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Film Industries in an ‘enlarged’ Europe

Dina Iordanova

This text was commissioned around the same time as the EU lifted restrictions on the sale of oddly shaped fruits and vegetables in supermarkets across Europe, an action that unleashed public praise for unadulterated gnarled carrots, bendy cucumbers, or funny-looking potatoes which, admittedly, often tasted better than the perfectly shaped but tasteless produce now on offer.

The media coverage, by association, brought to mind further comparisons: Similarly to the case of oddly shaped fruits and vegetables that strictly standardizing Brussels bureaucrats had now allowed to break into the realm of mainstream commerce, in a recent bout of political correctness the countries of the former East Bloc (regarded as oddly-shaped in their own right), were admitted to Europe proper.

Campaigners against the admission of oddly shaped produce insisted that standards ‘play an important role in market operations while protecting consumers.’ Similarly, the debates over EU’s enlargement evolved around the preoccupation how to incorporate the markets of these geographically near yet non-quite-up-to-the-benchmark states while simultaneously ensuring that the affluent and mature consumer economies of the West are not inconvenienced.

The admission process took place in stages that largely reflected the media views on the degree of the socio-cultural deviation that kept the countries of East and South

Europe apart from the Western norm. The first phase of the enlargement, in 2004, extended to Hungary, Poland, the Czech Republic, Slovakia, Slovenia, Cyprus, Malta, Latvia, Estonia, and Lithuania. In 2007, Romania and Bulgaria were let in after a nervous run up. The candidacies of countries that still remain outside the EU (as they are perceived as more oriental and therefore less European), like the pariah Serbia, Croatia, the FYROM (Former Yugoslav Republic of Macedonia), Bosnia and Herzegovina, Montenegro, Albania, and probably Turkey, are being talked up; some may be allowed to join soon. Others, like Switzerland and Norway, seem to have decided that there isn't much for them in EU, and keep cautiously aside.

The admission to the EU put certain pressures on the new members: they now had to show that they were worthy of the honour and shed off peculiarities as soon as possible. How did this challenge play out in the area of film industry? What gain film production and distribution could derive from becoming part of this more affluent sphere?

The change in 2004 and thereafter was not as palpable as one would expect, mostly because the 'new' countries had set on the course towards 'becoming European' as early as 1989. The ascension to the EU, thus, was not the beginning of a process of strategic transformation, but its (successful) end.

Even though these national traditions could lay powerful claims to having embraced filmmaking from the time of its very inception, they were now treated as 'emerging' cinemas. It was indeed important to gain new visibility at the international marketplace. Having become European, however, the film industries and cultures of the former Eastern Bloc countries were beginning to resemble the film industries of small

West European countries, replicating their limitations and shortcomings. More and more, the previous East European fare (which would often qualify as ‘oddly shaped’) was losing its uniqueness and coming to resemble a typical European fare, dull and lacklustre. Rather than delivering a forceful message of cultural potency and freshness, films coming out of the ‘new’ Europe were marked by specific Ostalgia and dourness that challenged foreign mass audiences and often fell into the middle-of-the-road category. The message was that people living in the countries of the ‘new’ Europe were inundated with a panorama of economic disparities and social ills that were likely to persist even after Europe became ‘bigger and better’.

Filmmaking in state-socialist Eastern Europe (1948-1989) represented probably the best case of a vertically integrated industry. Production and distribution here worked within a tightly structured framework. The capital-intensive nature of film production was underwritten by the state; film financing was centralised and generous; state-owned production facilities employed permanent teams of salaried workers. Once completed, films were first shown within the system of state-owned theatres and eventually screened on national television, as well as distributed internationally via the well-oiled channels of cultural exchange within the Eastern Bloc. Profit-making was not a consideration; it was enough for the films to return the investment, which most of them did as they were made on relatively small budgets and seen by sufficiently sizable audiences. Driven by an underlying urge to rationalize and streamline the industry cycle, this model successfully maintained consistently high production outputs, comparable (and sometimes exceeding) the cinematic outputs of similarly-sized countries in Western Europe.

After 1989 cinema was no longer ‘the most important art’ (as Lenin had reportedly termed it after the 1917 Bolshevik revolution) and the new governments were neither willing nor able to continue bankrolling it. The state’s involvement in running the cultural industries came to a halt; new legislation of ‘hands off’ and ‘laissez-faire’- type approaches to culture was passed. The early 1990s saw a crisis, characterised by crumbling production routines, abrupt fall in state funding, sharp increase in unemployment among skilled personnel, and considerable decline in total output numbers. There was concurrent crisis in distribution and exhibition. Earlier concerns over freedom of expression dissolved, taken over by worries over declining markets. Financing for film production changed profoundly, moving to producer-driven piece-meal projects. The scarce state subsidies, competitive in some countries or automatic in others, became a hotly contested arena. The involvement of national television networks in film production and exhibition became vital, as did funding linked to international co-productions and the budding private financing. The break up of the Bloc also meant collapse of the consolidated distribution operation.

In this period of hiatus, East Europe’s only rational economic and political choice was to turn to the West as the sole desired partner. In strictly economic terms, the capitalist economies of the West and the transitional economies of the East developed a relationship of ‘haves’ and ‘have-nots’, as the funds needed to keep the film industries going could only come from the solvent West. Politically, reorientation to the West was now on top of the agenda for all East European countries, and former partnerships within the Eastern Bloc were quickly abandoned in favour of the new alliances that prevailed in the accession run up.

Most of the ‘new’ countries joined the Council of Europe’s funding body *Eurimages* in the early 1990s, and many took part in various editions of EU’s MEDIA programme; they also became members of exhibition (*Cinema Europe*) and festival networks. This access to pan-European structures, however, did not lead to significant boost in East-West exchanges. Instead, it facilitated the revival of regional co-operations, based on geographical proximity or cultural affinity. Romance-language Romania and France, for example, co-produce on a regular basis; many of the East Central European countries take advantage of their proximity to Germany, and the Balkan countries stick with each other. Croat-American director Rajko Grlic’s *Karaula/ Border Post* (2006), co-produced by all the former Yugoslav republics with participation of adjacent Hungary and Austria, is probably the best example for the prevalence of regionalism in Europe’s South East. Projects that bring together partners from remote locations – like Laila Pakalnina’s 2006 *Kilnieks/The Hostage*, co-produced between Latvia, Estonia and Slovenia — come about only occasionally.

One good result of the accession process was the passing of new legislation on matters related to film (a concern that otherwise would have been low priority for governments that had more pressing economic issues to deal with). In some cases this also led to tax incentive initiatives, often passed as a result of lobbying from film people closely familiar with the set up of industries in the West who wanted to broadcast that the ‘new’ Europe was now open for business. In Hungary, for example, such individuals included *Carolco* veteran producer Andy Vajna, a returnee from the diaspora, or Andras Simonyi, a former Hungarian ambassador to the US and now CEO of the new Korda Studios.

Seen in a wider global context, the current situation in Eastern Europe is defined by the co-existence of two distinct industry strands, functioning pretty much independently from each other: the international service industry linked to global Hollywood on the one side, and the domestic set-up linked to the national film tradition on the other.

First, there is the well-developed and often profitable operation engaged in servicing large-scale international productions, with a streamlined system of studios, service companies, and below the line personnel, which thrives on the exploitation of skills and facilities inherited from the period of state socialism. After privatisation in the 1990s, East Europe's studios entered close competition with each other for this lucrative runaway business. The Czech capital, Prague, home of Barrandov Studios and key service companies like Stillking Films, grew into a booming centre for runaway productions. Neighbouring countries got interested in getting a finger into the pie as well, and rival studios sprung up across the region. The approaching European Union accession date of 2004, however, caused apprehension over the inevitable price increases and brought about fears that the 'portable' runaway business would disappear overnight. It did not play out as badly as expected, but nonetheless many productions dropped the 'new' Europe in favour of countries that were still outside the Union, like Romania (where newly built Castel studio near Bucharest hosted not only vampire productions but also serious shoots) and Bulgaria (where Boyana studios near Sofia were sold to new American-Israeli owner, NuImage).

The other side of these 'parallel' strands comprised of the remains of the national film industry, much less present now than in the past. Even though it engages the cream

of local talent, it uses a smaller production base that is set up ad hoc on a per project basis. While central in the film industries of France or Denmark, in most East European countries this sphere is marginalized and squeezed to open up space for the new lucrative servicing of international productions. National cinema nowadays has a lesser standing with cultural bureaucrats who need to ensure a steady inflow of funds. Films concerned with the national identity discourse are being made in this downsized context.

In theory, these parallel strands could benefit from some integration as the presence of large international productions could underwrite some of the local industry and boost its sustainability. In reality, at least for the time being, they are almost fully detached from each other.

Effectively rescued by the advent of parallel industries, which brought in a lifeline of international service demand while trimming domestic oversupply of films, by the time of the EU accession most of the film industries across the ‘new’ Europe had recovered from the crisis of the early 1990s. Output numbers had stabilized, and occasional domestic titles rose into to the top ten at the box-office, with commercial success stories linked to the names of directors like Jan Sverák in the Czech Republic or Juliusz Machulski in Poland. The new generation of filmmakers can expect to enjoy reasonably productive careers at home without necessarily looking to migrate to the West.

Internationally, most recent acclaim to cinema from the region has gone to Romanian directors of the younger generation for films such as *The Death of Mr. Lazarescu* (Cristi Puiu, 2005), *12:08 East of Bucharest* (Corneliu Porumboiu, 2006), and *4 Months, 3 weeks, and 2 Days* (Cristian Mungiu, 2007). Awards and acclaim aside,

international recognition could not remedy persisting domestic predicaments. The number of cinemas in Romania, a country of over 20 million inhabitants, had now fallen down to only 38. Taking tips from self-distribution practices pioneered by Third World filmmakers, Cannes-winning director Cristian Mungiu used the proceeds of his award to rent a projection van from Germany and organised a tour of improvised screenings across the country, so that his fellow-Romanians could also see the film.

Indeed, exhibition is probably the area where the new flow of funds from the EU could make the biggest difference. Most of the old theatres gradually closed doors, often converted for usage as casinos and bingo halls, or sold off as office space. The closures came along with a move toward multiplexes, which sprung up in most capitals.

Appealing to younger crowds but alienating mature audiences (who saw the hikes in admission prices as prohibitive), the new exhibition set-up works with a profoundly altered audience demographics.

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What does the European future hold for people in the ‘new’ Europe? Two film students from Prague’s FAMU, Vít Klusák and Filip Remunda, raise this question in their diploma project, the documentary film *Czech Dream* (2004). A clever renunciation of the overblown media hype over Europe in the run up to EU’s accession, the film chronicles an outrageous hoax that the filmmakers pulled on their fellow-citizens. As the film unravels, Klusák and Remunda put in motion a massive advertising campaign for a non-existent hyper-market which they call *Czech Dream* and for which they erect a fake

façade in the middle of an empty field outside the capital. On the appointed day, thousands of enthusiastic Prague consumers flock to the place, in anticipation of finding great promotional bargains. Their eagerness, however, soon turns into bitter consternation.

The scenes of outrage at the end of *Czech Dream* come accompanied with the filmmakers' commentary, which compares their despicable prank to the way in which East Europeans sheepishly bought into unsubstantiated propaganda and flocked toward joining the European Union. Czechs and other 'new' Europeans knew well that they were not the most esteemed partners Europe wanted; they also suspected that Europe would not be as generous as it seemed. Yet, they hushed whatever hesitations they had and rushed into the accession. But what if the pledge of prosperity turned out an empty promise? Whereas Europe proper felt that, by admitting this bunch of countries, it was letting in idiosyncratic oddities, the 'new' Europeans had their own concerns over its potentially deceptive façade. A few years into the joint venture, the enlarged Europe it is still marked by muted mutual mistrust, either side entangled in its own subdued prejudice and caution.

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'NEW' EUROPE'S PARALLEL INDUSTRIES

<i>International service industry</i>	<i>National cinema</i>
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<p>1. Production: Studio and other production assets are privately- owned and maintained mostly for the sake of attracting international runaway business. Reliance on big budget runaway productions. Below the line personnel engaged on an on-going basis; occasional opportunities for input from local creative talent.</p> <p>2. Distribution: Mostly Hollywood subsidiaries, engaged in distributing Hollywood product, both to theatrical and ancillary markets.</p> <p>3. Exhibition: Theatre owners mostly work in blanket-booking mode with Hollywood subsidiaries.</p> <p>4. Audiences: Mostly engaged with Hollywood product, which is synonymous with cinema to most cinemagoers.</p>	<p>1. Production: Handled by small companies on a per-project basis; no ownership of production assets. Small composite budgets and reliance on grants that need no repayment. Studio space and teams secured ad hoc as needed. Creative personnel closely engaged with their own projects but also contracted to work occasionally within the international service industry.</p> <p>2. Distribution: No access to the operation of big distributors; occasional deals with small local or international distributors; reliance on guerrilla distribution.</p> <p>3. Exhibition: Individual deals with theatres for occasional showings. Heavy reliance on TV exposure and festival screenings.</p> <p>4. Audiences: Pleased to see the occasional domestic film but would not normally seek it out. Occasional instances of domestic blockbusters.</p>
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Cashing in on Dracula: Eastern Europe's Hard Sells¹

Just about over a decade ago, the majority of ordinary Romanians and particularly the inhabitants of Transylvania, were unaware of the international infamy of Vlad the Impaler and the respective literary character, the chilling Count Dracula. It was only around the time of Ceaușescu's regime collapse that news of the region's macabre notoriety trickled down to these lands. Soon thereafter, local entrepreneurs hastily acquired copies of Bram Stoker's book and ventured into developing small-scale tourist enterprises by copying the horror classic. Hotel buildings were designed to resemble castles, some restaurants featured Dracula-themed furniture (copied from Hammer horror movies on pirated videos) while others had the butter in their *chicken Kiev* coloured deep red (Chelminski, 2003). Live entertainment included actors in full Bela Lugosi gear hiding in a coffin in the hotel's basement and coming out to scare visitors at the stroke of midnight. Besides moderate growth in regular tourism, the commercial exploitation of Dracula and Transylvania got a boost through the increase in academic tourism, with several international meetings of scholars specialising in the horror genres.

Since the mid-1990s the Romanian government has been engaged in plans to build a Dracula theme park and entertainment complex, a project that so far has been surrounded by controversy. According to domestic backers, the development would give an immediate boost to the economy of a whole region. According to international critics, besides failing due to shaky business planning and inadequate infrastructure, it will be an assault on the cultural heritage and on the ecosystem. And, according to one Hollywood

studio, Dracula as popularly known could not be freely used for commercial ventures as it did not belong to the Romanians in the first place.

This investigation will try to show that attempts intended to capitalise directly on Dracula's trademark image – like the high profile Dracula Park campaign – run into unanticipated hurdles and failed to give any significant boost to Romania's economy so far and that by finding gentler and less direct ways to use the association between Romania and the infamous vampire, local film entrepreneurs have been much more successful in cashing in on Dracula.

It is useful to compare and evaluate these different manifestations of the pragmatic yet idiosyncratic post-communist endeavour to make Dracula more bankable for Romanians. We will look at the curious mixture of entrepreneurial and state-socialist approaches revealed in the course of the attempts to profit on Dracula. We will show how image issues inform economic judgment (and vice versa), and how brash pushy entrepreneurs and refined high-brow cultural heritage defenders are driven by largely the same fiscal motivation.

This study's main contentions are:

- That while the use of stereotypes is usually seen as an adverse act of one-way cross-cultural projection of preconceived ideas, in certain contexts stereotypes are embraced from within, developed and drawn on in a voluntary move of self-exoticism carried out by agreeable cultural entrepreneurs and other internal actors. However, in a globalized corporate-dominated world the fact that one may readily accept the association with a certain stereotype does not guarantee automatic access to the commercial exploitation of the same stereotype.

· That while nowadays ‘almost all nations have to [...] mobilise themselves as spectacle and to attract large numbers of visitors’ (Urry, 2003:7), in poorer nations where the domestic consumer market is not solvent cultural entrepreneurship is underpinned by decisions made on the basis of perceptions of Western (entertainment) market demand. The development of large scale tourist projects here may be undertaken as national scale enterprise and the respective attraction are often staged as *representing* the country. But such large scale attractions, in fact, enhance the sense of split identity, the consciousness of a perpetual differentiation between an image of oneself one projects outwards and presents as ‘object of the tourist gaze’ (Urry, 2002:11) and another, ‘true’ self, mostly characterised by being different, not identical with what is being projected.

"Everyone else makes money from Dracula. Why shouldn't we?"²

A. Dracula's Romanian Identity

Romania, the land of Dracula, occupies a prominent place as a region that many would associate with bats and vampires and is thus one of the darkest and most exotic backdrops of the South East European imaginary. The numerous film adaptations of *Dracula* in which the Western protagonist travels to these sinister lands have reasserted the image of Transylvania as a claustrophobic kingdom of stalking horrors, inhabited by sleepwalkers and pale mute peasants. ‘Thanks to Bram Stoker’s *Dracula* [...] and to scores of Dracula films ranging from the abominable to the exceptional, the name

“Transylvania” has acquired something of a mythical aura in the mind of the average Westerner,’ writes American scholar Dennis Hupchick. He then elaborates that ‘because of such imagery, many Westerners think that Transylvania exists only in the minds of fiction writers and filmmakers. Many express surprise when they learn that Transylvania actually exists’ (Hupchick, 1995, 49).

This Dracula-linked Western conceptualisation of Romanian identity is still prevalent, as seen in the way Romania is introduced by influential American journalist Robert Kaplan who follows in the footsteps of Bram Stoker’s protagonist in his popular book *Balkan Ghosts* (1993). ‘This region, unrolling from the back windows of Count Dracula’s mythical castle,’ Kaplan writes, ‘was still, nearly 100 years after Stoker published *Dracula*, “one of the wildest and least known portions of Europe”’ (1993:135). Kaplan is inclined to see Dracula’s mark all over the place, thus constructing Romania as a land inhabited by individuals whose character is marked by a ‘Latin bent for melodrama’ and an Orthodox-influenced ‘Byzantine bent for intrigue and mysticism.’ Reinforced by the Carpathian landscape (‘darkened by fir forests and teeming with wolves and bears, out of which arose a pantheon of spirits and superstitions’) and yielding further unsettling associations, ‘the very word Transylvania conjures up images of howling wolves, midnight thunderstorms, evil-looking peasants, and the thick, courtly accent of Count Dracula, as portrayed by Bela Lugosi’ (Kaplan, 1993:149).

Initially, the Dublin-born Bram Stoker, the author of *Dracula*, had intended to have the protagonist, Count Wampyr, based in Austria and this is where the novel was to be set. Then, in order to avoid direct parallels with Joseph Sheridan Le Fanu’s vampire classic *Carmilla*, he thought he would better move the action elsewhere. Stoker had never

set foot in Romania, yet after carrying out library research he discovered records of a 15th century ruler Vlad Țepeș (a.k.a. Vlad the Impaler), whom he then used as a prototype for the literary character, whose imaginary castle was now re-located to Romania. The real Vlad had ruled in Wallachia, a different region altogether, but Stoker chose Transylvania ('land beyond the forests'), a name that sounded more mysterious.

Even though Stoker's decision to transfer the action from Austria to Romania was accidental, it was a crucially important one. It appears that the vampire was embraced in this newly found homeland.

The 'amusing bravado of the imaginary Transylvania of movies and comic books' was particularly powerful in shaping the international stereotypes on Romania, as Romanian-American émigré writer Andrei Codrescu testifies. Sibiu-born Codrescu refers to Dracula as 'my compatriot,' clearly suggesting that Romanians need this image for their self-esteem: 'In Transylvania,' he claims, 'we have an ontological blood relation to the book' (1990:14). It 'gave the young people of my generation a certain sexual and nocturnal thrill,' as all of Codrescu's American friends knew 'the eminent legendary Romanian Dracula, in his incarnation as Bram Stoker's and Bela Lugosi's vampire' (1991:177). That Romania was, in fact, a real and quite different place, was a separate matter.

Probably not everybody was happy with the vampire references. But if this was the image that Romania was to be associated with anyhow, why not commercially exploit it? In the 1990s a growing number of Romanian entrepreneurs began realising that the identification of Romania and Dracula could open up a host of ingenious possibilities and could be put to work.

Some early Romanian attempts to cash in on the Dracula myth can be traced as far back as the 1970s. Because of the non-commercial orientation of the state-socialist regime, however, they never flourished. Back then, Dracula-related tourist activity seems to have been kept going by irregular tides of curious foreign tourists coming to Transylvania and enquiring about the location of Dracula's castle. The state-authorised *Dracula: Truth and Legend* tour would take them, to the disappointment of some, to trail the footsteps of the authentic historical Vlad Țepeș in Wallachia. Tourists' nocturnal expectations were better catered for after the opening of Hotel Castle Dracula in the Borgo Pass (the access road to Count Dracula's castle in the novel).

The Romanian documentary *Yes, Sir, Comrade Bram Stoker!* (dir. Tibor Schneider, Romania, 2001) focuses on the man behind the Hotel Castle Dracula project, Alexandru Misiuga, a pioneering cultural entrepreneur and a former tourism official from Bistritsa. He first learned of the popular literary character from visiting Americans in 1968, then got hold of the novel and quickly figured out the potential tourist significance of the Dracula myth. When appointed director of local tourism office in the 1970s, Misiuga managed to manoeuvre party leaders to agree into building the hotel and pursuing Dracula's commercial value. Launched in 1985, today the Castle Dracula Hotel welcomes groups mostly from Germany and features a shop with vampire merchandise and other spooky attractions. Generally described by observers as a Las Vegas type imitation Gothic and seen as a brave but unconvincing attempt to cash in on fictional characters, the hotel is thriving. 'Dracula does not exist here; he has to be invented to make business. It is all tacky kitsch,' remarks American anthropologist Colin Quigley in regard to these hospitality efforts.

Promoting Dracula tourism internationally as a private enterprise picked up at a wider scale around 1993 with private companies which co-sponsored a 1995 Dracula congress and reportedly spent \$ 20,000 USD to set up a tour of Transylvania's medieval cities; several more gatherings of academic Draculogists have taken place since. The Transylvanian Society of Dracula also organize specialised expeditions, and a tour operator maintains the Dracula Land web-site [<http://www.draculand.com>]. It is believed that the volume of current Dracula-related tourism stands at about 250, 000 visitors a year.

The business potential of Dracula tourism appeared to be significant, yet it was difficult to estimate what revenues it could bring. It was Bram Stoker's character that would bring the tourists, but this one was an imaginary figure far remote from the authentic Vlad Dracul from Romania's history. Some sort of reconciliation between the real historical figure of Vlad Țepeș and the literary Dracula needed to be found to enable a successful commercial exploitation of the Dracula myth.³ Provided the overall depressed state of the Romanian economy and the lack of firm figures from Dracula-related operations abroad, all attempted estimates of Romania's Dracula assets were vague.

Nonetheless, in Romania, one was overtaken by a pervasive feeling that one sits on a fortune which is just begging to be mined.

B. The Dracula Park project

The idea of a Dracula theme park seems to have come into the public domain as early as 1990 but was first actively promoted around the time of the 1995 international Dracula Congress and stayed in the media spotlight ever since. Its most visible proponent was Matei-Agathon Dan, tourism minister in Ion Iliescu's governments (1992-1996; 2000-2003).

'Dracula myth exists – we want to package it nicely and sell it to tourists,' Dan reasoned (quoted in 'Coming soon,' 2001). 'It's absurd for the myth to be used in many ways abroad, while it is not beneficently taken advantage of in its country,' the ministry's web-site reiterated ('Dracula Park').

Active planning for the Dracula Park took place under Minister Dan in the early 2000s. Glossy posters in black and blood-red and other similarly sleek promotional materials featured the park's anticipated design. Planned attractions were to include a fake castle and an artificial lake. All rides would have a vampire theme: Dracula roller-coaster, ghost train, house of horrors, vampire dungeons, torture chambers, blood-filled catacombs, judgement chamber, scary mirror house, labyrinth garden, tournament site, and an alchemy laboratory. The eateries would serve gruesome dishes like blood pudding and brains, as well as gory vegetarian options. The affiliated vampirology institute would co-ordinate Dracula-themed societies world-wide. Craft shops would feature armour making and teeth sharpening. Accommodations would vary from a camping site to a 700-bed luxury hotel.

Where would the park be located, though? Should one be true to the vampire story or to the historical Vlad? Most Dracula movies are filmed at Bran castle near Braşov, even though the location's links to the historical Vlad Țepeş are debatable. Then,

there are the places quoted in Stoker's book which are located in Transylvania – a completely different part of Romania. The discrepancy resulted in confusion over which locations should be considered essential to a Dracula-themed visit and respectively promoted: the sites related to the real historical personality could be of interest, but then most tourists would come to 'experience Dracula' and not to investigate Romania's medieval history. It proved a challenge; the consensus was that a dedicated Dracula theme park should be located in a place that would have some relation to Vlad yet touch on the imaginary Dracula as well.

Several locations linked to the name of Vlad Țepeș (Țîrgoviste, Poenari, Bran/Brașov) competed to have the park located nearby. It was Sighișoara, however, Vlad's birth place, that emerged as favourite, reportedly because the area's Saxon heritage was likely to attract interest from German investors. A picturesque medieval location, the town needed regeneration; the park's construction could bring Western-style prosperity.

The park was to be built on the Breite plateau, a 300 acres 'broad sheep-grazing ground' interspersed with 120 venerable oak trees, about five kilometres from Sighișoara. A cable transport line would connect the town to the park; the missing communications network would be swiftly taken care of, and the whole undertaking would create about 3000 jobs in the first phase of the project. Most building activity would be completed within a six months period.

The project's cost was estimated at \$31.4 million USD. But no financing had been confirmed by mid-2001, even though the tourism ministry claimed that German and Austrian firms known for the development of zoological gardens and aquariums would

come on board with an investment of 10 million Euro if appointed to finance, build and administer the Park. No commitments were taken by potential merchandisers either; it was only the Greek branch of Coca Cola and the Austrian Brewers Union that pledged conditional investment in return for a decade-long exclusive deal for their beverages on the park's territory.

With foreign investors not forthcoming, it appeared that one would need to rely mostly on raising the funds at home. The Sighișoara Tourist Development Fund, pledged \$ 12.1 million USD and other branches of the local authorities pledged about \$17 million USD. Any outstanding amount was to be secured from private investors.

To raise these funds, a bond issue run by the Romanian Commercial Bank was launched. The initial public offering took place in December 2001 with much fanfare. Conscious that the much-needed reinvigoration of the local economy depended on the success of this bond issue, many of Sighișoara's 40,000 inhabitants purchased packets of 100 shares (at the cost of \$34 USD/ £22 GBP), an acquisition equalling a third of their average monthly wage. Nonetheless only about 40% of the shares were sold by the deadline and even though it was extended, the target amount was not raised.

All this was taking place amidst an increasingly loud public controversy over the location choice in Sighișoara. The resistance brought together a variety of seemingly incompatible groupings. In a truly ecumenical manner, for example, the usually divided Christian denominations of Romania jointly opposed the project and declared it an unwanted encouragement of the occult, especially after a local pastor claimed he had seen 'unnaturally pale persons dressed in strange black clothes' loiter around town ('Christians Protest,' 2001).⁴ There were fears that the project was glamorising evil and would attract

the wrong kind of Satanic cult audience; pious protesters invited officials to get ready for Judgement Day.

Backed by Greenpeace, local environmentalists expressed concerns that the park's construction would destroy ancient oak forests and harm the region's ecosystem.

The most vocal protest, however, came from the London-based heritage preservation organisation Mihai Eminescu Trust, involved with the conservation and regeneration of Saxon villages and communities in Transylvania and Maramureş (Siebenburgen) for the purposes of ecotourism. Yet another tourist organisation of a different kind, the Trust caters to affluent visitors fond of the unspoilt rural charm of the area. The building of the Park would directly undercut their own tourist operation, so they put to work their defences. Following an Open Letter by the Trust, on 5 November 2001 *Romania Libera* published articles by well-known Western intellectuals who were critical of the plan and were expressing concern that Sighişoara's protected medieval town would be inevitably destroyed by the planned mass tourism. UNESCO's World Heritage Committee – ICOMOS – was alerted and asked to intervene as it appeared Romania had neglected obligations to its World Heritage Treaty. The controversy extended as far as to include Mihai Eminescu Trust's patron, the British Prince Charles, who lobbied with Romania's President Ion Iliescu.⁵

The tourism minister threatened to resign over the Prince's intervention. Even if objectionable, the project had to materialise for the sake of economic recovery. Such views were enhanced by rumors of the immediate creation of 3,000 jobs and by (unconfirmed) estimates promising of 1 million local and foreign tourists during its very first year.

The international outcry, however, forced tourist officials to seek firm evidence of the project's economic viability. In 2002 Romanian authorities approached the international business consultancy *PricewaterhouseCoopers* and asked them to subject the project to a rigorous feasibility test. The government would listen to the consultants' advice and would ensure that everything is in stringent compliance with economic and ecological norms. The consultants were also asked to make suggestions as to possible financing for the project (the estimated investment for which had meanwhile risen to a \$100 million USD).

The *PwC* feasibility report arrived in January 2003 to state the obvious: that the business plan could not withstand basic cost-benefit scrutiny. There were serious doubts as to the Park's chance to offer something that would not already be available at more accessible locations in the West and that would prompt masses of Western tourist to take the trip to Romania. The plans to build the park near Sighișoara did not have much economic viability ('Western consultants,' 2003). What had been known but obviously ignored all along was now coming from an authoritative source. *PwC*'s had used the comparable companies method and had looked at the performance of ten other similarly-sized theme parks from across Europe (like Denmark's *Legoland*, which rarely gets more than a million visitors a year despite its more convenient location and superior infrastructure). The experts had then looked at Sighișoara and two alternative locations – Lake Snagov near Bucharest (where Vladis believed to be buried) and Constanța (a Black Sea resort). The Sighișoara location was remote and difficult to reach, it would take about five hours to get to here from Bucharest and the nearby airports in Târgu-Mureș and Sibiu did not have international facilities. The recommendation was ultimately to go for

Snagov. According to the projections, Sighișoara and Constanța could not attract tourist crowds larger than 600, 000 a year, whereas location closer to the Romanian capital Bucharest had the chance to generate a nearly 40% higher flow and hit the one million visitor target. Other considerations addressed issues like infrastructure and added Bucharest-related profits.

Despite protests from the town of Sighișoara (shareholders now began asking for their money back), the Dracula Park project was to be moved to Bucharest. ⁶

The real issues of the plans for the Dracula Park – difficulties with financing and the lack of economic viability – finally took centre stage. It was no longer possible to avoid facing it. Clearly, the most problematic aspects were of purely economic nature: missing investment, inflated visitor estimates, non-existent infrastructure. In addition to the environmental and moral objections, the expert opinion had exposed hasty construction timetable, lowered construction costs and management incompetence. The cost estimates had varied widely, between the manifestly unrealistic \$15.6 and the \$100 million USD mark, suggesting difficulties with sound economic planning.

The most remarkable aspect of the way the Park project was handled, however, was the curious mixture of capitalist techniques and authoritarian communist style top-down management.

On the one hand, there were the new ‘capitalist’ methods: extensive use of advertising aimed at creating favourable public opinion (glossy brochures and posters, TV ads, web-site marketing, and even a video reassuring the pious believer in the compatibility of Dracula and the good Lord). There was the IPO, the feasibility study and the use of consultants and expert opinion. And there was the dismissive stance to protests

coming from UNESCO or the Culture Ministry, motivated by determination not to let business ventures be muddled up by culture-related considerations. (This clear demotion of culture within the political hierarchy – in comparison with the position culture previously held under state socialism – unambiguously signaled the triumph of ‘free’ enterprise.)

On the other hand there was a ‘business plan’ that, like in communist times, would not withstand scrutiny but was never really scrutinised. Then, there were the old-style bullying and intimidation techniques: a senator who had expressed critical opinion on the park was threatened with an investigation into his communist past; the mayor of Sighișoara requested disclosure of the names of protesters who had spoken to foreign journalists, and a newspaper reported that the Romanian Foreign Intelligence Service was investigating ‘enemies abroad’ who oppose the project (George, 2002: 18-21). Last but not least, there was a smoke screen of propagandistic patriotic rhetoric (at the Tourism Ministry’s web-site, the Park was billed as ‘the first Romanian tourist’s integrated product of national importance’; media appealed to Romanians to invest in the patriotic project, and the national television featured footage of Prime Minister buying shares of the bond issue).

In any case, Romania’s Dracula park project was not the only one that approached business in such hybrid laissez-faire-cum-totalitarian manner; this mode of handling business is characteristic for the ‘transitional’ post-communist economies across Eastern Europe.

C. Castel: Cashing in on Dracula *by association*

While the controversy surrounding the Park stayed in the focus of public attention, the Romanian film service industry capitalised on Dracula in a different way: by making the most of the fact that in the mind of Westerners Romania is closely *associated* with Dracula. Just glancing through the list of foreign productions filmed here over the past decades reveals that most of them had some vampire-related or similarly macabre theme. Many of the skilled workers formerly employed within the context of the Romanian film industry have been earning their livelihood in recent years on foreign vampire-themed B-productions which come here both from across Europe and North America to provide a much-needed ‘blood transfusion’ for the local industry. ‘Cost savings can compensate for the increased risks associated with producing in a transitional society, but there can also be a creative incentive,’ Australian scholars Ben Goldsmith and Tom O’Regan claimed in their study on international film studios. ‘The low-budget productions filmed in Romania in the last decade have made much use of Transylvania’s mythic identity as the home of Dracula. Where better to produce a vampire film?’ (2005: 98).

Romanian studios attracted a host of mid-sized vampire or horror projects – like Dimension films’ *Dracula II: Ascension* and *Dracula III: Legacy* or several recent entries of the *Hellraiser* franchise – which used Romanian partners both for studio and location shoots, with post-production completed in the West.

A host of Romanian businesses prospered by providing specialised services to these productions. Companies like Ager film, Atlantis, the former state-owned film

company Buftea now owned by ProMedia, and the new Swipe studios have been competing for a share of filming activities. In all these cases, it was the *association* with Dracula that brought business down to Romania in the first place, a situation where local companies did not need to directly sell Dracula's image yet indirectly capitalised on it.⁷

It is the emergence and dazzling success of *Castel (Castle)* film studio, however, that is directly linked to this flurry of activity. Launched around 1992, *Castel* is the only studio built from scratch in the region of Eastern Europe (and Europe at large) since 1989. Situated near Bucharest airport, not far from the site that *PwC* had recommended for the Dracula Park, *Castel* is adjacent to a fifteen-mile forest and the eight-mile Snagov Lake; it boasts five sound stages and a water tank, as well as recently built post-production facilities. The studio was erected on several acres of prime real estate land, near the so-called 'Pacea' (Peace) complex, exclusively open to Communist Party officials in the past. During Ceaușescu's times this area had been solely used by Romania's political elites; the very access to these places had been previously restricted to the public.

From a modest beginning in advertising slots, around 1997 the studio saw a breakthrough to servicing feature filmmaking coming from abroad. By the end of 2003 the company had worked on over eighty features and hundreds of commercials, claiming to be 'the most cost effective' solution for shooting in Europe. The majority of films *Castel* co-produced during this first decade were in the horror genre: vampire flicks, or films featuring phantoms, witches, ghosts, werewolves, Frankensteins, freaks, dark angels, Leprechauns, and a range of other evil creatures [For a full list see *Castel's* website at <http://www.castelfilm.ro/filmography/filmography.asp>].

While the theme park proponents were wrestling in public over their intention to get the most out of exploiting Dracula's image, the people at *Castel* quietly but effectively managed to cash in. The proponents of the Park never came to realise that the heavy dependence on 'corporeal travel' (Urry, 2003) was the major obstacle to their project: they had to bring the tourists to Romania physically and make sure that these tourists find here more or less than what they expect. *Castel*, instead, was bringing to Romania only people's imagination. Long before *PricewaterhouseCoopers* recommended Snagov as the best location for making money on Dracula, *Castel* and associates had succeeded to put Dracula to a productive use at this very location.

D. Image and economy: issues of control

Bram Stoker's novel is regarded as the world's most enduring gothic text. On top of it, it is probably the best selling one: it has never been out of print, has been translated in many languages, and has inspired hundreds of films. It has triggered scores of merchandise and other spin-off businesses, many of which seem to be thriving. The scores of web-sites that sell Dracula-related merchandise are proliferating even further. The fact that Aberdeenshire (Scotland) and Yorkshire (England) keep contesting each other's claims of having served as a prototypical location for the book could be seen as indicative as it probably suggests the bickering is over a share in a lucrative business (*BBC News*, March 21, 2001). The Bram Stoker Heritage Centre in Dublin also has claims over Dracula, which they see as an 'essentially Irish story with global appeal,' full of local symbols and elements like storms, fog, rats, Gypsies, a castle, and an abbey [www.bramstokercentre.org].

As Dracula's alleged 'homeland', post-communist Romania hoped to jump on the gravy train as well. In order to claim its share of Dracula-related profits, it was prepared to perpetuate stereotypes and voluntarily make Dracula an intrinsic part of the national identity. The voices of those who worried that the embrace of Dracula would turn Romania's history into a comic strip and durably assert the wrong image in the world's public opinion were barely heard internationally. They would not dare rocking the boat too much anyhow, as their objections were clearly levelled against vital economic interests. One could not afford thinking of the detrimental effect of destroying 400 year-old trees or turning oneself into an exotic cartoon when one is faced with 17% unemployment? The projected revenues from the exploitation of Dracula's image had informed fiscal policy; the need to exploit and cash in on Dracula was ultimately dictated by real concerns of economic welfare. After all, all those who rely on 'place' as a means of attracting tourists, Urry has noted, are compelled 'to monitor, modify and maximise their location within the turbulent global order' (2003:2).

But was the willingness of enterprising Romanians sufficient to guarantee them unlimited commercial exploitation of what was now being constructed as a national icon? As it soon transpired, the candid plans of Romanian entrepreneurs to cash in on Dracula were not as easy to realize.

In August 2001, after learning of the Romanian ambitions related to Dracula Park, *Universal Pictures* approached the tourism ministry to discuss compensation for the intellectual property rights that would be affected if the project went ahead. *Universal* demanded that a percentage of the Park's future takings would be forwarded to them for the usage of use the classic Dracula image and film clips. Or it could be a set annual fee.

Hollywood's *Universal* had made several Dracula films with Bela Lugosi between 1930 and 1960. Bypassing all real historical prototypes and Stoker's character, *Universal* now claimed it was actually them who developed and respectively patented Dracula's image with the black cape, the deathly pale skin and the fangs. The fact that Bela Lugosi himself was a native of these lands (born in Transylvania as Béla Blaskó) did not seem to give Romania's claims over Dracula any more weight.

Looking even further back in history it now transpired that Dracula was probably one of the most extensively copyrighted brand names. It was for something like copyrights considerations (to avoid similarities with LeFanu's *Carmilla*) that Stoker himself had changed his protagonist's name and had moved the action of his novel from Austria to Romania. Then, in the early 1920s, film director F.W.Murnau, after failing to secure the rights to filming Stoker's *Dracula* novel, had to change the name of the character once again, to *Nosferatu*. In 1935, *Metro-Goldwyn-Mayer* made a film, *Mark of the Vampire*, directed by Tod Browning and starring Bela Lugosi, thus involving almost the same creative team like the original *Dracula* from 1931, but had to once again change the name of the character for copyrights reasons (here he is called Count Mora even though the look is pretty much the same).

What an irony. Dracula's alleged landlords finally read the writing on the wall: theirs was only a limited level of control over the count's image and its respective commercial exploitation. Romanians had to learn a lesson: if they wanted to cash in on 'their' lucrative Dracula they had to make sure it was indeed 'theirs.'

Solvency, market demand and self-exoticisation: From Cold War paraphernalia to esoteric exotica

In the immediate aftermath of 1989, all post-communist Eastern Europe lived through a period of adjustment regarding cultural exports. State interference in culture was no longer, but there was no support for culture either. To survive one needed to learn to sell. But sell what? And to whom? The Soviet bloc markets had disappeared overnight; one needed to find solvent markets quickly.

In the early 1990s, a trade in communist-times memorabilia seemed to take off at grass-roots level, with merchandise displayed on folding tabletops at make-shift market locations in the central squares of cities like Krakow or Sofia, and, even more often, at market stalls in Western capitals like Vienna or Amsterdam, supplying a certain flare of specifically ‘themed environments,’ as per Gottdiener’s term (2001). For a while, Cold War-times paraphernalia, like Soviet army hats, pieces of the Berlin Wall, or even chunks of the absurd concrete bunkers built all over Albania by the paranoid Enver Hodxa made for popular souvenirs as well as successful exports. (The Romanian keepsakes included glossy photo albums of the Ceausescus and 1989-revolution time national flags with the state coat-of-arms cut out.) But then the communist kitsch lost novelty value and Western attention moved away from the interest in laid-off Russian diplomats selling Kalashnikovs and the dismantled monuments of Dzerzhinski and Lenin littering abandoned parks. The sales of nicely packed pieces of the Berlin Wall were gradually confined to the exclusive pricey souvenir shops on *Unter den Linden*. The market was slowing down and getting exhausted.

The demand for cold war-time paraphernalia could not be sustained for long. The market for other, more exotic artefacts, appeared to have more longevity; Romania had somewhat of a competitive advantage: it could exploit Dracula. It would do it along the lines it was done in neighbouring Yugoslavia, where the patenting of idiosyncratic commercial exotica was clearly manifested in the revived mercantile exploitation of colourful Gypsies, as seen in films like Emir Kusturica *Black Cat, White Cat* (1999) (Jordanova, 2002). In this range of films, the Romani experience was presented as an excitingly contagious lifestyle, a microcosm of exuberant flamboyance, populated by freewheeling creatures bathing in sunshine and making love amidst sunflowers.

Similarly, a few decades earlier, the Greek celebration of the zeal of the Mediterranean spirit had created a context in which Greece was presented as a country of eternal sunshine and its people as joyous *bon vivants* all quivering fervour. Films that established this image, like *Never on Sunday* (1960) and *Zorba the Greek* (1964), have been credited with making Greece a jolly addition to the repertory of Western holiday makers and with turning the country into a favourite holiday destination (see Papadimitriou, 2000).⁸ Looking at the Italian case, Maria Wyke (1997) has also shown how projections on the ancient Rome on screen have functioned in various ways for the augmentation of various causes of national promotion as well.

As one moves further north into the landlocked parts of Romania it all changes toward a darker shade yet the stress remains on the excitingly esoteric and exotic nature of what could be experienced here, building on the mass taste for moderate macabre horror that the likes of Dracula and Transylvania appear to offer. In the case of the Romanian exploitation of Dracula one knows that the real thing and the imaginary one

have little in common, nonetheless a mercantile interest thrives, building on the fascination with the imaginary.

Film scholar Marian Țuțui believes there is little ground to behave differently. ‘Small cultures are condemned to exoticism,’ he writes, and speaks of Dracula, as ‘a metaphor for the state of small cinematographies and a solution for the Romanian one’ (1997:122). ‘Seemingly to the way Caribbean cultures have exploited the zombie,’ Țuțui claims ‘Dracula is a typical example of a cultural asset foresightedly taken over and reset after a long time in the context of its original culture’ (1997:125).

The attempts to sell supposedly ‘authentic’ but in fact overstated indigenous ‘assets’ like Dracula, however, effectively constitute voluntary Romanian contribution to the exclusion and ‘third-worldization’ of Europe’s South Eastern periphery. It helps to establish a perception of the area as a depository for various sorts of exoticized metaphors and, more importantly, as a region bound for eternal trouble, inhabited by bull-headed people inundated by historical enmities and cycles of violence.

The adverse stance that one can take against circulating cultural stereotypes, however, should not obscure the fact that one communicates by relying on stereotypes, and that besides resisting them one can also capitalise on them. In the case of South-East Europe, the voluntary self-exoticism leads to a situation in which the ‘Orientalization’ of the region is revealed not as a purely Western project but rather as a process which has been embraced, internalized and partially carried out by consenting locals (Iordanova, 2001). It is not just ‘the West’ which constructs the Balkans compliant to Western stereotypes; this construction is taken up and carried further to a large extent by locally-

based cultural entrepreneurs themselves, and the resulting voluntary 'self-exoticism' becomes a common mode of self-representation.

In the case we explored here, the exotic 'otherness' of Romania, which may have originated in the West (as it is clearly the case with Bram Stoker *Dracula*), was gradually taken up and internalized by local cultural entrepreneurs who were willing to depict their culture compliant to whatever Western stereotype is in circulation about it. They have no problems being typecast detrimentally as long as the self-inflicted exoticism could be turned into a steady cash-flow.

Ulf Hannerz, in his well-known text on 'cosmopolitans and locals,' spoke of the dialectical interdependence of the two in a symbiosis that ensured 'survival of diversity.' It was the project of keeping diversity alive, he claimed, that 'allows all locals to stick to their respective cultures' and simultaneously ensures the survival of cosmopolitans, as the latter cannot possibly exist 'unless other people are allowed to carve out special niches for their cultures, and keep them' (1996:111). In the case we are discussing, however, the locals were carving a niche of 'diversity' that was created for the sake of the cosmopolitans; the 'local' was made to comply with the supposed demands of the 'cosmopolitan' and the 'survival of diversity' was surface appearance.

It was compliance with the 'tourist gaze' (Urry, 1990), the culturally-shaped mode of looking at a place that determines what tourists look ahead to see when they visit a destination, that determined decisions on what Romania and Romanians were to be: they would be whatever was expected. What on the surface would appear as 'survival of diversity' enabling the persistence of the 'local' (Hannerz) was in fact not much more but a performance, a staged spectacle. One needs to concede, then, with Urry, that 'national

identity is increasingly conceived of in terms of a location within, and on, a global stage' (2003:7).

If one ignores the intellectual property claims various parties have over Dracula's image, the successful exploitation of a local exotic cultural asset proves directly linked to purchasing power and marketing savvy: Dracula is undoubtedly marketable, yet there is no existing demand for the product within Romania's domestic market. For the Dracula Park project to be successful patrons would need to be brought in from far away and this proved difficult, especially when the added complication of various copyright claims kicked in.

The politics of 'self-exoticism' is closely linked to the clear distinction between internal (insolvent) and external (solvent) markets, effectively leading to a situation where one lives with a continuously split consciousness of one's identity: what one *is* differs substantially from what one *pretends to be* in order to satisfy demand and sell abroad. It is a no-nonsense and often cynical commercial adjustment, often accompanied by concealed contempt for those Western clients who 'buy' into the travesty. All the Dracula traffic may be indispensable from an economic point of view yet it is treated by Romanians with scorn and ridicule. Australian cultural studies scholar Katheryna Olijnik Longely is quite right to claim, in this sense, that it is possible 'for exoticism to turn the tables and become, potentially, a strategic interpretative tool for readings of cultural interaction' (2000:24): 'the exotic' changes positions and comes back to parody and mock the very act of presenting oneself as exotic.

In the wider context of the post-communist world, the only citizens of the former East bloc that are relieved from the need to come up with a similar type of marketable

invention and are able to pay for their own 'self-exotic' product appear to be the East Germans. Even though affected by high unemployment rates and plagued by difficulties, they are at least solvent. When East Germans come up with cultural products of the so-called 'Ostalgie' range (nostalgia for East bloc things) they do not need to look for clients internationally but can sell it to themselves, while Romanians and others have to have a product that sells abroad. It is noteworthy that the significant increase in the commercial value of 'Ostalgie' came alongside with increasing purchasing power. Even though this process is at its most clear in the former East Germany, products of the 'Ostalgie' range have occasionally been successful in other East European countries where the recycling of Cold War times paraphernalia can be seen as part of a 'communist nostalgia' trend in the region at large (Naughton, 2002; Boym, 2001). A good example would be the box-office triumph of Péter Tímár's 1960s communist nostalgia musical *Csinibaba/Dollybirds* (1997) in Hungary, a film where Communist *apparatchiks* were presented as amiable folk frequenting garden pubs; the film brought in fine revenues even if distribution was limited to Hungary.

One of the clearest manifestations of the commercial value of this open nostalgia for the lost period of state socialism came with Leander Haußmann's nostalgia musical *Sonnenallee/Sun Alley* (1999), a surprise box-office hit in Germany. Like other communist nostalgia films, *Sun Alley* was not exported and therefore could not create buzz abroad but broke records locally and opened up market demand for further 'Ostalgie' products. The commercial success had been unexpected even for director Haußmann, who, speaking in retrospect at a time of booming 'Ostalgie' wave in Germany, said: 'We had evidently touched upon a basic need: the longing to reclaim a bit

of one's own identity. All of a sudden the East German theme appeared to be interesting also commercially' (Haußmann, 2003:220).

The massive commercial success of a more recent 'Ostalgie' picture, *Good Bye, Lenin!* (Wolfgang Becker, 2003), which made its budget more than ten times over within a matter of months and which was the first 'Ostalgie' product to achieve international success, significantly strengthened the expanding 'Ostalgie' market of objects, artifacts, books and television programmes.⁹

The 'Ostalgie' trend is clearly building up on the need of people in the former East bloc to regain their culture; it is an indirect admission that a viable popular culture had existed within the system of state socialism, one that was cast aside and denied throughout the 'transition' of the 1990s and needed to be reclaimed. The underlying commercial dynamics of 'Ostalgie,' however, is also indicative that such reclaiming is affordable only for those who can pay for the popular culture of their liking. It all comes down to the purchasing power of the population: the East German production of 'Ostalgia' can be successful because the Germans can sustain it by selling it to themselves.

Elsewhere in the former East bloc (like in Romania) cultural entrepreneurs could not possibly engage with domestic identity concerns; they had to look to artificially enhancing a dubious yet marketable cultural asset (like Dracula). To get their hard earned cash, they had to embrace stereotypes and continually perform 'on the global stage.'

NOTES:

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² Dorin Danesan, mayor of Sighișoara (quoted in George, 2002:20).

³ Scholars have repeatedly stressed that the links between the historical figure of Vlad Țepeș and the fictional Dracula had been grossly overstated and have insisted that these two should be studied as separate entities. The legends of Vlad's rule indeed inspired Bram Stoker but the novel has little to do with the real man. Vlad Țepeș, a 15th century historical figure, was born in 1431 in Sighișoara and his life had been linked to a range of Wallachian locations, even though his rule extended as far as Brașov (Kronstadt) and Sibiu (Hermannstadt). He had the reputation of impaling his foes, was killed in 1476 and is thought to have been buried near Bucharest, on the shores of Lake Snagov. His Saxon enemies had printed pamphlets detailing his alleged cruelty; in historical research he is often seen as an early propaganda victim in a bigger political and economic game.

'Unlike Vlad the Impaler,' Franco Moretti aptly notes, 'the historical Dracula, and all other vampires before him does not *like* spilling blood: he *needs* blood.' (1982).

⁴ In response to these protests, the Tourism ministry released (at the Berlin tourism fair in March 2002) a 12 min. English language video called *Dracula and the Good Lord*, designed to convince tour operators that organising trips to the new theme park was not blasphemous ('Christians protest,' 2001).

⁵ 'The proposed Dracula Park [is] wholly out of sympathy with the area and will ultimately destroy its character,' Prince Charles said ('Prince Charles opposes Dracula

Park’, *RFE/RL Newslines*, 7 May 2002). The statement was followed by a phone call to Romanian president Ion Iliescu who reportedly reassured the Prince that he personally was ‘not an ardent proponent’ of the project, that Romania is ‘open to all suggestions’ and that the project will not be ‘blindly implemented’ (‘Romanian President needs no journalist advice’, *RFE/RL Newslines*, 9 May 2002). According to more recent reports, Prince Charles, who now enjoys the reputation of a Romanian ‘eco-avenger,’ is still closely involved with the ecotourism project and is travelling to remote outposts in Romania ‘to see for himself the complexity of preserving Romania’s Saxon heritage against a backdrop of possible EU accession in 2007 and a growing tourism industry’ (Atkinson, D. ‘Royal approval of rural simplicity,’ *Financial Times*, 8 October 2005, p. W5). The same *Financial Times* piece describes the horse-drawn cart as ‘the preferred mode of transport’ of local Romanians. It appears that Prince and associates are determined to keep transportation at the same untouched level of delightful underdevelopment.

⁶ The dynamics of the story became reminiscent to the one of the abandoned theme park project near Braselton, Georgia which had been considered as a potential development venture by film star Kim Basinger who then callously dropped it in 1993, leaving many of the local people broke. Basinger had purchased Braselton in the late 1980s for \$20 million USD with the intention to develop a theme park modelled after Dolly Parton’s *Dollyland* in Kentucky. But then she was sued for pulling out of a Hollywood production and had to declare bankruptcy in 1993. In the fall out many creditors – Braselton locals – also went bankrupt.

⁷ Indicatively, Romanian cinema's attempts to use Dracula's image directly have not been successful: a recent Romanian English-language production aimed at Western markets – *Dracula the Impaler* (2002) – did not export particularly well.

⁸ 'By the 1960s,' Lydia Papadimitriou writes, 'the financial potential of tourism had been realized and the production of a set of stereotypical images of the nation followed. By the middle of the decade, plot lines and images related to tourism and holidays were regularly present in Greek musicals. A particular range of national stereotypes associated with tourism emerged in the genre and included tavernas, beaches, ancient monuments, folk costumes. Rural and traditional Greece now became represented in picturesque images reminiscent of folk idylls, and ancient monuments were depicted next to contemporary buildings, thus underlining the old nation's embrace of modernity' (2005: 7).

⁹ See a special cluster of articles in *Der Spiegel* (8 September 2003) on these issues. Released in February 2003, *Good Bye Lenin!* was made for about \$4 million USD and had made more than \$40 million USD on the German market only by the Fall of 2003.

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Showdown of the festivals: clashing entrepreneurships and post-communist management of culture

By Dina Iordanova

Keywords

the film festival circuit

Karlovy Vary International Film Festival

Golden Golem

Czech culture politics of the 1990s

International Federation of Film Producers' Associations (FIAPF)

western European versus American culture politics

This article aims to analyse issues related to the post-communist management of culture where the withdrawal of a centralized approach to culture and its replacement with 'hands-off' - and 'laissez-faire' -type attitudes led to seedy clashes between budding cultural entrepreneurs. It builds on a case study of the confrontation between two rival international film festivals that struggled for survival in the Czech Republic over a short period of time in the mid 1990s.¹

The Karlovy Vary International Film Festival, located in a provincial Bohemian spa town, had been in existence for nearly 50 years and had functioned as the main festival of the Soviet bloc throughout the Cold War period. In 1995 it suddenly and secretively lost its prestigious A-category status to a newborn festival that was

established in Prague and that, according to its supporters, was supposed to have a better economic and cultural viability.

For two summers – in 1995 and 1996 – the festivals ran side by side; the tensions of their contemporaneous existence were accompanied by a highly publicized bitter confrontation taking place within a flagrant regulatory vacuum. Most people involved with the Czech film industry had to take sides, and so did many members of the international film community. Ultimately, by learning how to operate in a business-like manner in the new environment, Karlovy Vary emerged as the winner. The organizers of the rival Prague fest were left with the tarnished reputation of ruthless commercial undertakers and gave up.

When I and my colleague Andrew J. Horton started looking into the history of the mid-1990s showdown between the two festivals we were warned that we would never be able to disentangle what actually happened and that the story we would hear from the parties involved might differ to the point of incompatibility. It was apparently a ‘huge ugly spat that everybody concerned just wanted to forget’.² And indeed, people were reluctant to recall the festival showdown and those who agreed to talk did not want to go on record. Nonetheless, we thought that revisiting this nearly forgotten story would allow us to highlight some important issues of the bumpy post-communist transformation in managing the processes of cultural production and distribution, a process that has not yet ended.

The goals of this study are:

- To investigate an exemplary situation where the laissez-faire type of regulatory vacuity of post-communism gave rise to unsavoury entrepreneurial clashes.
- To see what lessons might have been learned when the abrupt post-communist regulatory vacuity stumbled upon the oddly contrasting overregulated universe of supranational accreditation for large international cultural events.
- To explore how left-wing nostalgia gave rise to a unique corporate identity for the Karlovy Vary film festival.
- To outline some of the inherent contradictions of the current understanding of film festivals (artistic showcase, alternative distribution network, industry marketplace or magnet for tourism) and to raise questions related to (over)regulation, economics and commercial exploitation of international cinema.

The discussion of clashing festival entrepreneurships in a context of an uncertain cultural climate and inadequate regulation will allow us to consider issues that go beyond the pure economic factors and reach to the intersection of art and commerce.

Investigating the showdown of the two festivals will reveal why, even if advantageous from the point of view of cost-effectiveness and feasibility, the clear-cut commercial logic of the new festival lost out.

Karlovy Vary vs. Golden Golem: clashing entrepreneurs?

1. Decline of Karlovy Vary

The film festival at Karlovy Vary (aka Karlsbad), about 70 miles west of Prague, had been in existence since 1946 and is thus one of the oldest film festivals. Ever since its inception, it was the main film festival for the East Central European region; it held A-category status since 1956. Over the Cold War period Karlovy Vary was one of the key cultural events in the Soviet sphere, distributing a number of politically correct awards and attracting a host of ‘progressive’ international film-makers. After 1968 – a volatile period marked by the attempted liberalization of the Prague Spring, the ensuing Warsaw Pact military invasion and the subsequent launch of a ‘normalization’ process of repressive controls – the festival gradually lost its liberal appeal.

Around 1978, calls were made to transfer the festival to Prague, as the Czech capital would offer a bigger audience. However, as profitability was not the key concern of the state socialist management of culture, it was acknowledged that Prague had already a myriad of cultural events; the festival stayed in Karlovy Vary.

The early 1990s were difficult. In the years of communism, the festival had functioned as a biennial event, alternating with the festival in Moscow. In the aftermath of state socialism, however, these two cities were rapidly becoming centres of distinct cultural spheres: newly emancipated Czechoslovakia aspired to rejoin Europe while a more Russia-centred cultural constellation was being formed around Moscow. No longer linked to its twin, in 1994 Karlovy Vary switched from a biennial to a yearly schedule.³

The Moscow–Karlovy Vary fall-out roughly coincided with another, more important split: at the end of 1993 former Czechoslovakia split into two countries (the

Czech and Slovak Republics). In a generally uncertain context Karlovy Vary's high profile was endangered.

It was around that time when, haunted by a past reputation of excessive ideological control over culture, the Czech government undertook it to stop 'interfering'. The new radical 'hands-off' approach to culture went fairly deep and took the shape of funding withdrawal; if cultural events were to carry on, they had to promptly reinvent themselves as self-financing enterprises.

In this new regulatory climate, Karlovy Vary had to act promptly and transform itself into a privately run venture. The festival was soon registered as an independent foundation headed by charismatic actor Jiří Bartoška. Eva Zaoralová, former editor of the leading magazine *Film a doba*, came on board in 1994 as festival programmer. Slovak-born producer Rudolf Biermann joined in 1995 as a third key member of the executive. The team's priority was to attract sponsors and make sure that funds were in place to allow the festival to survive.

The self-financing era of the mid-1990s was plagued by financial duress and low attendance figures. During that period the festival's budget was about \$1.4–\$1.5 million (circa 40–43 million Czech crowns (CZK)). Some sponsors, however, failed to fulfil their pledges; the organizing foundation regularly ran 15%–20% budget shortfalls, yet support requests made to the government remained without response. One of the main festival sponsors, the Škoda auto works, withdrew.

The troubles climaxed in early 1995 when it was made known that, after nearly 40 years, Karlovy Vary's A-category rating had been taken away and transferred to a new

international festival that was being launched in Prague. The announcement triggered shock waves among the film community both within and outside the Czech Republic.

2. Prague Golem rising

Why a new festival? Why Prague? Many plausible reasons were quoted, all referencing the uplifting spirit of the Velvet Revolution and the city's booming status as a favoured destination with a sizeable and vibrant community of nearly 50,000 American ex-pats. Locating a film festival in Prague could be particularly significant from this point of view.

One of the active figures of the Prague festival project, LA-based producer Evzen Kolar, declared that the new fest intended to function as a 'bridge between independent filmmaking [*sic*] in both America and Europe'.⁴ Locally, the festival was perceived to be of importance for Czech entrepreneurs who wanted to strengthen their international contacts.

The new festival was called Golden Golem, after the mythical creature of the sixteenth-century Prague ghetto; it was to award a 'Golem' statuette. A foundation, Golden Golem, was promptly registered and an administrative council appointed. The new festival's general sponsor was to be car manufacturer Škoda (who, until then, had been the main financial pillar for Karlovy Vary), as well as Česká spořitelna bank and insurer Česká pojišťovna. Publicity for the Prague fest created the impression that Karlovy Vary would be wrapping up soon anyhow and its next step was a transitional move to Prague. Prague supporters even claimed that, as Karlovy Vary had only existed as a biennial festival, Golden Golem was entering a 'clean field'.

The situation was aggravated by the ‘defection’ of veteran film director Antonín Moskalyk, who had acted as Karlovy Vary president up until 1994 and who, in a context of overall uncertainty and financial trouble, resurfaced at the centre of efforts to start the Prague festival. Moskalyk’s leverage helped to convert sponsors who had up to then funded Karlovy Vary (Holloway 1995). Besides Moskalyk, key figures of the Golden Golem foundation were Karlovy Vary’s former manager Stanislav Šafr, and eventually Jan Knoflíček, a chief executive officer of Krátky Film and head of the Union of Czech Film Producers. Michael Kocáb, a popular rock star and Velvet Revolution hero, became an honorary president.

Golden Golem’s projected budget was never revealed, yet it was believed to be bigger than the \$1.2 million budget of Karlovy Vary. The festival was to be headquartered at Prague’s Culture Palace; screenings were to be held at five other cinemas around town from 9 to 17 June, closing about two weeks before Karlovy Vary (which was to run from 30 June to 8 July), an orchestrated timing that clearly aimed to put the veteran festival out of business. Yet, ‘spokespeople then and now denied that the festivals were ever really pitted against one another, and that the only competition was for local financial sponsors’ (Gray 1997).

Long before the Prague opening, networking with American reporters was plugged in to ensure that the festival was hyped up in the international trade press. *Hollywood Reporter* proclaimed it an immediate success, defining it as an event where the ‘real focus is networking’ (Ulmer 1995).

Everything seemed promising for Prague. That is, until the furore and the showdown over the A-category status came about. No one could have possibly predicted that a

much-lauded launch of a new film festival could trigger fierce resistance from a seasoned yet compromised cultural event like Karlovy Vary.

3. A-category showdown

The coveted A-category for film festivals is determined by the Paris-based International Federation of Film Producers' Associations, FIAPF, which, in the words of their chief executive, acts 'as the quality control organization for the fast growing number of international film festivals' (Moullier 2003).

FIAPF operates a film-festival franchise of sorts: it allocates territories to film festivals around the world (no more than one festival per country and no more than two A-festivals per region). It also makes sure there is no overlap in the dates of A-festivals. Today, FIAPF accreditation is given to about 50 international festivals, of which 12 are in the A-category.⁵ An A-festival must run for at least nine days; it should not specialize but should cover all aspects of film-making; a feature competition with at least fourteen films without genre limitations is a requirement. Only films that have not played at another festival can compete at an A-category festival, a requirement that results in fierce rivalry between the A-category festivals for attracting good-quality films.

FIAPF executives were alarmed to learn that the Czech government was withdrawing funding and putting Karlovy Vary's very existence in immediate danger. 'FIAPF's policy in such cases is to ask local producers which event they prefer and which should be Category A,' a FIAPF representative said (Gaydos 1994). They turned to the Czech association that had acted proactively, the Union of Czech Film Producers (UCP), headed by Jan Knoflíček, an economist and film bureaucrat from Krátký Film,

whose advice to FIAPF was to select the Golden Golem. Soon thereafter Knoflíček became chairman of the Golden Golem Foundation (Kellner 1995).

Golden Golem had asked for the A-category status as early as October 1994, two months before the UCP had actually joined FIAPF ('Zlaty Golem' 1995).⁶ The end of state control over culture in the post-communist Czech republic meant that the government no longer produced or distributed films, nor did it participate in the organization and financing of film festivals. Therefore, UCP insisted, it was entirely up to the Union to choose the location for the festival. On 8 December, UCP's board recommended that the A-category status be given to Golden Golem, a decision subsequently confirmed by FIAPF.

So on 22 December 1994, FIAPF awarded the A-category to the new festival in Prague. The news caused a furore among the Czech film community. Karlovy Vary executives described the circumstances under which FIAPF's decision was made as 'mysterious' (Priollet 1995).

Nobody had tried to 'snatch' the A-category status from Karlovy Vary, Prague supporters claimed; their A-category status was likely to be lost anyhow ('Zlaty Golem' 1995). In a way, Golden Golem was simply on standby to step in and save the day.

Today, people involved in the festival showdown are reluctant to revisit this controversial period; it is no longer possible to reconstruct a fully accurate picture of events. Even back then the Czech media had likened the case to a detective story. Why was the A-category standing so important to the Prague supporters? Apparently, Prague felt it needed the A-category accreditation in order to secure sponsorships: sponsors only

want to back high-profile festivals, so the A-standing was perceived as a key financial prerequisite.

Two areas remain particularly vague. The first one concerns a mysterious document. After receiving two applications for A-category festivals from the Czechs in the autumn of 1994, FIAPF had sought the opinion of the Czech Ministry of Culture. In response, they claimed that a letter dated 8 November 1994 informed them that ‘the Czech government does not organize, does not finance and does not participate in film production and distribution and also does not participate in organizing film festivals held in the Czech Republic,’ and that festivals ‘continue to be the affair of private organizations’. Having been given this clear indication of the government’s new ‘hands-off’ approach, FIAPF sought the opinion of the Union of Producers, who recommended the Prague fest. Later, however, Deputy Culture Minister Michal Procop claimed no explicit FIAPF query on the festival issue had ever been received by his office. He insisted that the quote was taken from an unrelated letter that had nothing to do with festivals but concerned solely UCP’s membership application to FIAPF (Kellner 1995). According to the Czech Telegraph Agency, the widely quoted excerpts had come from a leaked draft document that had never been approved or officially sent but remained on file at the Ministry (‘FIAPF led astray’ 1995).

The second shady area relates to the extraordinary decision of FIAPF to grant the prestigious A-category to a brand-new festival without any probationary period.

According to FIAPF’s chief executive:

To receive a FIAPF accreditation, a new festival must first show evidence of compliance with the standards laid out in the FIAPF regulations for international film festivals. [...] New applicants first receive affiliate status for an initial period of two years, during which their commitment to the regulation is assessed. (Moullier 2003)

One is left wondering what could have triggered such an unprecedented move. A plausible explanation could be that FIAPF was led to believe that it was not about choosing between a reputable festival institution and a new enterprise (which effectively meant shutting down the recognized one) but about transferring the existing festival from a provincial to a more central location. I would even speculate that there may have been some considerations about Karlovy Vary's communist pedigree, a flawed image that could easily be shed off if swapped for the untarnished and emancipated standing of Prague.

By January 1995 it was clear that both festivals would run side by side in the summer. Such close calendar proximity would inevitably make the two festivals play off against each other with possible disastrous consequences and financial disadvantages. Culture Minister Pavel Tigrid, a veteran dissident intellectual who had returned from exile, tried mediating and called on representatives of the rival festivals to try reaching an agreement. A series of meetings between groups (led by Jiří Bartoška for the Karlovy Vary festival and Jan Knoflíček for Golden Golem) seeking a mutually acceptable solution took place throughout January. The proposed compromise (which was rejected soon thereafter) was that Karlovy Vary would be held for one last time in 1995 and then,

in 1996, it would relay to Prague. Such an arrangement, however, would imply a temporary restoration of A-category status to Karlovy Vary, something that FIAPF would not consider. Another proposal (also deemed unacceptable) counted on amalgamating the two foundations' funds to create a peripatetic festival based in Karlovy Vary for five days and in Prague for another five. A third possible scenario envisaged that Karlovy Vary became a specialist event, drop the competition and pursue a dedicated theme, thus yielding the lead to Prague as a generalist A-category festival. 'We're trying to help Karlovy Vary find an identity as a festival for more specialized films,' Prague fest's Knoflíček said (Ulmer 1995).

Tensions continued well into 1995. FIAPF kept sending letters asking the foundations to settle; at one point they even threatened that the A-category may go to another East European country altogether. Nonetheless both festivals continued feverish preparations and worked hard on arranging high-profile publicity deals involving the presence of American stars and industry representatives (often declining to name who precisely had agreed to attend in order to keep the rivals in the dark).

The A-category status given to Prague was formally confirmed on 3 May 1995, about a month before the festival's official opening date.

4. Prague: a short-lived victory

It did not take long for the Prague backers to realize that the festival's A-category status was in fact a disadvantage. It meant compliance with overregulation from FIAPF, effectively restricting what the festival was allowed to programme. The organizers experienced real difficulties to bring in good films for the competition, provided they

were to compete for not yet screened titles against far more established international festivals (where the better films would normally be submitted). After only two editions it became apparent that, facing a range of difficulties in programming, organization, publicity and finance, the Prague venture would not survive.

The bickering around the A-category had resulted in a wave of negative feeling: already by the festival's first edition in 1995, it was coming across as a hard-nosed venture that had set out to destroy the venerable Karlovy Vary for the sake of a momentous hype.

The media coverage was unfriendly; some of the journalists present at press conferences were openly confrontational. The festival cinemas were scattered all over the city thus resulting in location problems; the monumental Culture Palace was an uninviting headquarters; the festival had no focal point, no adequate socializing opportunities and no character of its own. Further complications were linked to venues and last-minute participant withdrawals, as well as to mysterious incidents that could even be interpreted as sabotage (in one instance, for example, all chairs disappeared from the site of a press conference). To top it all, in breach of A-category rules, the jury could not agree and did not award a prize. A number of the sponsors did not honour commitments, leading to problems with insurance and to the collapse of the Golden Golem foundation later in 1995.

Prague organizers suspected that each and every gaffe was a result of a conspiracy; this resulted in declining financial support, as 'with the public opinion of the Prague festival at such a low level, corporations were not exactly lining up to sponsor this social pariah' (Gray 1997).

In view of the dismal performance of the first event in 1995 it was surprising that a second one materialized at all. As soon as it became clear that Golden Golem had failed, several Prague backers registered a new enterprise, Bohemia Promotions, a private stockholding company whose partners included Plsen Credit Bank, car manufacturer Škoda, and travel agency Čedok, later joined by new shareholders and strong sponsors (such as United Distillers and Unilever). This time the funds for the \$2.2 million (60 million CZK) budget were secured up front.

Jury president for the 1996 edition was actor Max von Sydow, and guests included Polish directors Wajda and Zanussi as well as British director Peter Greenaway; there was a production opportunities market and a variety of concurrent panels. Yet, the press remained antagonistic and public opinion unsympathetic. Even then some of the core personnel at the Prague film festival tried planning a third event, but it soon transpired that it was not going to happen.

Late in 1996 the producers' organization made a recommendation to restore A-category status to Karlovy Vary. FIAPF confirmed it on 25 April 1997. Some of the staff at the Prague fest were given jobs at Krátky Film, some others were able to transfer (or move back) to Karlovy Vary. A public reconciliation between Prague supporter rock-musician Kocáb and Karlovy Vary's Bartoška took place in 1996.

5. Karlovy Vary: a tough cookie

Ironically, the heavy-handed snagging of the A-category status brought a surge of support for Karlovy Vary. Winning the support of the international industry crowd and the empathy of audiences appeared to have been the most important element in securing the

victory. As a result, the government changed its attitude and begun displaying public affection for Karlovy Vary.

Besides the people who were publicly engaged with the festival, organizations like Barrandov studios and Bonton distributors publicly renounced UCP, the producers' organization that had backed Prague. Further support came from veteran directors like Jiří Menzel, from alternative film and television producers' organizations, and from high-profile émigré directors like Milos Forman. President Vaclav Havel and then Foreign Minister Vaclav Klaus now spoke in favour of Karlovy Vary; the latter even opened the 1996 fest.

The most important manifestation of allegiance, however, came from journalists. FIPRESCI, the international organization of film critics, stood firmly behind the festival, and so did the majority of Czech journalists. They stressed Karlovy Vary's role as an important cultural institution where film history had been made, whilst the Prague fest was increasingly being portrayed as one pursuing an overtly commercial approach. This coverage played a decisive role in turning the public's opinion in favour of Karlovy Vary.

Even after its formal 'victory' over the competitors, Karlovy Vary had a somewhat bumpy ride: in 1998 there was the temporary dismissal of key team members, in 1999 some of the sponsors again pulled out causing a serious deficit and a drop in attendance by 20%. Overall, however, the festival managed to maintain good attendance figures and kept attracting significant numbers of foreign journalists who covered it widely in the international media.

The showdown had taught Karlovy Vary a lesson: the festival had now learned to operate in a competitive environment and had realized the importance of cultivating a

non-commercial image (which effectively became its corporate identity) while simultaneously elegantly handling all matters related to its commercial viability. As part of the process, the festival had radically changed its strategy in fundraising and promotion. First of all it secured a budget increase of about 25%. In 1996 the budget was set at about \$1.85 million (circa 55 million CZK), which was still less than Prague's budget (around \$2.2 million or circa 66 million CZK), yet it was an important step forward.

After several years of denying financial support for the festival, the government contributed \$330,000 to the Karlovy Vary budget. Another \$145,000 came from local authorities. In comparison, the 1995 state contribution had been only \$30,000 (around 850,000 CZK), about twelve times less than what the festival had asked for (Kondros 1996). In 1998 state support was set at \$179,000 (around 5.4 million CZK), corresponding to less than 10% of the festival's \$2.6 million budget (around 78 million CZK).

While before 1989 the festival funding was granted entirely by the government, today the bulk of the funding comes from private commercial sponsors and a fraction from ticket sales (which are heavily subsidized to allow for better student access). In comparison, only about 10% of Berlinale revenues come from ticket sales (Kosslick 2003).

By way of further comparison, one could look at the budget make-up of some other cultural organizations that rely on a similar combination of financing sources. According to data from July 1994, the Rome Opera was receiving 93% of its funding from the public sector, 7% from box office and 1% from the private sector; for Paris

Bastille Opera the same correlation was 66%, 30% and 4%; while for New York's Metropolitan Opera the figures were, respectively, 2%, 67% and 31% (Gordon 2003). It is easy to see that in the case of the Karlovy Vary festival the budgeting is closer to the US model (as seen in the case of Metropolitan Opera) rather than the European public subsidy model.

More importantly, however, in 1996 the advertising budget was increased ten-fold (Kondros 1996). Now more than a quarter of the budget, nearly \$500,000, was spent on international and domestic promotion. The number of accredited international journalists and other foreign guests substantially increased.

By 1998 Karlovy Vary affiliates were in possession of significant business acumen; a limited partnership company called Film Service and co-owned by festival director Bartoška and general manager Rudolf Biermann came in place to provide services for the next five years.⁷ The festival's budget was established at around \$2.5 million (\$2.7 million in 1997, nearly double of the \$1.35 million of the early 1990s). The festival's main prize was raised to \$20,000; a number of other cash awards were introduced. Later on the city also made investments in further developing the hotel base and the film theatres in town; in 2001 the town received a \$600,000 facelift. A special marketing strategy was developed in order to attract younger audiences. Czech TV now pays for exclusive broadcasting rights.

Securing sponsorships became a top priority and the festival scored significant success with backers like Becherovka, Chemapol and the Pilsner Urquell brewery. Having secured domestic support, the festival then signed up a range of foreign sponsors

and was particularly successful in enlisting the support of multinationals like McDonalds, Pepsi-Cola, Phillip Morris, Mercedes-Benz, and DHL.

Today, Karlovy Vary is run jointly by actor Jiří Bartoška and programme director Eva Zaoralová. While Zaoralová remains the festival's main figure on the artistic side, Bartoška takes care of the business. They describe their partnership as 'an ideal marriage' in which each one of them has their 'own bedroom' and during the festival they mostly stay out of each other's way.

6. Some lessons

Today there is a consensus that the whole clash of the festivals was a sheer nonsense. Everybody involved in the conflict knew that hosting two analogous events within a single summer month was the least desirable scenario and would harm both festivals.⁸

Yet, there is an element of truth in the conclusion that Karlovy Vary 'could not have achieved its present glory without the threat of the usurping Prague festival' (Gray 1997). The Prague threat made Karlovy Vary raise standards, to increase the variety of sidebars and become a really top-rate event. Many films purchased by Czech distributors are first seen here, thus the festival 'admirably fulfils the worthwhile cultural goals it set itself: to become a kind of alternative distribution circuit' (Wellner-Pospíšil 2001: 348).

Part of the festival's reinvention was to promote itself as an atmospheric cultural event, intentionally distinct from larger festivals where big-film business is overtly paraded on the red carpet. There was also the 'nostalgia' component, mostly perpetuated by western journalists who took the opportunity to display respect for a long-standing tradition. It was a positive experience for many of them who, even though vocal on issues

of common cultural concern, rarely manage to make much difference in their own countries; the Karlovy Vary controversy was a welcome opportunity to have their voice heard and show that their presence matters, that it is they who 'make' the festival.

Ultimately, however, it was all self-deception. The real battle was not one between art and commerce nor between refined tradition and disrespectful free enterprise. The atmospheric and nostalgic character of Karlovy Vary also became its consciously cultivated corporate identity. The battle was between two events that depended almost entirely on commercial sponsors in a callous laissez-faire environment where the government, previously controlling, was seeking a way out.

All festivals face economic pressures, and Karlovy Vary's survival was as much a lesson in cultural finance and media savvy as it was in cultural management. Disguised as a triumph of art-house sophistication over insolent connives, Karlovy Vary's victory was, in fact, a conquest of a correspondingly mercantile nature. Prague's Bohemia Promotions, now defunct, was essentially the same privately operated event service enterprise as Karlovy Vary's Film Service. The showdown of the festivals was not much more than a brawl of clashing entrepreneurships. The real question was not *if* commercialism would prevail but *whose*.

What are film festivals for?

Film festivals – and there are a lot of them these days – are generally started for one of two reasons: cultural or commercial. At the furthest end of the cultural spectrum, a festival is almost a Platonic ideal: the pure

dream of a single cinephile translated into an annual programme. At the other end there's a whole range of events born out of a desire by a town's director of tourism to fill the smart hotels at the beginning or end of the season. (Mr Busy 2003: 10)

With respect to Europe, the festival circuit, I want to claim, has become the key force and power grid in the film business, with wide-reaching consequences for the respective functioning of the other elements (authorship, production, exhibition, cultural prestige and recognition) pertaining to the cinema and to the film culture. (Elsaesser 2005: 83)

Money invested in a film festival is never lost. It falls largely back on the local economy and provides an indispensable podium for an art and the industry behind it. (Moritz de Hadeln (2000: 540), former Berlinale director)

1. The unruly world of film festivals

Over the past two decades there has been a significant proliferation of new film festivals around the world; it proves impossible to have a firm figure on the number of festivals currently in existence. A conservative estimate sets it at over 500 (Stringer 2001), FIAPF counts about 700 festivals (Moullier 2003), while others believe that 'an outlandish-sounding *New York Times* estimate of more than thousand fests around the world might not be as wild as it seems' (Turan 2002: 2). More importantly, there is a consensus that

not only the number of festivals, but also their importance, has increased significantly over the past quarter of a century.

But what are all these festivals for? Are they important as celebrations of cinematic art, do they provide alternative venues or do they rather function as a marketplace? Or maybe they are meant to help cities boost their tourist turnover?

There seems to be a growing consensus that nowadays festivals have become a 'circuit' of sorts and operate as an 'alternative distribution network' for world cinema beyond Hollywood. The 'alternative distribution network' phrase is coined by Toronto International Film Festival's Piers Handling, who said: 'A lot of work only gets shown now at festivals. A lot of foreign-language film that would get distribution ten years ago doesn't get seen anymore' (Turan 2002: 8). Mr Busy, *Sight and Sound's* anonymous industry commentator, corroborates Handling's view: 'With a greater number of cinemas showing an ever narrower range of films, festivals are often the only place where the work of a promising young director can be seen by enough people to enable the director to find the money to make his or her next film' (Mr Busy 2003: 10). To Marco Müller, formerly of Locarno IFF and now Venice IFF director, 'festivals should reveal what the markets normally hide'. In his view, the role of festivals is also 'to complement and answer what is lacking in the current cultural scene in films' (Müller 2000).⁹ Film scholar Thomas Elsaesser sees the festival network as an important node in the system of distribution of cinema. He speaks of 'points of contact and comparison between the increasingly globalized and interlocking "European" model of the festival circuit and the "Hollywood" model of world-wide marketing and distribution' (Elsaesser 2005: 93). While he acknowledges that the festival network is stiffened by the ranking system

imposed by FIAPF, he nonetheless sees it branching out quite complexly, ‘with nodes and nerve endings’ with ‘capillary action and osmosis between the various layers’; thus ultimately ‘the system as a whole is highly porous and perforated’ (Elsaesser 2005: 87).

Once festivals begin to be seen as vital elements in a distribution chain, the programming activity is seen as a component of a cultural production circuit: no wonder that festivals nowadays are frequently picking up themes and sidebars from each other. If there is a Catherine Breillat sidebar at some of the big European festivals, for example, it is likely to see a variation of it scheduled at several of the smaller European festivals within the next year, and a few months later – at some of the American, Asian and Latin American festivals.¹⁰ Big festivals enjoy the reputation of sites of cultural celebration, but this façade quickly fades away when one scrutinizes their tense and competitive environment. Seemingly secondary concerns like the rank of celebrities on the red carpet and the numbers of accredited journalists take over the art of cinema.

The ‘alternative distribution network’ of festivals is overcrowded; leading festivals are often in competition with each other even across borders. The twelve A-category festivals must each screen at least fourteen brand-new films, bringing the number of quality titles needed to satisfy the A-festival circuit competition to a total of at least 168 films annually. But usually only about 20–40 films are strong enough artistically, and it is those films that the big festivals vie to programme. ‘The big festivals have become like a bumpy conveyor belt, waiting for the films that are ready,’ says Berlinale veteran Moritz de Hadeln (Rodier 2003: 1). Former Venice head, Alberto Barbera, believes that festival programmers’ control over their own events is ever decreasing: ‘All major festivals’, Barbera writes, ‘are starting to look like each other

because their movie selections are largely determined by the same contingencies. They all choose among the same array of films. What determines their choices are just time factors and studio strategy decisions' (Hadeln 2000: 538).

A classical case of festivals that would be in fierce competition is the Canadian example – Montreal's Festival of World Cinema, until recently the only A-category status festival in North America, takes place in high summer and occasionally its dates are extremely close to the dates of the big festival in Toronto (in early September). Yet, as Turan (2002) has shown, the two festivals occupy different niche positions in the international circuit: while Toronto is a key showcase for films hopeful to find a North American distributor, Montreal is respected as a non-commercial celebration of cinematic art (Turan 2002: 172–80).

If we looked at the Prague–Karlovy Vary showdown in such a context, we would realize that their confrontation is powerfully overshadowed by more serious concerns about the competition between Karlovy Vary and Moscow in regional terms (as both festivals endeavour to showcase East European production), a 'turf war' of sorts that further expands to encompass festivals like the Berlinale and Thessaloniki (Greece). In terms of time-slot, Karlovy Vary is in direct competition with Locarno as both events take place over the same summer period and are disadvantaged by the fact that they have to make their competition selection among 'left-over' films that have not made it to Cannes in May and are not likely to make it to Venice at the end of August.

It is notable that it is a producer's organization, FIAPF (which represents producers but not distributors), that ultimately controls festivals, thus suggesting that producers regard the festival circuit as a 'direct' showcase for their output, a situation that

leaves out the powerful intermediaries of distribution (producers do not have any similar levels of control over the mainstream distribution network or over the exhibition chains, for example). But if festivals are indeed seen as a key distribution locus, one needs to clarify what precisely is the relationship between producing and distributing here?

The organizers of the Prague festival operated out of the assumption that sponsorship mattered most and that the A-category status would guarantee it. Yet, a festival in Prague would have been attractive anyhow, even without the A-rating. In fact, other leading festivals lately have been questioning the meaning of the A-category. The festival in Montreal, for example, recently ventured into an open confrontation with FIAPF over its rigid procedures; its director Serge Losique renounced the A-category and declared it 'obsolete', pointing to the formidable reputation of the festival in Toronto which is not competitive and has only a third-category standing with FIAPF.¹¹ The festival in Rotterdam has also ignored FIAPF classification. Its previous director, Simon Field, has been outspoken about this: 'FIAPF would not deliver us any advantages that we could not negotiate for ourselves' (Timms and Seguin 2003: 2). The high-profile Sundance festival has neither held nor sought any accreditation from FIAPF.

And then, there is the issue of festivals as tools for tourism and image-making for their respective cities. The in-flight magazines of large airline companies, for example, regularly treat film festivals in the context of tourist opportunities and feature articles that cover cities and events side by side. The spectacular modern architecture of the Berlinale's new headquarters on Potsdamer Platz is favoured among various print and broadcast media. In view of this growing importance of festivals for the local tourist economies, Stringer (2001: 140, 142) is right to insist that festivals should be treated 'as a

constituent feature of today's global city' and as a tool that helps to 'rejuvenate the value of urban space through the mobilization of global interests'.

Ultimately, however, the question remains: which function of film festivals proves more important – marketing of new and alternative cinema (be it via an officially attached market or by providing opportunity for industry contacts) or fostering tourism?

2. More lessons

If we are to revisit the Karlovy Vary vs. Prague controversy in this general festival context, we could draw further conclusions in two other spheres. The first one relates to issues of national cultural policy; the second one to the dual function of film festivals as an industry marketplace and tourist attraction.

The controversy explored in this case study would most likely not have evolved if it was not for the articulate 'hands-off' stance of the Czech government at the time. Their new post-communist approach was not dissimilar to the American laissez-faire model where the majority of funding comes from private commercial sponsors and is administered via foundations and where federal agencies only make small disbursements. However, there is no culture ministry in the United States of America, in the Czech case there was a ministry in place but one that was anxiously asserting that it did not have much of a role to play. The Czech culture policy model from the mid-1990s differed from other main models functioning throughout Europe: from the federal socialist model (e.g. Germany) where the public policy is in the hands of local and regional authorities; from the 'arms-length' model of Scandinavia and the United Kingdom where the central government is formally in control but policies and finance are independently arranged;

and from the French one where the Ministry of Culture has a centralized control and actively manages local cultural matters.

The Czech crisis was triggered by the abrupt abandonment of public support for cultural events, an attitude that marked the policies in most former eastern-bloc countries at the time. The way the crisis was handled by the Ministry of Culture suggested unwillingness for government-led harmonization and coordination of cultural agendas for the sake of a higher common cause. The result was a deadlock of cultural entrepreneurs, who collided in a domestic regulatory vacuum while simultaneously trying to conform within the complex system of regulation that dominated the international festival circuit. The lack of domestic leadership resulted in a stalemate that was left to commercial forces to resolve.

Things settled somewhat in the late 1990s. Within the funding structure of the Ministry of Culture, film is now considered part of media and is no longer categorized alongside the other arts, a situation that grants more adequate subsidies. Government support is given not only to Karlovy Vary but also to other domestic festivals such as Plzeň and Zlín. Since 2004, the Czech Republic is a fully-fledged member of the MEDIA programme of the European Union, opening access to European funding available to festivals and other initiatives.

The picture is more or less the same with the other film festivals across eastern Europe. Most of them now receive about 10% subsidies from the central government and another 10% from local authorities, the rest is to be secured through commercial sponsorships. There are several bigger festivals in the region that operate on budgets in

the range of \$200,000–\$500,000. Most festivals, however, function with significantly smaller budgets (in the range of \$20,000–\$50,000).

In comparison, about 60% of the Berlinale's \$10 million budget until recently came from central government subsidies (Kosslick 2003). In 2003, Berlusconi's government slashed about \$700,000 in subsidies or about 10% of the Venice Festival's total budget, a measure that jeopardized the very existence of the world's oldest festival.

Then, there is the question of a festival's function as a marketplace and/or as a tool for tourism. Faced with the realization that they may be missing out on possible business deals, Karlovy Vary opened a new film-industry office (a meeting point for industry representatives) and began publishing a film-industry guide. The belief was that this could lead to some territorial distribution deals, as well as help local film-makers secure financing. And while Czech and East European film-makers are seeking financing abroad, occasional independent US producers come to Europe to seek financing as well. But the Karlovy Vary attempt to run a film market in the late 1990s was largely seen as an 'embarrassing' experiment, as sales agents set up shop but no buyers came. In addition, the festival's attitude towards business interests has been volatile: in 1998 the market was seen as a means to drum up business in the region and get established as a place where distributors buy territorial rights to films; in 1999 setting up a market was deemed unaffordable. It did not take long to acknowledge that the Berlinale's booming European Film Market was turning other markets obsolete.

With major studios' interest in the Czech Republic and the greater region blossoming due to the number of large-scale runaway productions, Karlovy Vary came to function as a key meeting place for industry executives involved with the region. So even

though no official market is now taking place, there are a number of business-related forums, panel discussions on law and taxation, on finance and marketing, all planned in tune with commercial demand.

On the other hand, there are considerations related to tourism. Supporters of the Prague festival had insisted that Prague was far more attractive than Karlovy Vary to foreign guests who wanted to see the Charles Bridge and the Prague Castle. Their opponents countered that, with or without a film festival, Prague's tourism was booming while Karlovy Vary's directly depended on the festival. The whole argument, of course, is indicative of the underlying economic thinking about festivals as tourism enterprises, a context in which the concern about cinema becomes secondary.

The argument that Prague was central and Karlovy Vary peripheral raised a whole range of issues related to the importance of location in culture. Prague had better international transport links, true. But what if Nice, next door to Cannes, decided to start a major festival in early June on the pretext that France's second-biggest airport is there and the city attracts more tourists? On the other hand, some argued that Prague was not suitable precisely because it was the capital; but then, are not festivals like Berlin, Tokyo and Cairo all taking place in the heart of capital cities? Karlovy Vary was 'out of the way', some said. But how much did this matter? In Latin America, for example, Havana's film festival, even muddled by financial difficulties and government interference, and facing major competition from rival festivals in Guadalajara (Mexico) and Cartagena (Columbia), is expanding and still remains the key festival for the region (Turan 2002: 83). One can also point at a number of festivals that are located out of the way and still attract significant attention, such as the world-famous festival of silent

cinema which takes place in a small town two hours commuting distance from the provincial Trieste airport in Italy. Similarly out of the way is the popular Midnight Sun festival that takes place beyond the Arctic Circle.

And then, one can point at examples that present the opposite scenario. While the Prague film festival perished, the South Korean film festival in Pusan, which was established under similar circumstances at the same time (with the Hong Kong fest in decline because of the 1997 Chinese hand-over) and which is equally ‘out of the way’, prospered and is today the pivotal festival showcase for the East Asian region even though it does not have (or seek) the A-category status.

Even if a festival would genuinely like to be non-commercial, it is impossible to hide behind the façade of high culture and disregard the film and tourism industries’ interests: festivals are a place where culture and commerce intersect and must coexist. Most high-profile festivals, it is noted, have to ‘straddle the cultural/commercial divide’ (Mr Busy 2003). The case we looked at here was one of budding cultural entrepreneurs learning the basics of management in the company of unforthcoming post-communist policy-makers and diminishing public support for the arts. Karlovy Vary achieved what it wanted. Entrepreneurs in Prague were not left out in the cold, either: what they would get via the festival, namely the international contacts and the business, came to them anyhow via the success story of the Barrandov Studios and the arrival of intense runaway film business there. But that is another story.

So we ultimately come back to the question what are festivals for? What is their main function? To be a cultural event for the local population? To be a tool of glamour tourism? To be a showcase for international film art? To be a meeting place for industry

people and a launch pad for new production and distribution deals? There is no evidence that Czech cinema would be doing any different with the festival in Prague than it is doing now, with Karlovy Vary; most likely it would still remain of secondary interest. Because, while festivals are still clarifying identity issues, they are still a long way from having established the viable alternative distribution network for international cinema that they could (hopefully) provide.

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Notes

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2. Here I quote from researcher Andrew J. Horton, who conducted a series of interviews aimed to investigate the story of the festivals showdown.

3. While some solitary voices praised the Moscow festival in the late 1990s, on the festival circuit it remains with the reputation of a lavishly organized and yet low-profile event.

4. Quoted in *The Hollywood Reporter*, 9 May 1995.

5. Besides Karlovy Vary, the A-category festivals include Cannes, Berlin, Venice, San Sebastian, Moscow, Tokyo, Cairo, Mar del Plata (Argentina), Shanghai and, since 2002, Locarno. Montreal gave up on its A-status in 2003 but regained it in 2005.

6. At the time, there were two producers' organizations in the Czech Republic. The Union of Czech Film Producers (UCP), recognized by FIAPF, had 34 members; their most important member was Knoflíček's Krátky Film. The other organization was the

Czech Association of Film Producers (APA, headed by Pavel Strnad), of a similar size but not a member of FIAPF; its best-known member was Barrandov Studios. UCP supported Prague; APA supported Karlovy Vary. Due to the split in the ranks of producers, after the festival controversy UCP lost in reputation, effectively letting APA gain in importance.

7. In response to a new law prohibiting foundations from running enterprises, the operation was effectively transferred from the festival foundation to the Film Service.

8. Recent developments (2003–05) with the two rival festivals in Montreal (the embattled Montreal World Film Festival (MWFF) led by Serge Losique and the newly established Festival International du Film de Montréal (FIFM) under the directorship of Moritz de Hadeln), taking place within about a month from each other, have provided a further vivid illustration of the disastrous effect of clashing cultural entrepreneurships and agendas.

9. It is beyond the purposes of this study to investigate the economic logic and viability of this ‘festival-circuit-as-distribution’ proposition. A closer scrutiny may reveal, however, that seeing festivals as an alternative distribution circuit is unlikely to endure rigorous economic scrutiny.

10. This is also true of the programming at leading cinemathèques around the world that also function as a circuit. If the Munich cinemathèque, for example, puts together a Fassbinder retrospective, for the next two years the cinemathèques at London, Paris, New York, Los Angeles, Mexico City, Toronto, Hong Kong and Tokyo will feature it.

11. Losique gave up on this position in 2005 and declared that FIAPF’s accreditation is important as ‘it gives you a stamp of legitimacy, a stamp of approval’ (Seguin 2005).

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Suggested pull quotes

‘The film festival at Karlovy Vary (aka Karlsbad), about 70 miles west of Prague, had been in existence since 1946 and is thus one of the oldest film festivals. Ever since its inception, it was the main film festival for the East Central European region...’

‘An A-festival must run for at least nine days; it should not specialize but cover all aspects of film-making; a feature competition with at least fourteen films without genre limitations is a requirement. Only films that have not played at another festival can compete at an A-category festival...’

‘[Journalists] stressed Karlovy Vary’s role as an important cultural institution where film history had been made, whilst the Prague fest was increasingly being portrayed as one pursuing an overtly commercial approach. This coverage played a decisive role in turning the public’s opinion in favour of Karlovy Vary.’

‘The real battle was not one between art and commerce, nor between refined tradition and disrespectful free enterprise. The atmospheric and nostalgic character of Karlovy Vary also became its consciously cultivated corporate identity.’

‘The showdown of the festivals was not much more than a brawl of clashing entrepreneurships. The real question was not *if* commercialism would prevail but *whose*.’

‘Things settled somewhat in the late 1990s. Within the funding structure of the Ministry of Culture, film is now considered part of media and is no longer categorized alongside the other arts, a situation that grants more adequate subsidies.’