Yeşilçam prizes based on the concept of Academy Prizes have been created lately but they are not known and esteemed internationally yet.

Turkey is a weak industry about Movie Festivals and Ceremonies. (See Table 15.)

Table 15. International Film Festivals of Turkey - 2015

Festivals	City
Goldan Ball Film Festival	Adana
Ankara International Film Festival	Ankara
Goldan Orange Film Festival	Antalya
Istanbul International Film Festival	Istanbul
Randevu Istanbul Film Festival	Istanbul
Gezici Festival	Istanbul
!f İstanbul International Independent Film Festival	Istanbul
Bursa International İpekyolu Film Festival	Bursa
Flying Broom International Women Film Festival	Istanbul
Malatya International Film Festival	Malatya
Filmmor International Women Film Festival	Istanbul
Sinemasal Open Air Film Festival	Istanbul

4.4.4 Existence of compliment authority: eligible critics and reviewers (Low)

Reading habit in Turkey is too low when compared with Europe. According to the research executed by UNESCO in 2013, it is detected that the habit of reading book and magazine is 21% in Europe and 1 in ten thousand in Turkey. This situation has indirect negative effects on Turkish Movie Industry. Namely, it is too difficult to earn much money as a writer in Turkey because of the low rate of readers, critique writers earn much lower money compared with normal writers. Movie producers may have feedback about their movies only if they are criticized correctly.

One of the main instruments of it is movie magazines and critical reviews which are published in these magazines. Movie magazines also cannot survive in magazine market which is too risky and insufficient on economic situations. Even the movie promotion and critical magazine “Sinema” which is regarded as the most prestigious magazine in Turkey and which has been publishing since 1994, has ended its publication in December, 2013. Now, too few movie magazines which are regarded as effective are available, the most effective of which is the magazine of “Altyazı”. The financial source of this magazine is supported by Boğaziçi University and consistency of this magazine is based on the share provided by the university. Unavailability of magazines and other media organs is also a obstacle on the development of movie critics. Instead of magazines of Turkey, there are some magazines such as Empire and Total Film which are published in Turkish by international companies.

However, a country willing to develop its movie industry needs powerful authorities that will criticize and especially movie publications. Critical of movies is too weak in Turkey because of the reasons above.

4.4.5 Participation of international film festivals and winning awards (High)

Turkey is now a country that collects prizes in international movie festivals. Beside with Palme d’Or we won twice in Cannes Film Festival and Golden Lion prizes in Berlin Film Festival, for example when we consider 2013, latest movie of İsmail Güneş and Turkish candidate of Oscar for the current year Ateşin Düştüğü Yer (Where the Fire Burns) has won prizes of best movie and FIPRECI (International Screen Writers Organization) in Montreal Movie Festival. Ali Aydın has been awarded with “The Lion of Future” in 69th Venice Film Festival with his first movie

Küf (Mold). The first movie of the director Emin Alper Tepenin Ardı (Beyond the Hill), has been awarded with The Best Movie in Asia-Pacific Movie Prizes after Berlin Film Festival Caligari Prize and Jury's Special Prize in Sarajevo Film Festival. In the festival that Nuri Bilge Ceylan has been awarded twice as The Best Director with his movies Üç Maymun (Three Monkeys) and Bir Zamanlar Anadolu'da (Once Upon a Time in Anatolia), it is the first time that a Turkish movie wins the biggest prize. Screenwriter and director Reis Çelik has been awarded with The Best Story with his movie Lal Gece (Night of Silence) which is about child brides. The same movie of Çelik is awarded with Asia-Middle East Film prize in Tokyo International Film Festival. Neslihan Atagül who performed in the movie Araf (Somewhere in between)of Yeşim Ustaoğlu, has been awarded with "The Best Actress" in Tokyo International Film Festival. Araf has also been awarded with 2012 Black Pearl "The Best Picture" prize in International Abu Dhabi Film Festival. The movie Sessiz (Silent) of Rezan Yeşilbaş which was in short-length movies category in 65th Cannes Film Festival, has been awarded with Palme d'Or.

These examples can be given every year now. That is why, Turkish Film Industry is a powerful industry in terms of participation to prestigious festivals worldwide and the prizes won.

4.4.6 Effective distributors (Medium)

Distribution is so important factor in Film Industry. Major studios in Hollywood such as Disney, Warner Bros, DreamWorks SKG, Universal, Paramount, 20th Century Fox, Metro Goldwyn Mayer have their own distribution companies. (see Figure 4.) A Film produced by Warner Bros is distributed to both America and outside of

America by Warner Bros. A producer who is not cooperating with such studios shall apply to distribution companies if he/she wants to distribute the film widely.

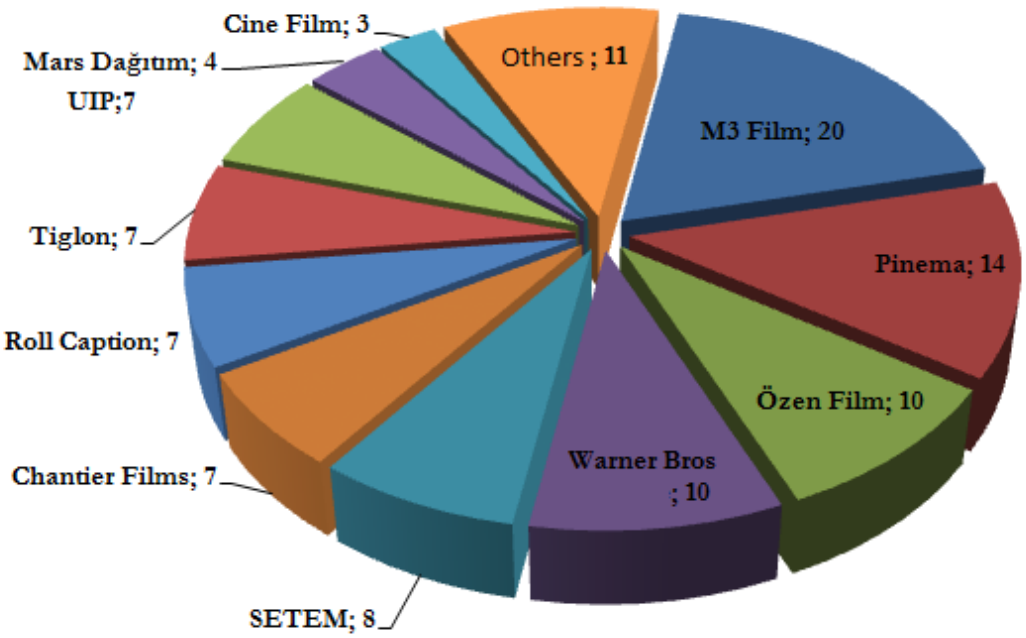

Fig 4. Film distributors in Turkey – 2015

Responsibility of distribution belongs to that company after signing the agreement. It is determined by distributor that the film will be distributed to which countries with how much copies and how many cities in those countries and how long it will be displayed in films. More than eighty percent of films displayed in America could be displayed thanks to the studios mentioned above. Namely, above mentioned studios dominate distribution net. These companies are also available in Turkey just as they are in other countries and the income they gained contribute to their own country's movies instead of Turkish movies.

The reality that Turkish distributors operate parallel with group films, is the consensus of meeting participators. That is why, foreign movies are much more in terms of both the movies displayed and the time they are displayed when compared with Turkish movies. On the contrary, the demand of spectators on Turkish films

enabled Turkish films to take part in the sector. Although the difficulties mentioned, Turkish films and TV series get attention both in Turkey and other countries in the world. Though the distributors cannot compete with Hollywood movies, they can reach our films and TV series to especially Europe and Middle East. Moreover, distributor problem is not only a problem of our country; it is also a problem of rival countries. So, developments like Başka Sinema reveal, which includes independent movies and festival films consisting Turkey and Europe.

4.5 Firm strategy, structure and rivalry in the Turkish Film Industry (Low)

Eight different components are analyzed to identify Turkish Film Industries' firm strategy, structure and rivalry's international competitiveness and the result is low

4.5.1 Corporateness of film production companies (Low)

For long time, Warner Bros Turkey has managed Warner Bros and Columbia Pictures; UIP Turkey managed Walt Disney, Universal, Paramount and then DreamWorks; Özen Film managed 20th Century Fox. These distribution nets are positioned as leaders of the sector. The management of Fox has been surrendered because of disputes between Özen Film and Fox in 2008 and also financial crisis and a new process has started. By August 2008, Fox moved to Tiglon, who has nearly all of DVD copyrights of studios in Turkey and leader of sector and so it became the leader of both DVD and film sector. Fida Film which is known as a company providing advertisement to films since 1965, has entered to production of Turkish films and import of foreign films after 2004. UIP Turkey has enabled displays of films such as the new 'Hababam Sınıfı', 'Maskeli Beşler', 'Testere' ('Saw') series and "Twilight", 2008, "A.R.O.G" (2008), "Av Mevsimi" (2010) with a distribution net of Warner Bros. Turkey or Tiglon. In seven years, it 13.5 billion audience

watched foreign Films and 23,5 billion audience watched Turkish films. With the establishment of FidaLab by one of the major companies in Turkey, Fida Film, a parallel “start of downfall” move is activated. In the time of transfer to digital, where the level of DCP (Digital Cinema Packet) is discussed and there will be no raw material for 35mm by the end of 2013, it established a company for the former system. It was a move which is not foresighted. It could not predict the early move of American Films whose 90 percent moved to digital by the end of 2012. At these times, Cinebonus, executed with the support of İş Bank from April 2012 under the name of Cinemaximum. Cinemaximum having more than 50 percent of revenue is the leader on theaters with 25%. So, a company with the correct move is required on the competition of “the leader of theater” and “the leader of distribution”.

Cinemaximum being aware of that Fida Film has more than 50 percent of possible income from film advertisement, has established a company providing digital advertisement called “Mars Media” in September 2012. It started to provide advertisement to its own theaters. Fida Film on the other hand only dealt with special theaters based on Turkish Films and other theater chains (Avşar, Pink). However, it lost half of advertisement income which is a high amount. Turkey’s former major production and distribution company called as Fida Film-Tiglon has bankrupted at the end of May, 2014. We cannot say that the situation is different for new production companies of Turkey while these examples are available for major Turkish companies which are regarded as experienced. Subsidy for film makers in Turkey is only available for production companies in terms of law. That is why, especially the directors who are making their first films establishes small production companies in order to receive the subsidy.

Being far from institutionalism, they bankrupt in a few years.

4.5.2 Corporateness of general directorate of the cinema (Low)

Organization structure of Films General Board which is the only company fund-raising films in Turkey is classic vertical. Its structure is similar with governmental institutions. Employees are officers appointed by KPSS examination system. It is not possible for creative or persons related with films to assign in the team. 30% of current employees of Films General Directorate are under bachelor's degree. Even though it has the vision of "Carrying Turkish film sector to have a worldwide brand value and to reach our country to one of the most important Film production centers." it has contradicts because it does not give opportunity for people to work who are educated in films sector or who are popular with their film maker identities. Films-supporting Board is created with temporary board members in the films industry after the increased pressures lately.

However, because the total voting right of these members are lower than the state officers in the board, they are not in the position of decision-makers. They do not have a fair mechanism about the reasons of selected or de-selected films. Films are announced without declaring reasons after a closed evaluation process. The basic problem transmitted by everybody in focus group meetings and one-to-one discussions is the prejudice of state officers in the board towards the films having opposition to government and development of self-censor reflex by project owners because such films cannot get support. The only board fund-raising in Turkish film industry is weak on international competitive capacity.

4.5.3 Marketing Strategies and International Projections (Low)

Films and TV series shall also be regarded as the products giving financial income along with being an art work. This both ensures the financial power enabling consistency because of low cost of production related with its structure and affords the needs of employees and creates sources increasing motivation for new projects. The way for it is to create strategies for conveying the Film or TV series to more audience. Strategies need to be defined before the stage of film production, so costs for marketing purposes shall be reserved. Later, projections shall be defined according to international market and audience potential shall be calculated in foreign markets. The industry which is best on this is Hollywood without doubt. Before revealing the film there, box office is predicted for America and outside of America, marketing tactics and moves suitable with this strategy are defined and artwork is created. We can say that countries which can succeed this in Europe are England and France. However, it is just the opposite in Turkey. After the film is enjoyed by audience just by luck and reaches to certain box office, marketing moves start. Marketing campaigns are seen on the film sequels or the projects consisting people who achieved success in television and this is only limited with national level. Marketing in foreign countries for TV series is only possible if they have satisfying ratings and no former projections are available.

4.5.4 Finding funds (Medium)

There is no source of fund in TV series sector except from producer and private TV channels. All process is characterized with private intervention. TV series are broadcasted with short term agreements as long as they have high ratings however long term agreements and strategic risks are not received by fund providers. So,

many TV series are removed from broadcasting in the first season. Because there is almost no investors, private enterprise and informal investors in film sector, films are produced by the director with his own financial power or with the support of Films General Directorate of the Ministry of Culture and Tourism which is the only fund source in national level. Films General Directorate gets together twice each year and fund-raises to directors who will make their first film under two different categories and the title of general production support.

Our film makers may also apply to Eurimages fund of European Union in international level. When we consider amounts, total fund provided by European Union Eurimages and the Ministry of Culture and Tourism are close. The basic difference between these two funds is that there is no censor in applications of Eurimages but it is available in fund of Ministry of Culture because of pressure of government. Although the close amounts of funds of Eurimages and Ministry of Culture are seen as a powerful specification in terms of international competition power, this specification decreases to optimum level because of unfair distribution.

4.5.5 Pecuniary resources for creative intelligence (Low)

The start of products in Films Industry is story and scenario. This stage is required to be creative and also most personal and time wasting part. That is why screenwriters are required to be in comfortable conditions, focused and write their story and scenario. But, because there is no financial feedback in this stage, there are troubles on providing incomes gained from stories which are possible to be artwork after 1 or 2 years. The only fund that screenwriters benefit from is provided again Ministry of Culture. The amount of story support fund which is provided once or twice in a year is approximately 10,000 TL. Minimum wages in France is annual 23,837 dollars,

while it is 22,950 dollars in Germany. It is 4,440 dollars in Turkey but the amount provided to screenwriters is 3,700 dollars which is even below this amount. When we reduce this annual amount as monthly base, it is even below minimum wages. It is not an authentic attitude to expect a comfortable environment for creative work power with a financial power below minimum wages and also expecting screenwriter only to focus on the story. Within this frame, Turkish Film Industry is quite weak on competitive power.

4.5.6 Film budgets (Medium)

Unfortunately all movies of Turkish film industry are in the category called as films with low budget in film industry which are below 10 million dollars in Hollywood. On the other hand, European film industries are targeted as competitors and Turkish films' budgets are close to European movies budgets.

Budgets do not increase because of the factors such as almost unavailability of investor, production companies or informal investors to provide funds, there is no other fund provider except from state funds and the income acquired by the films which did well at the box office is not used for bigger projects by the director. Because marketing strategies and projections are also low, productions which may risk it logically cannot be estimated even though the budget is enough and so they are not supported. One of the biggest indicators about this subject is film ceremonies. The films there are both powerful on art and with high budget and their box office are also high in the same rate compared with their budget. No Turkish films could even be candidate in three major ceremonies. Average box office amount of films which won the best film award in these ceremonies is higher than box office amount of all films in Turkey in the same year. So, Turkish film industry is quite weak on

film budgets when we compare it to the Hollywood but it at average level when we compare it with European industries which are targeted as competitor industry.

4.5.7 Effective use of time (High)

Turkish film industry is one of the industries which works much and heavy in terms of using time. Meeting participators and all people interviewed remarked that set works take too much time and films and TV series are made in a very short time. Average TV series time in Turkey is 90 minutes, it is around 35-40 minutes in Europe and America. Because budgets for TV series are not provided before and parts are not performed for the future broadcasting, new parts are being performed in the current season for the TV series which are not removed from broadcasting thanks to their ratings. So this means that you have only 6 days for parts which are 90 minutes. This is not only for one TV series in Turkey but almost for all. Of course protests are made by TV series performers and reducing TV series parts' times is requested, however, because there is no sectoral union and civil organizations are not powerful, TV series are still broadcasted for 90 minutes average. About the films, each extra week for film shooting means extra cost. Films are made nearly half time of the films when compared with Europe because of low budgets, they are made in much less time compared with American movies. The main reason of optimum level of time use and so capability of making films and TV series in short time is that human power which is one of the most powerful parts in Turkish film industry is high.

4.5.8 Preliminary works for films and series (Low)

Prework before execution of project in TV series and movies has top importance. For example, performers may need to learn dancing, riding a horse, art of fighting, put on

or lose weight in order to get the physical shape of the character they will perform. And about the director of photography, familiarity with the equipments he will use and cooperation with the post production to make mutual fiction and shooting suitable with the effects if available may require. For the art director, it may be required to arrange places and making new clothes according to the story. Preworks similar to these are only possible in Turkish costume dramas and so places and clothes are arranged that time.

The mutual opinion of both union of performers and organization of performers is that there is no prework for performers to develop themselves according to the character in the film. Also the mutual opinion of directors of photography is that they can only participate in the tem at the start of shootings and there is no time for preworks. We can see that preworks are done for the latest term films “Son Mektup” and “Kelebeğin Rüyası”, and compensation of them has been acquired from box office. However, it is too low that we can only give two examples from Turkish film industry where over 100 film are produced each year and it show the weakness on competitive power.

4.6 The role of government in the Turkish film industry (Low)

Eight different components are analyzed to identify Turkish Film Industries’ government’s international competitiveness and the result is low.

4.6.1 Effective copyright laws (Low)

Copyrights are big problems of screenwriters, directors and performers. You cannot have copyright for stories in Turkey. And so, even the stories are stolen you cannot get positive results from the courts because there is no copyrights. In order to have

copyrights for a film or TV series, it should be shot, you can only have copyrights for the ones that are shot. There are also no copyrights for performers especially as a tradition from Yeşilçam. Their wages are paid and then they have no connection with the artworks.

And in the Europe films are protected for 70 years from the death of the last of the following people to die: the principal director, the author of the screenplay, the author of the dialogue and the composer of music specifically created for use in the cinematographic or audiovisual work. The acceptance year of this law is 1993. Turkey seems 22 years behind of Europe and it shows a big weakness on international competitive power.

4.6.2 Fair working hours and floor price rules (Low)

There is minimum working hours limit and minimum wages amount defined by government for the employees working behind and in front of the scene in Turkish film industry. That is, especially the TV series are shot in the season they are broadcasted, however TV series are shot previously and broadcasted as a season later, and because they are required to be shot in long parts as 90 minutes, all team works throughout the week, and their mutual opinion about working hours in the discussions and meetings held is 15-18 hours. The main reason for accepting these working conditions is that there is no base price application. Because there is no base price, there are many alternatives for all employees which may also work for cheaper costs.

When we consider the graduates amount of film schools and unemployment rates between young people, the risk of dismissal is a source of negative motivation for all sector. Both because there is no base price application and a legal regulation

for working hours by government makes Turkey a weak country on international competitive power in term of working hours.

4.6.3 Tax regulations for foreign investments (Low)

Foreign investments are accepted as the most important and steady growing source for the developing countries. This rule is actually valid for film industry too. Having foreign investments' attraction is only possible with the advantages provided with legal regulations. Best examples of this are available in countries such as Bulgaria, Romania, and Hungary. Tax deduction is applied to foreign investors who are willing to make films in these countries and even no tax is requested when the film is shot in certain areas. There is no tax advantage in films Industry for foreign investment in Turkey. Even though there is no advantage on tax, major productions prefer Turkey because of visual power of Anatolia and they leave big budgets in our country when they come. It is a vision of meeting participators and one-to-one discussions that if advantages on taxes are provided and especially value added tax is reduced, these productions will increase and Turkey will be an international films plateau. And now, because Turkey provides no advantage on tax, it is weak to use this power of competitiveness.

4.6.4 Job descriptions and regulations (Medium)

Job definitions of set employees and proposed laws for occupational safety have been prepared 4 years ago with the cooperation of wise men from films industry and state board. However, proposed law is still not accepted by Grand National Assembly of Turkey because bureaucratic processes extended. It is important that such modern law is created with a mutual agreement and it is an advantage for Turkey but the delay of the law because of bureaucratic preventions causes

unavailability of using this advantage. Definition of performer job and occupational safety in sets issues are important acquisitions gained as a result of latest pressures of set employees. Especially with increasing danger level up to two in sets, it is compulsory to have medical team and occupational safety specialists in sets. This issue which will cause high international competitive power after the acceptance of law by assembly is on an average level now.

4.6.5 Auditing (Low)

One of the problems which in independent from Turkish films industry but directly effects film industry is auditing. No matter how substantial are revealing laws, the important thing is the appliance of them. New regulations and laws arranged by law maker as a reformist are regarded as positive parallel with the orientation period for European Union. When we consider application areas of these laws, we can see the problem of non-applying of the laws because of inspection deficiency for film industry. Regulations about working conditions actually consist set employees, for example it is compulsory to provide permission for 40 hours weekly for the employees younger than 18. And they also have a continuous permission for 14 hours daily and 1 hour mid-permission in case of working more than 4 hours. They training may take maximum 7.5 hours daily.

Revealing laws are in the level of applications of developed countries when you consider these aspects but when you consider practical aspects, working hours of children who perform in TV series and films is 6 days in a week and more than 10 hours daily. There is a condition for women performers that they will not work more than 7.5 hours between 08:00 pm and 06,00am. Working more than 7.5 hours daily means additional cost for both women and men performers. Revealing situation in

the discussions of performers, performers' union and organization, working conditions are much heavier especially for performers. The basic problem here is that laws are available but there is no inspection mechanism for the appliance of them.

4.6.6 Funding (Medium)

There is not a particular funding managed by state or private initiative within Turkish Cinema Industry for TV series. Pilot episodes are shot completely through the support provided by investors or private television channels and decision to support the future episodes is made in accordance with rating figures. Unfortunately individual investors do not have adequate resources for TV series sector in this respect.

The single fund for films is the production and director producing first film support granted two times in a year by General Directorate of Cinema of Ministry of Culture and Tourism. (see Figure 5.)

These amounts are closed to European Union's Eurimages funds.

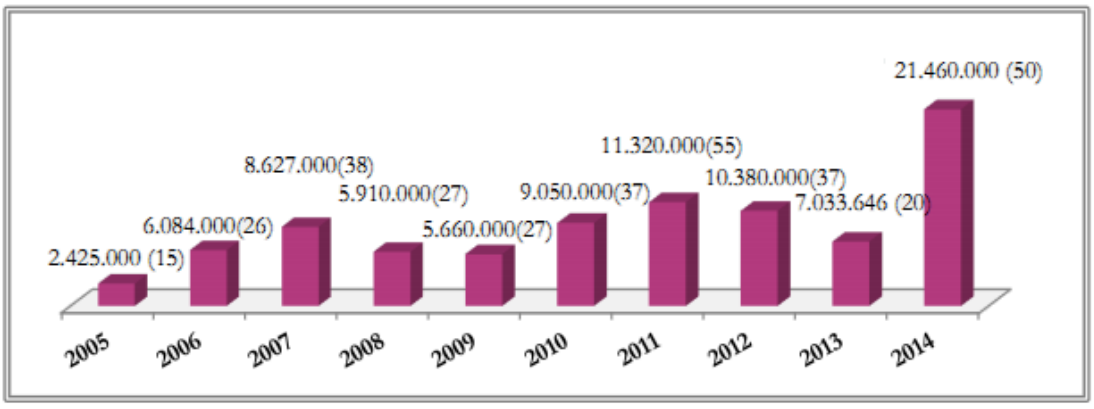

Fig 5. Yearly state contribution amount and film numbers

Support provided for short films and film scripts is insignificant in terms of establishing a competitive power because of being very low. (see Figure 6.)

Similarly, production supports granted two times in a year are lower than those of Europe and Hollywood. Annually 60 full-length films receive this support. The actual financial resource for full-length films of Turkey Film Industry derives from the transfer of revenues acquired from successful TV series by the producers of projects and transfer of revenues of commercials produced by project directors.

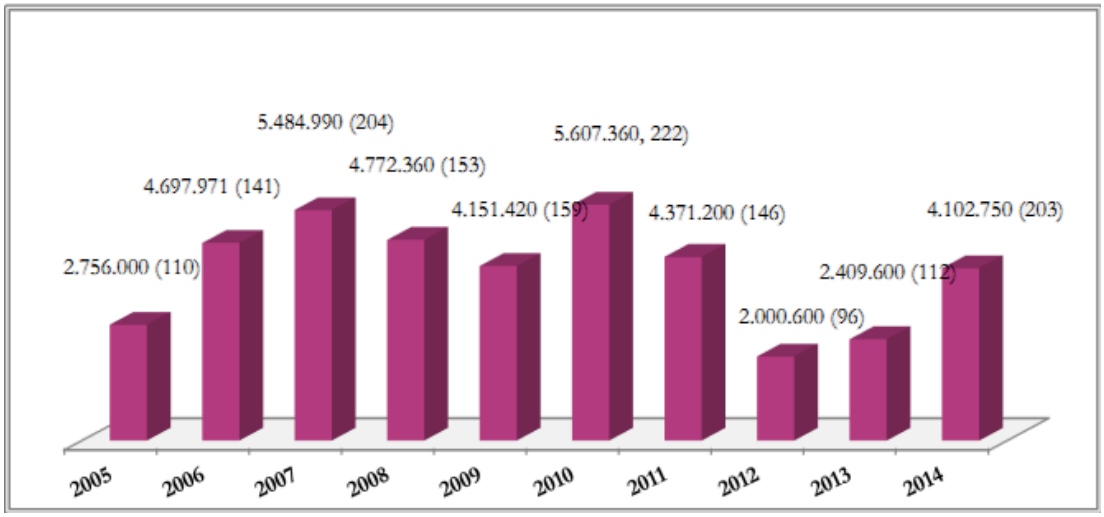

Fig 6. Yearly state contribution amount for short films and film scripts

We can observe this difference more clearly when we compare the budget of the films awarded academy award for best picture within last 10 years with the support provided by state to the films throughout a year. (See Table 16.)

4.6.7 Social Security of Film Workers (Low)

Employees of Turkish film industry are working without any insurance especially because there is no inspection application and also the situation of base price.

Set employees are not permanent staff; they are hired temporarily based on projects. Insurance payment is seen as an extra cost because producers limit the budgets, and they work with the employees who accept to work without insurance no matter it is illegal. Because there is also no separate social security system for set employees, they have to be integrated in social health system and they have to work

without social security for retirement. That is why; we can see that set employees keep working no matter how old they are. The situation of social security is available not only for employees of film industry but also for employees of all creative industries related with art. Turkey is weak on international competitive power in terms of providing social security for artists.

Table 16. Total Budget of Oscar Winners

Year	Best Film	Academy Award	Budget
2004	The Lord of the Rings: The Return of the King	Best Film	124.000.000 TL
2005	Million Dollar Baby	Best Film	39.000.000 TL
2006	Crash	Best Film	8.400.000 TL
2007	The Departed	Best Film	124.000.000 TL
2008	No Country for Old Men	Best Film	30.000.000 TL
2009	Slumdog Millionaire	Best Film	25.500.000 TL
2010	The Hurt Locker	Best Film	22.600.000 TL
2011	The King's Speech	Best Film	23.700.000 TL
2012	The Artist	Best Film	26.100.000 TL
2013	Argo	Best Film	78.765.000 TL
2014	12 Years a Slave	Best Film	44.000.000 TL

Source: http://awardsdatabase.oscars.org/ampas_awards/BasicSearchInput.jsp

4.6.8 Access to data (High)

Ministry of Culture and Tourism and General Directorate of the Cinema announce information about supported film's budget, their directors and production companies. Also they announce information about films unsupported films this is very important because European Eurimages and almost all film festivals even accredited A type film festival does not announce information about unsupported or unselected movies.

Also General Directorate of the Cinema tracks all supported movies and update its information with production deadlines, accepted festivals, broadcasting time and duration, box office number, revenues and awards. During this thesis works, General Directorate of the Cinema provide all necessary information that we

asked through softcopies and hardcopies. Transparency is one the important aspects and this is scored high in Turkish film industry.

CHAPTER 5

DISCUSSION AND CONCLUSIONS

According to analysis made by primary and secondary data Turkish film industry's international competitiveness under the determinant of factor conditions is determined as high. Quality of human resources, accessibility of optimum technology, advantage of geopolitical position, originality of scripts and non-profit support of art house movies variables scored high; entrepreneurs and producers, industrial areas and film fields, internationalization of actors, actresses and directors, be organized and self-independency variables scored low; institutionalization of titles variable scored medium.

Turkish film industry's international competitiveness under the determinant of demand conditions is determined as high. Home demand, number of movies, finding new markets and stability in success variables scored high; effective independent theatres, screening and broadcasting durations variables scored low and quality and quantity of theatres variable scored medium.

Turkish film industry's international competitiveness under the determinant of related and supporting industries is determined as medium. Number of film schools, participation of international film festivals and winning awards variables scored high; creating the film ecole, eligible film festivals and ceremonies in Turkey, existence of compliment authority: eligible critics and reviewers variables scored low; effective distributors variable scored medium.

Turkish film industry's international competitiveness under the determinant of Firm strategy, structure and rivalry is determined as low. Effective use of time

variable scored high; corporations of film production companies, corporations of General Directorate of the Cinema, marketing strategies and international projections, pecuniary resources for creative intelligence, preliminary works for films and series variables scored low; film budgets and finding funds variables scored medium.

Turkish film industry's international competitiveness under the determinant of Firm the role of government is determined as low. Access to data scored high; effective copyright laws, fair working hours and floor price rules, tax regulations for foreign investments, auditing and social security of film workers variables scored low; funding, job descriptions and regulations variables scored medium.

When we examine the five determinants according to scores of the variables, Turkish film industry's international competitiveness is high in factor conditions and demand conditions; medium in related and supporting industries but low in firm strategy, structure and rivalry and the role of government.

After the combination of primary, secondary data and the result of study of Porter's diamond model, Turkish film industry's international competitiveness is medium by close to the low level. Weak variables concentrate on few subjects, because of that there is a big opportunity to fix these few fields of work to realize its potential power. (See Figure 7.)

Within this framework, solution offers concentrated under three main topics. First of all, primarily there should be reforms in legal regulations. Working conditions for set workers should be improved, net of social security should be expanded to cover film workers, tax law should be changed to be attractive for foreign direct investment, and government should protect copyrights, and should

stopped censorship practices. The most important part of the reforms is its applications. To avoid illegal activities there should be strong control of the auditors and inspectors.

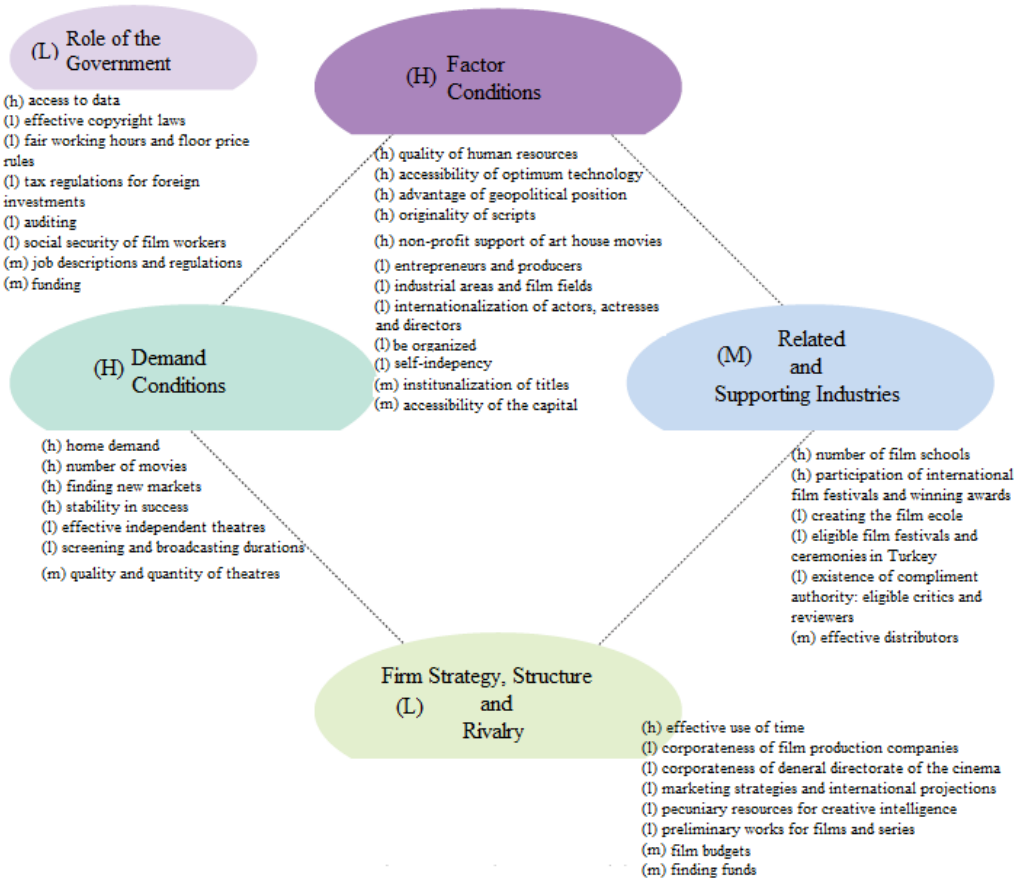

Fig 7. Porter's Diamond in the Turkish film industry

Secondly, Turkish film industry's main goal should be creating of the ecole. To achieve this goal, film industry needs accredited a type film festival and well-known, respectful, visionary, and technologically equipped, practically oriented film school that contains experienced film workers as instructors. This is possible if only the government, academicians, non-governmental organization of film industries should come together and act accordingly.

Lastly, one of the basic needs of Turkish film industry is a film field like Hollywood or Bollywood that contains film centers and film studios to be a global

attractor for the international movie project and high budget movies. Also there should be opportunity to shoot costume drama, science-fiction and history movies. Film centers should have some tax advantage like TeknoParks and this will provide encouragement to film production companies to create a cluster with distributor companies. .

APPENDIX A

INTERVIEW AND FOCUS GROUP QUESTIONS

1. Main Research Questions

Do you believe that the Turkish Film Industry has the power of International Competitiveness?

If your answer is yes; what are the supportive arguments and factors?

If your answer is no; what are the impediments and challenges as reasons?

2. Supportive Arguments

What do you think about what is the five obstacles that blocks Turkish Film Industry to achieve International Competitiveness?

What do you think about what is the five characteristics that create International Competitiveness for the Turkish Film Industry?

What is the main element of the Turkish Film Industry that provides developments?

Who are the Turkish Film Industry's International competitors?

Which four line of works are the most competent among others?

3. Solutions

Which practices, regulations and politic can increase Turkish Film Industry's international competitiveness? Why?

4. Predictions

What is your vision about Turkish Film Industry in 2020?

APPENDIX B

COMPANY TYPES OF MOVIES SUPPORTED

BY THE DIRECTORATE OF CINEMA

Year	Movie	Production Company	Company Type
2014	Uzun İnce Yol	Bilal Babaoğlu	Private
2014	Kaçış	Kenan Kavut	Private
2014	Bir Zamanlar Nusaybin	Çağdaş Çağrı Yapıcı	Private
2014	Mustang	Deniz Gamze Ergüven	Private
2014	Çirkin Ördek Yavrusu (Çirkin Şansı)	Ender Özkahraman	Private
2014	Balık	Eset Akçilad	Private
2014	Saklı Korkular	Mustafa Uzunyılmaz	Private
2014	Albüm	Mehmet Can Mertoğlu	Private
2014	Zil Sesi	Özel Fatih Sultan Eğitim Kültür	Limited Company
2014	Bir Şey Değilim	Muharrem Özabat	Private
2014	Gölgenin Rengi	Soner Caner ve Barış Kaya	Private
2014	Çırak	Emre Konuk	Private
2014	Çok Uzak Fazla Yakın	Ateş Prodüksiyon	Limited Company
2014	Kasap Havası	Çiğdem Sezgin	Private
2014	İyilik	Özgür Sevimli	Private
2014	Fareyi Öldürmek	Aydın Sayman	Private
2014	Siyah Karga	Muhammet Tayfur Aydın	Private
2014	Ayaz	Yavuz Altun	Private
2014	Kasabada Barış	Yonca Ertürk	Private
2014	Mezarcı	Tayyip Karamahmutoğlu	Private
2014	Benimle Var Mısın?	İnter Film	Limited Company
2014	Düş Kırgınları	Ağustos Teknoloji	Limited Company
2014	Varoşta Kadın Olmak	Gülşah Bir Video	Limited Company
2014	Ağlayan Gitar	Handan Öztürk	Private
2014	Kadir ve Kardeşleri	Nadir Öperli	Private
2014	Martıların Efendisi	Saat İçerik Danışmanlık	Limited Company
2014	Zer	Yapım 13	Limited Company
2014	Küçük Hafız	Herşey Film	Limited Company
2014	Mavi Mektup	Sencer Film	Limited Company
2014	Aşktan da Üstün	Selay Film	Limited Company

2014	Gece	Deniz Film	Limited
2014	Firak	Rok Yapım	Limited Company
2014	Misafir	Barış Ekiz	Limited Company
2014	Çılgın Kamp	Kadraj TV	Limited Company
2014	Tereddüt	Ustaoğlu Film	Limited Company
2014	Sevdam Gözlerinde Kaldı	YSM Sanat Etkinlikleri Prodüksiyon	Limited Company
2014	Bir Acayip Soygun	Renk Sinema	Limited Company
2014	Çanakkale Geçilmez (Son Mektup)	Sepya Film	Limited Company
2014	Kıtmir	Kıvan Aslı Odabaşı Zaimağaoğlu	Private
2014	Guruldayan Kalpler (Kaos)	Barakuda Film	Limited Company
2014	Bir Hayalin Ayrıntıları	Selim Güntürk	Private
2014	Buğday	Semih Kaplanoğlu	Private
2014	Kürk Mantolu Madonna	Kutu Film	Limited Company
2014	İşe Yarar Bir Şey	Pelin Esmer	Private
2014	İki Bayram Arası	Oruç Alper Akcan	Private
2014	Asya	Hilal Aslan	Private
2014	Bendir	Vira Yapım	Private
2014	Organik Aşk Hikayeleri	Migren Film	Private
2014	Kor	Zeki Demirkubuz	Private
2014	Orkestra	Kaz Film	Limited
2014	Merhamet Nereye	İsmail Güneş	Private
2014	Küçük Bir Bulut	Aura Film	Limited Company
2014	Kınalı Hasan	Mavi Rüya Film	Limited Company
2014	Koyu Sarı	Gözde Kural	Limited Company

Source: http://www.sinema.gov.tr/

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