LOCAL SYSTEM OF INNOVATION CENTERED ON AUDIOVISUAL PRODUCTION

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Overview

• Why cultural activities

• Conceptual and methodological framework

• Research methodology
Why cultural activities

• Cultural Activities: the production and reproduction of symbolic cultural elements and the ample set of economic and non-economic agents who take part in this process

• Economic importance
  - Nearly 7% of world GDP and 10% annual growth;
  - Knowledge intensive;
  - Growth is not limited by limited resources;
  - Important instrument for the promotion of local development with income and job generation

• Voice, Choice and Identity
  - Power to represent and reproduce ideas, styles of life, values and identities;
Different Contributions

National Innovation Systems

Local Innovation and Production Systems

Audiovisual in Brazil

Cultural economics

Sectoral patterns of innovation
Local Innovation and Production Systems (LIPSs) are groups of economic, political and social agents localized in the same area, performing related economic activities and presenting formal and informal articulation, interaction, cooperation and learning processes.

LIPSs generally comprise:

- **firms**: designing, producing and commercializing final goods and services, suppliers of inputs (raw materials, equipment, services, etc.)
- **other public and private organizations** in charge of education and training, R&D, engineering, financing, social and economic development, co-operatives, economic, social and political associations and representations, etc.
Methodological steps

• Identification of actors that compose the systems
  – Literature
  – Targeted interviews

• Sample

• Field research
  – Questionnaire
  – Interview guides

• Analysis
Identification of actors

- System of Audiovisual production in Brazil
- 5 Local Innovation and Production System – over 95% of enterprises and employees
Identification of actors

**Representation**
- Professional associations
- Enterprise associations empresariais
- Worker unions

**Specialized Suppliers**
- Film
- Equipments
  - Video recording devices
  - Sound recording and editing equipment
  - Light and electric equipment
- Casting
- Sets

**Audiovisual Production**
- Pre-production
  - Script writer
  - Storyboard
  - Casting
  - Sets
- Production
  - Direction
  - Art
    - Set
    - Wardrobe
    - Make-up
    - Props
  - Photograph
  - Sound
  - Electric & Light
  - Special effects
  - Cast
- Post-production
  - Editorial
  - Visual effects
  - Sound effects, tracks and mixing
  - Legends and Translation
  - Internet servers

**Specialized Services**
- Casting Agencies
- Rental
  - Sound equip.
  - Light & elect. equip.
  - Video equip.
- Transport and alimentation
- Software consultancy and development
- Marketing

**Education and Training**
- CTA (technical training and diffusion)
- Universities
- Other training and research organizations

**Preservation and Registry**
- Cinemateca Brasileira
- Image and Sound Museum - FMIS

**Policy and Regulation**
- National Government
  - Culture and industry ministries
  - Regulation agency
- State Government
  - Culture Secretary
  - Industry and trade Secretary
  - Arts Foundation
- Local Government
  - Culture Secretary
  - RioFilme (film distribution and promotion)

**Intellectual Property**
- ECAD (copyright collection and distribution Office)
- National anti-piracy committee CNCP (Ministry of Justice)
Sample

\[ n = \frac{(N)}{[E_o^2 (N-1) + 1]}; \]
\[ E_o^2 = 0.1 \]

<table>
<thead>
<tr>
<th>Firms</th>
<th>N°</th>
<th>n°</th>
<th>Autonomous Professionals</th>
<th>N°</th>
<th>n°</th>
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<tbody>
<tr>
<td>Casting</td>
<td>7</td>
<td>2</td>
<td>Director (films and TV)</td>
<td>21</td>
<td>6</td>
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<tr>
<td>Shooting board e story board</td>
<td>1</td>
<td>1</td>
<td>Script Supervisor</td>
<td>9</td>
<td>3</td>
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<tr>
<td>Equipment rental</td>
<td>10</td>
<td>3</td>
<td>Script writer</td>
<td>12</td>
<td>3</td>
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<tr>
<td>Producing firms / studios</td>
<td>215</td>
<td>50</td>
<td>Art Director</td>
<td>5</td>
<td>1</td>
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<tr>
<td>Studios (infra-structure)</td>
<td>19</td>
<td>5</td>
<td>Wardrobe</td>
<td>20</td>
<td>6</td>
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<tr>
<td>Set Design</td>
<td>2</td>
<td>1</td>
<td>Set Designer</td>
<td>4</td>
<td>1</td>
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<tr>
<td>Visual effects</td>
<td>3</td>
<td>0</td>
<td>Photography Director</td>
<td>51</td>
<td>15</td>
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<tr>
<td>Editing and finishing</td>
<td>7</td>
<td>1</td>
<td>Camera operation</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Legends and Translation</td>
<td>12</td>
<td>2</td>
<td>Lightning and electricity</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>Distribution (films)</td>
<td>10</td>
<td>3</td>
<td>Musical production</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Exhibition (films)</td>
<td>12</td>
<td>3</td>
<td>Sound technician</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>Insurance</td>
<td>3</td>
<td>3</td>
<td>Editing</td>
<td>19</td>
<td>5</td>
</tr>
<tr>
<td>Technical consultancy</td>
<td>9</td>
<td>1</td>
<td>Visual effects and</td>
<td>63</td>
<td>18</td>
</tr>
<tr>
<td>Transport</td>
<td>1</td>
<td>2</td>
<td>Drawing and illustrations</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>TV channels</td>
<td>17</td>
<td>4</td>
<td>Translation</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Paid TV</td>
<td>5</td>
<td>1</td>
<td>Consultancy for tax</td>
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<td>3</td>
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<tr>
<td>TOTAL</td>
<td>318</td>
<td>75</td>
<td>TOTAL</td>
<td>252</td>
<td>72</td>
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</tbody>
</table>
Field Research - Questionnaire

• Adaptation based on literature (conceptual and analytical) and targeted interviews

• Structure of the questionnaire – blocks:
  – Block 1: identification of the company, with questions about size, origin and structure of the capital, characteristics of owners and employees.
  – Block 2: economic performance of the enterprise, such as turnover, sales and markets attended, crucial determinants of competitive capacity and associated difficulties
  – Block 3: innovative efforts and performance of the enterprise, the activities of learning and cooperation and the impact of these interactive processes on the capabilities
  – Block 4: local productive structure, the patterns of governance and the competitive advantages associates to the local environment
  – Block 5: existing and potential support and promotion policies.
Field Research - interviews

Interview guides

- Organizations with functions of education, training and research
  - research lines,
  - characteristics of the courses that are offered
  - main agents with which those organizations interact.

- Organizations with representation functions
  - Role in the intermediation and coordination of the diverse policy actions.
  - efforts of the organizations directed to the technological capacity building of the associated enterprises
  - main potentialities and difficulties of the productive sphere and the possible implications for future policy actions.

- Public and private organizations with promotion and policy functions
  - action in relation to professional training,
  - technical consultancy, scholarships and support to spin-off enterprises,
  - credit lines, fiscal incentives.
Analysis – research dimensions

• National and international panorama
  – Supply and competitive patterns of the industry
  – Main products and processes
  – Producers, level of concentration, origin of capital, production scales and firm sizes,
  – Characteristics and segmentation of the national and international market (countries and regions which produce and import).
  – Main technologies and knowledge bases
  – General characteristics of innovation and their forms of appropriation and diffusion (technological regimes).

→ Analyze and understand the productive and innovative dynamic within its geopolitical, economic and technological context, establishing a analytical connection among the local, national and global sphere.
Analysis – research dimensions

• Profile of the Local Innovative and Productive System.
  – Origin and development of the LIPS’s, decisive facts for its constitution and development
  – The productive activities - sort, number, size, shareholding composition and origins of the capital, main products, suppliers of inputs and equipment, patterns of commercialization, and characteristics of the consumer market;
  – The promotion, regulation and financing activities;
  – The knowledge infra-structure - actors that integrate the teaching and research infra-structure, their scope of activity and potentialities → how these can contribute for the diffusion of innovations and stimulate the process of capacity building.
  – Embeddedness and forms of cooperation – collective activities, main partners and relations among the actors, identifying the flow of goods, services, information and knowledge.
  – Recent performance and the competitive strategies
  – Public and private policies that influenced and influence the formation and/or development of the LIPS
Analysis – research dimensions

• Generation and diffusion of productive and innovative capacity
  – Formal and informal learning mechanisms
  – Interactive learning among different productive actors (producer-supplier and producer-client interactions) and among these and education and research institutions
  – Importance of the local dimension for the development of productive and innovative capabilities and the relations of the innovative environment with the economic performance of the region.

• Perspectives of policies for the promotion of the LIPS.
  – Main potentialities and challenges faced by the LIPS
  – Policies that may stimulate and direct the development of the LIPS, emphasizing the development of productive and innovative capabilities.
Thank you
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CTAV (technical training and diffusion)
Technical schools

Universities
Other training and research organizations

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