

## The Central Role of Broadcast Television in Brazil's Film Industry: The Economic, Political, and Social Implications of Global Markets and National Concentration

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Recent films seem to support the notion of a Brazilian film industry revival. However, a closer look reflects another possibility: a logic in the audiovisual production chain, in which the television industry plays a central role. According to logic, the growth of national film production was part and parcel of Globo's strategy to diversify the production of its television network and further propagate its concentration of power over this market. This strategy is indicative of other trends in Brazil's media political economy, including the concentration of media industry ownership, the close ties between political and industrial elites, and the public's winnowing access to cultural goods and media technologies.

Keywords: Brazil, Globo Filmes, Globo Network, National Cinema, Television

When Brazilian President Luiz Inácio Lula da Silva watched a pirated copy of the motion picture *Dois Filhos de Francisco* (*Two Sons of Francisco*), it was estimated that, between the copies available on the Internet and those peddled by street vendors in major Brazilian cities, more than 400,000 copies of the film were sold (Fagundes, 2005). This was not the only sign of the film's extensive distribution. Official figures from the National Cinema Agency (Agência Nacional do Cinema — ANCINE) reported the film garnered among the 10 largest audiences and revenues in Brazilian cinema history, with 5.3 million viewers and R\$36.7 (ANCINE, 2006a).

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In recent years, several scholars have optimistically theorized that the Brazilian film industry has rebounded, pointing to the commercial and critical success of new films since the mid-1990s (Bentes, 2007; Leite, 2005; Nagib, 2002; Johnson, 2005, 2006, 2007). At first glance, some recent films such as *Dois Filhos de Francisco* seem to support this viewpoint. A closer look, however, suggests another possible explanation: a logic in the audiovisual production chain in which the television industry operates as a central player over film. According to this logic, one can perceive the growth of national film production as a means to support the Globo network (the historical hegemon of Brazilian media), diversify its television production, and further propagate its concentration over national media markets. This logic is grounded in a longer history and supports longstanding arguments by media scholars who have observed Globo's centripetal effects on the national cultural production.

This article examines how the revival of a national film industry recentered the broadcast television industry in the Brazilian socioeconomic and political context. It highlights how the close association between major national companies and foreign corporations in the 1990s helped to structure the Brazilian audiovisual environment, paying particular attention to the role of Globo in this new environment. Finally, this article demonstrates how those partnerships have, to a large extent, worked to bar the vast majority of Brazilian citizens — from independent film producers to working class moviegoers — from access to the wider communication landscape in Brazil.

### ***The Death and Rebirth of the Film Industry in Brazil***

In contrast to European and North American cases, the Brazilian film industry could never be considered independent of state financing. Since the 1950s, when the Vera Cruz and Atlântida film studios sought to reproduce a U.S. corporate production model for Brazilian cinema, producers depended increasingly on state funding. Embrafilme, the state-funded company for film production and distribution, flourished under the military governments' bankrolls and strongly protectionist policies. The end of the regimes in the early 1980s set the stage for events that would nearly eliminate national film production.

The decline in national film production followed new policies that privatized film production according to a neoliberal logic. The Fernando Collor de Mello administration ended protectionism and liberalized the film production market in December 1991. It did this through the National Cultural Support Program (Programa Nacional de Apoio à Cultura — PRONAC), which was created by the Federal Law for the Incentive of Culture, nº 8313, also known as the Rouanet Law. Its policy provided some funding for private sector investments that sought to promote the national culture. Three years later, President Itamar Franco again adopted state incentives for private companies. He endorsed the Audiovisual Law, nº 8695, which created the Ministry of Culture (MINC) and tax incentives for private companies that financed feature films. In July 2006, President Luiz Inácio Lula da Silva extended the Audiovisual Law via Law nº 11.329 to December 31, 2010. Beside the incentives, Law nº 11.329 permitted broadcasters and cable television companies to use part of the taxes on international profits abroad to invest in the coproduction of independently produced Brazilian audiovisual works. The third article of the law allowed any audiovisual product to be financed except soap operas, television series and made-for-TV movies. Former Audiovisual Secretary of the Ministry of Culture Orlando Senna referred to Law nº 11.329 as the "package of

goodness"; its mechanisms allowed for a government tax waiver valued at an estimated R\$40 million (BRL/US\$18.5 million) per annum (Arantes, 2006).

Despite this attempt to revive the film economy, the production of national films has not yet reached the level of earlier decades. The almost exclusive reliance on the state as a financier has added to the difficulties. In 1992, only three out of the six films produced in Brazil were released, with each generating an average of only 36,000 ticket sales. The following year, 4 of the 16 films produced were released. In 1994, only 7 of 13 productions debuted in movie theaters (Finotti & Arantes, 2002). In 2005, 42 films were released nationally, of which 20 had less than 10 screenings or showed in less than 10 movie theaters (ANCINE, 2006a).

During this time, the few national films that did succeed demonstrated the growing role of television in film production. The 10 most-watched national films include seven from the 1970s, marking the overall decline of moviegoing audiences afterward. Only two of those films were Brazilian: *Dona Flor e Seus Dois Maridos* (*Dona Flore and Her Two Husbands*) from 1976 finished in third place with 10.7 million viewers, and *Dama do Lotação* (*Lady on the Bus*) from 1978 in 10th place with 6.5 million. What is interesting is that both films featured Sonia Braga, one of the main actresses in television soap operas produced by the Globo network over that decade. According to Luiz Tadeu da Silva Correia (2000, p. 29),

Sônia Braga was, at the time, the great Brazilian movie star, responsible for the two largest grossing films of the period (*Dona Flor* and *Dama do Lotação*), both based on literary works by successful authors (Jorge Amado and Nelson Rodrigues, respectively), who exploited the actress's sensuality. Her success is important, because she was one of the few Brazilian actresses to achieve a balance of a successful career *between movies and soap operas*, and to conquer the U.S. market in the mid-80s (*Luar sobre Parador/Moon over Parador* and *Rebelião em Milagro/The Milagro Beanfield War*) . . . Also, as censorship eased, a curious public, looking for sex and nude scenes performed by Braga, came to the theaters. With scenes that could not be broadcast on prime time soap operas, the film *Dama do Lotação* achieved almost ten percent of the total film revenues for that year. [emphasis mine]

In other words, it became clear that cinematic success was tied to Braga fame as a television star.

Another movie star, Renato Aragão, established his career as a television comic and could be considered one of the most perennially successful actors in Brazilian film history. He is one of the few who survived the crisis of the 1990s. Playing the television character "Didi," Aragão led the cast of *Os Trapalhões* (*The Stooges*), a national TV program similar to *The Three Stooges*, first shown on TV Excelsior (1964-1974) and later on Globo (1975-1995). Today, after the death of half of the *Os Trapalhões* cast, Aragão continues to have a television presence through the Globo program *Turma do Didi* (*Didi's Gang*) on Sunday evenings. Of the 47 films in which Aragão appeared as a protagonist, 24 were among the 50 highest grossing films nationally. Six of them were among the top 10, as shown in Table 1.

**Table 1.** 10 Brazilian Films with Highest Audience Share (Those Starring Renato Aragão in Bold)  
(Agência Nacional de Cinema, 2008; Arantes, 2003).

Ranking	Film	Year	Director	Public (millions)
1 <sup>st</sup>	<i>Dona Flor e Seus Dois Maridos (Dona Flor and Her Two Husbands)</i>	1976	Bruno Barreto	10.735
2 <sup>nd</sup>	<i>A Dama do Lotação (Lady on the Bus)</i>	1978	Neville D´Almeida	6.509
3 <sup>rd</sup>	<b><i>Os Trapalhões nas Minas do Rei Salomão (Stooges at Salomon's Mines)</i></b>	1977	J. B. Tanko	5.786
4 <sup>th</sup>	<i>Lucio Flavio, O Passageiro da Agonia (Lucio Flavio)</i>	1977	Hector Babenco	5.401
5 <sup>th</sup>	<i>2 Filhos de Francisco (Two Sons of Francisco)</i>	2005	Breno Silveira	5.319
6 <sup>th</sup>	<b><i>Os Saltimbancos Trapalhões (The Stooges Circus Players)</i></b>	1981	J. B. Tanko	5.218
7 <sup>th</sup>	<b><i>Os Trapalhões na Guerra dos Planetas (The Stooges in the War of the Planets)</i></b>	1978	Adriano Stuart	5.090
8 <sup>th</sup>	<b><i>Os Trapalhões na Serra Pelada (The Stooges at Serra Pelada)</i></b>	1982	J. B. Tanko	5.043
9 <sup>th</sup>	<b><i>O Cindelelo Trapalhão (The Cinderella Stooge)</i></b>	1982	Adriano Stuart	5.027
10 <sup>th</sup>	<b><i>O Casamento dos Trapalhões (The Stooges Marriage)</i></b>	1988	José Avarenga, Jr.	4.779

Aragão's most recent film, *O Guerreiro Didi e a Ninja Lili (Didi Warrior and Lili Ninja)*, opened in late June 2008 alongside major Hollywood blockbusters, such as *Sex and the City*, *Indiana Jones and the Kingdom of the Crystal Skull*, and *Get Smart*. Produced in partnership with Globo Filmes and distributed internationally by Miramax/Buena Vista, it ranked eighth among the most viewed movies within just two weeks of its release.

The revival of national audiences began after 1995 with the film *Carlota Joaquina*. It sold 1.3 million tickets and was the first movie to bring a television-influenced language to cinema. It was followed by a slew of others. These television-inspired films have attracted international critical acclaim. Of the 259 feature films made nationally between 1995 and 2004, three were nominated for "Best Foreign Film" at the Oscars: *Central do Brazil (Central Station)* from 1998, directed by Walter Salles, Jr.; *O que É Isso Companheiro? (Four Days in September)* from 1997, directed by Bruno Barreto; and *O Quatrilho (The Quatrilho)* from 1995, directed by Fabio Barreto. Two other films — *Cidade de Deus (City of God)* from 2003, directed by Fernando Meirelles and *Diários de Motocicleta (The Motorcycle Diaries)* from 2004, directed by Walter Salles, Jr. — competed in other award categories recognized by North American

industry critics.<sup>2</sup> Despite all the hype around these movies, that none of them have been box office hits or award winners abroad indicates that Brazilian films are still far from conquering international movie markets. These stunning and so-called international successes for Brazilian films coincided with the creation of the New Group for Cinema and Television (Grupo Novo de Cinema e TV-GNCTV), which sells Brazilian television/films to international markets and promotes them at international film festival venues.<sup>3</sup>

Because many of these critically acclaimed films fell short of being financial blockbusters in Brazil's internal market, many scholars have overlooked the powerful connections being built between film and television markets. In popular opinion as well, the so-called movie revival cannot be considered the basis of a lucrative market. Yet consider the following numbers. According to ANCINE (2006b), 207 fictional films made by 119 producers received a total of R\$393.5 million (BRL, or US\$177.5 million)<sup>4</sup> in tax incentives and earned gross revenues of just over R\$408 million (BRL, or US\$184 million) between 1995 and 2004. This narrow difference between values of incentives received and revenues earned becomes negligible when compared to the 52 film documentaries by 41 producers in the same period. Documentaries received approximately R\$22.9 million (BRL or US\$10.3 million) in incentives and generated nearly R\$8.6 million (BRL, or US\$4.5 million) in gross revenues (ANCINE, 2006b). If we restrict the analytic framework to production companies with revenues of more than R\$10 million (BRL, or over US\$4.5 million) in the same period, we see a very lucrative market: 14 producers made 53 films, resulting in a gross profit of 138.1% over the incentives they received.

Although the number of films produced and the revenues generated have not been continuously successful, especially compared to productions in the 1970s, the interchangeability of film and television programming and their stars marks the hallmark of Brazilian cinema today. Of the 53 films that posted more than R\$10 million (BRL, or over US\$4.5 million) in revenues, 17 were based on television shows or developed well-known television characters from broadcast series such as *Xuxa*, *Didi*, *Angélica*, *Casseta e Planeta* and *Os Normais (The Normal Ones)*. In 2005, *Xuxa e o Tesouro da Cidade Perdida (Xuxa and the Treasure in the Lost City)*, based on a Globo Television program, and *Eliana em O Segredo dos Golfinhos (Eliana in The Dolphin's Secret)*, based on a TV Record network program, both appeared on the list of the 10 top grossing films, in second and eighth place respectively (ANCINE, 2006a).

The revitalization of film as a national industry thus has to be studied in conjunction with the political economy of media production in general and with the emergence of the television industry in

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<sup>2</sup> Although *The Motorcycle Diaries* cannot be considered a purely "national" film as a multinational co-production, Brazilians have frequently adopted it as an example of "Brazilian cinema," a validation of a Brazilian cinematic aesthetic, and a successful example of international interest in Brazilian film production (cf. Luz, 2004; Renó, 2008; Cannes, 2004).

<sup>3</sup> This phenomenon operates differently in Argentina, where international co-productions encompass about 50% of the movies released yearly. According to ANCINE President Manoel Rangel, only 10 Brazilian films were internationally co-produced through 2003 and only 27 from 2003-2008 (Blog da Mostra, 2008).

<sup>4</sup> All dollar figures have been rounded up and U.S. currency figures are based on the mean value of the Brazilian real at the time of the reported data.

particular. Of broadcast networks, Globo has been the national market leader, making it also the leader in charting this new film production strategy.

### ***Globo Network and Concentration***

Founded in 1965, the Globo network was known for its political ties to a succession of military governments, becoming almost an official national spokesman during that period. By the advent of the democratic transition, beginning in 1985, Globo had become one of the four largest broadcasting companies worldwide, lagging only behind ABC, NBC and CBS. Globo's political influence in Brazil was so blatant that Roberto Marinho, the then-president of Globo Organizations, nominated Minister of Communication Antonio Carlos Magalhães during the transitional period.<sup>5</sup> These close political ties have helped Globo expand economically and move into the film industry.

Despite the quantity of television program listings and the diversification of media, such as the expansion of cable television and the Internet, the Globo television network still dominates the Brazilian domestic market. It operates in 99.8% of Brazil, holds the largest audience share, averaging 67% of all viewers, and captures about 70% of all advertising investments in Brazilian media (Santos, 2007). Internationally, Globo TV programs are displayed as an *à la carte premium* channel in 114 countries on five continents for approximately 5.5 million viewers, according to company estimates (Globo, 2008). Nationally, Globo has a prominent presence in print journalism, publishing, radio, broadcast and cable television, the Internet, and most recently, the film industry.

Established in 1997, Globo Filmes aimed to produce films derived from its broadcast offerings. They were very successful. They chose content that targeted children in particular, like the 2000 film version of the television series *O Auto da Compadecida (A Dog's Will)* directed by Guel Arraes. From 2000 on, the company started co-producing independent films based on its television programming schedule. Globo Filmes attracted 74% of the national film audience in 2002. Three years later, the company co-produced 8 of the 10 most watched Brazilian films, capturing 88.5% of the total yearly audience (ANCINE, 2006a).

While Globo Filmes produced only three of the films cited as having revenues of more than R\$10 million (BRL, or over US\$4.5 million), its significant co-production presence demonstrates the company's concentration of capital in this medium. An analysis of the list of films co-produced by Globo Filmes reveals that the company earned 72% of the total tax incentives and 92% of the gross revenues generated by the top grossing films in the period from 1995 to 2004, as shown in Table 2.

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<sup>5</sup> That minister later purchased a regional television in the state of Bahia, which became a Globo affiliate. There are many materials about that group's political power in Brazil, including the British documentary *Brazil: Beyond Citizen Kane* (dir. Simon Hartog, 1993).

**Table 2.** Companies Producing Brazilian Feature Films With Revenues Exceeding R\$20 Million (BRL) From 1995—2004 (Ancine, 2006b).

Production Studio	# of Films	Received Incentive (in millions)		Audience Totals	Revenues (in millions)	
		BRL R\$	US\$		BRL R\$	US\$
<b>Total</b>	53	163.1	75.0	60,405,957	338.5	155.7
<b>Co-produced films without Globo Filmes</b>	18	45.1	20.7	5,351,216	27.2	15.5
<b>Films co-produced with Globo Filmes</b>	35	118.0	54.2	55,054,741	311.2	143.1

The integration of cinema and television has functioned as a two-way street. Mass television audiences are enticed to movie theaters, as illustrated by *Os Normais* (*The Normals*) and *Casseta e Planeta*. In turn, high grossing films have been made into television programs as the 2002 release *Cidade de Deus* (*City of God*) did when it became the 2003 series *Cidade dos Homens* (*City of Men*).<sup>6</sup> There is also an integration of professional talent in those sectors. Internationally recognized film directors such as Jorge Furtado have begun to direct television series. Directors of Globo soap operas such as Jorge Fernando have made their feature film debuts.

Advertising has fostered the synergies. Beginning in 2003, product placement advertising in Globo film co-productions started appearing in Globo's television soap operas, series, and programs. By year's end, the prime-time soap opera *Celebridade* (*Celebrity*) even featured a film producer character who had left Brazil due to the poor market conditions, then returned to work in a successful national film industry. Largely unexceptional scenes in which television characters frequently comment on the positive qualities of a Globo Filmes movie have been effective in terms of ticket sales. According to the company, 9 of the 10 largest ticket revenues generated in the last decade were for Globo Filmes co-productions (see Table 3).

<sup>6</sup> Similarly, the 2002 film *Avassaladoras* (*The Overwhelmed*) became a TV-Record series in 2005.

**Table 3.** 10 Most Viewed Films of the Last Decade (Globo Filmes, 2006).

<b>Year</b>	<b>Film</b>	<b>Distributor</b>	<b>Audience (millions)</b>
2005	<i>2 Filhos de Francisco (2 Sons of Francisco)</i>	Columbia	5.30
2003	<i>Carandiru</i>	Columbia	4.60
2006	<i>Se Eu Fosse Você (If I Were You)</i>	Fox	3.60
2002	<i>Cidade de Deus (City of God)</i>	Lumière	3.30
2003	<i>Lisbela e o Prisioneiro (Lisbela and the Prisoner)</i>	Fox	3.18
2004	<i>Cazuza-O Tempo Não Para (Cazuza – Time Never Stops)</i>	Columbia	3.08
2004	<i>Olga</i>	Lumière	3.07
2003	<i>Os Normais (The Normal Ones)</i>	Lumière	3.00
2001	<i>Xuxa e os Duendes (Xuxa and the Elfs)</i>	Warner	2.70

The lure of broadcast advertising, combined with Globo's dominance over network production, make the company quite attractive to national film producers.

National independent producers or studios excluded from that integrated network have had sponsorship and distribution difficulties. As the reviewer of *Revista de Cinema* (Fonseca, 2003, p. 27) notes,

In the current film environment, people only talk about the inequality [between Globo produced films and the rest], such that films made without Globo's involvement *are already called independent*. Independent studios are where 80 percent of productions are made, but these earn no more than 20 percent of the total revenues. [emphasis mine]

The concentration of players in the audiovisual market and the imposition of Globo's television language on movies both function as restrictive barriers to the potential diversity of culture and information in Brazil.

State incentives have made the Brazilian movie industry more, not less, fragile. By promoting a public policy that supports commercially oriented movies, the state ignores high levels of media



concentration, thus reinforcing Globo's centrality in media markets. Of course, Globo has influenced this regulatory environment, garnering benefits from clientelistic relationships that have continued after the post-dictatorial transition (Santos, 2006). Brazil's historical roots in oligarchic rule over its national political economy have extended to the communications sector in the last two decades, a phenomenon that can be called "electronic coronelismo."<sup>7</sup> At the roots of the relationship, federal deputies, senators, and representatives are regional broadcast affiliate owners themselves. Nearly one-third of Congress members have broadcast stations. Nearly half of those are Globo affiliates, with another 40% transmitting some Globo programming (Santos & Capparelli, 2005). Given this cozy relationship, it is no wonder that politicians have colluded in forming regulations that continue to foster dependence on Globo and a highly concentrated media system.

### ***National Content, Global Distribution***

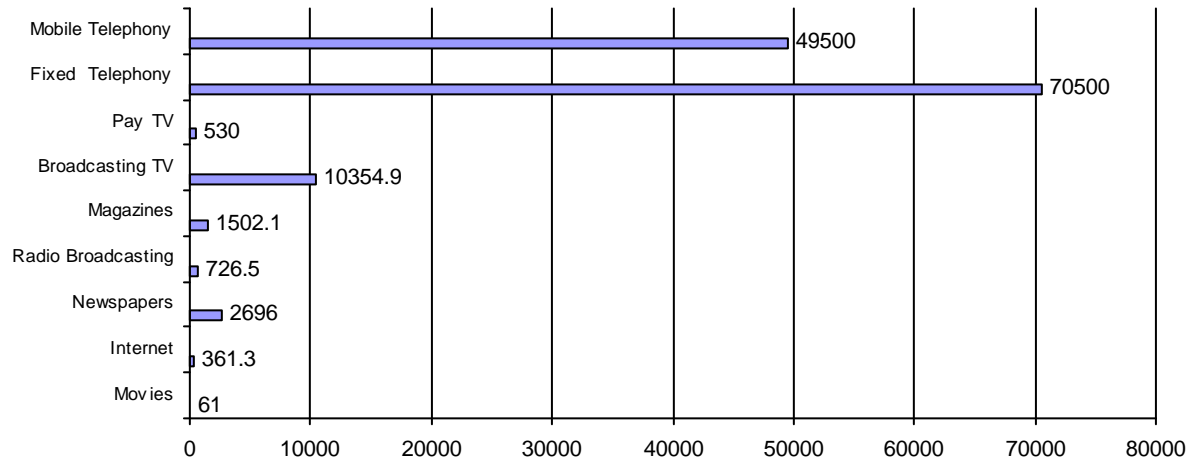
Globo Organizations is strongly connected to international markets through global distribution partnerships. Since the network's start — itself the result of a partnership with the Time Life company — Globo has extended its corporate relations and reach. Globo Filmes works directly with U.S. major film studios to distribute Globo's films in Brazil and abroad. The network programming schedule consists of an impressive share of imported programs. Globosat, the company's satellite television provider, offers packages of mostly international channels. The merger of satellite television companies DirecTV and Sky has generated a new company that owns 97% of the Brazilian market for satellite subscriptions, with ownership of a Brazilian subsidiary that is divided mostly between News Corporation, with a 74% stake, and Globo Organizations, with a 25% stake (News Corporation, 2004). In the cable television sector, Globo Organizations partnered with Telmdex, the Mexican telephone company. Globo continues to grow where other national conglomerates have failed.

Other national efforts to grow media empires have been less successful because they lack channels for distribution. The recent sale of the Abril Group's cable television holdings to Spanish Telefonica added to the foreign company's communications reach. The contract included the license for fixed telephony in the state of São Paulo, plus 50% ownership of the cellular phone company Vivo (Observatório do Direito à Comunicação, 2007). The business deal allowed Spanish Telefonica to combine its telephony operations with audiovisual content and provide bandwidth for Internet access; Abril was cut out of the deal. The economic disparity between partners and competitors in communications sectors shows the relative weakness of national communications industries to compete without distribution avenues. The data in Table 4 illustrate this weakness.

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<sup>7</sup> *Coronelismo* can be understood here as: "the rule of the coronels," meaning a type of oligarchical policy (Santos, 2006). In English, this would be "the rule of colonels." (See Wikipedia.) In modern English, the word colonel is pronounced similarly to *kernel* (of grain) as a result of entering the language from Middle French in two competing forms: *coronel* and *colonel*. The more conservative spelling *colonel* was favored in written use and eventually became the standard spelling even as it lost out in pronunciation to *coronel*.

**Table 4.** 2006 Sales in Communication Sector by Medium (Millions — BRL)  
(Inter-meios Project and Teleco, 2007).



Foreign sales of telecommunications companies hinder the expansion of nationally based media content producers. The economic weakness of national media groups is a relatively common reality in Latin America (Mastrini & Becerra, 2006) that affects the national realities of Brazilian producers and consumers. This situation parallels the weakness of national studios for film production.

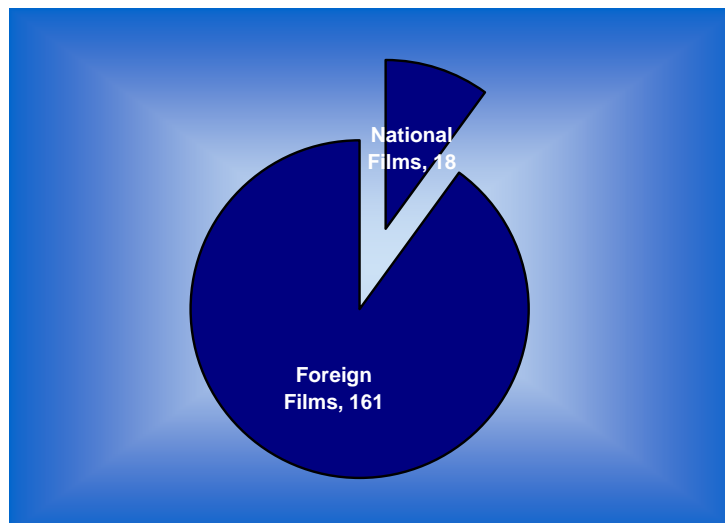
Although national film distribution and exhibition has increased in recent years, these rates are far less than those for North American films, repeating a trend that has dogged Latin American film studios from their beginnings. According to Director and President of ANCINE Gustavo Dahl (2003), the percentage of Brazilian films released in Brazilian theaters increased from 5.41% in 1995 to 26.92% in 2002. In 2005, though, this number fell to a mere 10 % (ANCINE, 2006c). When we compare the top 10 grossing movies for the past two years, we see in Table 5 and Figure 1 that the rule of foreign cinema still prevails over national films.

**Table 5.** Top 10-Grossing Films of 2004 and 2005 (ANCINE, 2006a).

2004		2005	
Title	Distributor	Title	Distributor
<i>Spiderman 2</i>	Columbia	<i>Dois Filhos de Francisco*</i>	Sony*
<i>The Passion of the Christ</i>	Fox	<i>Harry Potter and the Goblet of Fire</i>	Warner
<i>Shrek 2</i>	UIP	<i>Madagascar</i>	UIP
<i>The Lord of the Rings</i>	Warner	<i>The Incredibles</i>	BVI
<i>Troy</i>	Warner	<i>Fantastic Four</i>	Fox
<i>The Day After Tomorrow</i>	Fox	<i>The War of the Worlds</i>	UIP
<i>Harry Potter and the Prisoner of Azkaban</i>	Warner	<i>Constantine</i>	Warner
<i>Cazuza – O tempo não Pára*</i>	Columbia*	<i>Star Wars Episode III: Revenge of the Sith</i>	Fox
<i>Olga*</i>	EBA*	<i>Batman Begins</i>	Warner
<i>Garfield</i>	Fox	<i>Kingdom of Heaven</i>	Fox

\*Brazilian films

**Figure 1.** Percentage of Films That Debuted in 2005 in Brazilian Movie Theaters (ANCINE, 2006c).



The most recent federal research shows foreign companies dominate: 71% of film production for the national market by Columbia, Disney, Universal, Warner, and Fox); 63% of film distributors by Fox, Warner, UIP, Cinemat Franco-Brazilian, Paris Film, Screen Gems, among others; and 90% of movie theater chains by Cinemark and UCI, among others (Ministry of Culture, 1998). Just consider the influence of the four major distributors operating in the national market (Columbia, UIP, Warner, and Fox) that accounts for 50.3% of all films exhibited, 88.9% of all income obtained, and finally, 88.7% of the total audience share (Ministry of Culture, 2000). In 2005, foreign companies distributed 97.4% of the films shown in Brazil (ANCINE, 2006a). Aside from having to compete with the globalized U.S. film industry, the national film industry has almost insurmountable barriers to distribution and exhibition.

The recent growth of multiplex theaters has further winnowed the opportunities for national film studios. Since 1997, North American exhibitors reformulated Brazilians' conception of moviegoing with more structured spaces, concentrated in shopping centers. Ironically, this resulted in far fewer screening rooms for national producers than were available in the 1970's. In 1980, there were 2,300 movie theaters; in 1992, they were less than 1,000. By 2002, the number of theaters for Brazilian films fell to 1,700, or one screening room per 105,000 inhabitants in cities of more than 400,000. U.S. theater chains tend to concentrate their efforts on blockbuster genres, leaving alternative genres or so-called "art films" that make up approximately 10% of the market without exhibition options (Souza, 2003).

Even seemingly innovative initiatives are conditioned by the realities of the status quo for national exhibition. Created in 2002, the Rain Network was to be the Brazilian panacea for delivering films via new digital technologies for a low price. The company signed agreements with U.S. distributor Emerging Pictures in 2005 and with British distributor Buena Vista in 2006, creating the ambitious agenda to dominate digital delivery globally while democratizing film exhibition (Rain, 2009; *Financial Times*, 2003). Yet these promises have not been realized. The cheap costs of distribution have not translated into cheaper entry fees, which currently run about US\$15. Geographically, 454 theaters are concentrated in 54 urban centers that comprise less than 1% of the country's territory. More than half are situated in state capitals, with the remaining theaters located in the richest areas of the country, especially in the South and Southeast. Nor were the most watched films of Brazilian origins. Of the top five most watched films in the final week of April 2009, only one was Brazilian: *Divã (Couch)* from GloboFilmes.

The importance of international agreements for the film studios, coupled with the absence of policies for national distribution and exhibition, promote the inequalities between Globo and its potential competitors. The increase in state benefits and the co-production interests of national groups have spurred national film production, but this notably most benefitted the Globo network as it could leverage its national distribution dominance over broadcasting with international distribution interests. Globo's partnerships provide film financing, film exhibition spaces, and home video market access, as well as international film content for the Globo network's cable subsidiaries. Thus, the company has maintained dominance over a vertically integrated network of audiovisual content.

***The Central Role of Broadcast Television in Cultural Communication Policies***

The absence of an integrated public policy has destabilized the national market for cultural production and communications media. The television market's influence on Brazilian cinematic production, and vice versa, cannot be reduced to a simple issue of reduced state investment, nor to the liberalization of the domestic broadcasting system. From the military's national integration policies to the current tax waivers of the Lula administration, Brazilian communications and cultural policies — or the lack of them — have established the central role of broadcast television in the audiovisual chains of production, distribution, and exhibition.

This centrality, consolidated through historical relations of patronage, functions hegemonically to promote national social integration and maintain the political and economic status quo. Unlike other industrialized countries, Brazil lacks a film, music, or even an electronics industry that could establish a Fordist model of production. Quite the contrary, cultural consumption until the 1970s was restricted to citizens in a few major cities. It was only through Globo's association with the military government that the company effectively developed a logic of national cultural consumption (Santos & Capparelli, 2005). Brazil has never fostered the perception that media are keys to citizenship. Notions of the public interest, such as those in European or North American public spheres, have been relatively absent in public discourse. Thus, the service provision for content production in Brazil does not follow rules that would allow public control.

It is worth remembering that the importance of broadcast television correlates to the absence of other cultural forms and lack of access to other media. (See Table 6.) In 5,564 cities nationally, 91% lack movie theaters and 95.7% lack cable television services. Further, over half of the cities lack AM radio stations, auditoriums or theaters, or bookstores. Nearly half of Brazilian cities do not have FM radio stations. In contrast, broadcast television is not available in only 1.3% of Brazilian cities.

**Table 6.** Map of Brazilian Information and Cultural Exclusion in 2005.<sup>8</sup>

Regions	Cities											
	Total	Absence of Cultural Media and Venues										
		Theaters or auditoriums	Movie theaters	Video rental stores	Record stores	Book stores	AM radio stations	FM radio stations	Pay-per-view TV	TV stations	Broad-cast TV	Internet provider
<b>Total</b>	<b>5564</b>	<b>4403</b>	<b>5061</b>	<b>1251</b>	<b>2518</b>	<b>3843</b>	<b>4355</b>	<b>2710</b>	<b>5329</b>	<b>4967</b>	<b>76</b>	<b>3004</b>
<b>North</b>	<b>449</b>	<b>393</b>	<b>429</b>	<b>135</b>	<b>262</b>	<b>343</b>	<b>372</b>	<b>262</b>	<b>444</b>	<b>328</b>	<b>51</b>	<b>294</b>
<b>Northeast</b>	<b>1793</b>	<b>1494</b>	<b>1727</b>	<b>403</b>	<b>813</b>	<b>1377</b>	<b>1508</b>	<b>782</b>	<b>1765</b>	<b>1663</b>	<b>10</b>	<b>1090</b>
<b>Southeast</b>	<b>668</b>	<b>1222</b>	<b>1393</b>	<b>336</b>	<b>772</b>	<b>1215</b>	<b>1279</b>	<b>726</b>	<b>1533</b>	<b>1466</b>	<b>2</b>	<b>792</b>
<b>South</b>	<b>188</b>	<b>891</b>	<b>1079</b>	<b>281</b>	<b>465</b>	<b>595</b>	<b>833</b>	<b>729</b>	<b>1134</b>	<b>1109</b>	<b>13</b>	<b>561</b>
<b>Central-West</b>	<b>466</b>	<b>403</b>	<b>433</b>	<b>96</b>	<b>206</b>	<b>313</b>	<b>363</b>	<b>211</b>	<b>453</b>	<b>401</b>	<b>0</b>	<b>267</b>

The structuring of the broadcast television system has effectively prevented the coexistence of relatively independent media industries, as well as barred new players from entering or diversifying the consumer market. The poor conditions of media access reinforce Globo's power.

### *The Global Future*

The growth of Globo Filmes is relevant to the national scenario as it is yet another sign that broadcast television has extended its reach in relation to other audiovisual services. The revival of cinema production, advertising investments, and television production as a whole are contained in the identity of a single company. Globo's hegemony began with its military government alliances, but it has reached its

<sup>8</sup> Information taken from the author's database is based on the cross-tabulation of Brazilian Institute of Geography and Statistics' National Household Research (IBGE/PNAD) and on National Agency of Telecommunications' Information System on Communications (Anatel/SISCOM).

most mature articulation in the last two decades. Whereas this hegemony has been explicated elsewhere (cf. Rego, 2005), this article seeks to demonstrate the continuing crucial, if not instrumental role that the state plays in assisting and sustaining media concentration through federal film production incentives. Federal policy makers have encouraged *electronic coronelismo*, rejecting any attempts to legislate content or quality standards, or assist local or regional content production. National media industries, aside from their avoidance of the less-developed regions and less affluent consumers, now have sided with telecommunications industries in global strategies of economic dominance.

This may have other worrisome effects. In a country where 54% of the inhabitants can only access the Internet through long-distance call centers, the digital divide would only grow in light of the current convergence of these industries. In the national transition to an information society, the diversification of information and media access, not industrialization or urbanization, are the essential mechanisms to reduce the citizenship gap between large and small cities. Local social and economic barriers to communication and cultural access cannot be overcome without a broader discussion of the corporate forces in the larger national and international panorama. For this reason, broadcast television, even as it enriches Globo and its foreign partners, needs to remain central to the discussion of citizenship in Brazil.

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