

# **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

# Concept of Local Innovation and Production Systems

## **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, co-operation 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.

# Europe X Brazil:



# Methodological steps

- Identification of actors that compose the systems
  - Literature
  - Targeted interviews
- Sample
- Field research
  - Questionnaire
  - Interview guides
- Analysis

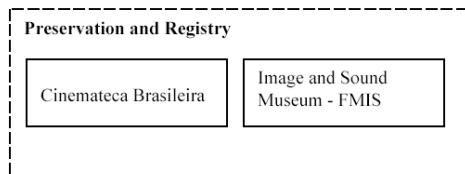
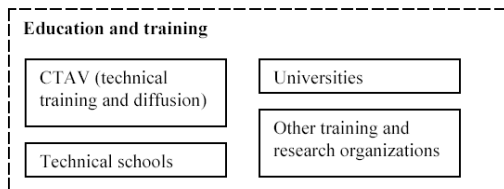
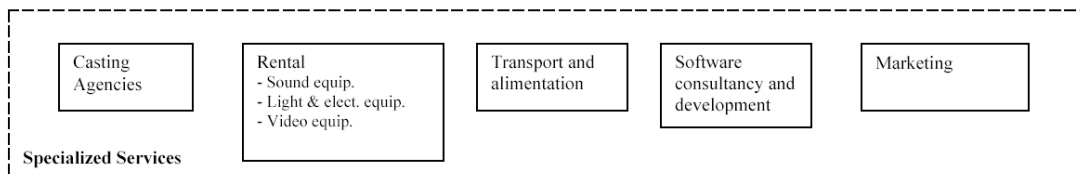
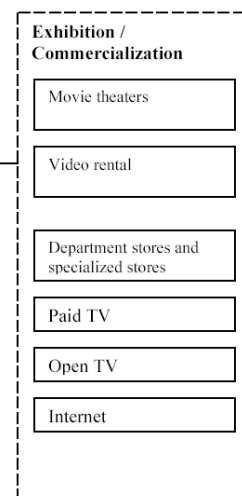
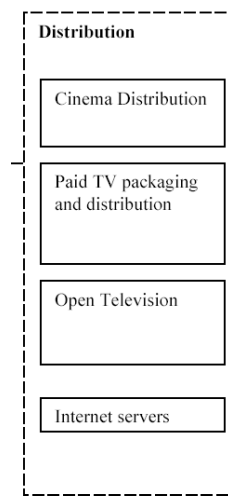
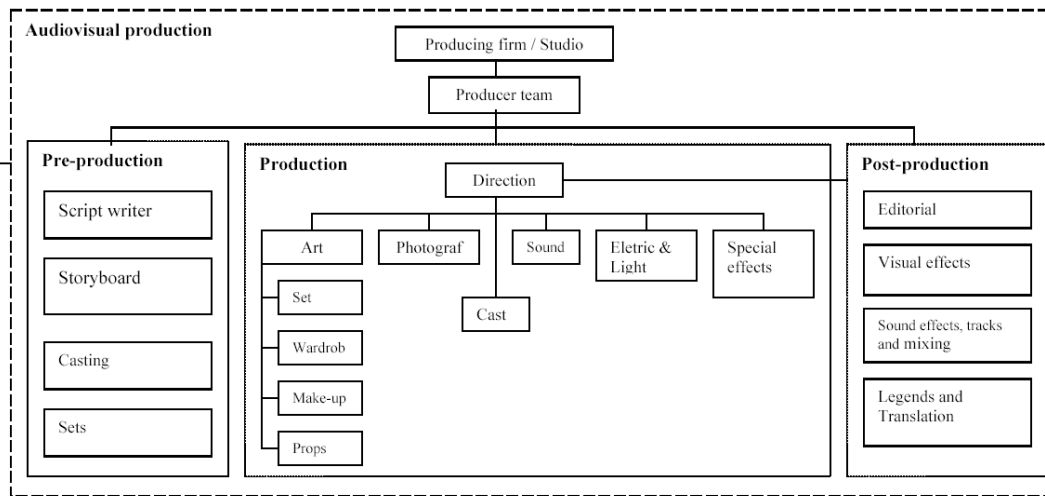
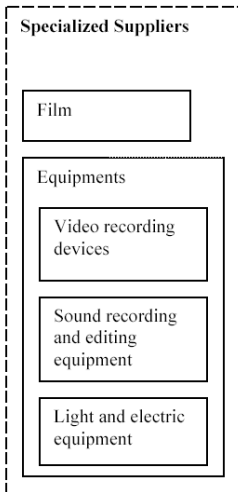
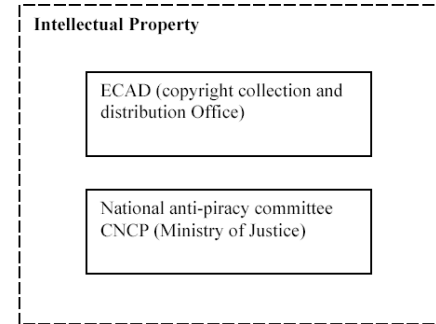
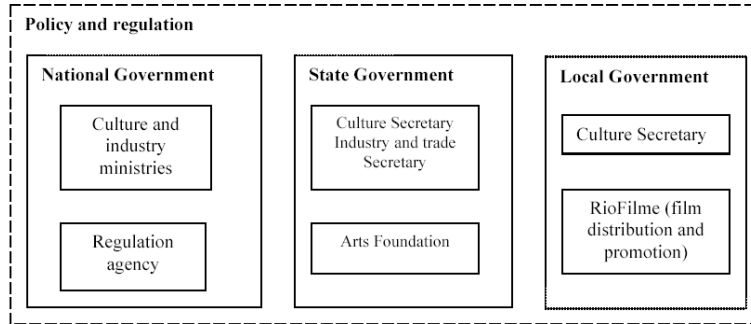
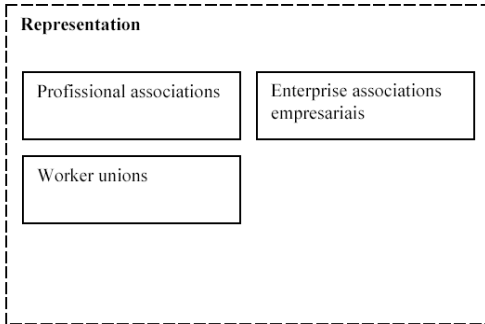
# Identification of actors

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





# Identification of actors



# Sample

$$n = (N) / [E_o^2 (N-1) + 1];$$

$$E_o^2 = 0,1$$

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

# 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





## 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)

## Representation

Professional associations

Enterprise associations  
empresariais

Worker unions

## Intellectual Property

ECAD (copyright collection and  
distribution Office)

National anti-piracy committee  
CNCP (Ministry of Justice)

## Specialized Suppliers

Film

### Equipments

Video recording devices

Sound recording and editing equipment

Light and electric equipment

## Distribution

Cinema Distribution

Paid TV packaging and distribution

Open Television

Internet servers

## Exhibition / Commercialization

Movie theaters

Video rental

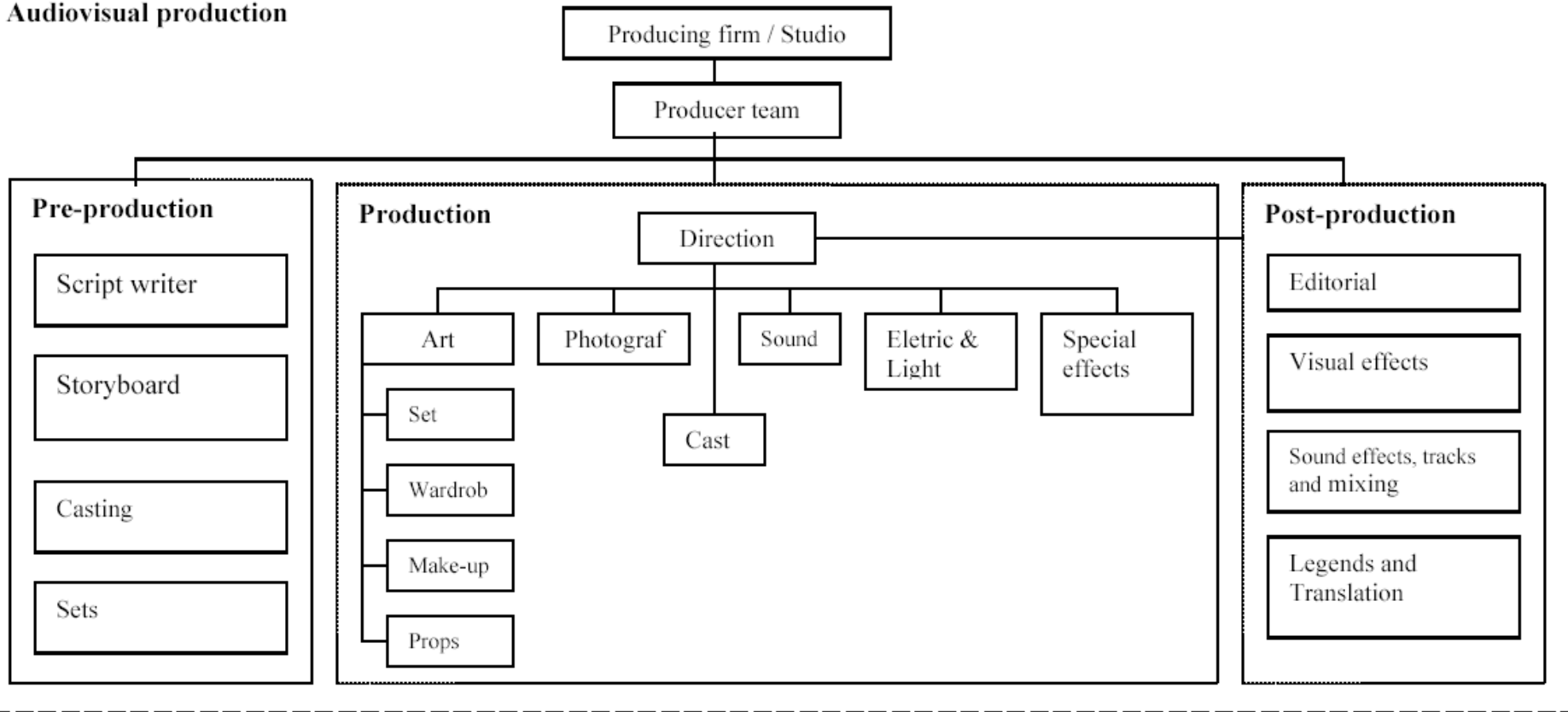
Department stores and specialized stores

Paid TV

Open TV

Internet

**Audiovisual production**



Casting  
Agencies

Rental  
- Sound equip.  
- Light & elect. equip.  
- Video equip.

Transport and  
alimentation

Software  
consultancy and  
development

Marketing

**Specialized Services**

### **Education and training**

CTAV (technical training and diffusion)

Technical schools

Universities

Other training and research organizations

### **Preservation and Registry**

Cinematheca Brasileira

Image and Sound Museum - FMIS