THE FILM DISTRIBUTION SECTOR IN TURKEY: AN ASSESMENT IN THE CONTEXT OF CINEMA POLICIES

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ABSTRACT

FILM DISTRIBUTION SECTOR IN TURKEY: AN ASSESMENT IN THE CONTEXT OF CINEMA POLICIES

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This thesis examines Turkey's film distribution sector, which directly affects the demand of the audience. In this context, answers to how and why questions about the functioning of the film distribution market. This thesis, which aims to answer how the sector works through the market structure, reveals why the sector works like this through the analysis of cinema policies. In this context, the thesis aims to reveal the current structural problems of the film distribution market, which can also be seen as a repercussion of various state policies and regulations. This thesis, which claims that cinema policies are shaped according to the interest groups in the cinema industry and that these policies reproduce the structure of the industry, asks the question of how the state-cinema relationship evolved in the context of changing cinema policies in between 2005-2019. The answer to this question is to be sought through the analysis of the film distribution sector. This sector has been analyzed in the framework of the concepts of concentration, ownership, and state intervention. The correct audience preference is examined from the existent market structure. Because demand regulation mechanisms operated by film distributors shape the audience demand. In other words, the main extension of the power relations established by the distribution process in a capitalist social formation can be found in the demand regulation mechanism where the motion pictures can be circulated or prevented.

Keywords: Film distribution, monopolization, cinema policies, demand regulation mechanisms

ÖZ

TÜRKİYE'DE FİLM DAĞITIM SEKTÖRÜ: SİNEMA POLİTİKALARI BAĞLAMINDA BİR İNCELEME

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Bu tez, Türkiye'de izleyicilerin talebini doğrudan etkileyen film dağıtım sektörünü eleştirel bir şekilde incelemektedir. Bu bağlamda, Türkiye film dağıtım pazarının işleyişi ile ilgili nasıl ve neden sorularına cevap aranmaktadır. Pazar yapısı üzerinden sektörün *nasıl* işlediğine cevap vermeyi amaçlayan bu tez, sinema politikalarının analizi yoluyla sektörün *neden* böyle işlediğini de ortaya çıkarmaktadır. Bu bağlamda tez, aynı zamanda, en azından kısmen çeşitli devlet politikalarının ve düzenlemelerinin bir yansıması olarak da görülebilen film dağıtım pazarının mevcut yapısal sorunlarını ortaya çıkarmayı amaçlamaktadır. Sinema politikalarının sinema endüstrisindeki çıkar gruplarına göre şekillendiği ve bu politikaların endüstrinin yapısını yeniden ürettiğini iddia eden bu tez, 2005-2019 döneminde değişen sinema politikaları bağlamında devlet-sinema ilişkisinin nasıl geliştiği sorusunu sormaktadır. Bu sorunun cevabı, film dağıtım sektörünün analizi üzerinden aranmaktır. Bu sektör, yoğunlaşma, sahiplik ve devlet müdahalesi kavramlarının çerçevesinde incelenmiştir. Ortaya çıkan pazar yapısından doğru izleyici tercihi irdelenmiştir. Çünkü, film dağıtımcıları tarafından işletilen talep düzenleme mekanizmaları izleyici talebini şekillendirmektedir. Başka bir deyişle, kapitalist bir toplumsal oluşumda dağıtım süreci ile kurulan güç ilişkilerinin temel uzantısı, sinema filmlerinin dolaşıma sokulabileceği ve engellenebileceği talep düzenleme mekanizmasında bulunabilir.

Anahtar Kelimeler: Film dağıtımı, tekelleşme, sinema politikaları, talep düzenleme mekanizmaları

To my mom and dad, who never gave up.

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CHAPTER 1

INTRODUCTION

Cinema that shows itself in all areas of today's life brought along many discussions with its invention. This controversial art branch was formed by shooting physical reality and real people with a camera apparatus, and recording these footages on the 35mm-film stocks/ pellicle, then projecting onto the screen by a projection device. As understood from this complicated production process, cinema had a hard time finding its place both due to its formation and stages that it contains. A motion picture[1] can meet audiences after certain stages which are production, distribution, exhibition. It can be said that the formation and these stages of cinema have a significant role in revealing the characteristic features of it.

The formation of cinema has been worth discussing initially. Cinema, which constitutes a cultural production and consumption area, was emerged as a new leisure activity that large masses can easily reach. This ability belongs to cinema's formation because a film, which is screened by a projection, allows multiple people to watch it simultaneously. It is also exhibited in different locations, thanks to the pellicles/film stocks- digital copies take their place today. For this reason, unlike other branches of

[1] Not every video recording is a movie, as well as not every movie is a motion picture since not produced to be exhibited in movie theatres. Films that are not produced as motion pictures will be outside the context of this thesis, but motion pictures can also be called as films or movies.

art, cinema is far from being an elite activity. This factor affecting and shaping cinema's formation can be expressed as the development of technology. The acceleration of technology's development that coincides with the cinema's appearance has shifted the axis of the discussions of all artworks. The fact that the work of art can be reproduced with technical means and accessible to many people simultaneously has caused debates[2].

However, the emergence of cinema not only coincided with the age of rapid technological development but also coincided with the outbreak of imperialism, called the “highest stage of capitalism” as a decisive factor, shaping cinema's formation. The surplus of capital, which emerged in countries where capitalism has reached a high degree of maturity, has made capital export[3] compulsory. Therefore, it has created new market searches and new power relations (Hilferding, 1981). Also, Miege (1989) explains the problem of the surplus in capitalist production with the following sentence: "The lack of sufficient investment outlets for this surplus causes new needs to extend the field for the creation and realization of value." According to Baran& Sweezy (1966), there are several ways to absorb surplus capital. "It (surplus) can be

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[2] The heated debate has arisen between those who claim that technology allows an artwork to manifest its critical power by easily reaching the masses and thinkers who advocate that the artwork is standardized and deprived of creativity. The main point of the discussion is the loss of the aura, which Benjamin (1969) emphasized. Also, new technologies eliminate the distance which aura creates. The loss of the aura is the loss of authority.

[3] One of the most prominent tendencies of imperialism is the export of capital. The export of capital, which is distinguished from the export of commodities, has an exceptional importance for imperialism. Also, Lenin (1947) puts it, “typical of the old capitalism, when free competition held undivided sway, was the export of goods. Typical of the latest stage of capitalism, when monopolies rule, is the export of capital.” In the process of “monopolisation of new spheres of capital investment by the monopoly enterprises of a great nation (Bukharin, 1929)”, capitalism explores new market areas, and as it spreads to regions that have not yet realized their capitalization. To realize that, the most convenient way is capital export which provides to “subjugates new territories with the greatest ease (Bukharin, 1929).”

However, it is fact that the first prerequisite for capital export is an over accumulation of capital, and as Lenin (1947) puts it; “an enormous surplus of capital has arisen in the advanced countries” in which the formation of monopolies reduces investment opportunities. Also, capital export by the majority is defined as the flow of excessively accumulated capital to underdeveloped countries as a result of monopolization in advanced countries. As a result, it can be understood that capital export causes dependency for the underdeveloped countries. Moreover, Ellis (1994) explains the capital export requirement as follows: “It’s time to export or die rather than protect or die.”

consumed, be invested, be wasted." With this pursuit, giant firms confiscated cinema. Thus, cinema was obliged to become an industry[4] by the world in which it was born in. The ambivalent nature of cinema leaps out exactly in this context. On the one hand, cinema emphasizes that it is an art, and on the other hand, it offers new grand markets such as production, distribution, and exhibition. The culture industry concept is essential to understand this ambivalent nature of the cinema because the concept describes the standardization of a cultural product by emphasizing industry rather than culture. In this industrialized area, the exchange value of the motion picture is prioritized. Therefore, it leads to the commodification process of the motion picture. This commodification proceeds through three main stages which are motion picture production, exhibition and distribution. These stages should be introduced because they are significant in understanding cinema's industrialization process.

The first stage is the motion picture production. Cinema refers to both commercial production and cultural production. It is cultural production that contains a certain narrative and discourse, as it contains explicit or implicit messages. That means high-powered potential to create social influence. As the possibility of transforming and affecting society might be high, it has condemned to be controlled by the power from the very beginning. In this respect, a motion picture is under the shadow of cultural policies. However, these policies are under the influence of the mode of production of society. According to Harvey (2004), under the new imperialism conditions, the state uses its power to manage power relations and dynamics in each sector via several institutions. The reconciliation institutions have the reconciling role of financial and institutional arrangements in capital accumulation periods. Moreover, their interventions directly affect the industries. In doing so, the state uses the advantage of the law-making authority and administrative regulations. Briefly, the production

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[4] In the thesis, as the activities involved in one type of business, cinema defined as an industry. Also, the "film/movie industry" and "motion picture industry" have been used interchangeably with the cinema industry. For the cinema industry's three leading chains which are production, distribution and exhibition, the concepts of "sector" and "market" have also been used interchangeably. These preferences are based on Wasko (2003)'s preference to use concepts.

process of motion pictures, like all other economic activities, "produces and reproduces the capitalist relation; on the one side the capitalist, on the other the wage labourer" as Marx (1867) said. Then, every film produced for theatres is a commodity; therefore, this commodity's exchange value has realized when it releases. With the acceleration of standardization in production, commodity manifests itself not only being commodity but also with its homogenized content. Especially with the 2000s, as Schatz (1993) puts it, "the business of the major studios is making and selling franchise-sustaining blockbuster hits—i.e., calculated mega films designed to sustain a product line of similar films and an ever-expanding array of related entertainment products, all of which benefit the parent conglomerates' various media and-entertainment divisions." Furthermore, from a director to a propmaster, anyone who contributes to produce the film becomes a wage labourer. However, these internal dynamics of the film production process also separately deserve a long discussion because "capitalization of cultural production is a complex, many sided and even contradictory process" as Miege (1989) said.

The following (in sight) stage is the exhibition of the motion picture. Every motion picture is produced to reach audiences; however, this process is not as easy as it seems. Although the first platform that comes to mind in the exhibition is movie theatres, from television channels to VoD (Video on Demand) systems, multiple possibilities have emerged with the acceleration of digitalization. The traditional exhibition[5], which is very costly for both producers and movie theatres, ended with this digitalization. Also, Thomas Schatz (2009) evaluates the period of early 2000s in film industry as quite distinctive because of digitization/digitalization. This period, which has mostly affected the exhibition chain in cinema industry, has also radically shaped the cinema

[5] Mode of production by pellicles/film stocks, which is one of the two primary production modes of a motion picture, has been dominated as the only production method in the cinema industry for a long time. Also, movie theatres required separate film bobbins for each film exhibition. Movie theatres bore the costs by taking the cost amount from the film producers. Although various costs arise in the digitalization process, this cost is minimized in today's digital movie theatres. The second mode of production, digital cinema, includes "production, distribution, and exhibition of cinema films using digital technology instead of traditional method 35 mm-film stocks and film bobbins"

culture. Especially with the evolution of movie theatres, cinema is no longer an activity where audiences watch movies on a big screen with a crowd. The movie theatres are located in the mall and have a multiplex structure; thus, the profile of the cinema audience has also changed. The customer, who comes to the shopping mall, eats her/his food and does the shopping. In the remaining free time, s/he watches one of the movies which are exhibited in the multiplex movie theatre inside the shopping mall. These multiplex and multifunctional theatres generally include selling products such as food, beverage, book, CD, etc.

Nevertheless, the exhibition of films does not take place without intermediaries. In this context, lastly, the stage of distribution that connects the production and the exhibition chains should be explained. This stage, which has a critical role as a bridge between not only producers and audiences but also between producers and exhibition firms. An audience who decides to go to the cinema chooses a film among films in theatres. This film selection is not just related to the audience. Advertisements, posters, promotions of the film make it visible. Also, how long a film will be exhibited in which movie theatre, in which session affects its visibility. All of them manage the demand of the audience because film distribution companies affect the demand of the audience with certain strategies. Thus, the audience created in line with these strategies is sold to producers and cinema operators by distribution companies. Although the audience claims to make their own choice, they are under the control of this demand management mechanism operated by film distribution companies. That is to say, this mechanism, which is proceeded through the film distribution, refers to the most critical stage for the produced film to reach the audience because it refers to the process of generating cinema audiences. Here, Miege (1989) 's sentence becomes meaningful: "If it is correct that cultural production cannot exist independently of social demand, then demand is not given; it is precisely a question of creating it." Also, "Baran and Sweezy's emphasis on the role of management of demand by the oligopolies which dominate monopoly capitalism (Smythe, 1977)" reveals how critical the film distribution process is because it reveals the commercial side of cinema. Film production involves creativity despite all its commercialization, and the exhibition chain constitutes a viewing culture, while film distribution is entirely industrial activity because in this process audiences and films are sold as commodities by the distributors. In this context, it can be argued that the film distribution is the chain that shows that cinema is an industrial and commercial activity. Moreover, in the film industry, the producers are under risk not to set off the cost of production, and the exhibitors are under risk that the films they exhibited are not watched. However, distributors always profit because they get a certain commission for every film they distribute regardless of the film's revenue. Thus, for capital owners, the most exciting chain in the cinema industry is the distribution.

As explained so far, film distribution should be handled as a key market and chain that sheds light on the historical process of cinema. In line with this significant role, this thesis aims to critically analyze Turkey's distribution sector which directly affects audiences' demand and other chains of the cinema industry (i.e. film production and exhibition). In this context, this thesis also aims to answer the question how the state-cinema relationship[6] has evolved in the context of changing cinema policies during 2005-2019. Thus, cinema policies and regulations should be analyzed in the thesis as a factor that affects/shapes the cinema industry's operation and structure. This exploration is significant in understanding the historical process of cinema in Turkey. It is also important to understand the cinema as a cultural industry. Precisely for this reason, this thesis focuses cinema's industrial side rather than its art identity. Thus, it reviews the motion picture as a commodity of the cultural industry rather than as a work of art.

For the thesis, it is vital to analyze and discuss how the functioning of the market changes according to who or what interests, how control mechanisms work, and how these mechanisms affect the production and distribution process of a motion picture. Due to these fundamental concerns, the thesis benefits from the conceptual tools of critical political economy perspective. This perspective also draws attention to the

[6] As mentioned, cinema industry is not an isolated area. It has been subject to an arrangement like in all other economic activities, as well as it has been the subject of state intervention.

danger that large companies in the media sector may exert control over social, cultural, and political life.

This thesis has consisted of dual analysis. The first phase of the study is the investigation of cinema policies in Turkey. For this analysis, the parliamentary minutes and legal texts when the laws of Cinema (No. 5224 and No. 7163) were issued have been examined. Also, the reports of the regulatory institutions have been discussed. To say, the policy analysis from 2005 to 2019 has been done. In this part of the study, the effects of these regulations on the market have been discussed. Moreover, the breaks in the market with the predicaments and potentials have been revealed. However, this constitutes only one part of the study.

The second phase of the study is the analysis of the film distribution market after 2004. This year is the start date because the first cinema law (No. 5224) was made that year. In this context, the film distribution market structure has been examined to understand the competitive structure of the market. Thus, in analysing the structure of the market, whether the market is competitive or not has been examined through utilizing various analytical tools like concentration ratio and Hirschman Index. Additionally, the structural and artificial predicaments in the market have been discussed. The analysis presented is inevitably based on economies of scope and scale since the success of firms in the market are directly dependent on their ability (and capacity) to apply varying strategies to decrease costs and maximise profits, which under current conditions, usually result in vertical and/or horizontal integration. At the end of this analysis, the market structure has been revealed. While doing that, several interviews with the actors in the film distribution market have also been done to reveal the predicaments of the market.

To say, the thesis proceeds on three main fronts: First, questioning the cinema policies which regulate/ control the film industry, second, analysing the structure of film distribution market; and third, discovering how the economic structure and regulatory policies are correlated with the Turkish film industry.

In this context, the thesis also aims to reveal the current structural problems of the film distribution market, which can also be seen, at least partly, as a repercussion of the various state policies and regulations. In sum, the thesis aims to understand the direction of the evolution of film industry in Turkey in the last fifteen years.

To put it simply, the thesis's main purpose is to seek answers to how and why questions about the operation of the Turkey film distribution market. The thesis aims to answer how the industry operates through the structure of the market; and why the industry operates like this through the analysis of cinema policies. As seen from the literature review below, these questions are very significant in understanding the historical process of the film industry. However, a lack of recent studies on these questions in Turkey's literature makes this thesis more crucial.

1.1. Review Cinema through Literature

"Last night I was in the Kingdom of Shadows."

Maxime Gorky (1896)

Expressing his first cinema experience like a visit to the Kingdom of Shadows, Gorky could not make out the purpose of this new genre, except that it was a money-making innovation (Butler, 2005). This innovation, whose money-making side revealed from the very first moment, also shows its ambivalent structure because it is both a cultural and an industrial activity.

Cinema presents a field of cultural activity, because it has shaped a cultural field and has been shaped by the cultural field for decades. In a hall, people come together to watch movies in front of a huge screen. Within this activity, the audience is subject to a specific viewing culture. From motion pictures to movie theaters, all of them are shaped according to society's culture.

This activity is also a leisure-time activity. People mostly prefer to go to the movie theaters among many leisure-time activities in the time remaining from their work. And, this preference has many determinants that will be detailed later. However, it should be said that the main determinant of this cultural activity is the economic one. Not only the preference for this cultural activity, but also the cinema itself is subject to economic determinants. When all the elements of the social structure are examined in two main groups as basis and superstructure, cinema is located in the superstructure that reflects society's basis. That is to say, cinema is also determined by the mode of production of the society in which it appears.[7] With Birri (1997)'s own words, "*It is subject to all the superstructure's distortions. In the case of cinema, these are exacerbated further than in the other arts due to its nature as industrial art*." As Birri emphasized, cinema also presents a field of industrial activity. The film industry's global box office revenue was $ 41.7 billion in 2018[8], and nearly $ 50 billion in 2020.[9] As of 2019, in the film industry, the number of businesses is 63,009. Also, the industry employs 466,155 of people.[10] Therefore, cinema is subject to both cultural and economic policies.

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[7] According to Marx (1867), "Each special mode of production and the social relations corresponding to it, in short, that society's economic structure is the real basis on the character of the social, political, and intellectual life generally. According to this view, "*the superstructure (the state and political, societal and cultural institutions including the media), reflects the economic base, leading to an account of the media as a transmitter of ruling class ideology and the economic and political interests of capitalist media owners and advertisers* (Hardy, 2014)." Also, mode of production is a definite form of expressing social structure. Through this fact, a cinema that "manifests the cultural and economic values of society's superstructure (Birri, 1997)" would be understood by its production relations of society. Among the various stages of development in production, the cinema that emerged in the late 19th century coincides with the development of the capitalist mode of production whose "immanent driving force is the endless accumulation of capital, a process where capital is accumulated for the sake of accumulation. (Ekman, 2012)"

[8] https://variety.com/2019/film/news/box-office-record-disney-dominates-1203098075/

[9] https://www.statista.com/topics/964/film/

[10] https://www.ibisworld.com/global/market-research-reports/global-movie-production-distribution-industry/

In the light of the points mentioned above, the literature of this thesis proceeds on two main axes. In this context; firstly, the discussion of industrialization of cinema constitutes one axis of the literature because cinema cannot be considered independent of the production relations in which it was originated. Secondly, another axis of the literature is the discussion of policy and policy analysis to understand the relationship between cinema and state interventions. These two axes have revealed how and in what way the film distribution sector should be examined. Moreover, the literature review has one last part, which explains the political economy approach that enlightens conceptual framework of the thesis. This part has a significant role in understanding of the film distribution sector in Turkey through the relationship of power to wealth and thereby the power of institutions to control markets. (Rothschild, 2002)

1.1.1. The Industrialization of Cinema

"You intended to buy art with your ticket, then you have not learned that the art sold to you in the sound film first must be marketable in order to be sold. (Brecht, 2001)"

Under monopoly capitalism[11] where the superstructure becomes industrialized, cinema studies should address the question of imperialism, because cinema was born when

[11] According to Braverman (1974), monopoly capitalism has proved to be the most acceptable term of imperialism because monopolization is its economic quintessence. As Lenin (1947) puts it, when the concentration reaches a certain development level, it spontaneously leads straight to monopoly. According to him, the difficulty of competition and the tendency to monopoly emerge from the enterprises' size. He also describes the transformation of competition into monopolization as one of the most important events of the imperialist economy. Also, Baran& Sweezy (1966) defines monopoly capitalism as a system that comprises of these giant corporations. The external growth strategies of these giant companies are essential for the context of the thesis. External growth can be accomplished in many ways, and two of these would be stated as; (1) collaborations created by independent units while maintaining their independence (trusts or holdings); (2) or collaborations created by removing the independence of independent units (mergers or acquisitions). Among these ways, a holding consists of a parent company and subsidiary companies provide control over many companies and large amounts of capital. Also, with the conglomeration, holdings complicate the balance sheets and maintain their legitimacy. As Lenin (1947) puts it: "The simplest and, therefore, most common procedure for making balance sheets indecipherable is to divide a single business into several parts by setting up daughter

capitalism matured, and the circumstances continue to define constituent elements of cinema (Siegelaub, 1979). In this context, it would be meaningful to discuss how industrialization takes place in cinema.

The cultural field's transformation by the capitalist mode of production has a significant effect on the cinema. Siegelaub (1979) sees the distinctive feature of this transformed culture, which is defined through leisure activity, is the opposition between work and leisure. In other words, capitalism divided social life into two different poles: work and leisure. Leisure time expresses getting rid of the necessity and coercion of working. In other words, leisure is a time when an individual can freely make choices. It expresses an escape from the compelling world of work (Hibbins, 1996). Separating leisure time from working has brought along the regulation of leisure time, and the leisure time industry has emerged. This industry born produces leisure activities and provides circulation of cultural goods. That is to say, it produces new pleasures and desires for consumers (Fiske, 1989). However; at this point, it should be highlighted that the fact which these activities are serving the same purpose, is embedded in this opposition because giant companies' interests shape all leisure activities. Thus, this unwaged non-labor time is transformed into the process of capital accumulation. At this point, the relationship between the development of cultural consumption and the conditions of capitalist (re)production is crucial. To say, with Cleaver's (2000) own words, "capital has tried to convert individual consumption into productive consumption by creating the social factory." However, it is known that Marx (1867) criticizes this distinction made by classical economists, and sees individual consumption as a non-productive consumption for the individual. According to Marx, individual consumption is also the production and reproduction of capital, like the lubrication of the machinery. Precisely at this point, the secondary position of the individual makes the concept of culture industry significant, because masses' leisure activities "are fettered by a tight-knit group of large monopolies (Miege

companies or by annexing them. " This strategy allows not only large firms to monopolize faster but also the mother company, which is legally independent of the sister company, to manipulate the market considering their interest.

B., 1989)." Also, according to Adorno& Horkheimer (1979), the culture industry organizes leisure time under the principles of exchange and equivalence that shape industrial production. For this reason, the concept of the 'culture industry' emphasizes industry rather than culture.

Under these circumstances, the use-value of cultural products, which are produced, distributed, and consumed in the form of commodities, is replaced by the exchange value (Adorno & Horkheimer, 1979). However; at this point, Adorno's claim is that *"commodity character of art itself is not new: it is the fact that art now dutifully admits to be a commodity, abjures its autonomy and proudly takes its place among consumer goods, that has the charm of novelty. (Adorno & Horkheimer, 1979)"* According to him, the cinema does not need to present it as an art. Even the produced 'trashes'- films- are legitimized by emphasizing that cinema is not different from other businesses.

As mentioned above, the transformation of cinema under the conditions of capitalism has created the necessity to understand it as an industry. This industry's most defining characteristic is the merger[12], which is also an essential outcome of imperialism. In the film industry, three types of mergers that are horizontal integration, vertical integration and cross-functional integration are also encountered quite frequently. These mergers have been questioned because they have increased the market concentration and even have caused oligopoly, duopoly, or monopoly in the film industry.

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[12] The situation of multiple companies coming together to a certain extent and within certain rules would be explained as a merger. Despite differences, conglomeration, consolidation, combination, acquisition or integration would be used interchangeably in different works. For the context of the thesis, it would be more understandable to use the concept of “merger” for all of these transactions due to the similarity of their functions. Merger can be realized in different types such as horizontal integration, vertical integration and cross-functional integration. Horizontal integration takes place among competing companies operating in the same sector. The main purpose of this merger is to increase the market shares of the companies in their sector. Vertical integration is the gathering of companies operating in different sub-sectors of the same sector, having a buyer or seller relationship. One of its most critical consequences is the “establishment of monopoly control of a series of industries which work up raw material from its point of natural origin to its final complete form. (Lenin, 1947)” Cross-functional mergers can be defined as the merger of companies in different sectors for financial reasons such as diversification and reducing risk.

In this section, the transformation of the cultural activity into an industry has been introduced. However, to understand how this cultural form has developed as an industry, (1) the production of the film as a commodity, (2) its exhibition through a new entertainment culture, and (3) its distribution based on demand management should also be examined.

1.1.1.1. Film Production and Film as a Commodity[13]

Every film production is also a cultural production. Therefore, to discuss film production, the cultural production and the concepts characterize the film production should be discussed in this section.

According to Çakmur (1998), in the age of monopoly capitalism, cultural products are commodities that are produced by labor, and have a value. Therefore, they are subject to exchange. In this respect, cultural production serves the commodification of culture in accordance with capital accumulation structures.

The cultural production process would mainly be divided into three forms: capitalist cultural production, non-capitalist cultural production, or production integrated with the capitalist mode to a certain extent (Miege B., 1989). Therefore; with the capitalization of cultural production, cultural products become cultural commodities. Here, in its purest form, a definition of a commodity is required. Marx (1867) describes the commodity as a product that meets one's needs with the purpose of exchange, not for one's own consumption. However, it should be noted that commodity production existed before the capitalist mode of production. In capitalism, commodity production

[13] Here, film production means motion picture production, so films which are not produced to enter the commercial exhibition are not included in this framework.

not only turns the product of labor into a commodity, but it also turns the means of production and labor-power into commodities.

Moreover, the commodity can objectify *"exploitative social relations by presenting them in a congealed form that makes them seem natural. (Mosco, 2009)"* In essence, commodification that expresses a product becoming a commodity would be defined as *"the process of transforming things valued for their use into marketable products that are valued for what they can bring in exchange,"* by Mosco (2009) 's own words. However; for sure, their exchangeability cannot make all cultural commodities one and the same.

According to Miege (1989), there are different forms of cultural commodities; and the labor characteristic (productive or non-productive labor) in their production has a determinant role in classifying them. Also, he divides cultural commodity production into three main types that are: (1) reproducible products, not requiring the involvement of cultural workers in their production, (2) reproducible products with involvement of cultural workers in production, and lastly (3) semi-reproducible products. It should be emphasized that the rate of penetration of monopoly capital is different for each product type. Among these types, the second type of products includes the motion picture (cinema film). The production of this type of products, especially film production, manifests itself as a battleground for capitalist firms and artists because the production of this type of products involves the intervention of artistic workers. Particularly, whereas firms in film production market try to valorize capital by inserting cultural labor into commodities, the art workers involved in film production also demand creative independence. However, this battle cannot prevent a film from becoming a commodity because it is offered to the distribution and exhibition market through exchange value, not use-value.

In this context, it would make sense to address three main concepts that characterize capitalist film production: standardization, homogenization of the content, and waste production.

The first characteristic of capitalist film production is the standardization. As Wasko (2003) said, McDonald's formula is valid in film production: standardization and consistency. The concept of McDonaldization, which Ritzer (1996) contributed to the literature, gains meaning in this context. According to Ritzer, the fast-eating model created by fast-food chains has spread to many areas of society by exceeding the food sector with the effect of globalization. Every practice encountered in the cultural field can be read through this concept. In this context, motion pictures which are released in a short time offer the same pleasure to the audiences. The do not cause any difficulties for the audience. The audience feels safe in the scenes that they anticipate what will happen while watching these movies. Since both the content and technical infrastructure of these films are standard, the audience does not take any risk while choosing this movie. The main reason why standardization is an attractive ideal for the film production is that the filmmakers do not want to lose even one audience. It appeared to offer *"a consistent global image for a brand and economies of scale in having just -one sight, one sound, one sell- around the world (Mattelart, 1991)"* Technical possibilities accelerate standardization because industrial growth is encouraged by the standardization of technical bases.

Although it is claimed that *"film production has been called a 'project enterprise,' in that no two films are created in the same way,"* standardization in the film production process results in typical films (Wasko, 2003). In this way, the produced film content becomes the same as the mass production outputs. That is the homogenization of the content, which is the second characteristic of this industry. As Adorno& Horkheimer (1979) put it; *"all mass culture under monopoly is identical, and the contours of its skeleton, the conceptual armature fabricated by monopoly, are beginning to stand out."* Even though the homogenization of the content does not seem problematic for a short time, it would put monopolies in a demand crisis in the long term due to 'typical films.' According to Miege (1989), precisely for this reason, monopolies do not eliminate the independent producers from the market in order to prevent the homogenization of the content, because "*small businesses are better equipped to respond to changes in social demand and to renew creativity. (…) The sharing of skills* *leads to the fact that there isn't any real competition between big and small companies. (Miege B., 1989)"*

In all industries, the specific brand is required for products to be highly demanded. Also, in film industry, taglines, such as "from the producer of movie A," "from the director of movie B," etc., on the movie posters are not in vain. Bankable directors, stars, or serial movies that have already done well at the box office direct the audience's demand. Therefore, many films must be produced to create a specific brand. However, high volume production causes waste production. Miege describes this process as the rapid obsolescence of products. Even, this process would cause unforeseeable flops of the famous major companies. In this context, this concept can be exemplified by the film production industry in Turkey. To see waste production clearly, it should be expressed the average number of domestic films produced since 2000.

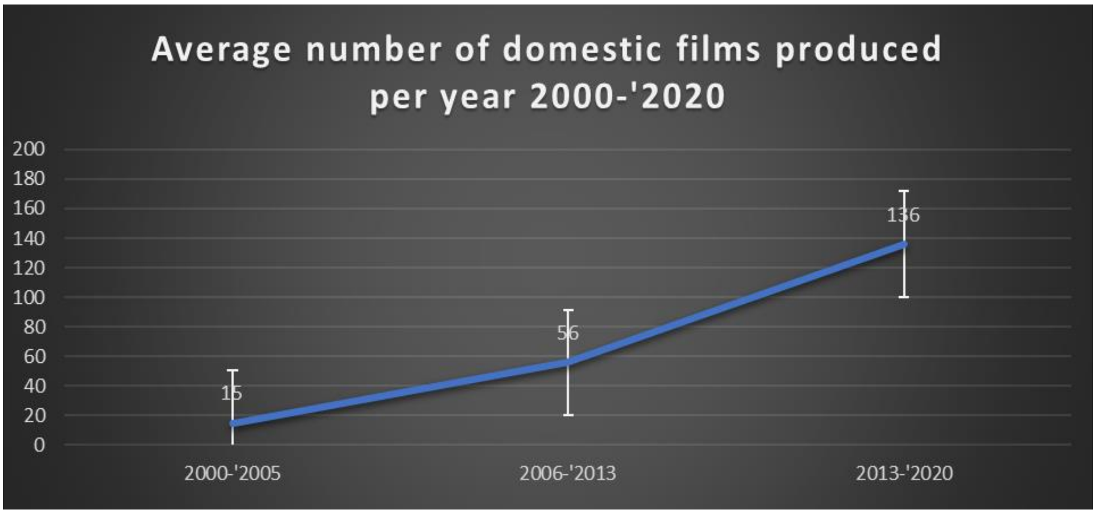

Figure 1.1: Average Number of Domestic Films Produced per year 2000- '2020

Sources: Boxoffice.com, The Turkish film industry: Key developments 2004 to 2013 (Kanzler, 2014)

As would be seen from figure 1, the average number of domestic films has increased by 242 percent since 2013. However, domestic film production reduced in 2019 due to some interventions to the sector-which will be detailed in the next section. However, the increase in production is insufficient to claim that the sector's determining factor is waste production. For this reason, it is necessary to express the critical thresholds in the years between 2013 and 2019 when domestic film production rapidly increased. The number of films watched more than 1 million, and the number of films watched under 10 thousand will be explanatory in this context.

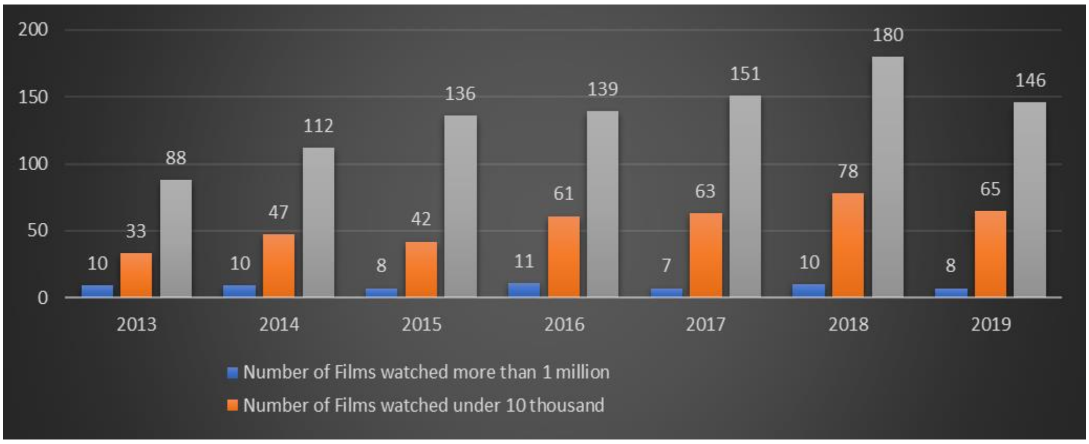

Figure 4.2: The Number of Films According to Viewing Number
Source: Boxoffice.com

As seen from the Figure 1.2, with the increase in film production, the number of movies watched under 10 thousand is also increasing. However, the number of movies watched over 1 million remains almost constant. Despite the decrease in the number of movies released in 2019, the number of movies watched under 10 thousand is the same as the number in other years. In this context, it is possible to say that the content of movies that are watched less than 10 thousand has also become insignificant.

Here, a question to be asked through this concept is which films are waste products. The answer to this question shows that this type of production affects the structure of the industry. It is not possible to find out which film is waste or not by asking the audience or examining the film’s content. Because of the mode of waste-production, every product in the market would become a waste product, regardless of its content. The transformation of any independent director's film into a waste regardless of his own will reveals the power relationship. The power of major producers and distributors can make other films waste. Majors, which have the power to decide which movie to waste, also have the power to manage the demand of the audience. It also points several structural predicaments that movies are not exhibited in the sufficient number of movie theatres, or monopolies' movies that fill the most movie theatres.

However, in this production, distribution, and exhibition cycle, not only film is commodified, but also the audience becomes a commodity. To understand the commodification of the audience, the exhibition and distribution processes should also be explained.

1.1.1.2. Film Exhibition and New Entertainment Culture

The projection room located at the back, the white screen reflecting the vision and the series of seats facing the same direction... “Film exhibition is that sector where the society, in the form of an audience, is able to watch films. (Moran, 1996)” Also, the film’s exchange value realizes at the moment when the audience buys the ticket of it. Many platforms exist for the exhibition of motion pictures such as VoD platforms, DVDs, Online platforms, etc. However, movie theaters have always been vital for film exhibition due to the viewing culture it guarantees and being the only platform for the first-run.

Three main types of theaters can be mentioned: theaters with a single screen, multiplex cinemas, and shopping center-located cinemas. Theaters with single screen, generally old buildings, independent business if they are, they can survive mostly by being supported by the state or various organizations (Çelen, 2010). To attract the audience by offering more film options, theaters with a single screen continue to serve as multi-rooms by dividing their theaters. This evolution causes the restructuring of the cinema industry's exhibition chain based on principles such as rationality, efficiency, and standardization. (Tüzün, 2013)

Since the main goal of movie theatres is to exhibit the blockbuster movies that make the most profit, the production has become standardized and has turned into mass production. Therefore, waste films have emerged. In fact, at this point, it can be said that the exhibition chain is not the last chain of cinema production, even the pre-existent stage that shapes the film production process. These waste films shorten the exhibition times in theatres, and films that are expected to be watched less generally cannot be exhibited. This process did not develop spontaneously in every country. For example; Temel Kerimoğlu, the manager of Beyoğlu Cinema, explained the theaters' transition to multiplexes with the pressure of Hollywood distributors on movie theaters in Turkey. According to him; to distribute more films, the major Hollywood distributors were putting pressure on cinemas to increase the number of screens in 90s (Tüzün, 2013).

Multiplex cinemas have affected the number of audiences and audience profile. In the United Kingdom (U.K.), according to Cinema and Video Industry Audience Research[14], the percentage of people who go to the cinema increased from 38 percent in 1984 to 62 percent in 1992. Also, the increase of multiplex cinemas influenced audience profile. While the cinema audience was generally young, between 1996-1998, in which multiplex cinemas increased, the rate of adults visiting the cinema rose from 58 to 72 percent.

The emergence of multiplex movie theaters makes the exhibition branch of the film industry a capital-intensive sector. Thus, it becomes difficult for small businesses to enter the sector and survive. In many countries, the exhibition branch of the film industry gradually fell under the control of several giant businesses, and market

[14] CAA, Cinema and Video Industry Audience Research (CAVIAR) 12, (CAA: London, 1995), 21.

concentration increased[15] (Wasko, 2003). Also, the spread of multiplex movie theaters in a short time has triggered the debate on cultural imperialism. By supporting groups against multiplex movie theaters, Bourdieu describes multiplex movie theaters as an evil of neoliberalism and globalization (Leitch, 2011). Also, under the conditions of capitalism, the activity of going to the cinema can no longer be considered as isolated because High-Street dinosaurs[16] have been replaced by multiplex cinemas located in mega shopping malls. A few decades ago, people had to walk from place to place for different goods and services; now they find this diversity in a single shopping mall. Moreover, mega shopping malls expect visitors to be impressed by everything that space provides under a single roof. The visitor /client, who goes to the mall to eat or go shopping, is able to perform a cultural activity.

Mega shopping malls also have huge entertainment parks. There are also large multiplex cinemas with twenty or more screens. Some stores in shopping malls remind that visitors can consign children to playgrounds to attract them. Ritzer (2000) defines this situation as *implosion*, that is, blurring or disappearing borders. Naturally, activities that were different from each other have intertwined. Also, Benjamin Barber (2001), who views culture as an entirely mediated around the principle of commodification, defines implosion with the concept of McWorld. He sees McWorld as a replica of the all-encompassing global culture because it combines shopping malls, multiplex cinemas, playgrounds, sports arenas, and fast-food chains into a single business.

Major exhibition companies encouraged this “McWorldization” process to overcome the demand uncertainty. As a result of this, the viewing culture has come under the domination of the exchange rules. Due to the movie theaters in the mall, an audience other than cinema lovers has emerged. Unlike the cinema lover who follows the release agenda of movies and goes to the movie s/he likes, the new audience just watches the

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[15] To see European countries’ cinema profile in detailed, see: http://yearbook.obs.coe.int/s/document/country-profiles/2019

[16] Chris Brackhurst (2019) expressed street cinemas as High-Street Dinosaurs.

movie, distributed to the mall's theater. For this audience, going to the movies is an act like eating and shopping in the mall. Thus, the demands of major exhibition companies have been fulfilled. In other words; the number of audiences increases, and the market potential expands. Also; no matter which movie the audience goes to the movie theater, it provides a profit for the exhibition companies. This is the most unambiguous indication that the film is being traded as a commodity with exchange value instead of its contents (its use-value).

However, the producer is continuously faced with demand uncertainty. At this point, the film distributor gets involved in overcoming this uncertainty. Distribution companies market the audience to the film producers and exhibitors. Therefore, the process of commodification of the audience begins.

1.1.1.3. Film Distribution and Demand Management

Wasko (2003) explain distributors' task that "after a producer has licensed a film to a distributor for a specific length of time, the distributor arranges for its exhibition in theaters and decides on the release schedule. The distributor is in charge of storing and shipping the prints, as well as overseeing the inspection, accounting and collection of receipts from the exhibitors, as well as ancillary fees. The distributor also conducts market research and develops a marketing strategy for the film." In other words, distributors are also advertisers of the movie, and they practice different distribution methods according to many different features such as the type of the movie, audience, production budget.

Even the distributor would be involved in film production. As Mosco (2009) puts it, *"distributors are often critical to the production process because they can guarantee the financing and marketing necessary to carry on with production."* The distributor receives a distribution fee in return for these duties. *"The distribution fee is the film-*

rental amount retained by the distributor in accordance with the contractual provisions of its agreement with the outside participants (Wasko, 2003)." This fee may vary depending on the duties undertaken by the distributor and the agreement made. She indicates that *"this fee would be as high as 90 percent of the box office gross after exhibitor's expenses (Wasko, 2003)."*

The film distribution, which is the least known process by the audience, is actually the transformation process of the commodity(film) into money. In previous chapters, it was stated that every motion picture produced under monopoly capitalism conditions is a commodity. However, the distribution process re-ignites the discussion about what commodity is. In fact, this is exactly the point that makes the distribution process critical. Smythe (1977), in his book of *Communications: Blindspot of Western Marxism*, defines commodity form of mass-produced under monopoly capitalism as audiences. Who produces this commodity? According to Smythe, advertisers' prime task is creating audiences-as-commodities for sale to monopoly capitalists. He also states that Baran& Sweezy answered what happens when a monopoly capitalist system advertises as Galbraith, psychological manipulation. Martin's following statement confirms Smythe: “Since cinemas in the capitalist system exist to provide not films for audiences, but audiences for films, so exhibitors in turn serve as fodder for the distributors and the producers they are in league with (Martin, 1997).”

The critical point here is to create demand. In the previous sections, it was stated that, as Baran& Sweezy emphasized the role of demand management in monopoly capitalism. However, Smythe (1977) argues that their main fail is being unable to pursue the matter of demand manipulation with an historical materialist method. Also, Miege (2011) expresses the importance of creating demand with the following words: “cultural production cannot exist independently of social demand, then demand is not given: it is precisely a question of creating it. With respect to supply, social demand is in no way pre-existent. They constitute two complementary aspects of the realization process of capital. The cultural industry is not in the end a response to a pre-existing demand.” Smythe describes people’s work time as all non-sleeping time reality under monopoly capitalism. Also, “this work time is devoted to the production of commodities (Smythe, 1977).” In Murdock (1978)’s words, "through their exposure to mass media audience members learn to buy the particular goods advertised and acquire a general disposition to consume, thereby completing the circuit of production. Moreover, while they are doing this, they are simultaneously reproducing their labour power through the relaxation and energy replacement entailed in consumption."

In fact, Smythe, in his article, do not describe film industry as producer of audience products as part of the systemic bulge of the consciousness industry. According to him, the cinema which needs an audience outside the home, defines its product as the sale of a seat at a particular location and time in relation to the exhibited film. He states that this is against capitalism's demand to turn people into consumers in their alienated separate homes. However, the critical point here is that audiences going to the cinema are mobilized and become permanent consumers. Their permanent consumer status leads them to become precisely the commodities Smythe expresses.

In this section, it has been explained how the cinema has been industrialized through its leading supply chains which are production, distribution and exhibition. This cultural industry is subject to both cultural and economic policies.

As it is, another axis of the literature is to discuss this industrialization process in the context of public policies. In this context, what policy and policy analysis are applied should be explained, then the place of cinema policies within public policies should be discussed.

1.1.2. Public Policy and Policy Analysis

Dye (2012) defines public policy as “*whatever governments choose to do or not to do*”. The main function of these choices is the regulation of conflicts in society. Again, with Dye's sentences, governments *“distribute a great variety of symbolic rewards* *and material services to members of the society; and they extract money from society, most often in the form of taxes. Thus, public policies may regulate behaviour, organize bureaucracies, distribute benefits, or extract taxes--or all of these things at once.*[17]*"* In the context of distribution of benefits, Skocpol also touches on the matter of allocations of benefits. In *Bringing State Back In* which is her ground-breaking book about debates on state, she (1985) remarks that governments constitute an area *"within which economic interest groups or normative social movements contended or allied with one another* while making of public policy decisions. *Those decisions were understood to be allocations of benefits among demanding groups."*

Unlike Skocpol, who states that such an area could be opened through governments, Harvey (2003) says that *"the state can use its powers through its own imposition of planning laws and administrative apparatuses."* At this point, it should be noted that it is impossible to discuss the public policies that are part of the superstructure independently from the fact which mode of production and production relations have an undeniable effect on public policy. Industries are tried to be protected from these effects by competition laws whose main goal is "*to prevent anti-competitive behaviour, that is, where a producer is able to set market prices and maintain them above cost for sustained period(...) and also to encourage the provision of substitutes by removing barriers to market entry*," the power of policy makers only contributes to strengthening interest groups. In this sense, Braverman (1974) says that *"the state is guarantor of the conditions, the social relations, of capitalism, and the protector of the evermore unequal distribution of property which this system brings about."* Also, Harvey (2003) emphasizes the powers of mediating institutions and regulations which are necessary for capital accumulation. In fact, policy analysis comes into play exactly at this point, because it is *"finding out what governments do, why they do it, and what difference, if any, it makes.* Also, it includes *the evaluation of the consequences of public policies on society, both intended and unintended* (Dye, 2012)."Also, Dunn

[17] Braverman (1974) claims that administrators "*served as an engine to siphon wealth into the hands of special groups, by both legal and illegal means"* because of the powers which Dye remarks.

(2014) defines policy analysis as *"a process of multidisciplinary inquiry aiming at the creation, critical assessment, and communication of policy-relevant information. As a problem-solving discipline, it draws on social science methods, theories, and substantive findings to solve practical problems.*"

Moreover, in the book section of *Public Policy: The Lens of Political Economy*, Rausser (2000) focuses on the political economic forces that emerge for a given governance structure. Also, he analyses the links between political economics, governance structures and the distribution of political power in economic policy making. In addition, Mosco (2009) sees political economy as *inextricably bound to policy studies and the political economy of communication needs to address both the strengths and the pitfalls the relationship creates."* And this inextricability can be stated by the focus of political economists *"on ownership, finance and support mechanisms, and on how the policies and actions of governments* (Hardy, Critical Political Economy of Media: An Introduction, 2014)*."* Also, the emphasis of Miege (2011) on the need for *analysis of changing media policy,* makes analysis of cinema policies necessary to understand the historical process of cinema in Turkey.

1.1.2.1. Cinema in a Public Policy

Cinema takes a place in an entire social, economic and political context, and also it contributes to maintain and reproduce structures of power (Wasko, 2003). Thus, it cannot be independent from the public policies. As Ozanich and Wirth (2004) put it, *"communication companies have historically held a special place in public policy and have subsequently been subject to a unique degree of regulation. These policies have been critical in shaping the structure of the industry. However, within the sets of policies that define the structure of the marketplace, communication companies are not unique financial organizations"*

It was stated in the previous sections that cinema industry operates just like other economic enterprises. As Ozanich& Wirth stated, the regulations for cinema are not specific to it, but there should be certain regulations that includes sector-specific differences. Cinema policies, which are not only shaped by the industry but also shape the industry somehow, are arising from these differences by covering economic policies. However, at this point, the place of the cinema in the cultural field, expressed in the previous sections also affects these policies due to potential effect of cinema in cultural field. Thomas Levin (1995), in introduction of Kracauer's significant book, deals this potential with the following words: *"it is thus in the potential of the audience as collective, in the possibility that cinema could provoke a structural transformation of the public sphere such that it would itself become a site of enlightenment."*

Ryan& Kellner (2010), on the contrary, emphasize the feature of cinema as an apparatus to protect political interests. Also, the following sentence in *Camera Politica* (Ryan & Kellner, 2010) is highly crucial in this regard: *"As can be seen, the political interests in cinema are extremely strong, because films are part of a wider system of cultural representations that sustain social institutions by guiding the common thinking about what the world is and what should be, paving the way for the construction of social reality in one way or another."* As a result, cinema would be subject to the government's cultural protectionist or expansionist policies with censorship practices. Not only the double-sided cultural effect that cinema can create a struggle area, but also economic and cultural dimensions of cinema can also form a basis for a struggle. Miller (2003) summarizes this situation as follows: *"There is always a struggle between the desire to build a viable sector of the economy that provides employment, foreign exchange and multiplier effects; and the desire for a representative and local cinema that reflects seriously upon society through drama."* Thus, it can be concluded that cinema policies are exactly shaped through this struggle.

Moreover, cinema policies which are formed under the influence of economic and cultural values are also one of the 'grade crossing' areas of cultural and economic policies. They contain historical continuities and ruptures, as well as vary from country to country. Hereby, according to Erkılıç, who claims that cinema policies are basically based on two different approaches, it is possible to talk about liberal and interventionist cinema policies. He has offered Hollywood as an example for the industry based on liberal policies, contrary to *"national cinemas getting support with interfering policies are trying to protect their national identities via cinema.* (Erkılıç, 2011)*"* It can be said that each national cinema was supported with various protection methods in different periods. For example, The Swedish Film Institute realized the first of the cinema support programs in 1963 with the distribution of 10 percent tax collected from movie tickets (Monaco, 2000). Also, as Monaco puts it, *"the French subsidy system has had a marked effect on that country's film industry. In 1993 French subsidies totalled $350 million distributed to 150 French pictures made that year."* Even, in the UK, the first regulation in this context dates back to 1927 "*with the Cinematograph Films Act in response to the decline in the number of British films in British cinemas* (Hill, British Film Policy, 1996)*"*

Also, in the film industries in other countries of the world, precautions are taken to prevent the single group from being dominant. For example, in France, the state creates funds and laws through supporting its own national productions; whereas, in the US, in the year as early as 1948, legal precautions against monopolization were taken through Paramount anti-trust case[18], in which the production company could not undertake the distribution and exhibition process of a film (Birincioğlu, 2019)

The efforts of cinema policies to intervene in the industry and shape the industry can actually be read in the opposite way. In other words, cinema policies can be shaped and driven by the structure and ownership of the industry. To understand the concept sets that have been used to examine cinema industry- policies relations, it is necessary to explain the political economy approach.

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[18] To access detailed information about the Paramount case, see: https://en.wikipedia.org/wiki/United_States_v._Paramount_Pictures,_Inc..

1.1.3. Political Economy and Political Economy of Communication[19]

To explain and discuss the political economy of communication, firstly it should be explained what the political economy is. At this point, the definitions made by Mosco are significant. The first definition, which is in the narrow sense says that *"political economy is the study of social relations, particularly the power relations, that mutually constitute the production, distribution, and consumption of resources* (Mosco, 2009)*"* However, this definition may mislead the people about the field of the study because with the political economy, every situation about the human activity can be analysed. Actually here, what the political economy deals in the broad or general sense is important. According to Mosco (2009, p. 3), *"the political economy is the study of control and survival in social life."* So, it is important to discuss what the words of control and struggle in the sentence mean. According to Mosco, control indicates how society organizes itself, how it regulates its issues, and whether it can adapt itself to the inevitable changes. Also, Mosco, with the word of struggle, means the preservation of production and reproduction, which are necessary for the continuation of society. In this case, control points to a political process, while the struggle points to an economic process as it refers to a production and reproduction. So, in fact, this definition covers the whole human activity and life process as it is indicated above.

Critical political economy that sees "*the structure of the distribution of the economic surplus- as the key to the structure of domination* (Fuchs & Mosco, 2015)" contributes to the thesis with its conceptual tools. What does critical political economy promise us? It is possible to say that critical political economy goes far beyond the technical issues of efficiency and touches on issues such as justice, equity or public good. In

[19] In this section, communication and mass media words are used interchangeably since it is observed that they are used also interchangeably in the literature.

fact, critical political economy manages to relate communication issues to social justice and freedom. To put it briefly, this method involves unequal distribution of power and resources; it concerns the continuation and reproduction of this unequal distribution. In other words, critical political economy asks the question of whose voice is heard when you think about communication. It also raises the question of how the media reinforces political and social inequality. At this point, it can be said that critical political economy examines the efforts of maximum profit in social totality. It can be said as a consequence, because critical political economics, accused of simply emphasizing the process of production, also says something about the content and the audience. It is possible to see how the content and the audience are commodified and sold to the market through this method. In other words, instead of what is seen when looking at the market, how the display is explained is very critical for this method. At this point, it should be said that critical political economy is not a uniform approach. To say, some studies emphasize ideology, while some others emphasize capitalist production and class struggle.

The general lines of the film distribution were mentioned above. However, in this sector, as well as common characteristics with other countries' film distribution sector, there are sui generis characteristics belong to Turkey. Thus, a conceptual mapping is needed to comprehensively analyse the industry. In the light of political economy studies, especially the studies mentioned above, it is meaningful to offer the ingredients that need to be analysed basically to describe the general tendencies of the film distribution sector in Turkey. In this context, the ingredients which are essential to pave the way for the analysis fall under the 3 following headings: (1) Market structure, (2) ownership structure, (3) government interventions and regulations.

Firstly, the analysis of market structure is very important in terms of the definition and scope of the film distribution sector in Turkey. The scope of the film distribution market, which is one of the cinema's three sectors that are already integrated and even intertwined, has to be defined in order to understand the economic activities and company strategies in the industry. As it would also be easier to reveal the potential of a well-defined market, determining the scope is highly significant in terms of the calculability of sectoral growth. Also, the answers of the questions such as who is the customer in the sector, who is the competitor and what are the sector activities play an important role in revealing the structure of the market.

The second ingredient of the analysis is the examination of the ownership structure in the market. Hereby, the neo-classical paradigm of Structure- Conduct- Performance (SCP) is able to contribute in terms of the framework it draws. (Doyle, 2002) First of all, the size of firms in the market would be expressed as important parameter that reveals the ownership structure. Also, the concentration ratio that occurs depending on the competitive structure in the market and the barriers to the entry that may occur are other factors that determine the market structure. Is there a single distribution firm (monopoly) that controls market prices, or is there an oligopoly controlled by several firms? If it is, *"how few is 'a few'?* (Doyle, 2002)*"*. Or is it a completely competitive market structure where firms have zero market power? In this context, firms' strategies and behaviours play a decisive role in the market structure. For example, whether firms practice scope or scale economy as a strategy, that is important for reducing their costs but may lead to monopoly formation, is very important for the film distribution market. Also, how does the cross-promotion strategy affect the market as a very common strategy?

The last but not the least factor that affects the analysis of film distribution sector is the government interventions and regulations. It is clear that depending on the growth of the industry, the scope of legal regulations has also expanded. In this context, this part of the analysis would be shaped by the following questions that would be asked: What is the place of the cinema which is subject to both economic and cultural policies through the eyes of policy makers? To what extent have cinema policies changed within the time period studied?[20] Are these policies supportive of the cinema industry?

[20] As of the period (2005-2019) in which the thesis is examined, the literature based on the government reshuffle remains out of context since the government has not changed at all. For this reason, the changing policies of the government are examined instead of the policies of the changing governments.

In this sense, the structure of the support and control mechanisms refers a crucial point to be examined. For example, is there any reduction in the taxation of cinema activities? Or are there any interventions for the competitive structure in the industry?

Briefly, the method, which *pays close attention to long-term changes in the role of state, corporations and media in society* (Hardy, 2014)," is associated with the thesis's main question how the relationship between film distribution sector and cinema policies has evolved in the historical process.

To conclude, in light of the literature review, it would be said that the thesis has consisted of two main chapters. The first one is the analysis of the cinema policies together with the internal dynamics of the cinema industry. The main question to be answered throughout this chapter is how cinema policies have evolved in the historical process in Turkey. Within the framework of this question, this chapter aims to explore the relationship between changing policies and industry. Arrangements on cinema offer a narrative for the industry. However, at the same time, the lack of arrangements also offer a narrative. Understanding of what is not said is as important as what is said. Through the discovery of what is said and what is not said, it has been claimed that cinema policies reproduce the structure of the film distribution sector. In this context, legal texts have been examined, and their effects on the industry have been discussed.

The following chapter consists of the analyse of the film distribution sector, which is the most commercial chain of the industry. In this chapter, companies and their strategies in the distribution market have been examined, and main tendencies in the market have been investigated. Market structure has been examined within the conceptual framework of concentration, ownership and state intervention. Through the market structure, the audience preference has been examined. Thus, this chapter questions how the demand management mechanisms works by distributors because audiences do not have the right and chance to choose what to watch with their own will. In other words, the basic extension of the power relations established through the distribution process in a capitalist social formation can be found in the demand management mechanisms through which motion pictures can be put into circulation, which should be blocked. Lastly, with this analysis, the relationship between firms' market shares and their demand management power has been revealed.

CHAPTER 2

HISTORICAL ADVENTURE OF CINEMA POLICIES IN TURKEY

Cinema policies are directly related to how policy makers view cinema. However, the situation is slightly different in Turkey. A general feature of cinema policies in all government periods is that all them are made in the last minute[21] and they are generally delayed due to problems encountered in practice. These practices are not discussed in the public spheres. (Kejanlıoğlu, 2004) The fact is that cinema as an industry is viewed as just a cultural institution that should be preserved by policymakers. This point of view has led to a lack of sectoral regulations. Also, cinema policies cover various regulations as well as contain gaps in regulation. Therefore, the actors of the film industry benefit from the deficiencies or gaps in the legal framework. In this way, dominant actors who have influence on cinema policies have emerged. The regulations, which reproduce the operation of the industry, are open to the manipulation of dominant actors. Thus, the content and the scope of the cinema policies are mostly dependent on the interests and demands of the dominant actors of the industry.

In order to understand the relationship between the film industry and cinema policies, this section will primarily explain the internal dynamics of the industry through sectors. Then, the historical background of the cinema will be presented. On this basis, cinema arrangements will be examined, and the gaps in the arrangement will be

[21] The expression of "Sümmettedarik" that Nijat Özön (1968) used to characterize the film productions in Turkey, would also describe the preparation of cinema policies in Turkey.

discovered. Gaps in cinema policies have been examined through the public policy definition as "whatever states choose to do or not to do." In this context, it would be meaningful to start with identifying the film industry’s sectors with their actors before examining the historical periods of cinema.

2.1. Sectors of Film Industry

The actors that affect and shape the cinema industry are divided into two as internal and external actors. It is possible to express internal actors of the cinema industry in Turkey as production companies, distribution companies, exhibition companies (movie theater operators). In other words, the cinema industry consists of 3 sectors, which are film production, film distribution and film exhibition. These 3 sectors in Turkey interact with each other.

Due to the activity areas of these sectors not being defined clearly, companies undertake traditionally determined roles. In addition, since there are no regulations to restrict vertical or horizontal integration, a firm specialized in one sector can also take part in other sectors, which then can create an integrated supply chain. As a result of this process, giant companies, which have a voice that dominate in the movie industry, have emerged.

In this context, the functioning of the sectors with their actors should be expressed briefly to understand the distribution sector and its monopolized structure in Turkey.

2.1.1. Film Production Sector

Film production sector comes first. Making a movie begins with the purchase of a story's intellectual property. Then, this story is put into the script. Later on, the film is shot, edited and finalized. However, the content and the budget of each movie is different. Due to these differences, film production can be divided as independent and mainstream. Approximately 15 percent of films made each year are independent / art movies (Emre Akpınar, 27, 08, 2020). In this context, it is necessary to define the independent film. According to Keenan (2009) “approaches to answering the question, what is an independent film, vary with the financial sources for each stage of its release, the economic and environment in which a film is made, as well as its aesthetic and narrative content.” Merritt (2000) defines an independent film as: “any motion picture financed and produced as completely autonomous, regardless of size. Such films do not have a prior distribution arrangement.” Also, the distributor and producer of independent films are often the same person who is the director of the film (Serkan Çakarer, August 25, Personal Interview). In other words, the director of the movie also has to deal with the financial affairs of the movie. At the same time, public support mechanisms work with a producer-director understanding rather than establishing a producer-centered approach. As a result, there are many production companies in the market. Many of these companies are entering the market to produce a single movie; whereas very few companies which produce mainstream films are constantly operating.

Several major/ mainstream production companies control the market as a result. In addition, since the production market, where the capital is invested, includes the highest risk, the firms of production have power over the other markets. It is possible to mention 3 groups of companies that dominate the film production, these are: (1) production companies producing a large number of movies, (2) companies that additionally produce content for the television industry, (3) companies established by star actors.

First of all, Beşiktaş Culture Center (BKM) is the leading company that has produced the most number of films. Although the number of films produced decreased to 6 in 2019, due to the popcorn crisis, BKM produced 11 cinema films in both 2017 and 2018. Although these films are not all high-grossing films, they are produced to form a catalogue. Therefore, these group companies can lead to a waste production. Waste production is the result of a strategy of BKM, but also a determinant of the film production market. So much so that waste production is competent to make every film that enters the market waste. That is to say, as mentioned above, waste production is result of the film industry structure. However, it is also cause of reproduction of the film industry's structure.

Secondly, most of the production companies, such as Ay Production, Med Production, TAFF Pictures, Tims Productions etc. are also involved in the production of TV series. This group of production companies producing content for television also causes a waste production in the cinema industry. However, more than half of the movies are watched under 15 thousand. Whereas in 2019, 145 domestic films were produced, and 65 of these films were watched under 15 thousand.

Lastly, the tendency of star actors to be the producers of the films they play or direct is quite common for the filmmaking industry. Film production companies founded by star actors such as Cem Yılmaz, Yılmaz Erdoğan, Mahsun Kırmızıgül, Şahan Gökbakar etc. operate in the film production market with one or two films per year. Since these films are high-grossing movies, their producers have a voice in the industry. CMYLMZ Fikir Sanat, BKM, Boyut Film, Çamaşırhane are examples of these kind of production companies.

2.1.2. Film Exhibition Sector

The production of the film is followed by the film's exhibition process. Producers agree with distributor companies for their films to be marketed to movie theatre operators. (This distribution process will be detailed below.) With the worldwide digitalization, many exhibition platforms such as DVD's, VoD systems, or online platforms etc. have also emerged. Nevertheless, innovations in DVD and home theatre systems are still improved according to the quality of the movie theatre because watching movies in the movie theatre is in great demand. Also, according to the traditional rule, it is not allowed to exhibit movies on the digital platforms before they are exhibited in movie theatres. Already, this situation was enacted by the law issued in 2019. According to the law, a movie can only be exhibited on digital platforms at the earliest 5 months after it is released in movie theatres. Naturally, movie theatres have an important role both for the revenue of the movie and the number of audience it will reach. As Arzu Kalemci (2013) puts it, "in the late of 1980s, Turkey met with the 'American-origin multiplex' movie theatres. This form of movie theatres, which started to become widespread throughout the world in 1990s." In the 2000s, there has also been a rapid increase in the multiplex cinema with the increase of the number of mega shopping malls. In the Cinema Services Sector Report[22] published by the Competition Authority in 2016, it was stated that the cinema halls shifted to the shopping malls with the 2000s, and nearly 71% of cinema halls is located in the shopping malls.

According to the traditional order, fifty percent of the revenue from a movie released in a movie theater is given to the exhibitor, whereas the remaining fifty percent is given to the owner of the movie rights. The owner of the movie rights can be the producer or the distributor of the movie. If the film rights owner is the distributor of the film,

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[22] To read full report, see: https://www.rekabet.gov.tr/Dosya/sektor-raporlari/11-sinema-hizmetleri-se

the distributor receives a specific distribution commission from the remaining fifty percent.

Table 2.1: Major Exhibition Firms

Major Exhibition Firms	The Number of Movie Theaters
Cinemaximum	109
Cinema Pink	29
Avşar Cinemas	21
Site Cinemas	15
Cinemarine	13
Cinens	13
Prestige	12

As of 2019, there are 2846 screens and 439 movie theaters. Firms that have more than ten movie theaters are described as major exhibitors. 109 of these theatres belong to Cinemaximum, a company affiliated with CGV Entertainment Group. This is followed by 29 movie theatres with Cinema Pink. Avşar Cinemas also has 21 movie theatres. Companies except for Cinemaximum and Avşar Cinema operate only in the field of the exhibition. The common feature of Avşar Cinemas and Cinemaximum is being vertically integrated with other chains of cinema industry. Avşar Cinema is a branch of Avşar Film which has an important place in the film production market. Also, CGV Mars Entertainment Group operates in the field of film exhibition under the brand of Cinemaximum as well as operating in the field of film distribution. Considering Cinemaximum dominates the exhibition market with its 109 movie theaters, it would not be wrong to define movie theatres as distributor owned theatres. Hereby, it should be said that vertical integration is an important strategy that shapes the distribution sector. So, at this point, the film distribution sector should be introduced.

2.1.3. Film Distribution Sector

The distributors are the bridge between the producer and the movie theatres; also, they market the films to 439 movie theatres. Their main goal is to bring the audience to the movie, and to bring customers to the movie theaters where the movie is exhibited. Briefly, they make films visible and preferable. Their tasks will be detailed in the next section. Since 2010, the average number of films distributed annually is 350. And, as of 2019, there are 20 companies in the film distribution market.

Table 2.2: Distributors in 2019

Distributors in 2019	Total Revenue	Market Share
CJ Entertainment Turkey	344.081.783	35,10%
UIP	230.840.840	23,55%
CGV Mars D.	169.722.557	17,31%
Warner Bros.	123.534.416	12,60%
TME Films	54.464.572	5,56%
Bir Film	23.868.527	2,43%
Chantier	21.118.960	2,15%
Başka Cinema	6.373.447	0,65%
Özen Film	2.397.074	0,24%
Filmartı	1.238.693	0,13%
Kurmaca Film	570.145	0,06%
STL3 Distribution	618.862	0,06%
MC Film	602.435	0,06%

Table 2.2 Continued

Pinema	**701.020**	**0,07%**
Sun Global Medya	88.064	0,01%
Derin Film	**62.351**	**0,01%**
Blackwell Distribution	78.787	0,01%
M3 Film	34.106	0,00%
Umut Sanat	12.543	0,00%
İstanbul Publishing	1.388	0,00%

In fact, the total market share of 13 of these companies is 1.62 percent. Among these 13 companies, there are also producers that enter the market to distribute their own film. Naturally, they enter the market for a single movie, and then do not operate. Currently, the company with the highest market share in the market is CJ Entertainment Distribution, a affiliate of CJ Corporation. CJ Corporation has two distributor companies in the market. The other firm is CGV Mars distribution. The total market share of these two companies is 52 percent in 2019.

In addition to these actors in the three chains of cinema industry, there are also external actors that affect the sector. These are governments, ministries, boards formed by ministries, the army (especially in the 80s), political parties and professional associations. Lastly, it is safe to say that the institutions of the European Union are influential on Turkey’s cinema and cinema policies.

So far, the internal dynamics of the film industry have been introduced through its sectors. This introduction is essential to understand the historical adventure of Turkey's cinema and cinema policies because the fields of activity and dominant actors of the cinema industry are the outputs of the historical process of the cinema, but also its root.

In this context, the historical process of cinema can be periodized through economic policies and cinema policies.

1.2. Historical Periods of Cinema in Turkey

The complicated relationship between actors of cinema industry would be easier to understand with an elaboration of the historical process. In this context, it is possible to divide the historical adventure of cinema into 5 main periods according to the change in the function of cinema: The period of cinema as a threat (1900s- until 1940s), the discovery of commercial cinema (1950s-1975), the silence period of cinema (1975-1990), cinema in the period of accession of Turkey to the European Union (1990-2010s), the domination of international industrial cinema (2010s-present).

1.2.1. 1900s-1940s: The Period of Cinema as a Threat

The first arrangement related with cinema was made in 1903[23] before the establishment of Republic of Turkey. For the first period of cinema policies (1900s-1940s), cinema maintained its existence mostly through the importation and exhibition of foreign films and it was far from being an industry. Also, domestic investors, who started their activities in the first years of the republic, had neither the desire nor the sufficient capital to develop and control the film industry (Kejanlıoğlu, 2004). This situation is directly related to the economic situation of the country in the late 1920s. The great depression that broke out around the world in 1929 lowered the prices of raw materials. These conditions led to a significant contraction in import capacity in parallel with the

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[23] Memâlik-i Şahanede Sinematograf Temaşa Ettirilmesinin Şerâit-i İmtiyaziyyesi

decline in the exports. The decline in imports, which includes necessity goods, such as sugar, flour, and fabric, caused significant declines in total consumption volume. Also, it profoundly affected living standards. The factor that caused the crisis to be experienced much more heavily was the outward-oriented free trade policies because the fact that imported goods were always cheaper than domestic goods prevented industrial investments from substituting the imported goods.[24]

The 1930s represent a distinct rupture with the earlier one. According to Boratav (2003), there are two defining features in economic policies in the period 1930-1939: protectionism and etatism. With this policies, a political elite and the immature bourgeoisie have joined forces to ensure rapid accumulation (Keyder, 1989). The claim of establishing a new social system is based on creating an isolated national economy area through the agricultural sector. Boratav describes these years as a period of "the first industrialization" in terms of economic policies' aim and results. About a quarter of the production volume in between 1932 and 1939 belonged to state enterprises. However, it was impossible to consider cinema as an investment area in this newly industrialized country. In fact, cinema, which presented through the screening of imported films, was just an activity that needed to be controlled. The first cinema related legal text was published in 1931. It was a parliamentary decision about a legislative requirement for controlling motion pictures. The related instruction which included the control of motion pictures was created in 1932. With this arrangement, all films (domestically produced or imported) were to be controlled before they were exhibited, and the exhibition of films which contain religious propaganda or anti-military discourses was prohibited. Here it should be noted that, from the beginning up to the present, cinema in Turkey has maintained its presence as a threat that could

[24] According to the industry census conducted in 1910 (Boratav, 2003), the number of factories in the remaining regions within Turkey's borders reveals that it is difficult to talk about a contemporary sense of the Ottoman industry. Although a new state was established in 1923, there is continuity in terms of economic policies. In the context of this continuity, free trade policies were implemented until 1930.

pose a risk at any moment, so it has had to be controlled.[25] However, cinema policies were made in line with this perception only until the 1940s. In 1934, a decree about banning the production of films in cases where their scenarios did not get approved by the inspection commission was issued.[26]

In the 1940s, which can be defined as a transition period to commercial cinema even though the control over cinema was maintained, people started seeing cinema as an intellectual activity that developed society (especially the illiterate people of the country). This can also be seen in the decree which was effectuated in 1942. With this decree, a decision was made to reduce the import duties on imported films so that people could access cinema for lower prices.[27] However, there was no improvement in production in the film industry. This situation can be associated with the country's economy. The beginning of the Second World War foretold the end of the success story of etatism. From 1939 to 1945, production fell rapidly. Production volume in 1945 was only 20 percent higher than in 1932 (Keyder, 1989). This situation led to typical wartime inflation. The economy had to gain autonomy, and some of the administrative apparatus of etatism had to be abandoned. The closed, protectionist economic policies that had been followed continuously for 16 were loosened step by step years since 1946. Imports were increased substantially by liberalization. This period of liberalization continued rapidly through the government reshuffle with the elections in 1950. An economic structure that survives with foreign capital investments, foreign aids and credits has begun to settle (Boratav, 2003). With foreign aid and loans, not only an economic policy was taken but also a way of life was also

[25] To read the parliamentary resolution in 1931, which specifies a demand for a law to regulate motion pictures in order to be appropriate for the social situation and to promote films that will not disrupt the dignity of children and youth, see: https://www.resmigazete.gov.tr/arsiv/1710.pdf

To read the instruction containing regulations on the control of motion pictures, see: https://www.resmigazete.gov.tr/arsiv/2153.pdf

[26] To read the full decree, see: https://www.resmigazete.gov.tr/arsiv/2600.pdf

[27] To read the full decree, see: https://www.resmigazete.gov.tr/arsiv/5123.pdf

imported. During this period, new consumption patterns and related demands increased. The 1950s is a period when these consumption patterns appeared.

1.2.2. 1950s-1975: The Discovery of Commercial Cinema

The second period between the 1950s and 1975, in which cinema was first commercialized, is referred to as Yeşilçam Cinema.

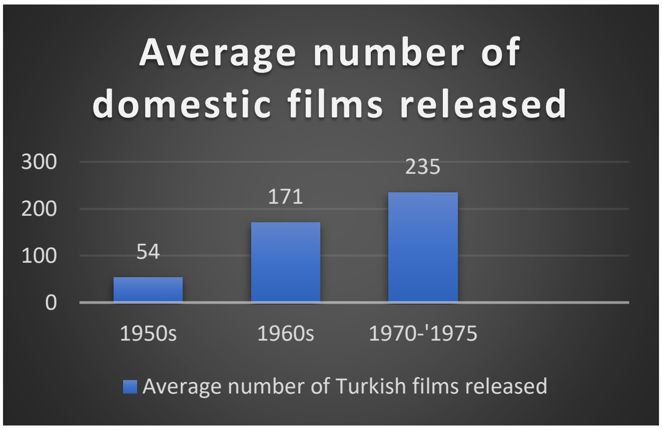

Figure 2.1: Average Number of Domestic Films Released

Source: Kanzler (The Turkish Film Industry: Key Developments 2004 to 2013, 2014)

This period is regarded as the golden age of cinema industry in Turkey because the domestic production highly increased. Also, numerous small companies have entered the film production market in this period. "*126 new companies were founded throughout the 50s and another 224 and 237 film production companies were established in the 1960s and 70s* (Kanzler, 2014)*."* In these years, when there was no television and the radio could not enter every home, cinema took place as the most famous entertainment. Yüksel Kazmirci, one of the movie theatre operators of the period, describes the cinema audience as follows: *"At that time, cinema was the only entertainment of the people, the poor and the richest segments. Ordinary people went to the cinema as well as mayors* (Berensel, 1991)*."*

It was possible to understand cinema's importance from the "Necessary Phone Numbers" list of the newspapers. At the top of this list were movie theatres in Istanbul (Küçükkülahlı, 2018). Although the screenings in Istanbul could provide to set off the cost of the film, Anatolia was an essential market for increasing the revenue. However, during this period, cinema policies had no function except for controlling the cinema. Therefore, there is no determined order for the film production and distribution. In addition, this gap in the regulation resulted in a particular system which is established by the sector actors. This regional management system was a key determinant of 1960s.

Before 1960s, in Anatolia, distribution was made by people who were assigned by the film producers. These people distributed copies of films in Anatolian cities and brought the commission they collected from ticket sales to the producer company. (Erus, 2007) This system turned into a regional management system in the 1960s. The regional managers replaced the people distributing movies to cities for each producer's film. In this system, Anatolia was divided into 6 business regions, and the distribution of the films was undertaken by the regional managers. Thanks to the system, the distribution of films to Anatolia reduced the risks in film production. "*In the region management, the manager affected the producer with the advance given; while the producer provided the production of the film with the bond system. The manager also ensured the next film* (Erkılıç & Ünal, Regional Management as a Spesific Mode of Production in Turkey's Cinema: An Examination Evaluation of Adana Regional Management, 2018)*."* However, what we can deduce from this is that in the 60s, the production, distribution and exhibition sectors were in an integrated structure, and the functioning of the sectors was realized through bilateral relations; not through cinema related arrangements. The main reason for the integrated structure in this period was the lack of actors operating in the newly industrialized sector. That is to say, in this sector, where safe investment was impossible, integration in the supply chain was an organic result.

2.2.3. 1970s- 1990: The Silence of Cinema

This Yeşilçam period is followed by a period that would be called the silence of the cinema period. At the beginning of the first half of the 1970s, cinema entered into a long-term crisis in Turkey. It is possible to say that basically two important reasons lead to this crisis. One of the reasons was the spread of television broadcast[28], and the other one was economic & social uncertainty and chaos emerging with the 1980 coup. Both have accelerated the decrease in the number of produced films and the audience.

Here we can highlight some statistics in order to make it easier to understand the scope of the crisis that happened in cinema industry. The number of domestic films, which was 152 in the second half of the 1970s, decreased to 14 in the 1990s. (Kanzler, 2014) Also, as Kanzler (2014) stated in the industry report, *''The number of cinema halls declined concurrently. In 1980 only 941 screens were left out of the 2 424 screens operated in 1970. Another ten years later the screen total had dropped to a mere 299 cinema screens and hit bottom in 1992 with only 291 active screens in the entire country.''*

The atmosphere of chaos that triggered the cinema industry to enter this crisis was an outcome of the oppression. The equivalent of this oppression in cinema was intense censorship. Due to the censorship practices that worsened in the late 1970s, about 400

[28] *''The first national television channel in Turkey was TRT 1, which was introduced in 1968. Colour television was introduced in 1981.* (Özön, 1968)*''*

filmmakers marched in protest from Istanbul to Ankara on November 5, 1977, but no significant result was achieved (Hıdıroğlu, 2010).

In this period, the cinema industry became a spook area not worth investing. Turkey’s cinema, which relied on bilateral relations, couldn’t find a solution other than being silent. In a process where people could not go out onto the streets, producing a movie or operating a movie theatre was not an activity that people could easily choose to do. Even though arrangements on cinema had been limited to supervision over the years, the Law on Cinema, Video and Music Works was first enacted to bring order and measure to the life of cinema and music in 1986. With this law, it became obligatory to get a banderol and make a recording & registration for the artwork produced. Thus, before the works were presented for the commercial distribution and exhibition, the ministry made the recording & registration of the artwork. Then an operation permit was given. In this way, the first step was taken to protect the copyrights of the film producers. Also, with this law, a cinema support fund was created for the first time. In fact, with this fund, the first step towards supporting and protecting the cinema was taken. However, Mehmet Açar (1996) criticized the presentation of cinema as a cultural institution that should be protected, and claimed that the main deficiency of the cinema during that period was financial producers, who knew that the capital they invested would return. It should be added that this criticism is still valid today and not just a temporary criticism for Turkish cinema history. Therefore, no critical change has occurred in the production of cinema after this law.

Even though the neo-liberal policies based on global industrialization and liberalization in the economy that started in the 1980s have affected cinema policies and the functioning of the cinema since then, the crisis continued. Boratav (2003) defines this period as the painful transition to the domination of international finance capital. It is possible to say that the most important change that structurally affects the sector is the policy change on foreign direct investments. With the Foreign Capital Framework Decision that came into force in 1986, commercial activities of individuals and organizations residing abroad are further liberalised. Thus, foreign investors were allowed to take place in Turkey cinema industry without any mediators. This permission was granted on the condition that commercial activities do not express monopoly and special privilege. However, in any law or regulation issued after 1986, no detail is given on the extent of foreign investments. Also, the annotation on monopolization was also removed with another Foreign Capital Framework Decision that came into force in 1995. With the encouragement of this law, two giant companies (Warner Bros. and United International Pictures) operating in Hollywood entered the film distribution market in 1989. Thus, in the 1990s, three companies were dominant in the film distribution sector: one of them was Özen Film, a domestic distribution company, while the other two were Warner Bros. and UIP (Erus, 2007). The domination of foreign distribution companies in the industry has had a significant impact on domestic film releases. Because of their international structure and their organic relationship with Hollywood producers, foreign distributors had to give priority to Hollywood films while preparing the movie release schedule. Of course, this did not only affect the release dates. It is possible to state the situation in the words of Açar: *"It is certain that the honour of changing cinema culture in Turkey belongs to Americans in history."* In addition to the change in cinema culture and including the process of Turkey's integration into global capitalism, this period also influenced the cinema industry structurally with the international movement of capital.

2.2.4. 1990s-2010: Cinema in the Period of Accession of Turkey to the European Union

Neoliberal policies implemented after the crisis mark a new period of the cinema in Turkey. The fourth period begins with Turkey gaining official candidate status for accession to the European Union in 1999. In fact, this period can be traced back to

Turkey's Eurimages membership. Turkey became a member of Eurimages[29] in March 1990. During this process, where joint film production protocols were signed with multiple countries, the aim was to facilitate the co-production of cinema works, which would provide prestige to their countries with their artistic and technical qualities. Another aim was to improve the countries' cultural relations and the exchange of cinema works. Signed in 1996, the Turkey-France Co-Production Agreement is an important example of these protocols.[30]

Then, in 2001, Turkey entered into an intensive political reform process in order to harmonize with the European Union. This process had a major impact on the cinema industry and regulations regarding the cinema industry. One of the important results of this harmonization process in the name of cinema was the enactment of a law that exclusively deals with cinema in 2004. The aim of this law was to develop a cinema industry and a support mechanism compatible with European cinema. The distrust in the sector has decreased with this law and with the increase in domestic film production. The law and the effects of it will be explained in detail in the next section.

2.2.5. 2010s-Present: The Domination of International Industrial Cinema

Lastly, from 2010s to the present, the period of cinema would be called as the domination period of international industrial cinema. This period is characterized by the industry's incredibly fast growth, during which no regulation was made with the exception of a few changes in the regulation. Despite the rapid development of the sector after the cinema law, which emerged with the EU harmonization process, no regulations or amendments on the law were made until 2019. Finally, in 2019, changes

[29] Eurimages, established as the Council of Europe's cultural support fund, promotes independent filmmaking by providing financial support. In doing so, it promotes collaboration between distributors / producers in different countries.

[30] To access the protocol link, see: https://www.resmigazete.gov.tr/arsiv/22547.pdf

occurred in the sector with the amendment of the law and at the request of the big actors of the sector.

Table 2.3: Numbers for last 10 years

Years	Total Number of Audiences	Total Gross Revenue	The Number of Released Domestic Films
2019	%-24,3 33.790.600	%-2,2 532.711.165	145
2018	%10,7 44.635.574	%15,0 544.780.356	173
2017	%29,7 40.325.495	%35,0 473.617.957	151
2016	%-9,3 31.102.760	%-3,2 350.833.282	139
2015	%-4,2 34.273.257	%1,2 362.560.588	138
2014	%23,2 35.777.989	%32,4 358.412.968	111
2013	%39,2 29.042.078	%47,8 270.759.521	88
2012	%-1,7 20.857.220	%-0,3 183.241.062	59
2011	%-4,3 21.226.563	%-3,5 183.722.310	75
2010	22.185.976	190.403.534	66

The table above shows the number of domestic films and the revenues of those films with the total number of audiences. The number of audiences is expected to increase as the number of movies exhibited increases. When the number of audiences increases, the market potential expands. Also, this increase enables more films to be produced next year. After the number of audiences increased to 29 million in 2013, the number of Turkish movies exhibited in 2014 rose from 88 to 111. However, even though the number of domestic films released in 2011 increased from 66 to 75, the number of audiences declined from 22 million to 21 million. Consequently, the number of films decreased to 59 in 2012. Another detail to be seen here is the fluctuation in the number of audiences. Audiences have the most critical role in the expansion of the market potential. However, the audience's demand is uncertain, and this uncertainty has many reasons. This uncertainty requires to be regulated for large market potential. The most crucial determinant of this period is precisely the strategies applied to regulate this uncertainty.

Considering the historical adventure of cinema in Turkey, it is possible to say that two basic laws have a decisive significance for the last period of film industry. In this context, it should be analysed the cinema policies in between 2004, when first cinema law was enacted, and 2019, when the law on the amendment of this law was enacted.

In this assessment, the narrative indicated by the two laws and regulations has been examined. As such, a detailed explanation of the policies has been vital for the exploration of this narrative. During this assessment, the main question to be asked is how it interacts with the film industry. In a study where the relationship between cinema policies and the film distribution sector will be analyzed, the question of why regulations have been included in such detail should be answered. These details are necessary to prove that while every detail is included in the regulations for the control of motion pictures, the gaps left cannot be considered as a deficiency. Thus, in the analysis of the laws and regulations, it has been considered whether existing regulations and gaps in the regulation are shaped according to interest groups in the industry.

1.3.Assessment of Cinema Policies in 2004-2019

1.3.1. The First Law on Cinema: The Law on the Evaluation & Classification and Support of Motion Picture

Released on 14 July 2004, the Law on the Evaluation & Classification and Support of Motion Picture (Law No: 5224) is the first law which directly and exclusively deals with cinema. Submitted to the parliament on 5 July 2004, the draft law was first introduced on July 6. Then, the draft bill was adopted on July 14, when negotiations on it began. The negotiation was between two deputies on behalf of their parties (Justice and Development Party and Republican Public Party). RPP deputy Berhan Şimşek emphasized that, as a field of art and culture that communicated with the public intensely, cinema has weakened its power and effectiveness in addition to the decreasing number of films from 1970 to 2004. According to Şimşek, the artists who wanted to express themselves through cinema had to be the producer and marketer of themselves like merchant tailors. However, Şimşek added that, *"The cinema industry we feel the lack of today, is not just a sector that has met with its audience and created its own commercial system. The productive and creative aspects of the sector in all areas have been exhausted, and there is no vision for the future."*[31] These words of Berhan Şimşek are a sign that, once seen as just a commercial activity, cinema was now seen as a creative art branch to be supported.

The purpose of this adopted draft bill with 18 articles is "to provide evaluation and classification of motion pictures and to support domestic and foreign investments/ initiatives in this field". Another objective specified in the law is the development and strengthening of the cinema industry in the fields of education, investment, enterprise, production, distribution and exhibition so that the contemporary and effective cultural communication environment can be created by using the opportunities offered by cinema art. This law covers the provisions regarding the duties, authorities and responsibilities of the Ministry of Culture and Tourism in order to realize the purposes stated above. The main focus of the law is the evaluating and supporting motion pictures.

According to the law, motion pictures produced or imported within the country are evaluated and classified before they are put into commercial distribution. Films that are found inappropriate after evaluation cannot be presented to commercial circulation

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[31] For the full parliamentary speech in 14 July 2004, see: https://www.tbmm.gov.tr/tutanak/donem22/yil2/bas/b115m.htm

and exhibition. However, it should be added that the evaluation of films is not new. From the beginning, cinema films were subject to evaluation. After this law, films have been classified according to their content. As a result of this classification, the use of several signs and phrases may be mandatory depending on the film contents. The audience is informed and/or necessary age restrictions are applied. With this law, an evaluation board has been established for the evaluation and classification of films.

Another focus of the law was to develop a professional support mechanism. It is meaningful to explain the role of this support mechanism in the functioning of the sector. As explained above, film production is divided into mainstream or independent, depending on budget and content. A high budget is required for the film production to the exhibition. The basis of the support mechanism is to support meeting this budget. Film production by filmmakers with limited budgets proceeds through the support they receive. In Turkey, there is only one mechanism of public support which is specified in this law. This mechanism supports the production of filmmakers with limited budgets. Accordingly, 3 main types of support have been proposed. These are: (1) project support provided directly and without reimbursement to support the pre-production stages, (2) production support provided directly or indirectly and with reimbursement to support all production stages, (3) Post-production support provided with or without reimbursement for the promotion, distribution and demonstration stages of motion pictures.

At this point, there are a few details that need to be mentioned on how support is provided. In Turkey, this support is provided from the taxation of cinema tickets. People who go to the cinema are obliged to pay a 10% entertainment tax for each movie ticket they buy. Also, movie theater operators are obliged to transmit this tax amount to the state on behalf of each audience. 75% of this tax creates the support budget allocated by the Ministry of Culture and Tourism. However, there is no direct connection between the collected entertainment tax revenues and the budget of the Cinema General Directorate. Consequently, this leads to differences between the budget that the Ministry of Culture and Tourism has to allocate for cinema support and the support provided. In other words, the budget allocated for support is not completely used for support. In fact, contrary to popular belief, this support is not a budget allocated by the state from its own public resources. This support is collected by entertainment taxes and delivered to filmmakers through government-established mechanisms. The main elements of this established support mechanism are audience and movie theater enterprises. As a result, the amount of support is constantly changing. It varies according to the cinema ticket sales rates. However, at this point, it is safe to say that this tax also has an impact on ticket prices. The entertainment tax, which is theoretically an obligation of the people who purchase movie tickets, is collected in the cash box of the cinema booths in practice, and transported to the relevant public institutions through movie theatre operators. In addition to their obligations to transmit this tax amount to the Ministry, the operators are subject to an income tax of 8%. Due to the high taxation, movie theater operators try to increase ticket prices. Operators also make updates to the price of tickets according to economic conditions. With this law, a support board has been established for the functioning of the support mechanism.

Briefly, the law deals with three main principles: evaluation, classification and support. For these principles, 3 standing boards were created that are Evaluation and Classification Board, Advisory Board and Support Board. It would be useful to analyse the regulations issued to understand the established mechanisms and the functioning of these boards.

1.3.1.1. Related Regulations based on the Law of 5224

Two regulations came into force with this law, namely: (1) Regulation on Support of Motion Pictures, (2) Regulation on Procedures and Principles Regarding Evaluation and Classification of Motion Pictures.

Firstly, the Regulation on Support of Motion Pictures should be analysed and detailed[32]. This Regulation covers the Advisory and Support Boards specified in Law No. 5224 and the provisions regarding the procedures and principles for supporting cinema films. With this regulation, it is decided to establish an Advisory Board within the Ministry in order to investigate the main approaches to cinema art and sectoral trends, as well as establishing an effective communication among the sector actors. This board was to be composed of relevant professional associations, representatives of sectoral non-governmental organizations and faculty members in the relevant departments of universities. Meeting were to be held once a year to make advisory decisions. Also, the board would convene within the last three months of each year and make recommendations for the next year. However, the work of this board has not been shared with the public. Therefore, the effects of its advisory decisions on the film industry and cinema policies cannot be discussed. Also, no regulations have been made for the development and professional operation of this board. It was abolished with the amendment of the law in 2019.

The principles of support mechanism and the functioning of the support board are specified in the regulation. The Support Board is established to evaluate the projects which applied to get support and to determine the projects to be supported. The board consists of a representative of the Ministry, one member selected from each related professional association, and three members among experts on cinema-related areas to be designated by the Ministry. This number of Board members cannot exceed 15. In this case, a mechanism has been established to allow only 1 member from each professional association to participate from up to 11 professional associations. In cases where the number of professional associations is more than 11, the selection is made based on the foundation year of the associations. In this context, the environment created was one where support-worthy films were selected in a pluralistic way. However, with the amendment of the law in 2019, there has been a controversial

[32] To access the full regulation, see: https://www.resmigazete.gov.tr/eskiler/2004/11/20041113.htm#15

change in the number of members of this board, which will be discussed in the next section.

While production support is provided on a refundable basis, project support and post-production support can be provided without a refund. Support provided as production support is reimbursed from the revenues through the project. As mentioned above, project support is a support type which can be provided without reimbursement. However, if the use of signs and phrases as a result of evaluation and classification is mandatory for these films, the support provided is refunded. In other words, if the film is labelled as not appropriate for commercial distribution, the support of this film will be refunded. Although the reimbursement of support is acceptable for a lately established professional support mechanism, this system has operated in the same way for 15 years without any amendment.

This regulation has been changed for 3 times. Firstly, in 2005, the regulation amendment was made in article 17.[33] According to this amendment, to receive this support, the producer must provide collateral. If s/he cannot do that, s/he may provide at least two persons as a joint guarantor and joint debtor. Also, in order for the personal surety to be accepted, the guarantors should document the amount of assets that will ensure the return of the support amount to be used. With this change, filmmakers with limited financial means could not apply to this support mechanism. Forming the support mechanism to guarantee the reimbursement rather than to subsidize movies with limited budgets raised questions. In 2010, the second amendment was made, and 6 articles were changed in the regulation[34]. The most critical change is that the payback period is reduced from 2 to 1 year. While non-refundable supports are expected to increase as the system is settled, the changes were made to ensure that repayments are guaranteed. Because of this change, filmmakers had to pay back urgently, instead of starting a production of the new movie with the gross revenue. Therefore, this article

[33] To access the full regulation, see: https://www.resmigazete.gov.tr/eskiler/2005/10/20051007-7.htm

[34] To access the full regulation, see: https://www.resmigazete.gov.tr/eskiler/2010/09/20100907-6.htm

can be expressed as one factor that sustains amateur film production rather than producer-oriented cinema production.

The last regulation change was in 2013, before the amendment of law[35]. With this amendment, 18 articles of the regulation were changed at once. As a result of this change, many written questions are being submitted to the parliament. According to this amendment, in the case that there are substantial changes in the scenario of the motion picture project supported or if there is a screenwriter change, the approval of the Support Board or the Ministry is compulsory. If the board does not find it appropriate, the support provided must be repaid at legal interest. For example, if there are various changes in the scenario for budget reasons, the Ministry can cancel support and request a refund if it does not find the changes appropriate. As a result of this change, the relatively autonomous creation of the production of the film disappeared. Another critical change is that, if films which take project support are found appropriate only for the audiences over the age of 18 by the evaluation board, the support provided to these films is refunded. In the former regulation, if the mandatory use of warning signs and phrases was required, the support provided to these projects was refunded. The use of warning phrases was mandatory only if the film was considered as inappropriate for commercial distribution and exhibition. This amendment may have negative implications for the producers in practice, as there are subjective, open to interpretation criteria in the classification regulation such as contradiction with public order and public morality. This may lead to self-censorship practices and changes in the content of applications at the project stage.

At that point, the Regulation on Procedures and Principles Regarding Evaluation and Classification of Motion Pictures should be analysed[36]. This regulation covers the evaluation and classification of motion pictures and the provisions regarding the duties, authorities and working procedures of the relevant boards. Evaluation and

[35] To access the full regulation, see: https://www.resmigazete.gov.tr/eskiler/2013/12/20131224-7.htm

[36] To see the full regulation, see: https://www.resmigazete.gov.tr/eskiler/2005/02/20050218-5.htm

Classification Board consists of nine members in total. All members of the board are selected by the Ministry. Also, there are several subcommittees to make preliminary evaluation and classification of motion pictures. Actually, the evaluation and classification board examines the film only when the sub-board dispatches the film or if the film owner objects to the assessment. Also, these sub-boards consist of three people determined by the Ministry. The films produced domestically or imported are evaluated and classified before they are presented for commercial circulation and exhibition. Thus, films that are found inappropriate as a result of evaluation and classification cannot be presented for commercial circulation and exhibition. The boards evaluate cinema films in line with public order, general morality, the protection of the mental and physical health of children and young people, compliance with human dignity and other principles specified in the Constitution. Films that violate these principles cannot be presented for commercial circulation and exhibition. However, these principles are expressed superficially in both the law and the regulation, and the criteria are not clearly stated. For example, what is expressed by public order? It is not stated which elements in the film do not comply with this principle. Also, the most criticized point is that these principles are not disclosed transparently and lead to subjective assessments. Depending on this assessments, the boards classify cinema films in terms of age and content; considering whether the elements of sexuality, fear or violence are predominant. Also, there may be compulsory signs and phrases to be used as a result of the evaluation and classification, these are:

(1) Signs and phrases given to films that are appropriate for commercial circulation or exhibition, but whose audience should be informed and restricted due to their content (+7, + 13, +18 signs and phrases like 'contains sexuality' or 'contains elements of violence and fear')[37]

[37] If the signs and phrases required by the evaluation and classification are not used, the exhibition and distribution of the films would be stopped upon the request of the Ministry or the notice of third parties.

(2) Warning signs and phrases given to films which are inappropriate for commercial circulation or exhibition.

When considering the regulations, the most common criticism to these regulations is that they are moving away from the purpose of the law. According to Öztürk (n.d.), with the arrangements made, there is a deviation from the aim of supporting the cinema art stated in the law.[38] In addition, arrangements have been made to serve the purpose of controlling and censoring rather than supporting the productions.

In summary, the controversial points and deficiencies in the law and regulations have made a new law mandatory. However, after the law was enacted, every chain of the industry was affected. The effects of the law and regulations mentioned on the cinema industry would be detailed.

1.3.1.2. Effects on the Industry

Since the law and related regulations were the first professional arrangement deals with cinema industry, they had serious effects on the sectors. The clearest indicator of this effect is the increase in domestic film production.

[38] For full access to the article entitled 'Legal Assessment Whether the Regulation on the Support of Motion Picture Films Contains Regulations which are contrary to the Law (No. 5224) or Not', see: http://www.se-yap.org.tr/wp-content/uploads/2020/02/sinema_filmlerinin_desteklenmesi_hk_y%C3%B6n_5224_yasa_ile_de%C4%9Ferlendirme-1.pdf

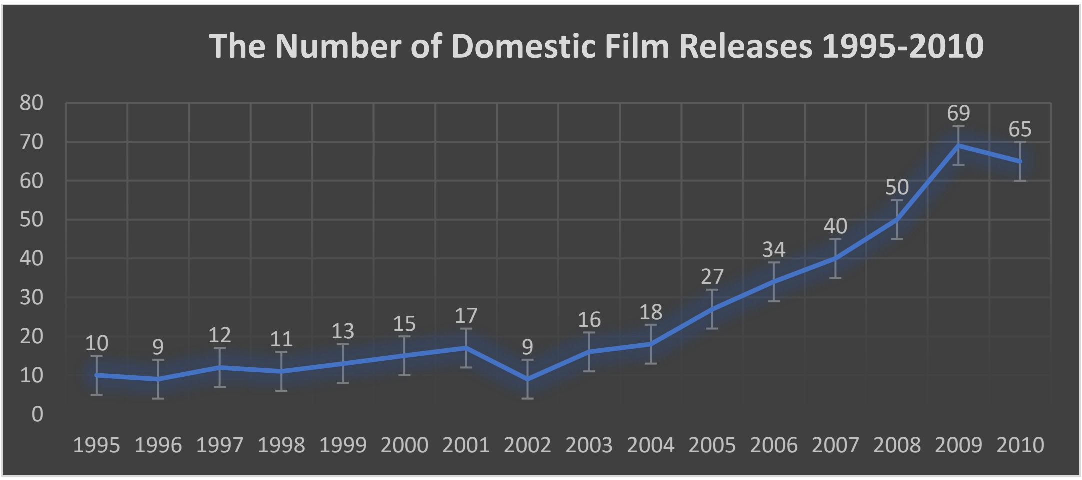

Figure 2.3: The Number of Domestic Film Releases 1995-2010

Source: Yavuz, 2012, p. 166

It can be observed that the production of domestic films has increased gradually after 2004. However, the average annual increase in the number of films did not exceed 1, and the movement in annual production was inconsistent. However, in 2005, the number of films produced increased from 18 to 27, meaning 9 more films in a year. Also, until 2010, a rapid and steady increase was observed in film production. The attempt of creating an EU-compatible support mechanism had an impact on this increase. Another factor that caused this increase was the possibility of cinema as an industry to become a safe and investable trade area that is subject to the regulations. However, it should be noted that in the 2010s, this production process turned into mass production like in the Yeşilçam period. Production reached the highest point in 2018, and 173 new domestic films were produced that year. (It will be elaborated on this increase in film production in the international industrial cinema period later.) What needs to be mentioned now is the change that occurred in the exhibition chain, because with the increasing interest in the sector, changes have occurred in movie theatres too.

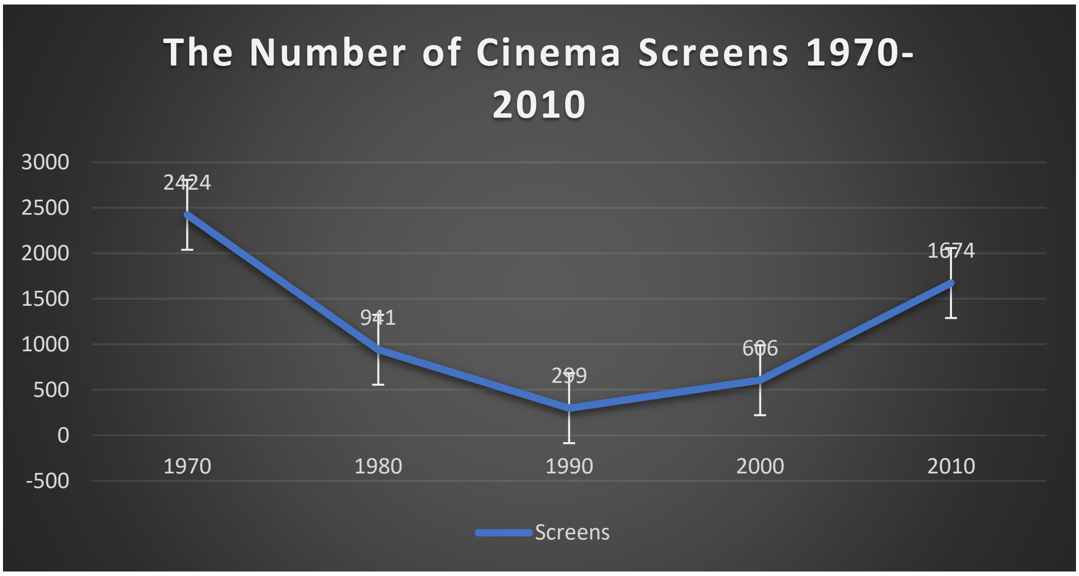

Figure 5.4: The Number of Cinema Screens 1970-2010

Source: Kanzler (2014)

As can be seen from the chart, the law not only triggered film production, but also the number of screens increased swiftly. When the chart is examined, it is observed that this increase started in the 1990s, albeit slowly. An explanation for this increase is the fact that the introduction of foreign firms (WB and UIP) into the film distribution market at the end of 80s caused an increase in film importation. Thus, the number of screens increased for the exhibition of these films. However, this increase has accelerated in the 2000s. And, in 2010, there were 1674 cinema screens; three times higher than the 606 cinema screens in 2000. Also, this increase was not limited to 2010, and the expanding cinema market continues to grow as an international industrial market despite the digitization and Video on Demand systems. According to the annual report of the European Audio Visual Observatory, in 2018, "this increase was driven by continuous expansion in Turkey, where the number of screens rose respectively by 6.9% year on year (+185 screens) (European Audiovisual Observatory, 2020)."

At that point, the impact of the law on the distribution market should be discussed. As mentioned before, Warner Bros. and United International Pictures had a dominant role in this market in the 90s and the beginning of the 2000s. The market has an oligopolistic structure, because it was operated through the import and distribution of foreign films. It's safe to say that the domination of foreign companies in the distribution market not only affects the distribution of domestic films, but also their production. In this market dominated by foreign firms, there was no guarantee for the domestic films to get released in Turkey. However, with the law enacted in 2004, there was a break. To observe this break, we should take a look at the changes in the market shares of the three major distributors. After the cinema law in 2004, the foreign ownership of the market which continued since the 90s was shaken by the increase in domestic production as we can see in the chart.

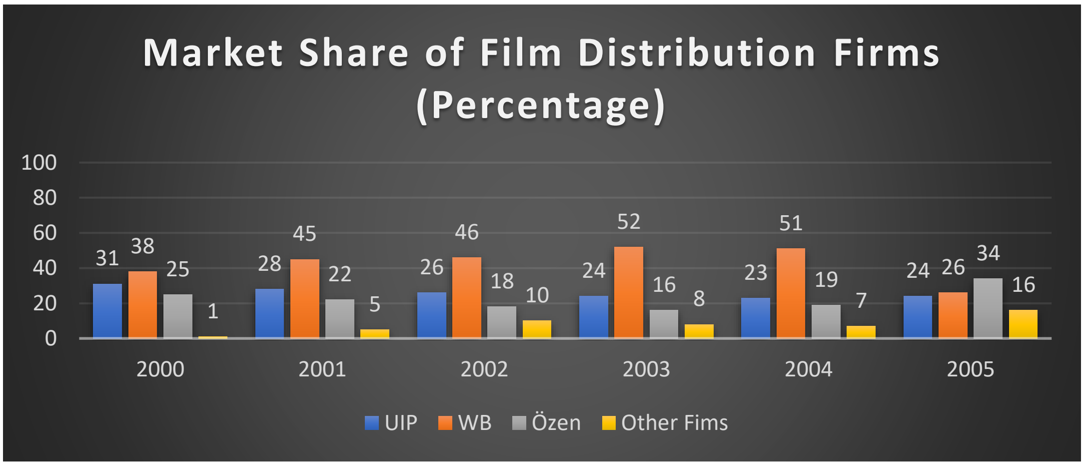

Figure 2.5: Market Share of Film Distribution Firms in 2000-2005

Source: (Erus, 2007)

With the increase in domestic film production in 2005, Özen Film's market share increased and was higher than the share of Warner Bros. and UIP. While the average number of domestic films distributed by Özen Film from 2000 to 2005 was 6, this number increased to 12 in 2005. Also, while 93 percent of the market share belonged to these 3 firms in 2004, this share decreased to 84 percent as a result of domestic firms starting to take part in the market in 2005. Therefore, it is possible to say that the concentration in the market has decreased. With the decrease in the concentration in the market, more companies were able to take part in the market. As the market power of Warner Bros. and UIP decreased, the pressure on the exhibition companies also decreased. As a result, the exhibition of local movies triggered the production of these films for the following years. In other words, this change in the market not only affected the market share of the companies but also, as the content of the distributed films changed, interest in local films started to increase. This change in the distribution market has created an opportunity for the formation of local cinema culture.

Briefly, this law and its regulations were enacted to revive a sector that almost disappeared. These policies have had positive effects on the sector despite the basic problems and disruptions it contains. However, the rapid growth of the sector over the years had created a need for a new regulation, and it was observed that the sector actors abused these regulatory gaps. After this law, no cinema policy was created for 15 years. Apart from a few changes in the regulations, no regulation was made. Thus, several predicaments in the growing cinema industry have appeared.

Firstly, the need to define this industry, which has grown over the years, has arisen. However, the regulation that defines the supply chains of the cinema industry and determines its fields of activity has not been made for 15 years. What are cinema policies aimed at the country cinema? What is the scope of the film production, distribution, and exhibition market? What tasks should companies in those markets undertake? These questions have been unanswered for a long time. As a result, companies operating in the cinema industry grew in an anti-competitive manner by using these gaps. In particular, the fact that film distribution is not included in the laws and regulations has made this market an unregulated area. Firms in the market have only undertaken a risk-free function, contrary to the operations in the world. In addition, there is no specific standard for the distribution commissions they receive.

Also, these firms are active in other markets. All of the mentioned has made these companies the giant companies controlling the sector. In summary, the fact that this market is unregulated shapes itself.

Secondly, the insufficiency of the public support mechanism emerged. Only one public support is provided other than Eurimages support, which is a fund of the Council of Europe. The absence of any other public or private support mechanism condemned filmmakers to this public support mechanism. However, applying the restrictions mentioned above for this support and its reimbursement-oriented structure of the support mechanism prevented filmmakers with limited budgets from producing. The restrictions can be acceptable in the first years of the law because this professional support mechanism was newly established. After the amount of support collected from the audience increases, the cinema support policies need to be revised. In addition, the fact that the evaluation criteria of support applications were not disclosed transparently has created mistrust against this mechanism. Also, the content of supported films is very critical for evaluation. In recent years, the Ministry of Culture and Tourism did not support the projects of directors such as Erol Mintaş, Özcan Alper, Hüseyin Karabey, and İnan Temelkuran. Such decisions led to comments that a kind of blacklist logic is exercised in the Cinema Support Board, and that directors known as dissent are not supported (Büte & Yücel, 2019). Mainstream film dominance has emerged in the film industry because the support mechanism has caused self-censorship practices. Also, mainstream producers who do not take risks have led to uniformity in the film content.

Lastly, these criticisms are also valid for the evaluation mechanism. Evaluating the films with subjective principles created the question of whether the evaluation mechanism works objectively. Also, all members of the evaluation board have been selected by the ministry, and this board does not make a statement about which set of criteria when it evaluates films. These strengthen the concerns that the supervision can be shaped by political guidance. In addition, films that are not supported or that receive warnings and signs by the evaluation board are exhibited in limited theaters.

Distributors and exhibitors do not accept these films because their audience is limited, naturally do not make revenue. Due to the lack of an independent evaluation and support mechanism, the filmmakers have requested that these mechanisms should be revised. The amendment to be made was expected to deal with these predicaments.

So far, the law enacted in 2004 and its effects with emerged predicaments have been stated. The main result of this analysis is that the regulations were to ensure state control on motion pictures rather than the development of the cinema culture or institution. Another result is that policymakers were intentionally silent on behalf of the industry. This silence has led to the formation of dominant actors controlling the sector.

In this context, the continuities and ruptures in the law amendment made in 2019 should be examined. It should also be discussed according to which interest groups the law is shaped, and whether it reproduces the structure of the industry.

1.3.2. The Law Amendment in 2019: The Law on the amendment to the Law on the Evaluation& Classification and Support of Motion Picture

On January 18, 2019, "The Law on the amendment to the Law on the Evaluation& Classification and Support of Motion Picture" (No. 7163) was issued as an amendment of the previous one (No. 5224). The players of the sector had already been demanding particular changes in the sector for a long time, and finally, this long-awaited amendment had come nearly after 15 years. Yet, this unattended law came into effect by an overnight decision, just after what is called "the popcorn crisis". So, the question of what was this popcorn crisis is important to understand the law.

In Turkey, as a traditional rule, fifty percent of the box office gross (the amount of money a motion picture makes from selling tickets at the theater) goes to the theater operator; the other fifty percent goes to the owner of the movie rights. However, due to the sale of promotional tickets of the exhibitors, the party who owns the movie rights acquires less than fifty percent of the revenue. It is possible to explain this as follows: For example, the price of a movie ticket is 20 liras. 10 liras of this revenue goes to the movie theater, 10 liras goes to the owner of the movie rights. However, with the promotion ticket sale, 20 liras cinema ticket is equal to the sum of the x liras ticket price and the price of the 20-x liras promotional product. As a result, the allocation between the movie theater and the movie rights owner is not realized over 20 liras but over x liras. While movie theaters that sell tickets through this strategy have increased the price of the tickets through the promotional product, the price of the movie tickets remained the fixed. After a length of time, this situation caused to the crisis called "the popcorn crisis". Film producers who achieve high revenues reacted to the situation in various ways like showing their movies on other exhibition platforms or delaying the release dates. Due to this crisis, the number of audiences decreased from 70,409,784 in 2018 to 59,556,020 in 2019[39]. Just after this crisis, the amendment of the law which includes prohibiting the sale of promotional tickets was enacted.

Political parties did not even have the opportunity to evaluate the draft law, and it became a law in only one night. In this case, one of the Good Party Group Deputies Mr. Türkkan's statements during the negotiations on the law would be significant. He said:

> *"All right! There may be a need, but is every law like that? Today, two laws are passing together: an omnibus bill and a Cinema Law. Someone must be in a serious hurry to fit two laws in one day. Who's in this hurry, I don't know. The issue about cinema was also discussed in the commission, there are issues that should be negotiated. However, it is said that "the order comes from above; the law must pass immediately because the next assembly is on 5 February". Guys, everyone here have made a great effort to become a deputy, seriously. They have been elected, but none of them are equerries. There is no consultation or even information when the laws are made. Can you imagine? The law was made today, we notified lawmakers today, and we said, "Prepare the articles."*

[39] Boxoffice.com

Another reaction against the hasty attitude to prepare the law overnight by extending the session of parliament until the morning came from Filiz Kerestecioğlu, a member of the PDP (Peoples' Democratic Party) group:

> *"As members of the parliament, as people from all parties, I think what we are subjected to here is torture. It is said that art is life. We are enacting a law on art, but people here are no longer able to protect their mental health. Moreover, this is not how you work for the public. This is just a show of 'we do it because we are the majority; we can do it through the domination of the majority.'*[40]

It would be beneficial to mention film producer Serkan Çakarer's argument on this conversation too. According to him (Personal Interview, August 25, 2020), this law was enacted at the request of the dominant actors of the sector without considering the demands of others. At this point, it is necessary to consider the reactions of the industry's dominant producers over the popcorn crisis. Upon the crisis, actor and producer Yılmaz Erdoğan (founder of one of the highest earning film production companies BKM) announced that he decided not to relase his new movie.[41] After that, Cem Yılmaz and Şahan Gökbakar made the same decision for their movies. These boycotts created a very critical effect on the industry. Orhan Taşdemir (2020, August 26, personal interview) from TME (film distribution company) stated that there were very few films that brought profit in the sector, and there are a few high-revenue production firms such as BKM, Çamaşırhane (Şahan Gökbakar's production firm), CMYLMZ Fikir Sanat etc. Thus, other chains of the sector are acting according to these producers. In addition, a few days after the law passed, President R.T. Erdoğan and the dominant actors of the movie industry had a meeting. And, at the end of the meeting, producer Şükrü Avşar said that "This meeting was an apreciation meeting."[42] When these facts are considered, Çakarer's argument gains strength.

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[40] For the full parliament speeches in 17 January 2019, see: https://www.tbmm.gov.tr/tutanak/donem27/yil2/ham/b04701h.htm

[41] https://t24.com.tr/haber/son-filminin-vizyon-tarihini-erteleyen-yilmaz-erdogan-kararliyiz,785588

[42] To read the full news, see: https://www.sozcu.com.tr/hayatim/kultur-sanat-haberleri/cumhurbaskani-erdogan-yapimcilar-ile-gorusuyor/

At this point, the amendment should be analysed through the amended articles. The procedures and the principal changes determined by the regulation are detailed in the next section. Amendments in the articles can be summarized as follows:

Firstly, various amendments were made in the standing boards specified in the first law and the procedures and principles were determined by regulations mentioned above. While no changes were made on the evaluation and classification board; the number of the support board was increased. In addition, the advisory board was abolished. Moreover, with the amendment made, cinema films that were not evaluated and classified were to be shown only in festivals, special screenings and similar cultural and artistic events with the 18+ sign added. Also, in the cinema support issue, changes were made both in the number of support boards and the number of board members, as well as in the number and quality of support types. According to the former law, production support was refundable, while according to the new law, non-refundable support could be provided up to 50 percent of the cost of making domestic films. Also, the article containing the principles for refunding was abrogated. Moreover, it became compulsory to establish a commission to supervise the practices of movie theatres.

Briefly, these changes included technical improvements as well as raised many question marks. To understand what this law amendment means, it is necessary to analyse the two regulations that come with it. These regulations are the arrangements that determine the working order and method of the mechanisms established by the law. Therefore, these regulations should be analysed to understand the law amendment.

1.3.2.1. Related Regulations based on Law of 7163

The two regulations that issued with the amended law (No.7163) are follows: (1) Regulation on Support of Motion Pictures, (2) Regulation on Procedures and Principles Regarding Evaluation and Classification of Motion Pictures.

Regulation on Support of Motion Pictures came into force on 15 October 2019. With 34 articles, this regulation covers the provisions regarding the types of support, application conditions, Support Boards and Commissions, evaluation criteria and the obligations of the support recipient. With the article 5, there may be more than one support board. More than one support board may mean faster functioning of the support mechanism. This change highly critical because more boards mean that more films can apply for support, and more films can be evaluated faster. However, the boards' structure is also critical for the reliability and objectivity of the evaluations. In other words, the point that makes this change critical is the number of members of the boards. In fact, the number of boards increased with a reduction in the number of members of the support board from 15 to 8. Here, it should be noted that, according to the previous regulation, professional associations were the majority of the board with 11 members. 11 members of professional associations meant that 11 different and independent filmmakers' voices from the sector were on the board. Having 11 independent voices apart from 4 public personnel selected by the Ministry was critical for the reliability of the support mechanism. However, with this change, the number of members determined by the ministry (4) and the number of members determined by the professional associations (4) are equalized. Although this change enabled speeding up the evaluation process of support applications, it resulted in a loss of reliability. The concern that political guidance might dominate the evaluation board was expressed in the analysis of the previous regulation. With the amendment of the law and the new principles determined by the regulation, this concern has also emerged for the support boards.

Also, the multiplication of support types has realized. While there were only 3 types of support in the previous law, the new law specified 13 types of support to be provided by this board and commission. These supports are: animation film production support, documentary film production support, post-shooting support, distribution and promotion support, TV series support, first full-length film production support, short film production support, co-production support, project development support, script and dialogue writing support, full-length film production support, domestic film exhibition support, and foreign film production support. However, it should be stated here that, apart from full-length films, other types are excluded from the scope of this thesis since they cannot find a place in the market.

At that point, it can be discussed that the first full-length film production support amount must be paid to the commercial enterprise, whose founder or partner is the director. This means that directors must either establish a production company or become a partner in a production company in order to get this support. In a professional cinema industry, the producer and director of the film are different. The producer is the film's investor and deals with the financial affairs of the film. The director is responsible for the content of the film, that is, by the creator. The director-producer understanding prevents competition in the film industry. Also, directors continuously deal with financial affairs and face a lack of budget because of this understanding. In the film industry, where there is an advanced production understanding, many different content types can be released. However, a movie directed by the producer cannot compete with high-budget films with commercial collaboration in movie theatres. The distribution and exhibition of such films are challenging. Consequently, the industry only works through mainstream producers. This change has received a lot of reaction and criticism. As Serkan Çakarer (Personal Interview, August 25, 2020) puts it, because of this article, the film director has to deal with the financing of his film instead of dealing with the content of his film. Although it is not easy to understand for the public, it is stated by the industry components that this change would lead to the growth of the problem in the sector. Because of shell corporations which are established to get support, film industry cannot operate professionally. Lastly, it is safe to say that the most important change considering these supports is that, as stated above, all of them will be non-refundable.

Another regulation on Procedures and Principles Regarding Evaluation and Classification of Motion Pictures came into force in 22 October 2019. This regulation consists of 22 articles and covers provisions regarding the evaluation and classification of motion pictures and trailers, supervision of advertisement times and cinema tickets, and the formation, duties, powers and working procedures of boards. In fact, it is possible to say that very few amendments were made to this regulation. For example, no changes were made on the evaluation and classification board and its sub-boards.

One of the important changes made in this regulation is that a film that enters the commercial circulation for the first time can be released on paid platforms 5 months after the release date and on free platforms 6 months after the release date. Actually, the reason for this restriction has been based on the popcorn crisis. Upon Yılmaz Erdoğan's decision to boycott the movie theaters, he sold his movie 'Organize İşler - Sazan Sarmalı' to Netflix before the new cinema law was issued. However, his movie would be released in Netflix after a certain time. Erdoğan, who decided to release his movie in theaters after the new cinema law, broke a traditional rule because his movie was released on Netflix while it was exhibited in 1237 theaters. According to the traditional rule, the movie is not released on other commercial platforms simultaneously or before it is released in movie theaters. In fact, since this sale is known, this article has come into force to prevent this kind of releases. However, with this article, the facility of independent filmmakers who could not distribute their films to movie theaters to release their films on digital platforms has disappeared.

Also, according to this regulation, the duration of the advertisements exhibited before the movie can be up to ten minutes. The duration of the trailers exhibited during this period can be three minutes at least and five minutes at most. One of the most important income sources for movie theaters is the advertisements given before the movie exhibition. Aslı Irmak Acar (2018), who is CJ Corporation's corporate relations director, stated that they earned 75 percent of their profits from advertising revenue.

She stated that the primary source of income is advertising, and it is not possible to operate the movie theater with the ticket and buffet revenues. As can be understood from these explanations, this restriction has affected ticket prices.

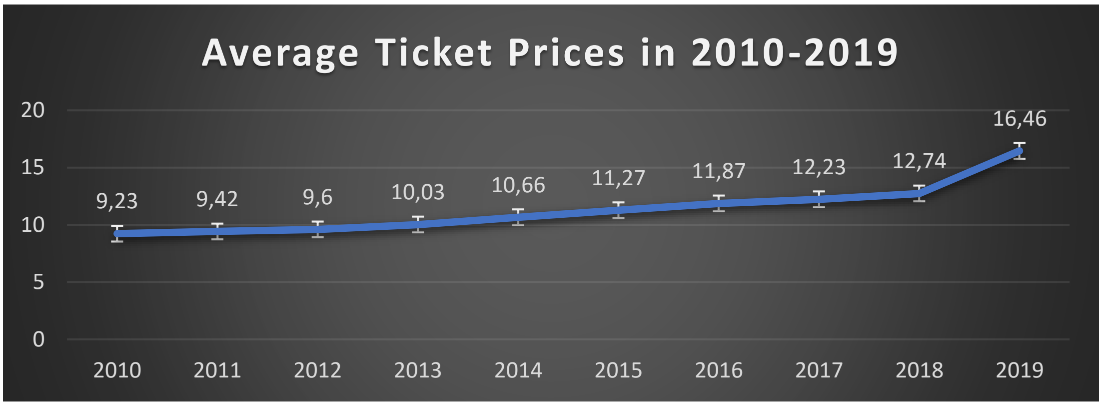

Figure 2.6: Average Ticket Prices in 2010-2019

Source: boxoffice.com

Lastly, another change that affects ticket prices is that movie theatre operators cannot perform subscription, promotion, or campaign activities that include movie tickets. This change is a result of the popcorn crisis, which is stated as the reason for the enactment of the law. Also, the increase in the ticket price has been a direct result of this change.

As can be seen from the Figure 2.6., the average ticket price is increasing annually. Despite economic factors, the increase was slow. In other words, the economic fluctuations experienced during this decade were not allowed to affect ticket prices. However, after this law amendment was implemented, there was an unprecedented increase in ticket prices, and the average ticket price was 16.46 TL as of 2019. What is understood from this chart? Two different answers can be given to this question. First of all, it is a fact that the ticket prices have been kept constant through promotional products for years. Thus, the prohibition of the sale of promotional products with the tickets revealed the real prices of the tickets. Secondly, this increase would indicate the market power of the giant company, CJ Corporation, which is active in both distribution and exhibition markets. In other words, in response to the counter interventions, which are the prohibition of the promotional sales and the restriction on advertisement duration, ticket prices would be manipulated by companies that have market power.

The increase in ticket prices and movie theaters' failure to promise promotional tickets also affected the number of audiences. Many high-grossing sequels such as Miracle 2 and Recep İvedik 6 have been watched less than before. Recep İvedik 5 was watched by 7.437.050 people in 2017, while Recep İvedik 6, was watched by 3.986.620 people in 2019. Also, Miracle 2, the sequel to the movie Miracle, which was watched by 3,737,605 people in 2015, was watched by 1,900,129 people in 2019. Kemal Ural (Personal Interview, September 09, 2020) stated that the prohibition of the promotional sale directly, instead of being regulated, damaged both the movie theaters and the producers. He expressed this arrangement as cutting the ball of two children playing with the ball.

Briefly, in this section, the law amendment and its effects have been examined. This law and regulation amendments include certain continuities and ruptures. It is significant to state the criticisms made to the amendment of the amendments in order to understand this continuity and ruptures better. Thus, the criticisms of the law amendment should be discussed in general.

1.3.2.2. Discussions on the Law Amendment in the Sector

Since the law enacted in 2004 was the first law, it was a pioneer in many advances, but it also had very basic gaps. These gaps detected over the years were expected to be compensated by the law issued in 2019. However, the most common criticism is that these gaps are still present.

It should be noted that these criticisms have voiced by independent actors of the industry. The criticisms made for this amendment can be examined under 3 main headings: (1) Lack of target (2) Being director-oriented (3) Evolving the support mechanisms into audit mechanisms.

First of all, the most critical problem of current cinema policies is that these arrangements are devoid of purpose and they are problem focused (Okur, n.d.)(Serkan Çakarer, Personal Interview, August 25, 2020). This means that cinema policies are made only to eliminate practical problems. Consequently, it is also impossible to evaluate the performance of applied policies. What is the purpose of supporting film production without setting a target? The answer to this question is unknown. Çakarer says that because of this obscurity, the political agenda constantly prevents the establishment of a professional film industry.

According to the common view of the industry components, another main problem of cinema policies is the lack of a producer-oriented system. Orhan Taşdemir (Personal interview, August 26, 2020) also expresses that another important sector problem is the absence of producers in a professional sense. If we want cinema to operate as an industry, there is a need for a producer-oriented system in which the roles of the producer, the distributor and the exhibitor are separated. However, it is necessary to get rid of the producer-director perception in this system. For example, public production supports have a director-oriented structure. However, producers are needed to operate the fund. Şenay Aydemir (Birincioğlu, 2019) also states that the most fundamental structural problem is the system that excludes the producer from the support mechanism, which is an important resource for independent filmmakers.

Lastly, with the recent amendment to the law, another criticism to the cinema policies is the evolution of the cinema supporting mechanisms into control mechanisms. The main reason for this criticism is that both evaluation & classification and support criteria are based on subjective principles. In addition, the fact that the boards do not explain what kind of decisions were made for what reasons also makes people think that the audit can change on political guidance. As of the first law, there was not even a single member who was not elected by the ministry in the evaluation and classification board. This order has been continued with the amended law. Moreover, with the recent changes on the support board, the number of members selected by the professional associations has decreased, so the sector's independent members have lost the majority. The absence of support funds provided by independent organizations makes film producers subject to a single mechanism. "*Considering the funding and support structure of cinema, France provides financial support to movies with 48 funds; Germany and Austria with 22 funds, Sweden with 21 and Spain with 18 funds; but Turkey, Bulgaria, Slovenia and Greece are seen to provide support with a single fund.* (Tomur, Kol, & Bilaçlı, 2016)" As a result, providing support from a single source leads to the establishment of a control mechanism.

So far, the law amendment enacted in 2019 and discussions about it have been analyzed. As a result of this analysis, it can be said that the main continuity is that the regulations are to ensure state control on motion pictures rather than the development of the cinema culture or institution. Besides, making specific regulations on sectoral issues can be expressed as the main rupture. However, it is possible to say that the regulations have been shaped according to the conflict of interest groups. For this reason, it is possible to conclude that the legal regulations are not suitable for improving the structure of the sector and solving its structural problems. On the one hand, changes have been made in line with the interests of the dominant producers, on the other hand, the lack of regulation that would allow the structure of the distribution sector to reproduce itself has been preserved. In this context, the absence of regulations on the distribution sector should be highlighted.

1.4. The Absence of Policies about Film Distribution

The fact that cinema policies focus on the problems encountered in practice prevents the existence of a comprehensive cinema policy. Thus, the political inertia has prevailed in the cinema industry, particularly in film distribution market since the beginning. However, when examining cinema policies in the last 15 years, it can be claimed that this inertia or passivity is intended.

There aren't any regulations that define the scope and quality of the film distribution activity, which means, there is no standard or procedure in the distribution market. Although one of the supports provided by the new law is distribution support, defined as promotional support, distribution companies do not fulfil the advertisement and promotion activities of the films, whose rights they purchased. In fact, what can be understood from this situation is that even those who make arrangements have no idea about the roles that distribution companies take on. Also, the obligations, costs, agreements and commission fees of the distribution companies vary from company to company because there is no regulation on these issues.

Also, distribution takes place entirely through bilateral relations. The agreements between the producer and the distributor have only one determiner, which is the bargaining power of the mutual parties (Orhan Taşdemir, Personal Interview, August 26, 2020). Even, Orhan Eskiköy (Personal Interview, August 27, 2020) states that distribution is a technical job in Turkey. In fact, he makes an analogy between distributors and real estate agents who are not interested in anything but only their commission. The sui generis characteristics of the distribution sector in Turkey will be discussed in the next section, but it is safe to say that in Turkey, a film distribution firm acts as a contact person who pulls wires for producers and exhibitors. The firm provides movies that make high profits to movie theaters, and intermediaries for producers to exhibit their movies in a large number of theaters. In a manner of speaking, since the distributor checks and adjusts when a movie can be released and in how many theaters, it basically sells the audience of these movies to movie theaters.

For this reason, it is possible to claim that the absence of regulation on the sector reproduces the unknown structure of the sector. Even, the allocation of this invisible and non-mentionable power of major distribution firms completely depends on the internal dynamics of the sector. Therefore, in this context, the film distribution sector should be analysed.

CHAPTER 3

FILM DISTRIBUTION SECTOR IN TURKEY

According to Box office, in the last 5 years, the average number of audience going to the cinema annually is 63 million 934 thousand in Turkey. However, considering that one person can go to different movies or go back to the same movie, it would be more accurate to say that this number is the total number of tickets sold. Also, in the last 5 years, the average number of movies annually released is 398 when imported movies are included. Even if it is thought that each person goes to a single movie only once, the average number of audiences of these movies does not exceed 160 thousand. This means that the cinema audience is not enough to invest in the sector safely. In this context, in an industry with a low number of cinema audience, the biggest risk is demand uncertainty. The components of this uncertainty constitutes from the audience's profile such as the income level and socio-economic status of the audience being the basic parameters. According to Kanzler (2014)'s report, *"cinema going is a cultural practice inherent to educated, young people belonging to a high social economic class, primarily living in cities. A survey conducted by Antrakt sees 52% of cinema goers falling into the upper or upper middle class."*

At this point, it should be said that demand management strategies are required to overcome this demand uncertainty. It is possible to say that the main purpose of these strategies is to direct the demand of the audience. It can even be said that the process of reaching the audience is more critical than the production process of a movie, because every movie, whether commercial or not, is produced to be watched.

However, a movie produced for a commercial exhibition cannot be released on any other platform before it is released in movie theatres as it is stated above. Naturally, the audience can watch the movie only if the movie is released in movie theatres. The number of movie theatres where a movie is released, the release date, and the duration of the movie in release greatly affect the number of audience of the movie. That is to say, these factors affect the demand of the audience. Also, the advertising and promotion of a movie makes it more desirable. All of these factors are related to the demand management which is the main duty of the film distribution companies. Also, in the context of the Turkey film distribution sector, it is not possible to discuss digital distribution because when distribution companies purchase film rights, they do not purchase digital exhibition rights. In other words, filmmakers market their films to digital exhibition platforms themselves. Therefore, the film distribution sector analysis includes only the distribution to movie theaters (Orhan Taşdemir, Personal Interview, August 26, 2020). Distributors' main goal is to bring the audience to the movie, and also to bring audience to the movie theatres where the movie is exhibited. Briefly, they make a movie desirable and also visible. This process can be divided into two parts: The first is the promotion and advertising (P&A) process of the movie, and the second is the logistic planning of the movie exhibition in movie theatre.

Firstly, the P&A process of the movie is a challenging and costly process. It is possible to detail this process by dividing the expenses into 3 basic groups, these are printing costs, promotional costs, advertising costs(Serkan Çakarer, Personal Interview, August 25, 2020).

The first one is the printing costs. Initially, the movie is copied to a certain number of hard drives depending on the number of the movie theatres where it will be exhibited. In addition, these hard drives are transmitted to these theatres. Although both movie theaters and film production are digitalized, this stage causes a significant cost. In addition, the preparation of teasers, posters and photoblocks of the film is also included in the printing costs.

Another group is the promotional costs of the movie. These promotional activities provide visibility to the film without paying any cost. However, the cost here comes from working with a human resources manager to ensure this visibility. For example, the film's human resources manager communicates with the newspaper writer – journalists so that the film is mentioned in the journalist's column, or provides the film's director or actors the oppurtunity to participate in television shows. Although such promotional activities are free of charge, certain payment is done to the human resources manager who is interested in the promotion of the film.

The last and most critical expense item is advertising. All the activities in which a movie is made visible by spending money is called an advertising activity. In this context, newspaper advertisements, advertisements placed on websites or outdoor billboards have a critical significance. Especially nowadays, paid collaborations with social media platforms are becoming more and more important. In addition, the arrangement of the premiere/s for the first run of the film is a very important expense. According to a traditional rule of thumb, the amount of money allocated to the production of the film can be spent on the promotion and advertisement of the film. Often such a correlation can be seen. As this budget decreases, the visibility of the movie also decreases.

This process, namely the promotion and advertisement process of the film, is carried out by distribution companies; distributors cover all of these expenses all around the world. However, in Turkey, the movie's producer is obliged to undertake this task. All promotional and advertising costs belong to the producer. Therefore, there is no financial risk that the distributor takes, because the costs of the advertising and promotional activities are deducted from the producer by the distributors. Also, the main reason why there are many movies that cannot be distributed in Europe is that all risk belongs to the distributor. Despite the distributor's expenditure (advertising promotion costs, costs of selling the film to all platforms, logistics, etc.), the movie may not be able to achieve the desired revenue. This is why there are many subsidies for distributors in Europe. In Turkey, however, the only cost of a film distributor is office expenditures. Also, compared to Europe the distributor has a very different role.

The second process of making a movie more desirable is the logistic planning of the movie exhibition in movie theatres. In Turkey, producers choose the distributor based on the success the company has showed in this process. Also, the distributor companies which the major and independent producers collaborate with are different. After the producers complete their films, they initially make a deal with a distribution company according to this difference. Then, negotiations are made between the distributor and the filmmaker for both the number of theatres and the date of release. Here, the most important factor that enables the distributor company to distribute more movies is that the distributor company having a say in the exhibition market. Considering Cinemaximum’s domination in the exhibition market, the distributor should be able to market a movie to Mars Cinemas (Cinemaximum). The exhibition of the film in a large hall or in a small hall also affects the number of audience even if Mars Cinemas accept to exhibit the film. Hereby, the importance of the relation between movie theatre operators and distributors is explained with a tactic applied by movie theatres and distributors for certain locations. That is the differentiation of films by locations. For example, since people may want to watch the movies of Nuri Bilge Ceylan who is an award-winning director in places such as Kanyon where top-class clients present, these movies are distributed primarily in such locations. Since the exhibition companies in these locations have a high impact, the relationship of the distributor with the operators of movie theatres should also be taken into consideration. Also, for example, one producer might want to agree with Mars's distribution company so that her/his movie can be exhibited in more movie theatres. In summary, the fact that the film distributor has easy access to movie theatres affects the filmmakers' selection of distributors. In fact, it is possible to express this relationship as bilateral relationships since the distribution sector is a field of activity whose role is not defined. In this sector that does not have an institutional structure, all business proceeds through bilateral relations.

Another factor affecting the choice of producers is the fact that the distributor can provide an advance to the producer. In 2015, distributors started to give advance payment to producers. If you have a very commercial movie, major distributors like Mars can give an advance up to 15 percent of the movie's budget. However, the producer must pay this advance, even if the movie does not fulfil the expectations. So, there is no co-production or investment. In addition, not every distribution company can give this advance. Therefore, companies such as CJ and CGV have become prominent in the distribution field as they are strong in terms of capital. Also, in 2018, CJ Corporation paid 26 million lira in advance to the filmmakers.[43]

Also, distribution companies' have a function of distributing imported films. Many of the film distribution companies import films. The distributor imports a film by purchasing all the domestic rights of the film for a certain price. In other words, since all rights in the country belong to the importer when the rights of foreign films are purchased, it is the duty of these distribution companies to sell these films to television and digital platforms. Actually, any real or legal person can import films. In this sense, there is no regulation or restriction. If the film distribution company also imports the films, the company acquires all domestic rights to the film. In addition, the distributor receives all the gross revenues from the exhibition of the film. However, if the company distributes the imported film, it receives only about 10 percent commission, as received from domestic films. In case the distributor company imports films, the price of the film is a risky cost for the distributor. However, if the distributor of the imported film and the company that imported the film are different, the distributor does not have any cost. Distributor companies import movies by going to festivals abroad and meeting foreign producers who want to sell their movies.

The function undertaken by the distributor companies is described above. Briefly, distributors mediate the release of domestic or imported films. In other words, in

[43] To see related news, see: https://www.hurriyet.com.tr/yazarlar/cengiz-semercioglu/film-cekmezlerse-cekeni-bulacagiz-41067366

Turkey, the distributors are the bridge between the producer and the movie theatres; also, they market the films to 439 movie theatres.

In this section, the distribution sector, which fulfils this task, will be examined within the framework of the concepts of ownership, market structure and state regulations. Also, it will be argued that the existing structure directly affects the audience demand. In order to justify this claim, the distributors in the market will be introduced with their strategies, and then the main tendencies of the market will be discussed. In this way, the functioning of the demand management mechanism will become more understandable. In this context, to understand how the demand management mechanism works through the structure of the market, firstly, active distributors and their market strategies should be introduced.

3.1. Film Distributors

Since 2010, the average number of films distributed annually is 350. As of 2019, there 20 distribution companies due to shell companies which operates only on paper and without office and staff. Every year, several distribution companies (shell companies) are established to distribute their films for a year, then do not operate. The main reason for this is that the film producers cannot agree with the distributors on the film's logistics plan. The reason for this disagreement is that the offer given to a producer who made his first movie is different from the offer given to the producer of the star actor or high-grossing movie. For example, while the offer for a filmmaker's first film is to be released for only two weeks in the dead season with about 15 percent commission, a mainstream filmmaker's film gets the season's best release date with about 5 percent commission. This advantage cannot be bought with money, but the bilateral relationship with the distributor may turn these standards in favour of the producer. In other words, the distribution, which does not have any standard and is not subject to regulation, is determined through the bargain between the distributors and the producers.

Table 3.1: Market Share of Distribution Companies in 2010-2019
Source: boxoffice.com

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Başka Sinema	-	-	-	-	-	-	0,00%	0,43%	0,39%	0,65%
Bir Film	-	-	-	-	1,40%	2,12%	2,12%	1,53%	2,02%	2,43%
Chantier	0,11 %	0,56%	1,48%	1,42%	4,23%	2,56%	2,52%	2,18%	0,95%	2,15%
CGV Mars Distribution	-	-	-	-	6,43%	29,04 %	28,30 %	34,86%	41,44 %	17,31 %
CJ Entertainment Distribution	-	-	-	-	-	-	-	-	10,84 %	35,10 %
Derin Film	-	-	-	-	-	-	0,01%	0,05%	0,42%	0,01%
Filmartı	-	-	-	-	-	-	-	0,03%	0,09%	0,13%
Kurmaca Film	-	-	-	-	-	-	-	0,12%	0,08%	0,06%
M3 Film	-	0,81%	1,18%	0,91%	1,43%	1,01%	0,42%	0,04%	0,01%	0,00%
MC Film	-	-	-	-	-	0,46%	0,36%	0,13%	0,17%	0,06%
Özen Film	11,24%	13,41 %	1,01%	0,32%	0,26%	0,17%	0,09%	0,08%	0,29%	0,24%
Pinema	13,01%	5,71%	8,92%	6,71%	7,37%	10,42 %	2,70%	5,06%	0,43%	0,07%
UIP	30,12%	34,78 %	32,46 %	46,01 %	31,31 %	29,36 %	29,75 %	27,36%	19,73 %	23,55 %
Umut Sanat	0,00 %	0,02%	0,01%	0,00%	-	-	-	-	-	0,00%
Tiglon	17,72%	18,87 %	33,10 %	25,47 %	16,35 %	-	-	-	-	-
TME Films	-	-	-	-	6,36%	11,94 %	15,23 %	10,04%	12,43 %	5,56%
Warner Bros.	19,22%	21,94 %	18,66 %	17,24 %	20,44 %	11,62 %	18,14 %	17,74%	10,72 %	12,60 %

As expressed at table 3.1, there are 16 companies active in the distribution market for two consecutive years since 2010. These companies' market shares are seen in the table above. Shell companies entering the market for distribution of certain films only are not included in this table. Also, four companies which are shell companies active in only 2019 are not included in the table. Looking at the table 3.1, it is possible to observe that there were sudden increases and decreases in the market share of certain companies in certain years. However, certain firms (Warner Bros., UIP) have consistently received a particular market share. Some companies (Chantier, M3 film, Umut Sanat) have always been in the market with a minimal share. Özen Film, on the other hand, has continued to exist in the market with a very low market share since 2012, although it was one of the three companies that held the market in the 90s. Tiglon, one of the companies in the table, was withdrawn from the market in 2014. These companies' market shares give clues about the market structure. To analyse market structure, these companies should be categorized. It is possible to say that many of the distribution companies are active in importing films. Moreover, since most distribution companies import films, it is not possible to categorize distributors based on whether they import or not. However, it is possible to categorize companies according to the type of films they distribute (mainstream or independent) and their market shares. In fact, this categorization allows companies to categorize their demand management power. However, a similarity that can be established with the Hollywood distribution market is the existence of companies that distribute mainstream films but have a low market share, except for major and independent distributors. Thus, distribution companies can be divided into three:

(1) **Majors** are companies that distribute films of mainstream production companies and whose market share is constantly increasing. These are CJ Entertainment, CGV Mars Distribution, UIP, Warner Bros., and TME Films.

(2) **Minor majors** are companies that distribute commercial films but have a very low market share and are threatened by the majors. These are Chantier, Özen Film and Pinema.

(3) **Independent** companies are companies that primarily distribute independent films but have a low market share. These are Başka Sinema, Bir Film and Kurmaca Film.[44]

3.1.1. Major Distributors

Major distributors can be defined as the companies that distribute major producers' films and popular foreign films. Also, they have a large market share. Their market share generally exceeds 10 percent. When looking at the distribution market, even companies with very low market shares distribute a lot of movies. Therefore, the main factor that increases the market share is the distribution of high-grossing films. These films are the reason behind the large market share of major distributors. Another common feature of these companies is that they are affiliated companies operating within a group of companies. They also tend to be integrated in the supply chain of the movie industry. That is to say, they can operate in all sectors of the cinema industry. Therefore, the demand management power of these companies is high. One of the problems in summarizing the activities of these companies is that these companies are constantly making decisions to merge or implement division strategies and move to different markets.

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[44] This classification is taken from Wasko (2003) who outlines the Hollywood distribution system as a three-tiered society.

Table 3.2: Market Shares of Majors in 2005-2019

Source: boxoffice.com

Firms / Years	UIP	Warner Bros.	TME Films	CJ Corporation
2005	24,59%	28,87%	-	-
2006	20,14%	17,91%	-	-
2007	25,83%	29,18%	-	-
2008	34,94%	14,77%	-	-
2009	15,18%	19,35%	-	-
2010	30,12%	19,22	-	-
2011	34,78%	21,94%	-	-
2012	32,46%	18,66%	-	-
2013	46,01%	17,24%	-	-
2014	31,31%	20,44%	6,36%	6,43%
2015	29,36%	11,62%	11,94%	29,04%
2016	29,75%	18,14%	15,23%	28,30%
2017	27,36%	17,74%	10,04%	34,86%
2018	19,73%	10,72%	12,43%	52,28%
2019	23,55%	12,60%	5,56%	52,41%

Currently, 5 major companies whose market shares are indicated in the table above take place in the film distribution market. UIP and Warner Bros. are white shoe distribution companies operating in the market since 1989. CJ Entertainment Distribution and CGV Mars Distribution, belonging to CJ Corporation, a South Korean group of companies, are among the major companies. Finally, the only domestic distribution company that can be categorized amongst the majors is TME Films.

3.1.1.1. CJ Corporation (CGV Mars Distribution and CJ Ent. Distribution)

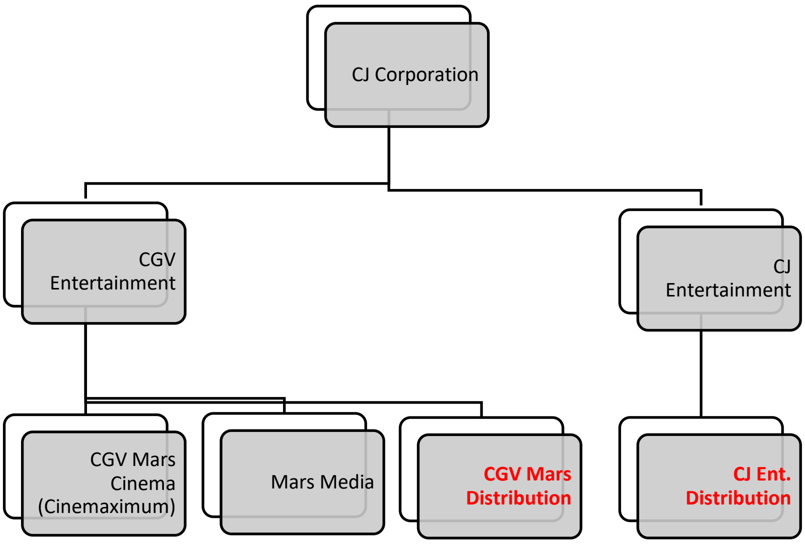

Figure 3.1: CJ Corporation Schema

CJ Corporation is a South Korean-based conglomerate. The corporation was established in 1953 within Samsung, and left Samsung in the 1990s. It includes many businesses in various sectors from food service to logistics. CJ Entertainment and CGV Entertainment are affiliates of this corporation. In fact, this corporation realized its capital export by acquisition of Mars Entertainment Group in 2016. Mars Distribution was a domestic company founded within Mars Entertainment Group which has operated in cinemas, sports clubs and spa centres since 2001. It not only created mergers with other industries, but has also achieved vertical integration in the supply chain of cinema industry. Mars Entertainment Group was active in movie theatre management, film distribution and advertising industries. Especially with the acquisition of AFM cinemas in 2012, Mars Cinemas (Cinemaximum) has become a monopoly that prevents competition in movie theatre management. In 2016, the Group was sold to CJ Corporation for $ 800 million. In 2018, although the cause is not known exactly, CJ Corporation has also introduced another distribution company (CJ Entertainment Distribution) affiliated to its own entertainment company (CJ Entertainment) to the distribution market in 2018.[45] Thus, there was a serious increase in the market share of CJ Corporation. CGV Distribution has distributed 323 films in total since 2014, while CJ Distribution has distributed 69 films in total since 2018.

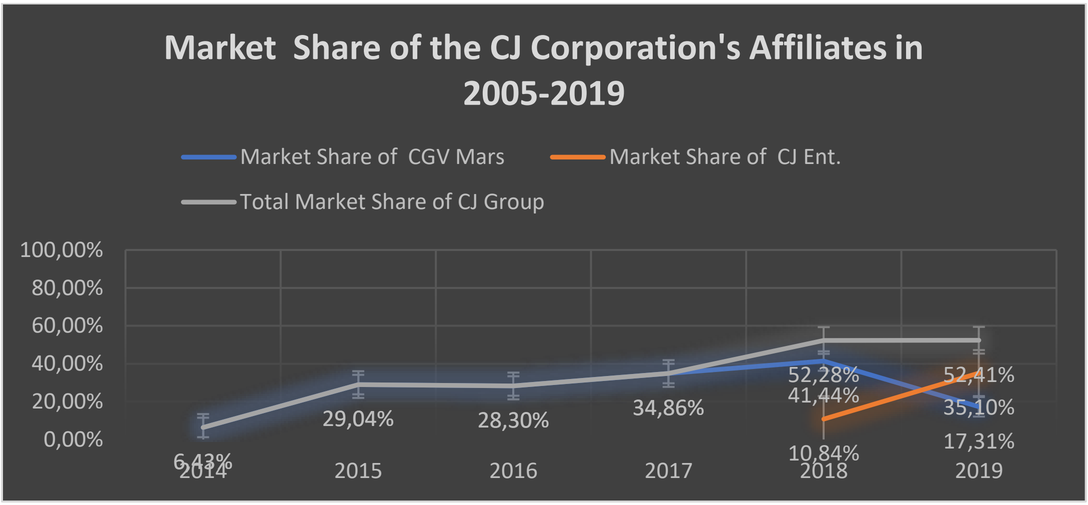

Figure 6.2: CJ Corporation's Market Share in 2005-2019

Source: boxoffice.com

Since Mars Distribution entered the sector in 2014, its market share suddenly increased in 2015 until 2019. This increase can be explained with Mars Cinemas' dominance in the exhibition sector. At that point, despite decreasing market share of Mars distribution, the continuation of the increase in CJ Corporation's market share in 2019

[45] According to interviews with movie distributors (Serkan Çakarer, Personal Interview, 25, 08,2020) (Orhan Taşdemir, Personal Interview, 27,08,2020), there can be two different reasons for this move. The first is that CGV's market share is slowly transferred to CJ Ent. Distribution by establishing a sister company to hide the position of CGV, which has become a monopoly both in the exhibition and film distribution industries. The second one is that the popcorn crisis caused disagreement between the firm and various major producers, and a division occurred in order to resolve this conflict. Also, according to Kemal Ural(Personal Interview, 10, 09, 2020), CJ Corporation may have brought a second distribution company to the market due to the difficulty of distributing many films with a single team.

raises a question mark. After the popcorn crisis stemming from the dispute between Mars Cinemas (Cinemaximum) and mainstream filmmakers, CJ Corporation's market share has continued to increase while it should have declined. Due to the dispute, mainstream producers were expected to prefer other major distribution companies, UIP and Warner Bros., instead of the distribution companies that are sister companies of Mars Cinemas affiliated to CJ Corporation. In contrast, mainstream producers preferred CJ Distribution, which is also a company of CJ Corporation. It is possible to explain this preference by being condemned to the distribution company that has a voice on half of the movie theaters. Therefore, CJ Distribution's market share has increased to 35,10%. As it can be seen from the graphic, the total market share of CJ Corporation's distribution companies increased to 52.41 percent in 2019. Moreover, this increase also caused a critical decrease in minor and independent distributors' market shares and even the bankruptcy of them.

CJ and CGV distribution also have the power to direct the market. For example, since they were strong in terms of capital, they were able to distribute more films by giving advances to the producers since 2016. This situation led to the elimination of distributors who did not have enough capital to pay advance. As a result, distributors of high-budget popular films and distributors of low-budget or independent films have started to separate. Although CJ Corporation has distribution companies that are preferred by mainstream producers, it applies strategies that seem to support art-house cinemas which can influence the audience. For example, in certain locations, they designated cinema theatres of Mars as art-house cinema theatres, and they exhibit festival films in these theatres. They even expressed the distribution problem of the independent films on their website with the following sentence: "We want to share the excitement of exhibit movies that cinema lovers cannot watch in other movie theatres in the best movie theatres in Turkey.[46]" In fact, ticket prices are also lower in these theatres. Although it seems to have been made for cinemagoers, keeping ticket prices low puts the producers of these movies into difficulty. The reason behind this difficulty

[46] https://www.cinemaximum.com.tr/cgv-arthouse

is that while 55 percent of the revenue of the films that are exhibited in these movie theatres goes to the movie theatre, 45 percent remains for the producer.[47]

3.1.1.2. Warner Bros.

As stated on the website[48], "Warner Bros. Pictures International is a leader in the marketing and distribution of feature films to markets outside of North America, operating offices in more than 30 countries and releasing films in over 120 international territories, either directly to theaters or in conjunction with partner companies and co-ventures." This division is owned by Warner Brothers Entertainment Inc., which is one of the largest film production and TV broadcast companies today. This group of companies is owned by Time Warner AOL. Time Warner AOL is one of the world's largest media companies, headquartered in New York City. Group is active in all mass media platforms such as news, music, television, movies, books, magazines. Warner Communication and Time Inc. decided to merge in 1989. Afterward, Time Warner has partnered with Toshiba and Itoh to form Time Warner Entertainment. This partnership meant a billion-dollar network, and it was unprecedented (Hıdıroğlu, 2010). This was also the pursuit of an international ground for cinema investment. Warner Bros.' entry into the Turkey distribution market coincides with this time. Lastly, In 2001, *"Time Warner merged with America OnLine (AOL), to create what is claimed to be the largest entertainment conglomerate in the world.* (Wasko, 2003)*"* However, contrary to the expectation that this sentence can create, the market strategy of this company in the Turkey distribution market can be expressed as holding a risk-free market share. In Turkey distribution market, Warner Bros has distributed 504 films in total since 2005. Since these films are made for

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[47] As mentioned earlier, the traditional rule in the revenue sharing is to share the revenue as fifty fifty.

[48] To access Warner Bros' website, see: https://www.warnerbros.com/company/divisions/motion-pictures

international markets, their exhibition's marginal cost is low. Mainly, P&A costs, which play an essential role in movie distribution, are relatively low since films are also released in many markets. In this case, a domestic movie may be preferred if only the movie promises a very high box office income (Erus, 2007) In fact, this implies a selectivity. Between 2015-2019, the average number of films Warner Bros. distributed annually is only 1.

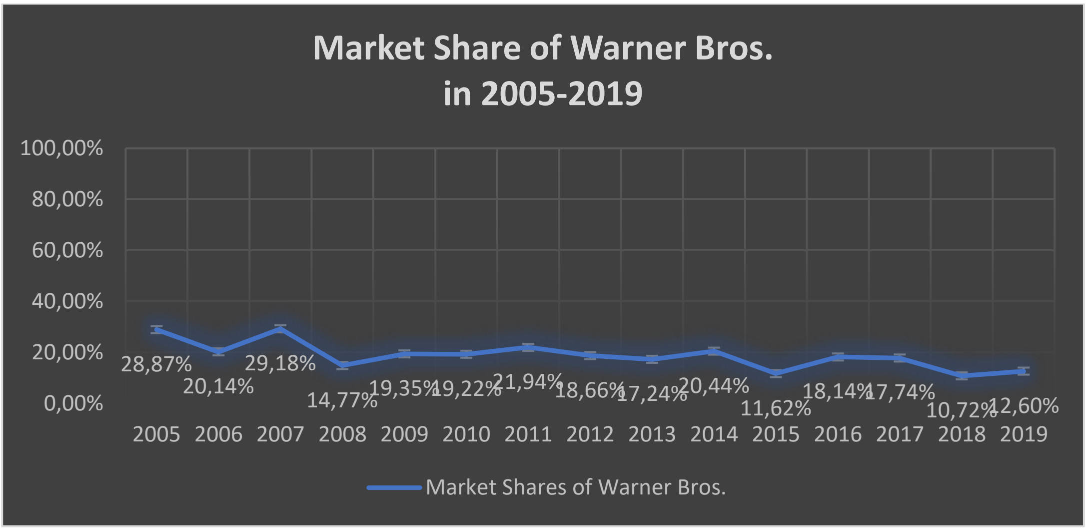

Figure 3.3: Market Share of Warner Bros. in 2005- 2019
Source: boxoffice.com

Therefore, as understood from the graph, the company's market share remained almost the same over the years, except for the years when foreign films, which a vast audience expected, were distributed. For example, in 2007, the firm distributed films such as the 300 Spartans, Spiderman 3, Harry Potter and the Order of the Phoenix, and Saw 3. Thus, this year's market share is relatively high compared to other years. In summary, it is possible to argue that Warner Bros.' strategy in the market consists of holding a risk-free market share. While it has a secure market share, it is clear that it does not set a strategy that prevents competition in a market where domestic film production and distribution is supported.

3.1.1.3. United International Pictures

United International Pictures is a film distribution company founded in London in 1981. The company distributes the films of Paramount and Universal in many countries in international markets outside of North America. UIP, which is a joint venture is, the affiliate of Universal Filmed Entertainment Group, which is a subsidiary of NBC Universal. NBC Universal is a company operating in the media and entertainment sector, formed in May 2004 by the merger of General Electric's NBC and Vivendi Universal Entertainment (French Media Group, Vivendi SA). It is noteworthy that the company, which is located in 127 countries, operates in an international market outside the United States. Its biggest competitor worldwide is Warner Bros., one of the major firms in the distribution market of Hollywood and Turkey. As mentioned before, the company has entered Turkey's film distribution market in 1989. In the 90s, the market was in the hands of 3 companies, including UIP. After domestic distribution companies entered the market, market power of UIP decreased.

UIP produces and distributes a significant portion of the films in their portfolios. That is to say, the advantage of low marginal cost expressed for Warner Bros. is also valid for UIP. It is also strategically similar to Warner Bros. in maintaining its selectivity in domestic film distribution. The leading indicator of this selectivity is that the average annual number of films distributed by UIP is 6 in between 2015-2019. As understood from the number of distributed domestic films, UIP is less selective in domestic film distribution. However, the effect of this selectivity would be understood from the number of movies distributed. UIP has distributed 643 films in total since 2005. This number of films distributed in 15 years is not even twice the number of CJ Corporation films in 6 years.

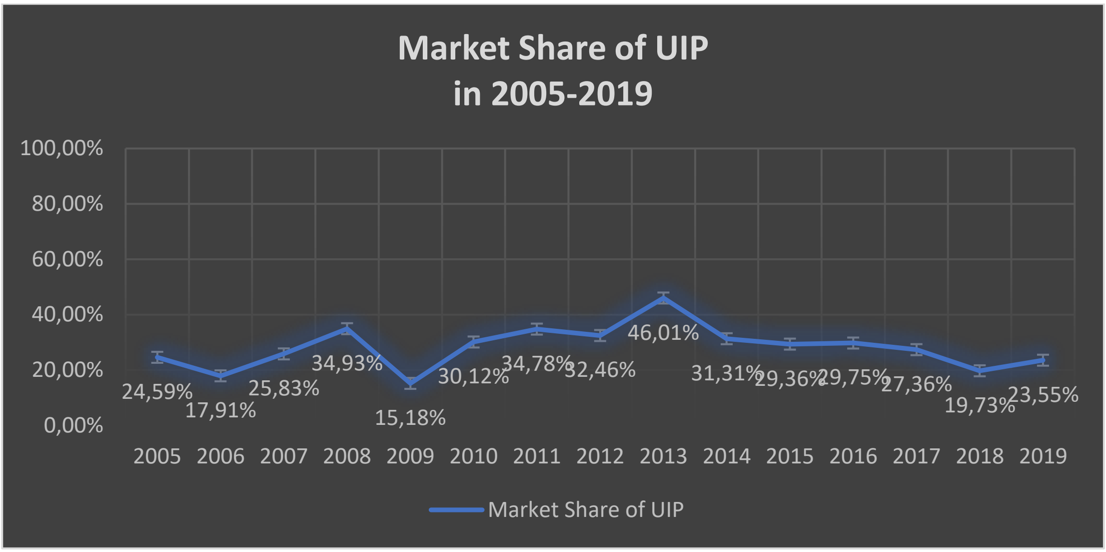

Figure 3.4: Market Share of UIP in 2005-2019

Source: boxoffice.com

However, it can be said that UIP has the strategy of taking part in the domestic movie market. In 2013 when it had a 46% market share, UIP's revenue was 232,052,857 TL. 161,126,772 TL of this revenue came from domestic film distribution. Also, with Mars Distribution entering the market in 2014, its market share has decreased continuously. However, in 2019, its market share suddenly increased by 4 percent to 23.55 percent. The main reason for this increase can be expressed as the fact that foreign film audiences remain constant despite the decrease in the domestic film audience.[49]

[49] As mentioned in previous chapter, one of the direct consequences of the popcorn crisis is the decrease in the number of domestic film audiences.

3.1.1.4. TME Films

Founded in June 2014, TME Films is 20th Century Fox's distributor in Turkey. The company is the affiliate of The Moments Entertainment (TME) which is an entertainment management company operating in content design, concept development and film distribution. The films of 20th Century Fox, whose rights were given to Tiglon (a company operating in the distribution market between 2008-2014 after Özen Film), were given to TME Films immediately after Tiglon's bankruptcy. The company also imports films, and undertakes the distribution of imported and domestic films. TME Films has distributed 237 films in total since 2014, when it entered the film distribution market. However, it should be noted that the main reason that TME Films takes place among the major distributors is TME distributes the films of 20th Century Fox. In fact, an unspoken division of labour has already been made among the other 4 major distributors. Warner Bros. and UIP distribute popular foreign films, while CJ and CGV distribute popular domestic films. Thus, in general, the domestic films that TME Films distributes are not the films of the major producers, and the imported films are not popular.

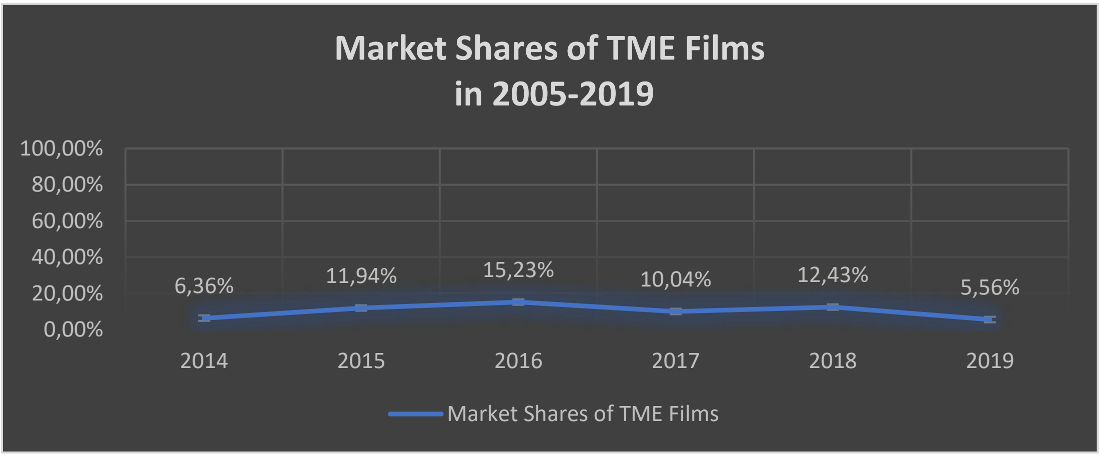

Figure 3.5: Market Share of TME Films in 2005-2019

Source: boxoffice.com

As a result, TME Films's market share varies according to the popularity of the 20th Century Fox's films. For example, TME's market share increased to 15.23 percent in 2016, when popular films such as Deadpool and Ice Age were released. Also, TME's market share increased in 2018, which was the year Deadpool 2 got released. However, after the acquisition of 20th Century Fox by Disney on March 20, 2019, TME Films's market share has declined considerably. As of 2020, TME film is no different from minor major companies.

3.1.2. Minor Major Distributors

Table 3.3: Market Shares of Minor Major Distributors in 2005-2019

Years	Özen Film	Chantier	Pinema
2005	33,02%	0,70%	1,66%
2006	29,57%	0,71%	0,00%
2007	16,81%	1,41%	0,07%
2008	24,53%	1,41%	2,15%
2009	18,03%	1,12%	8,15%
2010	11,24%	0,11%	13,01%
2011	13,41%	0,56%	5,71%
2012	1,01%	1,48%	8,92%
2013	0,32%	1,42%	6,71%
2014	0,26%	4,23%	7,37%

Table 3.3. Continued

2015	**0,17%**	**2,56%**	**10,42%**
2016	0,09%	2,52%	2,70%
2017	0,08%	2,18%	5,06%
2018	0,29%	0,95%	0,43%
2019	0,24%	2,15%	0,07%

Although these distribution companies have a low market share in the market, they undertake the distribution of mainstream films. The market shares of these companies are constantly fluctuating. Market shares are generally less than 5 percent, except for the high revenue generated by certain film or film producers. They continue their presence in the distribution market through the distribution of imported films. Although they do not have the power to affect other sectors of the cinema, there are bilateral relations with firms from other sectors because they have been operating in the market for a long time. Thanks to this network, they can distribute high grossing domestic films occasionally. However, they are structurally insufficient in the strategies that can be implemented in order to overcome the uncertainty of demand. These distributors only deal with the programming and logistic of the films. These companies are Özen Film, Chantier and Pinema.

3.1.2.1. Özen Film

Özen Film was established in 1941 as a joint stock company to produce, import and distribute films, and operate a movie theatre. As of its establishment, the integrated structure of the production, distribution and exhibition sectors[50] has directed the company's strategy to vertical integration. In the 90s, Özen Film had an important role in foreign film distribution with its distribution branch. It was even one of the 3 companies that dominated the sector. The firm has distributed 20th Century Fox's films for 28 years.

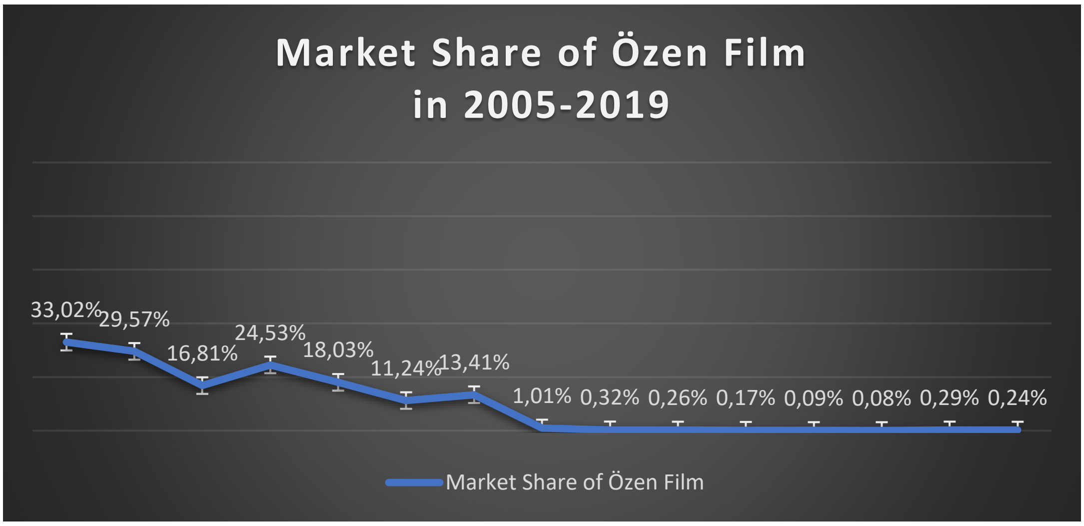

Figure 3.6: Market Share of Özen Film in 2005-2019
Source: boxoffice.com

However, after 28 years, in 2008, Özen Film's market share decreased significantly because 20th Century Fox did not renew the agreement and gave its films to Tiglon instead of Özen Film. The collapse process of the company started with this break in 2008, but this process accelerated at the end of 2012, when Adnan Menderes Şapçı, who was the operating manager between 1988 and 2012, left the company. In fact, this indicates that the operation of the firm is based on bilateral relations. One point to be noted here is that although Özen Films' market share has decreased considerably, it

[50] The main reason for this integrated structure was that cinema have not existed as an industry yet in the 40s.

has distributed 238 films in total since 2012. This shows that the factor playing a role in increasing the market share is not the number of films distributed. Since the distribution of the film does not have any cost for the distributor, the distributor may not be selective about the content.

3.1.2.2. Pinema

Pinema was established in 1993 as a film distribution company to bring the audience together with local and foreign productions via movie theaters and television. In addition to Hollywood productions, Pinema also delivers productions from many different countries to the local audience. The firm has worked with many studios such as Polygram, Summit Entertainment, Canal +, Universal, Columbia Home Video, Beacon, Strike, Hyde Park Entertainment, Relativity Media, Morgan Creek Int., Arclight Pictures.

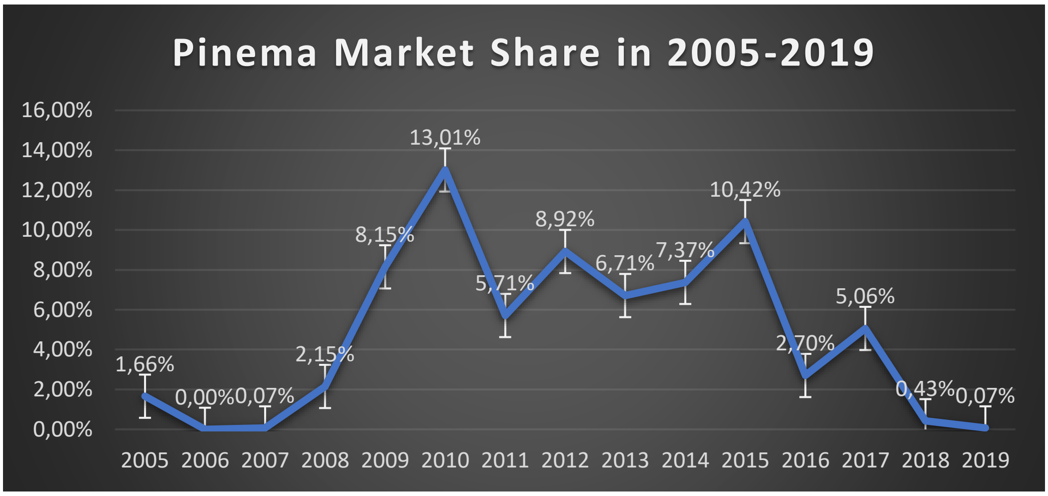

Figure 3.7: Market Share of Pinema in 2005-2019

Source: boxoffice.com

Looking at the Figure 3.7, it can be said that Pinema's market shares are continually fluctuating. However, sudden increases in market share point to a reality that Boyut Film, of which Mahsun Kırmızıgül is the co-founder, started distributing his films with Pinema in 2009. Likewise, the reason for the sudden increase in 2010 and 2015 is the distribution of Boyut Film's films. However, since CJ Corporation paid advance to Boyut Film, the firm started to distribute its films with CJ Corporation’s distribution companies.[51] Thus, Pinema's market share decreased significantly. Afterward, Pinema has left the distribution market as of 2020. This situation is a basic explanation that the giant firm in the market has taken over the market shares of other companies.

3.1.2.3. Chantier

Chantier Films is a film company that has been active in film production and distribution since 2001. However, the company imports films and distributes imported films.

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[51] To see related news, see: https://www.hurriyet.com.tr/yazarlar/cengiz-semercioglu/film-cekmezlerse-cekeni-bulacagiz-41067366

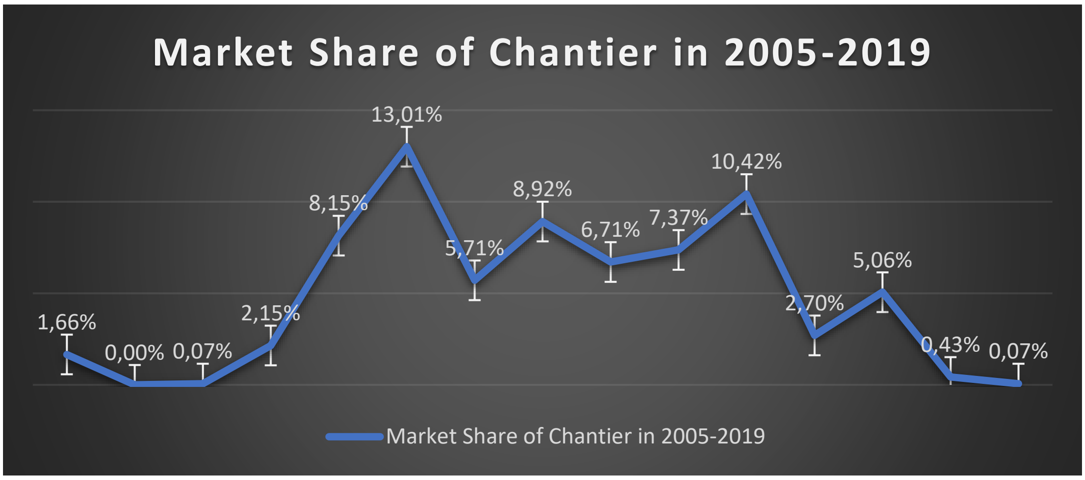

Figure 3.8: Market Share of Chantier in 2005-2019

Source: boxoffice.com

In the distribution market, the market share of Chantier has never exceeded 5 percent. Since 2005, the average number of films Chantier distributes annually is 15, which is lower than the average for other firms in the market. In this sense, the firm differs from other companies.

3.1.3. Independent Distributors

Independent distributors can be expressed as companies that have been assigned to distribute art-house films. Within the last 15 years, there have been 3 independent distributors that are still active in 2019. Independent movie ticket sales account for approximately 2 percent of all sales (Emre Akpınar, Personal Interview, August 27,2020). Thus, independent distributors have to share this 2 percent with their sales. However, it should be noted that independent distribution companies are not companies that only distribute festival films and domestic independent films. They distribute approximately the same number of films as other companies. Among these films, there are also domestic and foreign mainstream films. Actually, the fact that they also distribute independent films that are not expected to do business makes these companies independent. They do not have strong ties with major producers and movie theatre operators. As a result, there are some restrictions for the films distributed by these companies. For example, the duration of the movies in release and the movie theatre where these movies are exhibited are limited. These companies are Başka Distribution, Bir Film, Kurmaca Film.

Table 3.4: Market Shares of Independent Distributors in 2014-2019

Years	Bir Film	Başka Distribution	Kurmaca Film
2014	1,40%	0,00%	0,00%
2015	2,12%	0,00%	0,00%
2016	2,12%	0,00%	0,00%
2017	1,53%	0,43%	0,12%
2018	2,02%	0,39%	0,08%
2019	2,43%	0,65%	0,06%

3.1.3.1. Başka Distribution

Başka Distribution is an independent film distribution company founded by the co-founders of Mars Production. Mars Production was established in 2006 as a film import company. In addition to mainstream films and documentaries with an international market, it also featured award-winning films that were appreciated at international festivals. The firm distributed films through M3 film, which was established for the distribution of imported films. Afterward, M3 film's co-founders have established two different distribution companies, Başka Distribution and Kurmaca Film. Başka Distribution has started to get a share from the market in 2017.

This company is one of the founders of the Başka Cinema project. This project, which was created on the idea of an independent movie theater, was initiated by the cooperation of Başka Sinema Dağıtım and Kariyo & Ababay Foundation. Başka Cinema makes the independent films that moviegoers expect, accessible throughout the year. This project's basic principles are to present at least three films a day to the audience in the same hall and keep the films in release for a period of time to be viewed. It can be said that these principles have been created in response to various market problems.

3.1.3.2. Bir Film

Bir Film was founded in 2002 indicated the main aim of the company as "to acquire and distribute high-quality films from all around the world on various platforms" [52]. Although Bir Film entered the market in 2002, it did not appear in the market from 2009 to 2014. During these years, Bir Film made the distribution in collaboration with Tiglon, by an agreement with Tiglon Inc. In other words, the distribution took place under Tiglon, not as a Bir Film. At that time, Bir Film continued its film purchasing and importing activities, as it has been ongoing since 2002. When the relevant distribution agreement was concluded, the company continued its distribution operation with its own name (Kaan Ege, Personal Interview, September 10, 2020). Over the years it has been in the market, it has distributed a considerably higher number of films compared to other companies. The average number of films it has distributed is 39 since 2014. This company can be described as leading distributor of independent cinema with a catalogue of over 800 films. Bir Film is also working with Başka Cinema.

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[52] For more detailed information about the company, see: https://www.birfilm.net/biz-kimiz

3.1.3.3. Kurmaca Film

The co-founders of M3 film, which was established in 2010, established a separate distribution company, Kurmaca Film. The company defines its main task as import. It sells the films it chooses from festivals to both movie theaters and digital platforms (Emre Akpınar, Personal Interview, August 27, 2020). Kurmaca Film has also distributed award-winning independent films such as Buğday (Semih Kaplanoğlu), Taş (Orhan Eskiköy), Yol Kenarı (Tayfun Pirselimoğlu), Tarla (Cemil Ağacıkoğlu), Aydede (Abdurrahman Öner), Taksim Hold Em (Michael Önder), Murtaza (Özgür Sevimli).

So far, active distributors in the market were categorized according to their demand management power. These companies, whose market shares and strategies have been described, both shape the film distribution sector and are shaped by this sector. The first conclusion from to the analysis made according to market shares, monopolization tendency increased considerably after CJ Corporation took place in the market with two companies in the distribution market, which had an oligopolistic structure until 2014. Another conclusion that can be drawn from the analysis is that all companies in the market, including independent distribution companies, have to distribute films regardless of their film content. Independent distributors struggling to survive in the marketplace are forced to distribute as many films as possible. However, since distributor-owned movie theatres are dominant in the exhibition market, independent distributors cannot exhibit films in many locations. Finally, it can be stated that bilateral relations are decisive for the distribution activity for the entire distribution sector. While describing these companies, several tendencies that shape the sector should be highlighted.

3.2. Defining Tendencies

It is possible to examine these tendencies under 3 main headings. Firstly, distribution companies are not subject to any regulations. Therefore, it is possible to define the film distribution market as an unregulated area. Secondly, considering that more than 80 percent of the market is owned by foreign companies, another phenomenon that defines the market is foreign ownership. Finally, the fact that few companies in the market have very high market shares causes concentration in the market. Under the heading of high concentration, several predicaments which this concentration causes in the sector should be also discussed.

3.2.1. Unregulated Sector

Neither the cinema law in 2004 nor the amendment in 2019 made an arrangement on the distribution sector. Even, it is unclear what is meant by film distribution. That is to say, the business segments of the film distribution are not determined by any regulation. The relationship between cinema policies and the film distribution sector becomes visible in this silence because the regulatory gaps reproduce the sector structure again and again.

The film distribution sector does not accept various segments and cost items, unlike in Europe and Hollywood. For example, advertising and promotion costs in Turkey does not belong to the distributor. The only task the distributor undertakes is to logistic planning of the movie exhibition. That is, the distribution sector is a risk-free area. And, this area operates with unwritten rules from the past. However, these unwritten rules can be violated by giant companies. For example, the number of movie theatres where the film is distributed and the duration of movie in release is determined after a negotiation between the producer and the distributor. According to this agreement, the movie is exhibited in certain theatres in certain sessions. However, in cases where the audience of the movie is predicted to be low, the distributor and the movie theatre manager follow a different path. The manager pays the minimum guarantee to the producer, and exhibits another film instead of the film of the producer. (S. Çakarer, Personal Interview, August 25, 2020) In addition, distribution commissions have no specific determinants. If a film is bankable, less commission is received. However, in case of demand uncertainty, major companies do not take a risk. For example, the film distribution commission is generally around 10 percent of a movie's gross revenue as mentioned in previous chapter. However, 5-6 percent commission is requested for movies like Recep İvedik. Lastly, the tendency of integration in the supply chain increases with the lack of regulation.

Apart from public regulations, there is no independent organization that examines the film industry. Apart from the European Audiovisual Observatory's report on the film industry in 2014, there is no report describing the sector. In 2016, the Competition Authority prepared a sector report after the Mars-AFM merger, but this report was compiled from the mentioned report and contains deficiencies. At that point, the reports of Cinema Producers' Professional Association[53] and some producers' voluntary works[54] inform the public about the film industry and cinema regulations. The absence of any organization that observes and reports on audio-visual platforms has made both the cinema industry and the distribution sector an unknown. As such, this unknown sector reproduces itself through this absence.

[53] To observe related reports, see: http://www.se-yap.org.tr/raporlar/

[54] To observe Yamaç Okur's works, see: https://yamacokur.wordpress.com/

3.2.2. Foreign Ownership

The 4 companies that have the highest market share in the market are also foreign. The effects of foreign ownership have changed from time to time. It is possible to say that foreign ownership was much more coercive before 2005. With the foreign capital incentive law in 1989, it became certain for foreign distribution companies to operate with their own legal entities. In the days following the legal regulation, the US majors, Warner Bros and UIP, entered film distribution market in Turkey. Thus, "American film distribution monopolies have taken over the market by assuring the owners of movie theaters that a large number of audiences will return" (Öngören, 1996). He, in his assessment two years after the enactment of the law, states that if the US companies directly enter the distribution network, the situation of the movie theaters will improve, but the importing companies will disappear and it will be very difficult for Turkish films to be released. In the years following the enactment of the law, the share of domestic films in the total number of films released decreased to around 8% (Işığan, 2003). This change created by foreign capital in the film distribution sector made movie theaters dependent on foreign companies, and caused the power position in Turkish film production to change. Also, UIP and Warner Bros had the chance to dictate some movies to the movie theatres, because they have the rights of numerous hit movies. Also, these companies determine the release agenda. Even, when Umut Sanat imported the Lord of the Rings, they preferred to distribute the movie through Warner Bros in order to reach the audience. (Erus, 2007) In fact, this clearly shows the effect of distribution companies.

However, with the increase in domestic production in 2005, foreign ownership was destroyed. Even if foreign ownership is not completely eliminated, domestic distributors like Pinema, Chantier, Özen Film, Umut Sanat have become strong in the market. However, since the distribution market is a relatively risk-free area compared to the markets abroad, it has become interesting for capital exports. This interest grew further with the growth of the cinema industry. Eventually, the market evolved into foreign ownership again in 2016, after the Mars Distribution was sold to CJ Corporation. However, after the acquisition, the restricting conditions in the 90s were replaced by the promotion of domestic production. Expressing that the promotional sale occurred after CJ Corporation bought Mars Group, Ural (Personal Interview, September 09, 2020) stated that the market's balance was disturbed in this way.

3.2.3. High Concentration

The structure of all distribution markets tends to be an oligopoly. However, this situation differs according to the structure of other sectors in the supply chain and the strategy of strong companies in the market. In Turkey, the oligopolistic market structure is evolving into a more concentrated market structure. It is very important to understand the level of this concentration. There are some indexes used to measure the concentration in a market. The 3 main indices that are relevant for this market, are: C1 ratio, C4 ratio and the Herfhindahl- Hirschman Index index (HHI). However, all of these indices have a handicap in this market. Since two distribution companies belonging to a single group of companies cannot be read through the indexes, the values can be misleading. Therefore, these indexes should be handled according to two different situations, which are: (1) when the market shares of the two firms are analysed as the market share of a single group and (2) when they are analysed as two separate firms. From these indexes, the ratio of C1 refers to the company that has the highest market share in the market. C4 rate, on the other hand, represents the total market share of 4 companies with the highest market share. According to Noam (2016), "*when C4 ranges from 0% to 40%, the industry tends to be competitive if the companies are of roughly equal size. It says that smaller companies serve 60% or more of a market. With a C4 above 40%, the industry is most likely an oligopoly*."

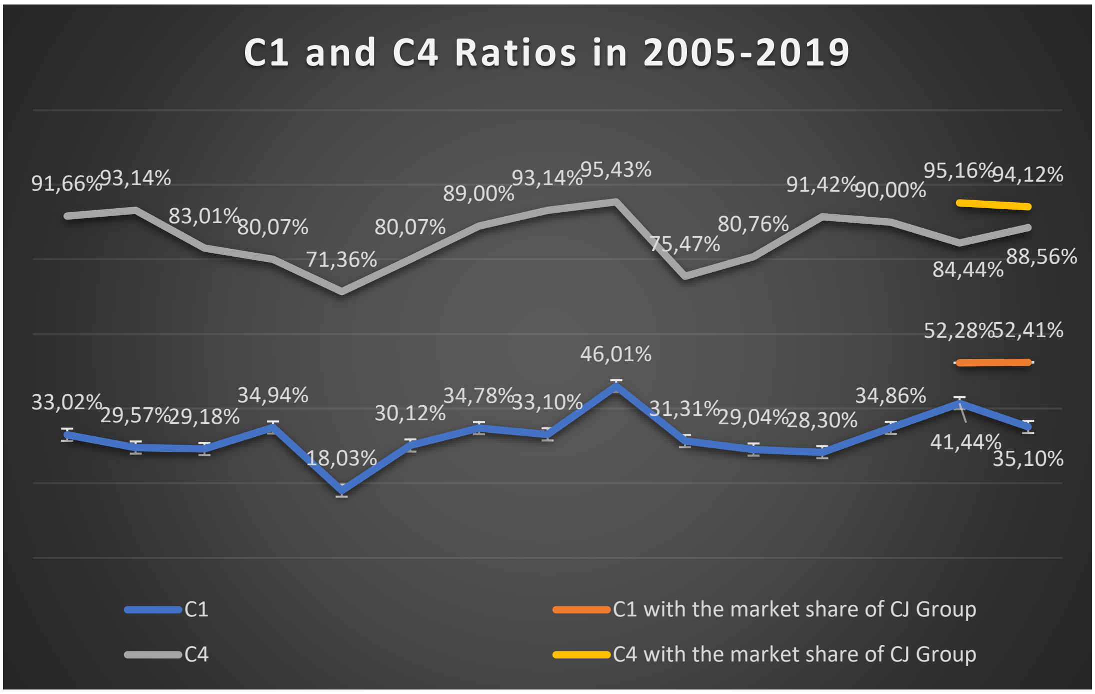


Figure 3.9: C1 and C4 Ratios in distribution market between 2005-2019

Source: boxoffice.com

The importance of the C1 ratio for this market is that it enables us to see the company that has the highest market share always operates in the market with over 30 percent market share. However, it is also meaningful to read the market share of the top firms according to the C4 index. As stated above, if the C4 ratio is over 40 percent, the market structure is expressed as oligopoly (Noam, 2016). However, the film distribution market in Turkey can never be close to this threshold. The market structure is always concentrated. Therefore, the fact that the top companies have a high market share is a result of the high concentration in the market. However, until 2014, the company, which had the highest market share, changed continuously due to the view rates of the distributed movie. For example, in 2013, the top company was UIP, while in the previous year, the top company was Tiglon. Thus, it can be said that it is a temporary ownership. However, in this context, there is a difference since 2014. CGV Mars, owned by CJ Corporation, has had the highest market share in the market since

2014 when it first entered the market. Since 2018, CJ Distribution, which also belongs to CJ Corporation, has the highest market share. As of 2018, CJ Corporation's market share increased to 52 percent. In addition, the ownership, which has not changed since 2014, refers to the monopolization in the market. Hereby, since the market shares of other companies in the market are also known, the values of HHI should be examined to measure market concentration. This Herfhindahl- Hirschman Index (HHI) can be expressed as the most reliable index, as there are a few companies in the distribution market. HHI is an index that measures the concentration in the market by highlighting each company's market share. In determining the concentration ratio in a market with HHI, the square of each firm's market value is summed (Noam, 2016). Therefore, the market share of each company is important for this index. According to Noam (2016), "*moderate concentration occurs in the range of 1,000 to 1,800; and high concentration starts at 1,800*." (Since 2010, the thresholds have become 1,500-2,500.)

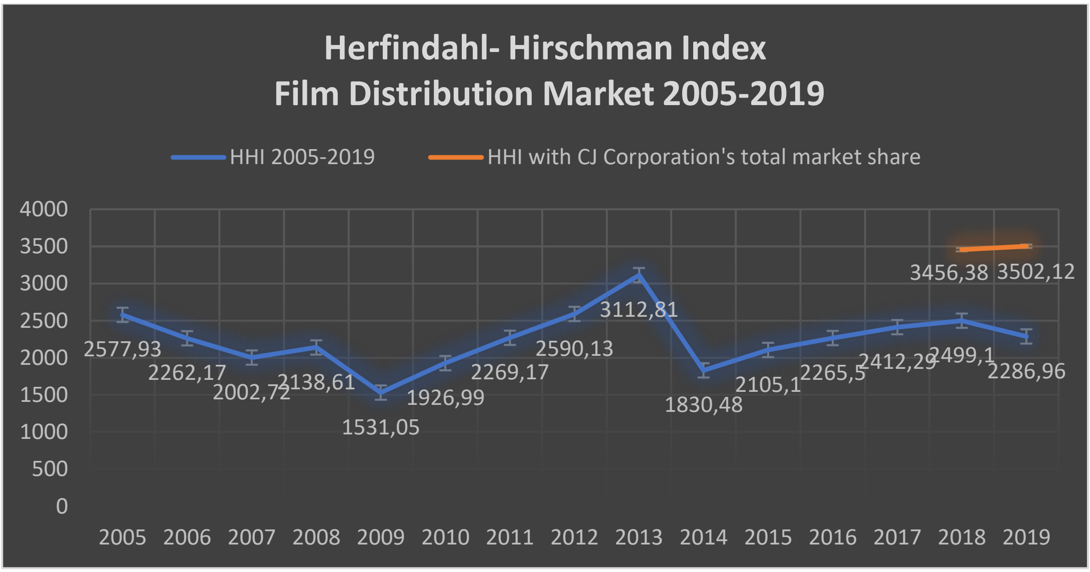
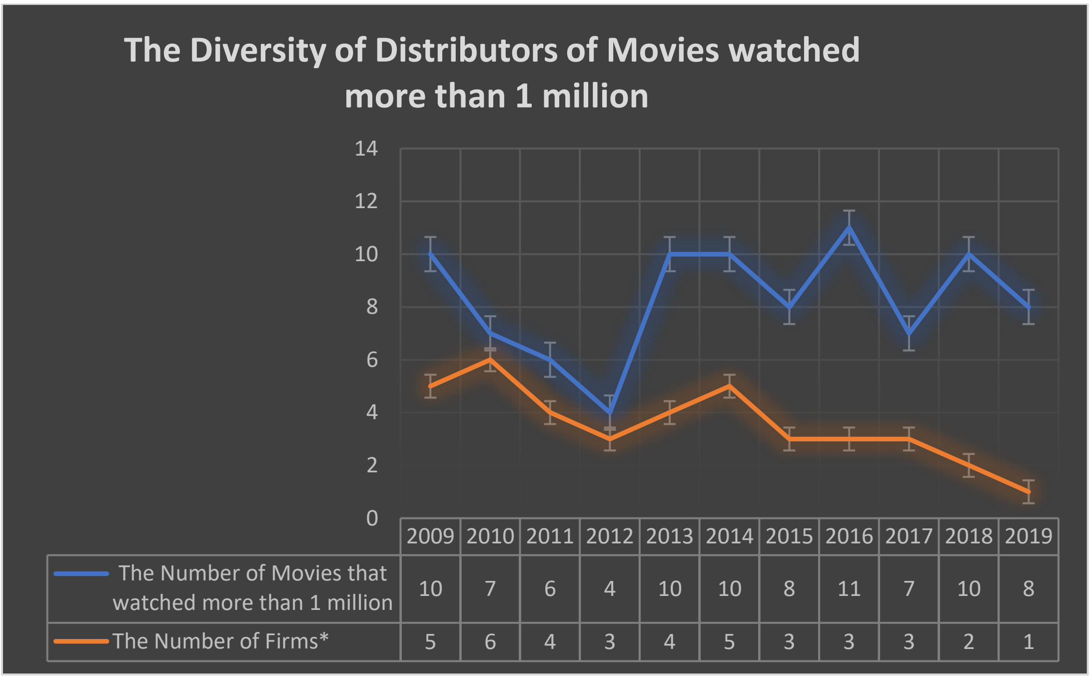


Figure 3.10: HHI for Film Distribution Market

Source: boxoffice.com

Looking at the Figure 3.10, there has already been a highly concentrated market since 2005. In fact, this situation arises from the low number of active firms in the market. While this number ~~is~~ was 11 in 2005, it was 17 in 2019. The first decrease in the value of HHI started with 2005 when the cinema law was introduced. The domestic distribution firms that entered the market with the increase in domestic production had an impact on this decrease. The first period in which the concentration in the market increased is between the years 2009-2013. An important detail in this period is the increase in the number of audience. The number of audience, which was 36 million in 2009, increased to 50 million in 2013 (Okur, n.d.) However, although this increase led to the growth of the market potential it reflected in very few films. Therefore, in this context, the main factor increasing concentration is related to the diversity of the distributors that have films with a view over 1 million.



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
The Number of Movies that watched more than 1 million	10	7	6	4	10	10	8	11	7	10	8
The Number of Firms*	5	6	4	3	4	5	3	3	3	2	1

Figure 3.11: The Diversity of Distributors of Movies watched more than 1 million

Source: boxoffice.com

*CJ Corporation has been considered as a single firm.

Considering the two charts together, the years (2009 and 2014) when the market is the least concentrated and the years when the distributor diversity increases are simultaneous. However, after 2014, this diversity of distribution firms gradually decreased. Naturally, the concentration in the market increased gradually. It should be seen as a danger in the market. A single company is now a distributor of the most watched movies. This monopolization is not only the result of certain strategies but also root of certain predicaments.

So far, the firms in the market and their strategies have been examined, and general tendencies in the market have been discussed. The emergent market structure here is highly concentrated, foreign-owned and deliberately unchecked. It is significant to prove the main results caused by this market structure.

The first one is vertical integration. In fact, the companies in the market have a vertical integration tendency. The distributors implement an integration strategy in the supply chain. The main reason of this tendency is different depending on the size of the companies. The major ones aim to reduce their costs and consolidate their strength in the market; the minor ones, on the other hand, aim to remain in the market, by implementing this strategy. In such an integrated industry, it is almost impossible to completely separate the processes of film production, distribution and exhibition. An important factor that can also increase concentration in the distribution market is horizontal integration. However, CJ Corporation preferred the division strategy instead. It is understood that a vertically integrated CJ Corporation would prefer to go with the division strategy rather than horizontal integration to hide its monopoly position. In 2012, Mars Cinemas merged with AFM and although the market share of Mars Cinemas increased to 52 percent in the film exhibition market afterwards, this merger was evaluated negatively by the Competition Board (Tomur, Kol, & Bilaçlı, 2016).

The second result of the monopolization and reduction in distributor diversity of movies with more than 1 million views is homogenization in content. Also, CJ Corporation's strategy of cross-promotion has been influential in this issue. The increase in cross-promotion products (popcorn+ ticket) leads to a decrease in products that are not suitable for cross-promotions. Therefore, it creates content homogenization. Also, the majority of the movies which have been released in the last five years are comedy movies. At the same time, there is a high tendency for serialization in movies released. It seems much more reasonable for producers and distributors to release sequel movies because each new movie made is costly in production and has risk of not being watched. Also, to eliminate the risks, even distributors assigned the genre or actors of the movies. This situation can be described as "ordered-movie". At this point, the content of the film and the originality of the content becomes quite controversial. It has become almost impossible to see different genres and categories among the films that have more than 1 million views.

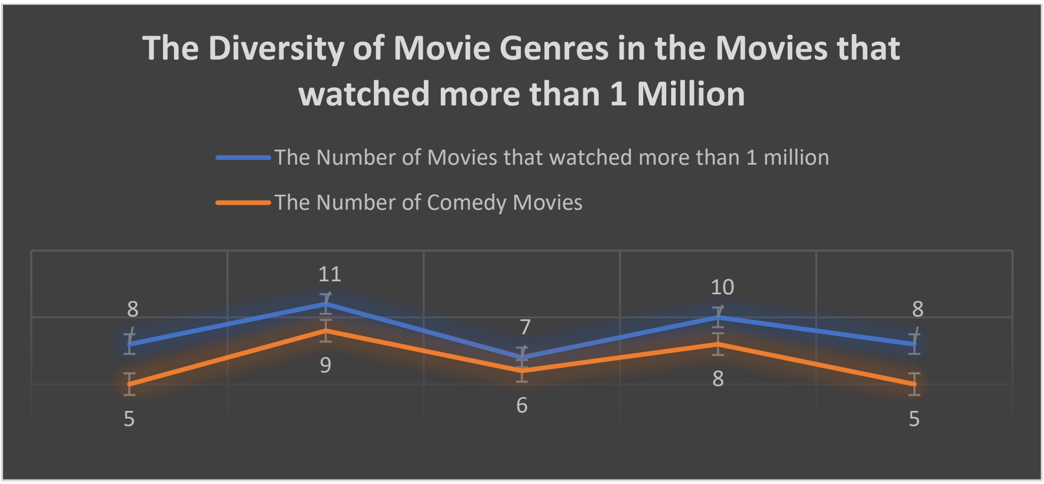


Figure 3.12: The Diversity of Movie Genres in the Movies that Watched More Than 1 Million

Source: boxoffice.com

It is possible to see from Figure 3.11 that the most released movie genre in the last 5 years is comedy. In fact, this table also explains homogenization. In other words, it is possible to express this as the uniformity in movie genres. This homogenization actually determines the demand, while certain film producers who meet the demands of the distributor companies can release their films, the films produced by independent filmmakers become non-distributable. Films that go to national and international festivals cannot find a place in the theatres. This distribution problem also says something about ownership and concentration in the market. This homogenization is a result of ownership, and also reproduces ownership. This can also be expressed as the control power of those who have the sector. Although the public support includes other genres, monopolization does not allow these genres to exist in the market. Precisely because of that, this thesis has examined mainstream films that the sector and distribution companies allow distribution, despite the existence of independent productions in different genres. At this point, the giant firms become competent to determine the movies to release and the audience.

Finally, the last result is that consent mechanism is established by this power. As expressed through Smythe's conceptualization of audience commodity, the audience is sold to producers and exhibitors. Also, giant distribution companies determine the demand of the audience, manufactures the consent. However, with the consent mechanism established, the audience assumes that s/he has made a choice among the movies that are released, does not complain. This delusion of the audience also shapes the audience profile. The giant distribution companies that direct the exhibition of a film for how many weeks, sessions and in which locations directly regulate the audience demand. The audience who can choose solely among the movies distributed becomes the audience of the movies that are distributed. In other words, a uniform audience is formed who watches uniform movies. This conclusion has been reached as a result of the analysis of the market structure because making this hidden face of social reality known depends on analyzing the mechanisms of domination and subordination found in cultural production processes and relations (Çakmur, 1998). In a speculative manner, for giant distributors that regulate the audience's demand and market the audience to producers and exhibitors, the audience's watching a motion picture becomes also “the production and reproduction of capital, like the lubrication of the machinery, in Marx (1867)'s words.”

CHAPTER 4

CONCLUSION

In terms of cinema policies in Turkey, there has been inertia all the time. In addition, these policies are criticized for being devoid of purpose. As such, the scope of the regulations is vague. Also, there are many unregulated areas of the cinema industry managed by the laws enacted in 2005 and 2019. One of these areas is the film distribution sector. Even within the laws, the 'distributor' word is not included. Serkan Çakarer (Personal Interview, August 25, 2020), one of the film producers, claimed that the policymakers are not aware of what distributors are doing. However, it is not possible to evaluate these deficiencies as just an insufficiency of the state. Even according to Çakarer, "Monopolization is not a problem in Turkey; it is the government's preferred development model." That is to say, he evaluates the tendency of monopolization in the cinema industry that manifests itself in the entire supply chain as a result of the government policy. For example, although the Competition Board stated in its report that the Mars-AFM merger might harm the sector, the merger took place. Naturally, it can be said that the state is intentionally not involved in this monopolization. Accordingly, it can be argued that the political inertia mentioned above is intended, and the gaps left in regulation strengthen the tendency of vertical integration and monopolization. Wasko (2003) said, *"though the majors dominate domestic and global markets, their products do not simply compete with other commodities in these marketplaces, but are heavily promoted and publicized, as well as protected and defended through various strategies that rely on the State."* This reliance would be explained by the power and the certain attitude of the state. To summarize this attitude, Harvey (2003) has the last say:

> *It is the state that is the political entity, the body politic, that is best able to orchestrate institutional arrangements and manipulate the molecular forces of capital accumulation to preserve that pattern of asymmetries in exchange that are most advantageous to the dominant capitalist interests working within its frame.*

In other words, the claim pointed out throughout the thesis is that the scope of cinema policies, regulations and unregulated issues are shaped according to interest groups. Moreover, these regulations reproduce the structure of the sector.

In addition, the fact that the distribution market is an unregulated area makes it easier for the dominant companies in the market to affect the supply chain. The characteristic feature of the companies that dominate the industry is that they are part of diversified entertainment conglomerates that operate at a global level, continually searching for new markets. Also, Turkey's film distribution sector is a haunt of these companies. Particularly in Turkey, the main reason for the dominance of major distribution companies that affect the entire supply chain is that a risk-free distribution model is being implemented in the film industry. This model is applied in neither a Europe film industry nor a Hollywood. However, no one expresses the critiques to the sui generis model, because there is no producer-oriented system to address this problem. The deficiency of a producer-oriented system is one of the predicaments that affects the film industry.

Under this circumstance, this thesis has attempted to explain how film distribution industry that markets audience to the producers and movie theater managers, and what has been the place of this marketing in the context of cinema policies is in Turkey. Along with the details of the distribution sector, this thesis has questioned several opinions that appear slightly deceptive about the film business. Here, these illusions would be summarized under the three main headings, as explained in the previous chapters.

Illusion #1: "That's just art."

In the highest stage of capitalism, work of art cannot be separated from the commodity production process that capital enters to create surplus value. It should be noted that each film which is produced for the commercial exhibition is also a market product, and its direct relationship with capitalism is a fundamental determinant for it. As such, going to cinema is a leisure activity that giant companies try to direct.

For Adorno (1985), under capitalism, the mode of participation of the audience has changed. Also, an isolated individual's view has differed in cinema. An audience who wants to follow the film's flow has to get out of contemplation. So, it does not allow contemplation; instead, there is a forgetfulness- to say, an unconcentrated relationship. What characterizes the audience of the artwork is a distraction. According to Adorno, there is a problem at this point because this viewing becomes the audience a passive consumer. It can be said that the product defines all the reactions previously. So, "consumed art in this way is an unnatural art from which all anti-establishment potential has been removed (Miege B., 1989)". In fact, it is a universal illusion that cinema is just an art activity.

Illusion #2: "Audience’s own choice …"

Major distribution companies introduce less watching of independent films as audience choice. Orhan Taşdemir (Personal Interview, August 26) from TME Films distribution company states that the viewing culture has changed. According to Taşdemir, while certain films are not in demand, the high demand for certain films has only one determinant: the audience. Even the audience might think that they prefer the movies they watch. Considering the operation of the film industry, that is an illusion created. Before the audience's film selection stage, distributors decide which films will be distributed to how many theaters in which locations and how long they will be exhibited. In fact, distributors express their distribution of mainstream films to most movie theaters instead of independent films they distribute to very few theaters as audience choice. That is to say, audiences, who go to the movie theater, do not have the alternative to prefer a movie because they have to choose from the options available to them. Also, since most movie theaters are located in shopping malls, the factor that affects which movie the audience will prefer is related to the shopping mall which s/he goes to instead of the movie theater. It is ignored that the distributor implements such strategies that would influence the audience's demand, and it is claimed that the choice of film is left to the audience. For example, in 2017, Recep İvedik 5, the most-watched movie since 1989, was released by CGV Mars for 26 weeks and released in 1529 theaters. It would not be wrong to say that the audience who went to the cinema on this date faced the movie of Recep İvedik in all sessions, and therefore did not have the right to choose.

Also, in a market where regulations prevent creating an alternative distribution channel, domestic independent films are condemned to be released in just the movie theater. Naturally, the films that remain to the audience are films that can be distributed to movie theaters. As a result, both independent filmmakers and independent distributors are increasingly losing money. In a movie industry where restrictions continue, the natural result is the formation of uniform movies and a uniform audience.

Illusion #3: "Cinema is supported by the government budget."

In the credits of each publicly supported film, "Produced with the contribution of the Ministry of Culture and Tourism." statement takes place. Therefore, the perception of the audience is that the state supports the cinema with its budget. Also, in the Competition Authority report, the expression "support provided by the General Directorate of Cinema" is included. Likewise, on the Ministry of Culture and Tourism website, the expression "supported by the ministry" appears. In fact, the source of this support is the entertainment tax collected from the public in addition to the VAT (value-added tax).

Except for a standard VAT rate to be received from all goods and services, each country applies reduced VAT rates for certain goods and services. In general, EU countries have two different reduced VAT categories; these are reduced VAT rate and super-reduced VAT rate. In most of the EU countries, a reduced VAT rate is applied to movie tickets. Some countries apply reduced VAT, while some countries apply super-reduced VAT. It is observed that no entertainment tax is received, or this tax rate is kept low in the countries that apply reduced VAT.[55] In Turkey, a standard VAT rate is 18%, while the reduced VAT rate is 8% (movie tickets are also included in this category), and the super-reduced VAT rate is 1%. Unlike taxation in Europe, in Turkey, not only reduced VAT is applied, but also entertainment tax is collected.[56]

Besides, another critical issue here is the deficit in this support subsidy budget. According to the Municipal Revenues Law[57], seventy-five percent of the collected entertainment tax should be saved into the Ministry of Culture and Tourism accountancy. As such, the amount of subsidy is expected to be equal to the amount collected in this account. However, an average of 59 percent of that amount has turned into support since 2005 (Okur, n.d.). According to Yamaç Okur, who works at the Board of Directors of the Cinema Producers’ Professional Association (SE-YAP), the Ministry claims that the amount not used for support is given to the sector within the framework of the support given to cultural events and projects. However, it should be said that these supports are not transparent and not accountable. Despite the high taxation in movie tickets and the question marks raised in the Ministry of Culture and Tourism's managing role in the public support, the perception that "the state provides cinema support" is settled.

This thesis must be concluded with a faced reality in 2020 that needs to be expressed in addition to these illusions. This reality is that cinema culture in Turkey could not be developed. Due to the Covid-19 pandemic and restrictions on movie theaters, 2020 has not been an ideal year to observe the effects of the new law and the regulations which

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[55] For a detailed examination of cinema taxation in European Union countries, see: https://ec.europa.eu/taxation_customs/sites/taxation/files/resources/documents/taxation/vat/how_vat_works/rates/vat_rates_en.pdf

[56] In August 2020, the VAT rate applied to cinema tickets has been reduced to 1% by the end of 2020 to compensate for losses of movie theaters closed for three months due to coronavirus (COVID-19).

[57] To read the text of the law, see: https://www.mevzuat.gov.tr/MevzuatMetin/1.5.2464.pdf

the thesis has tried to analyse. However, this year has provided the opportunity to observe the habits of the cinemagoers.

The pandemic that spread worldwide had a significant impact on both the film industry and cinema culture. The fact that the movie theatres were closed for three months was essential to examine whether a cinema habit existed. The concerns on movie theatres are located in shopping malls and whether they cannot be disinfected reliably are highly understandable. Also, the rapid increase in online viewing platforms in a period when people cannot leave their homes indicates that something will change in the viewing culture. However, the fact that the cinema cannot find an audience despite people continuing their daily lives and going to shopping malls means something for the cinema culture. In other words, after the return to everyday lives and opening of the theatres, there is no expected increase in the number of audience. This situation has proven to the lack of a settled cinema culture in Turkey. The concentration in all sectors of the cinema industry, vertical integration in the supply chain, and manipulation of the market and policies by the dominant actors is far from creating a cinema culture. Also, the predictable consequence of this situation is the not-developed cinema culture. In this sense, cinema policies cannot go beyond reproducing the existing sectoral structure in line with the interests of dominant actors. These circumstances would have revealed this consequence even if there was no pandemic. However, the pandemic has accelerated the process. In this not-developed cinema culture, the uniform audience occurs, also cinema disappears from people's daily lives after a certain period because the cinema culture that reveals a need for cinema could not be formed.

Distribution-exhibition integration in the film industry leads to only mainstream movies to be released. Moreover, mainstream movies and their productions are controlled by the dominant distribution companies through advance. As a result, independent movies cannot be released in a way that people can access due to profit-oriented distribution. Hence, cinema no longer promises anything to the same audience of the same movies. As a final say, cinema culture could not develop principally because of these several concerns this thesis aims to highlight.

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APPENDICES

A. APPROVAL OF THE METU HUMAN SUBJECTS ETHICS COMMITTEE

UYGULAMALI ETİK ARAŞTIRMA MERKEZİ
APPLIED ETHICS RESEARCH CENTER

ORTA DOĞU TEKNİK ÜNİVERSİTESİ
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29 Eylül 2020

Konu: Değerlendirme Sonucu

Gönderen: ODTÜ İnsan Araştırmaları Etik Kurulu (İAEK)

İlgi: İnsan Araştırmaları Etik Kurulu Başvurusu

Sayın Doç.Dr. Barış ÇAKMUR

Danışmanlığını yaptığınız Aylin GENÇ'in ***"Türkiye'de Film Dağıtım Endüstrisi: 2004-2019 Sinema Politikaları Bağlamında"*** başlıklı araştırmanız İnsan Araştırmaları Etik Kurulu tarafından uygun görülmüş ve **267-ODTU-2020** protokol numarası ile onaylanmıştır.

Saygılarımızla bilgilerinize sunarız.

Prof. Dr. Mine MISIRLISOY
İAEK Başkanı

B. TURKISH SUMMARY / TÜRKÇE ÖZET

Kültürel bir üretim ve tüketim alanı oluşturan sinema, büyük kitlelerin kolayca ulaşabileceği yeni bir boş zaman etkinliği olarak ortaya çıktı. Bu yetenek sinemanın oluşumuna aittir, çünkü bir projeksiyonla gösterilen bir film, birden fazla kişinin aynı anda izlemesine izin verir. Bu nedenle, diğer sanat dallarından farklı olarak, sinema, elit bir etkinlik olmaktan uzaktır. Sinemanın oluşumunu etkileyen ve şekillendiren bu faktör, teknolojinin gelişimi olarak ifade edilebilir. Sinema çıkışı ile aynı zamana denk gelen teknoloji gelişiminin hızlanması, sanat tartışmasının eksenini kaydırmıştır. Sanat eserinin teknik araçlarla çoğaltılabilmesi ve aynı anda birçok insan tarafından erişilebilir olması tartışmalara neden olmuştur.

Bununla birlikte, sinemanın ortaya çıkışı sadece hızlı teknolojik gelişme çağıyla çakışmakla kalmamış, aynı zamanda sinemanın oluşumunu şekillendiren belirleyici bir faktör olarak "kapitalizmin en yüksek aşaması" olarak adlandırılan emperyalizmin patlak vermesiyle de çakışmıştır. Kapitalizmin yüksek derecede olgunluğa ulaştığı ülkelerde ortaya çıkan sermaye fazlası, sermaye ihracatını zorunlu kılmıştır. Bu nedenle, yeni pazar arayışları ve yeni güç ilişkileri ortaya çıkmıştır. (Hilferding, 1981). Baran & Sweezy'ye (1966) göre, fazla sermayeyi absorbe etmenin birkaç yolu var. "O (fazlalık) tüketilebilir, yatırım yapılabilir, boşa harcanabilir." Tam da bu absorbe etme çabası ile dev firmaların sinemaya da el koyduğunu iddia etmek mümkündür. Böylece sinema, içine doğduğu dünya nedeniyle bir endüstri haline gelmek zorunda kaldı. Sinemanın ikircikli doğası tam olarak bu bağlamda ortaya çıkıyor. Bir yandan sinema bir sanat olduğunu vurgularken, diğer yandan da üretim, dağıtım ve gösterim gibi yeni büyük pazarlar sunmaktadır. Kültür endüstrisi kavramı, sinemanın bu ikircikli doğasını anlamak için çok önemlidir, çünkü kavram, kültürden ziyade endüstriyi vurgulayarak kültürel bir ürünün standardizasyonunu tanımlar. Bu sanayileşmiş alanda, sinema filminin değişim değeri önceliklidir. Bu nedenle, sinema filmi meta haline gelir. Yukarıda belirtildiği gibi, sinemanın kapitalizm koşulları altında dönüşümü, onu bir endüstri olarak anlama ihtiyacını yaratmıştır. Bu tez sinemayı bir endüstri olarak incelemek gayreti içindedir.

Gişeye göre, son 5 yılda, Türkiye'de her yıl sinemaya giden ortalama izleyici sayısı 63 milyon 934 bin. Bununla birlikte, bir kişinin farklı filmlere gidebileceği veya aynı filme geri dönebileceği göz önüne alındığında, bu sayının satılan toplam bilet sayısı olduğunu söylemek daha doğru olacaktır. Ayrıca, son 5 yılda, ithal edilen filmler dahil edildiğinde yıllık olarak yayınlanan ortalama film sayısı 398'dir. Her insanın sadece bir kez tek bir filme gittiği düşünülse bile, bu filmlerin ortalama izleyici sayısı 160 bini geçmiyor. Bu, sinema izleyici sayısının, endüstriye güvenli bir şekilde yatırım yapılması için yeterli olmadığı anlamına gelmektedir. Bu bağlamda, az sayıda sinema izleyicisine sahip bir endüstride, en büyük risk talep belirsizliğidir. Bu belirsizliğin bileşenleri, izleyici profilinin gelir düzeyi ve izleyicinin sosyo-ekonomik durumu gibi temel parametrelerdir. Bu noktada, bu talep belirsizliğinin üstesinden gelmek için talep yönetimi stratejilerinin gerekli olduğu söylenmelidir. Bu stratejilerin temel amacının izleyicinin talebini yönlendirmek olduğunu söylemek mümkündür. İzleyiciye ulaşma sürecinin bir filmin üretim sürecinden daha kritik olduğu söylenebilir, çünkü ticari olsun ya da olmasın her film izlenmek üzere üretilir.

Sinema endüstrisinin üretim, dağıtım gösterim zincirinden dağıtım zinciri, üretimi yapılan filmlerin gösterilebilmesi, seyirci ya da tüketiciye ulaşabilmesi için en kritik zincirdir. Diğer bir deyişle, talep yönetimi, film dağıtım şirketlerinin ana görevidir. Distribütörler, yapımcı ve sinema salonları arasındaki köprüdür ve filmleri 439 sinemaya pazarlarlar. Ana hedefleri izleyiciyi filme getirmek ve müşterileri filmin gösterildiği sinema salonlarına getirmektir. Kısaca, filmleri görünür ve tercih edilir yaparlar.

Yaşadığımız kapitalizm çağında işe ayırdığımız, uykuya, yemeğe ayırdığımız bir zaman var. Böyle bir kategorizasyonda tüketim zamanına vakit kalmıyor, haliyle kültür endüstrisi yeni alternatifler bulmaya çalışıyorlar. Kültürel tüketim için bütçenin ayrılması da ayrı bir mesele. Bu noktada izleyicinin üretilen filmi satın alması yani izlemesi oldukça kritik bir süreç sonucunda gerçekleşiyor diyebilir miyiz? Bir filmin tercih edilmesi bu kadar kritik bir öneme sahipken filmin kesinlikle tercih edilebilmesi için yapılan en risksiz hamle en izlenebilir filmlerin dağıtılması olarak ifade edilebilir. Bu filmlerin hem sayısını hem de içeriğini etkiliyor. Kapitalist üretim tarzında pazar, insandan arındırılmış, otomatik işleyen bir mekanizma olarak karşımıza çıkıyor. Doğal kanunları var. Ancak tam da örtülenin, gizlenenin aksine pazardaki hareketlerle izleyicinin özgürlüğü arasında bir ilişki kurmak gerekiyor. Değişim değeri üzerinden hareket eden bir pazarda kişisel bağımlılığın, sömürünün olmadığı iddiası hâkim. Kapitalizmin yegâne varlık nedeni o bağımsızlık. Görünen şey de bireyin koşulsuz bağımsızlığı. Ancak Marx (Marx, Kapital I, 1867)'a göre bu bir illüzyondur. İşte gizlenmeye çalışılan bu bağımlılığı, film dağıtım pazarından doğru okumak mümkün.

Bu tez, film dağıtım sektörünün 2004-2019(ilk kanun ve kanun değişikliği) yılları arasında sinema politikaları bağlamında analizini içermektedir. Tezin temel iddiası, sinema endüstrisindeki dev şirket çıkarlarının, sinema politikalarını şekillendirdiğidir. Dağıtım sektörü özelinde ise, pazardaki majör aktörlerin, sektör hakkında düzenleme boşlukları manipüle edebilecekleri bir alan yaratmış olduğunu ve sektörün işleyişini manipüle ettiklerini, hukuki metinlerin analizi ve sektör aktörleriyle görüşmeler üzerinden iddia edilmektedir.

Bu tez sanat kimliğinden ziyade sinemanın endüstriyel tarafına odaklanmaktadır. Bu nedenle, filmi bir sanat eseri olarak değil, kültürel endüstrinin bir ürünü olarak görmektedir. Bu bağlamda, tez, bu kültürel formun bir endüstri olarak nasıl geliştiğini anlamak için, (1) filmin bir meta olarak üretimini, (2) yeni bir eğlence kültürü sunan film gösterimini ve (3) talep yönetimine dayalı film dağıtımına da incelemektedir.

Tez için, pazarın işleyişinin kimin veya hangi çıkarlara göre nasıl değiştiğini, kontrol mekanizmalarının nasıl çalıştığını ve bu mekanizmaların bir sinema filminin üretim ve dağıtım sürecini nasıl etkilediğini analiz etmek ve tartışmak hayati önem taşımaktadır. Bu temel kaygılar nedeniyle, tez eleştirel politik ekonomi perspektifinin kavramsal araçlarından yararlanmaktadır. Bu bakış açısı, hakim şirketlerin sosyal, kültürel ve politik yaşam üzerinde kontrol sahibi olma tehlikesine de dikkat çekmektedir.

Bu tez ikili analizden oluşmaktadır. Çalışmanın ilk aşaması Türkiye'de sinema politikalarının incelenmesidir. Bu bölümde cevaplanması gereken asıl soru, Türkiye'de sinema politikalarının tarihsel süreçte nasıl geliştiğidir. Bu soru çerçevesinde, bu bölüm değişen politikalar ve endüstri arasındaki ilişkiyi araştırmayı amaçlamaktadır. Sinema ile ilgili düzenlemeler endüstri için bir anlatı sunuyor. Bununla birlikte, aynı zamanda, düzenlemelerin eksikliği de bir anlatı sunar. Söylenmeyenleri anlamak, söylenenler kadar önemlidir. Söylenenlerin ve söylenmeyenlerin keşfiyle, sinema politikalarının film dağıtım sektörünün yapısını yeniden ürettiği iddia edilmektedir. Bu bağlamda, yasal metinler incelenmiştir ve bunların endüstri üzerindeki etkileri tartışılmaktadır. Bu analiz için, sinema yasalarının tartışıldığı meclis oturumlarının tutanakları ve yasal metinler incelenmiştir. Türkiye'de sinemanın tarihsel serüveni göz önüne alındığında, film endüstrisinin son dönemi için iki temel yasanın belirleyici bir öneme sahip olduğu söylenebilir. Bu bağlamda, ilk sinema Yasası'nın yürürlüğe girdiği 2004 ve bu yasanın değiştirilmesine ilişkin yasanın yürürlüğe girdiği 2019 yılları arasında sinema politikaları analiz edilmelidir.

Bu değerlendirmede, iki yasa ve yönetmelikte belirtilen anlatı incelenmiştir. Bu nedenle, politikaların ayrıntılı bir açıklaması, bu anlatının araştırılması için hayati önem taşımaktadır. Bu değerlendirme sırasında sorulması gereken asıl soru, film endüstrisi ile nasıl etkileşime girdiğidir. Sinema politikaları ile film dağıtım sektörü arasındaki ilişkinin analiz edileceği bir çalışmada, düzenlemelerin neden bu kadar ayrıntılı olarak dahil edildiği sorusu cevaplanmalıdır. Bu detaylar, her detayın sinema kontrol yönetmeliğine dahil edilmesine rağmen, kalan boşlukların bir eksiklik olarak kabul edilemeyeceğini kanıtlamak için gereklidir. Bu nedenle, yasa ve yönetmeliklerin analizinde, yönetmelikteki mevcut düzenlemelerin ve boşlukların sektördeki çıkar gruplarına göre şekillenip şekillenmediği incelenmiştir. Bu bağlamda, 2005-2019 yıllarını kapsayan bir politika analizi yapılmıştır. Çalışmanın bu bölümünde, bu düzenlemelerin pazar üzerindeki etkileri tartışılmıştır. Ancak, bu çalışmanın sadece bir bölümünü oluşturmaktadır.

Çalışmanın ikinci aşaması, endüstrinin en ticari zinciri olan film dağıtım sektörünün analizinden oluşmaktadır. Dağıtım pazarı, gösterim ve üretim sürecini birbirine bağladığından ve sinemanın ticari tarafını oluşturduğundan yani kabaca sinema endüstrisinin mutfak tarafını oluşturduğundan sinema endüstrisinin işleyişini açığa çıkaran pazardır. Aynı zamanda talep manipülasyonu bu pazarın aktörleri tarafından gerçekleştirilmektedir. Yani talep belirsizliğini giderip sermaye dolaşımının tamamlandığı nokta olan dağıtım pazarı, sinema endüstrisinin işleyişini bütünden etkilemektedir. Haliyle dağıtım pazarının analizi kritik bir önem taşıyor. Bu bölümde şirketler ve dağıtım pazarındaki stratejileri incelenmiş ve pazardaki ana eğilimler incelenmiştir. Bu şirketlerin pazar payları pazar yapısı hakkında ipuçları verir. Piyasa yapısını analiz etmek için bu şirketler kategorize edilmelidir. Birçok dağıtım şirketinin aktif olarak film ithal ettiği söylenebilir. Ayrıca, çoğu dağıtım şirketi film ithal ettiğinden, Distribütörleri ithal edip etmediklerine göre kategorize etmek mümkün değildir. Bu şirketleri dağıttıkları filmlerin türüne (ana akım veya bağımsız) ve pazar paylarına göre kategorize etmek mümkündür. Aslında, bu kategorizasyon şirketlerin talep yönetimi gücünü kategorize etmelerini sağlar. Ayrıca, ana akım filmleri dağıtan, ancak büyük ve bağımsız distribütörler dışında düşük pazar payına sahip şirketler de bulunmaktadır. Böylece, dağıtım şirketleri üç bölüme ayrılabilir:

(1) Majörler, ana üretim şirketlerinin filmlerini dağıtan ve pazar payı sürekli artan şirketlerdir.

(2) Minör majörler, ticari filmler dağıtan ancak çok düşük bir pazar payına sahip olan ve majörler tarafından pazar payları emilme tehlikesi altında olan şirketlerdir.

(3) Bağımsız şirketler ise, öncelikle bağımsız filmler dağıtan ancak düşük pazar payına sahip şirketlerdir

Piyasa yapısı, konsantrasyon, mülkiyet ve devlet müdahalesinin kavramsal çerçevesi içinde incelenmiştir. Piyasa yapısı üzerinden izleyici tercihi irdelenmektedir. Bu nedenle, bu bölüm, talep yönetimi mekanizmalarının distribütörler tarafından nasıl çalıştığını sorgulamaktadır, çünkü kitleler kendi iradeleriyle ne izleyeceklerini seçme hakkına ve şansına sahip değildir. Başka bir deyişle, kapitalist bir toplumsal oluşumda dağıtım süreci yoluyla kurulan güç ilişkilerinin temel uzantısı, sinema filmlerinin dolaşıma sokulabileceği ve engellenebileceği talep yönetimi mekanizmalarında bulunabilir. Son olarak, bu analiz ile firmaların pazar payları ile talep yönetimi gücü arasındaki ilişki ortaya çıkarılmaktadır. Bu bağlamda, pazarın rekabet yapısını anlamak için film dağıtım pazarının yapısı incelenmiştir. Bu nedenle, pazarın yapısını analiz ederken, pazarın rekabetçi olup olmadığı, konsantrasyon oranı, Hirschman Endeksi gibi çeşitli analitik araçlar kullanılarak incelenmektedir. Buna ek olarak, piyasadaki yapısal ve pratik zorluklar tartışılmıştır.

Aslında bu tez, bu iki bölüm üzerinden ve bu iki bölümün kurduğu üç eksen üzerinden ilerlemektedir: birincisi, film endüstrisini düzenleyen/ kontrol eden sinema politikalarını sorgulamak, ikincisi, film dağıtım pazarının yapısını analiz etmek; üçüncüsü, ekonomik yapının ve düzenleyici politikaların Türkiye film endüstrisi ile nasıl bir korelasyon içinde olduğunu keşfetmek.

Bu bağlamda, tez aynı zamanda, en azından kısmen, çeşitli devlet politikalarının ve düzenlemelerinin bir sonucu olarak görülebilen film dağıtım pazarının mevcut yapısal sorunlarını ortaya çıkarmayı amaçlamaktadır. Özetle, tezin amacı, son on beş yılda Türkiye'de film endüstrisinin evriminin yönünü anlamaktır.

Sonuç olarak, tezin soruları kısaca daha açık bir şekilde ifade edilebilir. Bu nedenle, tez için ikili analiz yapılırken asıl soru, yukarıda belirtildiği gibi, devlet-sinema ilişkisinin sinema politikaları bağlamında nasıl geliştiği olacaktır. Bu noktada, çalışmanın alt soruları şunlardır:

Film dağıtım pazarının yapısal ve güncel sorunları nelerdir?

Devletin kullandığı mekanizmalar, dağıtım endüstrisine özgü film endüstrisini nasıl zayıflatır veya güçlendirir?

Türkiye'de karar vericilerin film ve film endüstrisine bakışları nasıl gelişti?

Bu sorular ışığında, basitçe söylemek gerekirse, tezin temel amacı, Türkiye film dağıtım pazarının işleyişi hakkında nasıl ve neden sorulara cevap aramaktır. Tez, endüstrinin pazar yapısı aracılığıyla nasıl çalıştığını ve endüstrinin neden sinema politikalarının analizi yoluyla bu şekilde çalıştığını cevaplamayı amaçlamaktadır. Aşağıdaki literatür incelemesinden görüldüğü gibi, bu sorular film endüstrisinin tarihsel sürecini anlamada çok önemlidir.

Türkiye'de sinema politikaları açısından her zaman bir ataletten bahsetmek mümkündür. Ayrıca, bu politikalar herhangi bir hedef içermediği için de sık sık eleştirilmektedir. Hatta, düzenlemelerin kapsamı belirsizdir. Ayrıca, 2005 ve 2019 yıllarında yürürlüğe giren yasalar tarafından yönetilen sinema endüstrisinin birçok düzenlemesiz alanı vardır. Bu alanlardan biri film dağıtım sektörüdür. Yasalar 'distribütör' kelimesini dahi içermezler. Film yapımcılarından Serkan Çakarer (kişisel röportaj, 25 Ağustos 2020), politikacıların distribütörlerin ne yaptığının farkında olmadığını iddia etti. Bununla birlikte, bu eksiklikleri sadece devletin yetersizliği olarak değerlendirmek mümkün değildir. Çakarer'e göre, " Tekelleşme Türkiye'de bir sorun değil, hükümetin tercih ettiği kalkınma modelidir." Yani, devlet politikasının bir sonucu olarak tüm tedarik zincirinde kendini gösteren sinema endüstrisindeki tekelleşme eğilimini değerlendiriyor. Örneğin, Rekabet Kurulu raporunda Mars-AFM birleşmesinin sektöre zarar verebileceğini belirtmesine rağmen, birleşme gerçekleşti. Doğal olarak, devletin kasıtlı olarak bu tekelleşmeye müdahil olmadığı söylenebilir. Buna göre, yukarıda belirtilen siyasi ataletin kasıtlı olduğu ve düzenlemede kalan boşlukların dikey entegrasyon ve tekelleşme eğilimini güçlendirdiği iddia edilebilir. Bu tutumu özetlemek gerekirse, Harvey (2003) son söze sahiptir:

"Siyasi varlık olan, politik beden olan, kurumsal düzenlemeleri en iyi şekilde düzenleyebilen ve sermaye birikiminin moleküler güçlerini manipüle edebilen, bu asimetri modelini korumak için, kendi çerçevesinde çalışan baskın kapitalist çıkarlar için en avantajlı olan devlettir."

Başka bir deyişle, tez boyunca işaret edilen iddia, sinema politikalarının, yönetmeliklerin ve düzenlenmemiş konuların kapsamının çıkar gruplarına göre şekillendiğidir. Ayrıca, bu düzenlemeler sektörün yapısını yeniden üretir.

Buna ek olarak, dağıtım pazarının düzensiz bir alan olması, piyasadaki dominant şirketlerin tedarik zincirini etkilemesini kolaylaştırır. Sektöre hâkim olan şirketlerin karakteristik özelliği, küresel düzeyde faaliyet gösteren ve sürekli olarak yeni pazarlar arayan çeşitlendirilmiş eğlence holdinglerinin bir parçası olmalarıdır. Ayrıca, Türkiye'nin film dağıtım sektörü bu şirketlerin uğrak yeridir. Özellikle Türkiye'de, tüm tedarik zincirini etkileyen büyük dağıtım şirketlerinin hakimiyetinin temel nedeni, film endüstrisinde risksiz bir dağıtım modelinin uygulanmasıdır. Bu model ne Avrupa film endüstrisinde ne de Hollywood'da uygulanmaktadır. Bununla birlikte, hiç kimse Türkiye'deki *sui generis* dağıtım modeline yönelik eleştirileri ifade etmez, çünkü bu sorunu çözmek için üretici odaklı bir sistem yoktur. Yapımcı odaklı bir sistemin eksikliği, film endüstrisini etkileyen zorluklardan biridir.

Bu bağlamda, bu tez, izleyicileri yapımcılara ve sinema yöneticilerine pazarlayan film dağıtım endüstrisinin nasıl olduğunu ve bu pazarlamanın sinema politikaları bağlamında Türkiye'deki yerini açıklamaya çalışmıştır. Dağıtım sektörünün ayrıntılarıyla birlikte, bu tez, film endüstrisi hakkında aldatıcı birkaç görüşü sorguladı. Burada, bu yanılsamalar önceki bölümlerde açıklandığı gibi üç ana başlık altında özetlenebilir.

İlüzyon #1: "Bu sadece sanat."

Kapitalizmin en yüksek aşamasında, sanat eseri, sermayenin artı değer yaratmak için girdiği emtia üretim sürecinden ayrılamaz. Ticari gösterim için üretilen her filmin aynı zamanda bir pazar ürünü olduğu ve kapitalizmle doğrudan ilişkisinin bunun için temel bir belirleyici olduğu belirtilmelidir. Bu nedenle, sinemaya gitmek, dev şirketlerin yönetmeye çalıştığı bir boş zaman aktivitesidir.

Adorno için (1985), kapitalizm altında, izleyicinin kültürel aktiviteye katılım şekli değişmiştir. Filmin akışını takip etmek isteyen bir izleyici, tefekkürden kurtulmak zorundadır. Yani, sinema tefekküre izin vermez; bunun yerine, bir unutkanlık üzerine kuruludur. Film ile izleyici arasında konsantre olmayan bir ilişki söz konusudur. Sanat eserinin izleyicisini karakterize eden şey tam da bu dikkat dağınıklığıdır. Adorno'ya göre, bu izleyiş, izleyiciyi pasif bir tüketici haline getirmektedir. Hatta, kapitalizm şartları altında, kültürel ürünün verilebilecek tüm reaksiyonları tanımladığı söylenebilir. Yani, " bu şekilde tüketilen sanat, ona yüklenen bütün potansiyeli ortadan kaldıran doğal olmayan bir sanattır (Miege B., 1989)". Buradan doğru söyleyenebilir ki sinemanın sadece bir sanat etkinliği olduğu evrensel bir yanılsamadır.

İlüzyon # 2: "İzleyicinin kendi seçimi …"

Büyük dağıtım şirketleri, bağımsız filmlerin izleyicilerin tercihi olarak daha az izlenmesini sağlar. Majör film dağıtımcıları sürekli olarak seyir kültürünün değiştiğini ve izleyicinin tercihine göre film dağıtımı yaptıklarını ifade ederler. Genel kanıya göre, filmlere olan yüksek talebin sadece bir belirleyicisi var: izleyici. İzleyiciler bile izledikleri filmleri tercih ettiklerini düşünebilirler. Film endüstrisinin işleyişi göz önüne alındığında, bu yaratılan bir yanılsamadır. İzleyicinin film seçimi aşamasından önce, dağıtıcılar hangi filmlerin hangi yerlerde kaç salona dağıtılacağına ve ne kadar süre gösterimde kalacağına karar verirler. Yani, sinemaya giden izleyicilerin, bir filmi tercih etme alternatifi yoktur, çünkü izleyici, mevcut seçenekler arasından seçim yapmak zorundadır. Ayrıca, çoğu sinema salonu alışveriş merkezlerinde yer aldığından, izleyicinin hangi filmi tercih edeceğini etkileyen faktör, sinema yerine gittiği alışveriş merkezidir. Dağıtıcının izleyicinin talebini etkileyecek bu tür stratejileri uyguladığı göz ardı edilir ve film seçiminin izleyiciye bırakıldığı iddia edilir. Örneğin, 2017 yılında, 1989'dan bu yana en çok izlenen film olan Recep İvedik 5, 26 hafta boyunca ve 1529 salonda gösterimde kaldı. Bu tarihte sinemaya giden izleyicilerin tüm seanslarda Recep İvedik filmiyle karşı karşıya kaldıklarını ve bu nedenle başka bir filmi seçme hakkına sahip olmadıklarını söylemek yanlış olmaz.

Ayrıca, düzenlemelerin alternatif bir dağıtım kanalı oluşturmayı engellediği bir pazarda, yerli bağımsız filmler sadece sinemada piyasaya sürülmeye mahkumdur. Doğal olarak, izleyicilere kalan filmler sinema salonlarına dağıtılabilen filmlerdir.. Bu homojenleşme aslında mülkiyetin tek elde toplanmasının bir sonucudur. Mülkiyetin tek elde toplanmasıyla plüralizm ortadan kalkar. Bu aynı zamanda medyayı elinde bulunduranların denetim gücünü de ellerinde bulundurması olarak ifade edilebilir. Pazardaki yoğunlaşma ve beraberinde içerikte meydana gelen homojenleşme izleyici kitlesi üzerinde de güçlü bir etkiye sahiptir. Sonuç olarak, hem bağımsız film yapımcıları hem de bağımsız distribütörler giderek daha fazla zorlukla karşılaşmaktadır. Kısıtlamaların devam ettiği bir film endüstrisinde, doğal sonuç tek tip filmlerin ve tek tip bir izleyicinin oluşmasıdır

İlüzyon #3: "sinema hükümet bütçesi tarafından desteklenmektedir."

Kamu destekli her filmin jeneriğinde “Kültür ve Turizm Bakanlığı'nın katkılarıyla üretilmiştir” ibaresi bulunmaktadır. Bu nedenle, izleyicinin algısı, devletin sinemayı kendi bütçesi ile desteklediği yönündedir. Ayrıca Rekabet Kurumu raporunda "sinema Genel Müdürlüğü'nün sağladığı destek" ifadesi yer almaktadır. Aynı şekilde, Kültür ve Turizm Bakanlığı internet sitesinde "Bakanlık tarafından desteklenen" ifadesi de yer almaktadır. Aslında, bu desteğin kaynağı, KDV'ye (katma değer vergisi) ek olarak halktan toplanan eğlence vergisidir.

Ayrıca, buradaki bir diğer önemli konu da bu destek sübvansiyon bütçesindeki açıktır. Belediye gelirleri Kanunu'na göre, toplanan eğlence vergisinin yüzde yetmiş beşi Kültür ve Turizm Bakanlığı hesabına kaydedilmelidir. Bu nedenle, sübvansiyon miktarının bu hesapta toplanan miktara eşit olması beklenmektedir. Ancak, 2005'ten bu yana, bu miktarın sadece ortalama yüzde 59'u desteğe dönüşmüştür (Okur, n.d.). Haliyle, bu desteklerin şeffaf olmadığı ve hesap verilebilir olmadığı söylenmelidir. Sinema biletlerindeki yüksek vergilendirmeye ve kültür ve Turizm Bakanlığı'nın kamu desteğini yönlendirme rolünde ortaya çıkan soru işaretlerine rağmen, "devletin sinema desteği sağladığı" algısı yerleşmiştir.

Bu tez, 2020'de bu yanılsamalara ek olarak ifade edilmesi gereken bir gerçekliğe de işaret etmektedir. Bu gerçek, Türkiye'de sinema kültürünün geliştirilememesidir. Covid-19 salgını ve sinema salonlarındaki kısıtlamalar nedeniyle, 2020, yeni yasanın ve tezin analiz etmeye çalıştığı düzenlemelerin etkilerini gözlemlemek için ideal bir yıl değildi. Ancak, bu yıl sinemacıların alışkanlıklarını gözlemleme fırsatı sağlamıştır.

Dünya çapında yayılan salgın hem film endüstrisi hem de sinema kültürü üzerinde önemli bir etkiye sahip. Sinema salonlarının üç ay boyunca kapalı olması, bir sinema alışkanlığının var olup olmadığını incelemek için anlamlı bir gözlem imkanı sunmuştur. Çoğu alışveriş merkezlerinde yer alan sinema salonlarının güvenilir bir şekilde dezenfekte edilip edilmediği konusunda duyulan endişe oldukça anlaşılırdır. Ayrıca, insanların evlerini terk edemediği bir dönemde çevrimiçi gösterim platformlarına aboneliklerdeki hızlı artış, seyir kültüründe bir şeylerin değişeceğini göstermektedir.

Ancak Türkiye özelinde, insanların günlük yaşamlarını sürdürmelerine ve alışveriş merkezlerine gitmelerine rağmen sinemanın izleyici bulamaması, sinema kültürü için başka bir anlatı sunmaktadır. Başka bir deyişle, günlük hayata döndükten ve sinemaların açılmasından sonra, seyirci sayısında beklenen artış gerçekleşmemiştir. Bu durum Türkiye'de yerleşik bir sinema kültürünün eksikliğini ortaya koymuştur. Sinema endüstrisinin tüm sektörlerinde yoğunlaşma, tedarik zincirinde dikey entegrasyon ve pazarın ve politikaların baskın aktörler tarafından manipüle edilmesi, bir sinema kültürü yaratmaktan çok uzaktır. Tam da bu durumun öngörülebilir sonucu gelişmemiş bir sinema kültürüdür. Bu anlamda sinema politikaları, hâkim aktörlerin çıkarları doğrultusunda mevcut sektörel yapıyı yeniden üretmenin ötesine geçemez. Bu koşullar, pandemi olmasa bile bu sonucu ortaya çıkaracaktı. Bununla birlikte, pandeminin bu süreci hızlandırdığı söylenebilir. Bu gelişmemiş sinema kültüründe, tek tip bir izleyici kitlesi ortaya çıkar, aynı zamanda sinema, belirli bir süre sonra insanların günlük yaşamlarından kaybolur, çünkü sinemaya duyulan ihtiyacı ortaya koyan sinema kültürü oluşamaz.

Film endüstrisindeki dağıtım-gösterim entegrasyonu, yalnızca ana akım filmlerin piyasaya sürülmesine sebep olmaktadır. Dahası, ana akım filmler ve prodüksiyonları, baskın dağıtım şirketleri tarafından önceden kontrol edilmektedir. Sonuç olarak, bağımsız filmler, kar odaklı dağıtım nedeniyle insanların erişebileceği bir şekilde gösterime sunulmaz. Bu nedenle, sinema artık tek tip filmlerin tek tip izleyicisine hiçbir şey vaat edemez hale gelir.

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<u>**TEZİN ADI /** TITLE OF THE THESIS</u> (**İngilizce** / English): THE FILM DISTRIBUTION SECTOR IN TURKEY: AN ASSESMENT IN THE CONTEXT OF CINEMA POLICIES

<u>**TEZİN TÜRÜ**</u> **/** <u>DEGREE:</u> **Yüksek Lisans** / Master ☒ **Doktora** / PhD ☐

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