

# Film industry clusters: a strategy for urban and regional development?

**Abelardo Medel, Britta Gossel**  
*Ilmenau University of Technology*

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## **Abstract**

The film industry seems to have developed most strongly in specific cities/regions around the world. Based mainly on a review of the literature on urban and regional development in places where the film industry has usually been highly concentrated, this article: 1) explains why this concentration has occurred, 2) describes common trends in the industry's international development, 3) examines the film industry's overall economic impact and its contribution to cities/regions, 4) reveals the shared characteristics of film cluster production systems around the world, 5) and presents a model for governments interested in economically enhancing their cities/regions through the formation and development of a film industry-based cluster as a strategy for regional development. **Keywords:** Film industry, urban/regional development, clustering strategies, creative cities, cultural industries.

## **Clústeres cinematográficos: ¿una estrategia para el desarrollo urbano y regional?**

### **Resumen**

La industria del cine parece haberse desarrollado más robustamente en ciertas ciudades/regiones alrededor del mundo. A partir de un repaso de la bibliografía sobre el desarrollo urbano y regional en lugares donde la industria cinematográfica suele tener altos niveles de concentración, este artículo: 1) explica por qué ocurre este proceso de concentración, 2) describe tendencias comunes en el desarrollo internacional de la industria, 3) examina el impacto económico general de la industria del cine y su contribución a distintas ciudades/regiones, 4) expone las características que comparten los sistemas de producción de clústeres cinematográficos alrededor del mundo y 5) presenta un modelo dirigido a gobiernos interesados en mejorar económicamente su ciudad/región a través de la formación y del desarrollo de un clúster cinematográfico pensado como una estrategia para el desarrollo regional.

**Palabras clave:** industria cinematográfica, desarrollo urbano, desarrollo regional, clústeres, ciudades, industrias culturales.

## **Clusters cinematográficos: uma estratégia para o desenvolvimento urbano e regional?**

### **Resumo**

A indústria do cinema parece ter-se desenvolvido mais energicamente em certas cidades/regiões ao redor do mundo. A partir de uma revisão da bibliografia sobre o desenvolvimento urbano e regional em lugares onde a indústria do cinema costuma ter altos níveis de concentração, este artigo: 1) explica por que ocorre esse processo de concentração, 2) descreve tendências comuns no desenvolvimento internacional da indústria, 3) examina o impacto económico geral da indústria do cinema e sua contribuição a distintas cidades/regiões, 4) expõe as características que compartilham os sistemas de produção de clusters cinematográficos ao redor do mundo e 5) apresenta um modelo dirigido a governos interessados em melhorar economicamente sua cidade/região através da formação e o desenvolvimento de um cluster cinematográfico, pensado como uma estratégia para o desenvolvimento regional.

**Palavras chave:** indústria cinematográfica, desenvolvimento urbano, desenvolvimento regional, clusters, cidades, indústrias culturais.

### **Introduction**

Under the assumption that cities can be attractive for both individuals and firms, discussions of city/region planning and development based on cultural industries are receiving increasing attention in academia and governments (Lorentzen, 2009; Hospers & Pen, 2008; Baycan-Levent, 2010; O'Connor & Gu, 2010).

In this article, we summarize the main findings produced by empirical research on the film industry and, specifically, on its impact on cities/regions around the world where it is seen as highly-concentrated. We thus present the worldwide dynamics of film industry clusters in an original, complete, and up-to-date manner, which allows us to propose a model for advising public policy makers based on an exhaustive review of sound empirical evidence.

The first section introduces concepts relating to the cultural, media, and film industries, allowing for a clear understanding of the content of this article.

The second section allows the reader to understand the importance of clustering strategies in regional development. It also discusses current initiatives based on cultural industries and comments on the general results.

The third section presents the lessons we can obtain from the main (existing and studied) film industry clusters around the world.

The fourth section proposes our model, which is meant to advise policy makers on the suitability of engaging (or not) in efforts to develop a film industry cluster—as part of a strategy for establishing creative industries clusters—in order to develop a city/region.

With our conclusions, we shed light on the global opportunities for the film industry from an international geographical perspective.

### **Cultural, media, and film industries: a literature overview**

There is an academic debate on whether *cultural* or *creative industries* is a better definition for the sort of activities and outcomes stemming from *these* industries (Cole, 2008). Baycan-Levent (2010) points out that there is no agreement on this matter and no precise definitions.

However, there is no doubt that most media industries, if not all, are usually included in most academic approaches. After a comprehensive review, what is definitely clear is that the film industry is always included in both dominant approaches within the current literature (Turok, 2003; Rosenfeld & Hornych, 2010; Enlil *et al.*, 2011; Mossig, 2008).

Therefore, we define *cultural* or *creative industries* as those in which imaginary talent as well as artistic and technical skills are supplemented with production and distribution knowledge and processes in order to achieve economic advantages in the market.

For the sake of simplicity, in this article we regard both approaches as synonymous and consider the film industry to be a key part of them. Lorentzen (2009) acknowledges the fact that the film industry is included in today's research and public policy debates on creative industries. Moreover, authors such as Chapain & Comunian (2010) take a unifying approach when they refer to the creative *and* cultural industries, assuming, therefore, that they are industries complementary to—if in any case different from— each other.

A commonly accepted operational definition of the *creative* industries regards them as “those activities which have their origin in individual creativity, skill, and talent, and which have a potential for wealth and job creation through the generation and exploitation of intellectual property” (DCMS, 2001, p. 3 quoted in Baycan-Levent, 2010, p. 579; DCMS, 2001, p. 5 also quoted in Chapain & Comunian, 2010, p. 718).

Activities included in the creative industries are: advertising, architecture, arts and antiques, crafts, design, designer fashion, film and video, interactive leisure software, music, television and radio, performing arts, and software and related computer services (Baycan-Levent, 2010; Chapain & Comunian, 2010).

In a similar way, the Korean Creative Content Agency is said to have defined the *cultural* industries as: publishing, cartoon, music, game, film, animation, broadcasting, and advertising, among others (Choi, 2010).

By film industry we understand all activities covered by and necessary for the commercial production, distribution, and exhibition of pictures. Animated films are included. We assume the film industry to be a key part of the world's media industries.

### **Cultural economy: creative clusters in cities/regions for economic development**

Various authors have argued that there are potentially good chances for economic development in cities/regions around the world through the creation and development of creative clusters (Leriche & Daviet, 2010; Baycan-Levent, 2010).

It has also been argued that this new cultural economy contributes significantly to employment in cities, mainly in agglomerated metropolises, although these same authors warn that we should not be too optimistic about its overall impact either.

It has also been stressed that the benefits of this cultural or creative economy might only surface in those few regions where it develops successfully (Chapain & Comunian, 2010). Which implies, therefore, that some public investments and efforts, such as those directed towards developing these kinds of clusters, might end up being enormous wastes of resources, once an evaluation is undertaken years later. No clear consensus exists today.

A cultural economy can simply be understood as a new stage in the world economy, in which cultural industries play a more important role as drivers for urban and economic development, mainly where de-industrialization patterns are present.

Leriche & Daviet (2010, p. 808) define cultural economy “as a set of activities commercially exploiting artistic, aesthetic, and semiotic creativity”. Throsby (2001) defines it “as a set of industries producing cultural goods and services in-

volving creativity, embodying intellectual property, and conveying symbolic meaning” (quoted in Leriche & Daviet, 2010, p. 808).

Hospers & Pen (2008) have argued that a strong competition for the attraction of tourism, investors, firms, and highly skilled settlers is under way in different European cities, and that policy makers —i.e. governmental officials— are very interested in positioning their cities as hot spots for investment and economic development through cultural industries, since this strategy is seen as a way of creating and/or keeping a competitive advantage.

In evaluating whether or not to join these initiatives to establish creative clusters, stakeholders should have a clear understanding of the reasons for investing or promoting cultural industries. Moreover, they should have a clear view of the possible economic outputs, and this should be one of their strategic objectives.

Le Blanc (2010) argues that differing traditions, namely European and American, are prevalent in the pursuit and acceptance of the economic impacts of cultural industries on cities/regions.

The American tradition interprets positive/artistic value as economic (market) value, whereas this is not necessarily true in the European tradition, which tends to intervene through political/bureaucratic structures rather than allow economically functional and autonomous creative clusters to develop (or not) by themselves.

Citing the works of Scott (2000 and 2005), as most authors have done, Le Blanc (2010, p. 906) states that “the Hollywood movie industry is one of the most successful examples of this cultural industry clustering trend”.

O’Connor & Gu (2010) also acknowledge that concepts such as “culture” and “economics” have given rise to tensions and differences, as if they were contrary in nature and unable to profitably work together in the UK. They have also argued that, in the last decades, public policies aimed at developing creative industry clusters have, however, been directly used for urban development policies in the UK, albeit with limited success.

The creation and development of clusters based on cultural industries have today become hot topics in the context of initiatives to boost economic growth in specific geographic locations, whether these be cities, regions, or nations. It seems that being a *creative city* is seen as something trendy and appealing for policy makers (Baycan-Levent, 2010), who should, we argue, be more aware of the empirical evidence in order to make better decisions.

A cluster, as we understand it, and as defined by Porter (1998), is a “geographic concentration of interconnected companies and institutions in a particular field” (quoted in Chapain & Comunian, 2010, p. 720). Thus, we consider Hollywood to be the most impressive exponent of film industry clustering (Litvak, 2009; Mossig, 2008), though not the only one. Many other clusters have emerged around the world (as shown on table 1).

**Table 1.** Most important studies of film industry clusters around the world (chronological order).

Author(s)	Year	City-Cluster Mainly Analyzed	Country on focus
Pu and Foster	2012	Chongqing	China
Enlil <i>et al.</i>	2011	Istanbul	Turkey
Öz and Özkaraçalar	2011	Istanbul	Turkey
Choi	2010	Busan Gwangju Daejeon Jeonju	Korea
Coles	2010	Toronto Halifax	Canada
Glow and Johanson	2010	National production	Australia
Rosenfeld and Hornych	2010	Halle an der Saale	Germany
Britton <i>et al.</i>	2009	Vancouver Toronto Montreal	Canada
Litvak	2009	Connecticut	USA
Shoosmith	2009	Mumbai (Bombay) Kolkata (Calcutta) Chennai (Madras) Pune (Poona)	India
Zhihong	2009	Taiwan Hong Kong China	<i>Greater China</i> <sup>1</sup>
Cole	2008	Animated film production	( <i>Western</i> ) Europe
Glassmann	2008	Cologne	Germany
Mossig	2008	Hollywood in connection with German Markets	USA / Germany
Blair <i>et al.</i>	2003	LA / London	USA/UK comparison
Turok	2003	Glasgow	Scotland
Coe	2001	Vancouver	Canada

<sup>1</sup> Referred by the corresponding author in such a way. We are not interested here in political debates over sovereignty neither are we taking, questioning nor supporting any specific position.

Chapain & Comunian (2010, p. 720), in their general “overview of the most important studies on creative and cultural industries clusters”, cover different sub-sectors, such as design, advertising, fashion and clothing, new media and new technologies, crafters, film and TV production, and music. Besides the highly cited and commented works of Christopherson & Storper (1986) and Scott (2000, 2005) on Hollywood dynamics (Mossig, 2008), and in line with the propositions made by Chapain & Comunian (2010), we have listed above the most compelling studies on film industry clusters that we have analyzed in preparing this article.

### **Methodological approach**

We used a literature review method combined with an inductive reasoning method.

The literature review method was divided into two stages and adopted an international comparison perspective. We focused on gathering worldwide empirical evidence that employed urban/regional development analysis in cities with a highly concentrated film industry.

Relevant articles were gathered using the Business Source Premier database (via EBSCO host) and a collection was made in August 2013. Electronic search was restricted to published, full-paper, peer-reviewed publications in English. Year of publication was not restricted and conceptual/theoretical articles were not included.

The first stage consisted of defining search terms/strings and collecting the existing articles. Search terms/strings included were: a) *Film\* AND Industry\**, b) *Motion Picture AND Industry\* AND Cluster*, c) and *Film\* AND Industry\* AND Cluster*. 47 articles were identified.

The second stage consisted of filtering the scientific articles according to the criteria described: each article had to report empirical research on urban/regional development related to (or based on) the film industry in cities/regions. For our analysis, we gathered a final sample of 25 peer-reviewed articles published in 16 international journals between 2001 and 2012.

The inductive reasoning method was mainly applied to the development of the lessons and the model we propose in this paper. According to Stewart (2002, p. 137): “using inductive reasoning, *propositions are generated that are believable, comprehensive, applicable, and grounded*. In other words, the patterns suggested by the analysis should be plausible, should account for most of the observational

data, should be capable of future evaluation using similar or alternate methods, and should be clearly based on the data” (italics in the original).

The results of our methodological design are explained below.

## **Lessons from film industry clusters around the world**

Like most media industries, the film industry has a worldwide presence. It has developed in almost all countries in every continent. As is common in media industries, cultural and linguistic barriers may pose limitations for increasing output, while very high first-copy cost structures usually limit production capacities if quality is pursued.

However, despite the worldwide presence of this media industry, we must recognize the fact that not all players are equally important. If we consider industry output measured in numbers, Bollywood, Nollywood, and Hollywood are the three most important producers, followed by Japan, France, and the UK.

Despite the numbers and rankings mentioned above, Hollywood is the only unbeatable player, if we account for the amount of dollars spent on the industry in terms of total production costs and total revenues.

Another measure for success we might consider is the market share of all productions, which again places Hollywood at the forefront, with little chance of being surpassed (Mossig, 2008).

Despite this global scenario, we present the following lessons:

### ***1. The film industry creates self-reinforcing clusters in specific cities/regions around the world***

This is true in all cases. Whether in the US, China, Germany, Canada, Korea, the UK, Australia, Turkey, Scotland, or India, the film industry tends to cluster in a “natural way”. Even in the case of the European animated film industry, in which this pattern is contested (Cole, 2008), it is impossible to deny minor “clustering” in specific cities.

What seems to determine film industry clustering is:

#### **1- The presence of agglomeration economies**

Most film industry clusters have emerged in cities densely populated or with large metropolitan areas, where urban amenities are already present on a large



scale. These worldwide findings seem to be in line with arguments provided by economic geographers about reasons/benefits for clustering.

As the film industry has a project-based production system, being close to “actors” involved in the production process is a powerful incentive for companies and individuals to stay in close proximity to each other.

Firms gain quick access to a talented pool of labor, while individuals can reduce their chances of being unemployed since higher demand for labor can be expected. Firms can also benefit from an available surplus of capital and wealth, usually present in bigger cities (Rosenfeld & Hornych, 2010).

As this tendency towards concentration is linked to urban development history, it is usually difficult to change since it has a self-reinforcing nature and, we can argue, is path-dependent. Therefore, trying to change this phenomenon is generally very costly, difficult, and unlikely.

## **2- Geographical/environmental reasons (physical landscape and weather conditions)**

Meteorological conditions cannot and should not be neglected in trying to determine the factors behind the establishment and development of the more successful film industry clusters, as shown in the cases of Hollywood and Vancouver.

As Mossig (2008, p. 46) describes it, “producers soon recognized the advantages of the prolonged periods of dry and sunny weather, and in the subsequent years more and more film productions moved to Los Angeles/Hollywood”.

In a similar way, Coe (2001, p. 1760, 1772) says that “Vancouver [...] has a mild climate which allows all-year-round filming and offers a large range of different scenic locations —urban, suburban, rural, coastal, mountain, forest and semi-arid environments— within 1-2 hours’ drive of central Vancouver”, all qualities, we must assume, that distinguish it from Toronto or Montreal, other traditional Canadian locations for the movie industry.

Although meteorological factors might not be relevant in all cases, due to similar conditions yearlong in places such as the UK, Germany, Korea, and so on, we can infer that geographical elements can also influence the development of successful film clusters, as shown in the Scottish case.

“Glasgow is an extremely good location for making programmes quite cheaply. You can be in a huge variety of locations within a very short time” (Turok, 2003, p. 564).

### **3- TV production capabilities**

Again, we can expect that wherever there is a high concentration of TV production, film production will eventually follow. This phenomenon can usually be explained due to the underutilization of material and human resources and/or to opportunities for filmmaking that arise over the years as demand for TV content fluctuates. This was the case in Scotland (Glasgow), Germany (Cologne), and China (Chongqing), as described by the corresponding authors on table 1.

### **4- Efforts of public policy**

This element is very important for us to discuss. In most cases, there were no opportunities to determine whether or not public policies had an impact on the formation (from scratch) of the film industry in specific locations.

There is, however, one highly illustrative case: the German city of Halle an der Saale. This location had no history of media or film industries until recently, and it was public urban policy at state and local levels that made it possible to position this city within the German media scene, though with limited success due to the lack of other elements, mainly agglomeration economies (Rosenfeld & Hornych, 2010).

It can be stated, then, that public policy does indeed have a positive impact on the formation of media clusters, but we must emphasize that it cannot substitute other, more important elements.

Similar conclusions can be drawn regarding the Korean experience, specifically in those cities where animated film industry clusters have been purposefully developed and encouraged in recent years (Choi, 2008). Public policy commitment has also prompted or strongly supported animated film industry clustering in China (Pu & Foster, 2012, p. 19).

### **5- The presence of big media players**

In Cologne (Glassman, 2008), London, and Glasgow (Turok, 2003), the presence of big media corporations —mainly TV broadcasters— definitely played a decisive role in the eventual emergence of a robust film industry.

In the case of Hollywood, it is undeniable that the presence of major studios shaped the development of all other industry actors (Mossig, 2008).

## **2. *There is no common worldwide development, only trends***

Trends that can be clearly identified are:

### **1- A long-term maturing process**

The most widely acknowledged and established film clusters in the world, such as Hollywood (Mossig, 2008), Bollywood (Shoesmith, 2009), and Vancouver (Coe, 2001), have been operating for five to ten decades.

Weaker clusters, such as in Istanbul (Enlil *et al.*, 2011) and Glasgow (Turok, 2003), also originated within this timespan.

Developing film industry clusters is a long and slow process, which can be very time and resource-consuming (Baycan-Levent, 2010).

### **2- Natural-evolutionary “path dependent”-development**

Several cases seem to fall within the “natural” trend, although this assertion can be contested where there was stimulation by government ministries.

Nevertheless, we can identify cases in which there was “no rush” to develop a film (or cultural) cluster as a means for urban/regional economic development: Hollywood (USA), Bollywood (India), Vancouver and Toronto (Canada), Glasgow (Scotland), Istanbul (Turkey), Cologne (Germany), and London (UK), among other cities, fall within this category.

In most of these cases, the film industry can be considered an offspring of the industrial capabilities of TV production and broadcasting, as noted before.

### **3- Guided-accelerated “policy induced” -development**

Under this heading, we classify those cases in which policy makers, during the last 20 years, developed an interest in developing film (creative) clusters in cities without strong media or film histories.

This has been the case in Halle an der Saale (Germany), several Korean cities (see table 1), Chongqing (China), and in the state of Connecticut (USA).

This trend usually develops in the following manner:

- a. Establishment of clear objectives regarding creative industries —like animated film clusters— as a punctual strategy for regional development.
- b. Selection of places to develop/promote.

- c. Creation of agencies and support of institutions and frameworks.
- d. Implementation of actions and funding of projects.
- e. Evaluation of results (though this may not happen in all current cases).

### ***3. Economic regional impact can be regarded as marginal, though not in the case of the biggest clusters***

The economic impact on the cities/regions where these clusters have developed can generally be said to be positive, though this claim is highly contested and controversial according to some authors (Litvak, 2009; Coles, 2010; Wells & Ross, 2012).

This impact is usually measured in a direct way, that is: in terms of the percentage of the total work force employed; in terms of money spent in the city/region; in terms of wages for above and under-the-line personnel; in terms of tax obligations towards the city, state, or nation; in terms of contributions to exports; and so on.

Another measure focuses on indirect benefits, such as contribution to “city branding” and tourism, but these are usually quite difficult to determine in an objective manner.

Direct economic benefits derived from media sectors, besides those related to employment, might therefore be minor (Litvak, 2009). However, cities with mature clusters can really have a worldwide competitive advantage, which is worth considering.

### ***4. A very specialized and “special” production-system with common characteristics worldwide***

Production systems are highly flexible and uncertain, comprised mainly of studios, core suppliers, and freelancers functioning through a project-based approach. Money/employment can either flourish or stagnate for months.

Core suppliers are usually small or medium size enterprises delivering creative, technical, or administrative products or services to studios or independent producers.

Freelancers are usually individuals who work—and look for work—in several projects at a time and rely on reputation for career advancement.

Informal networking plays a critical role, and being “on stage”—where information flows, decisions are taken, and contacts are expanded—is a must to sur-

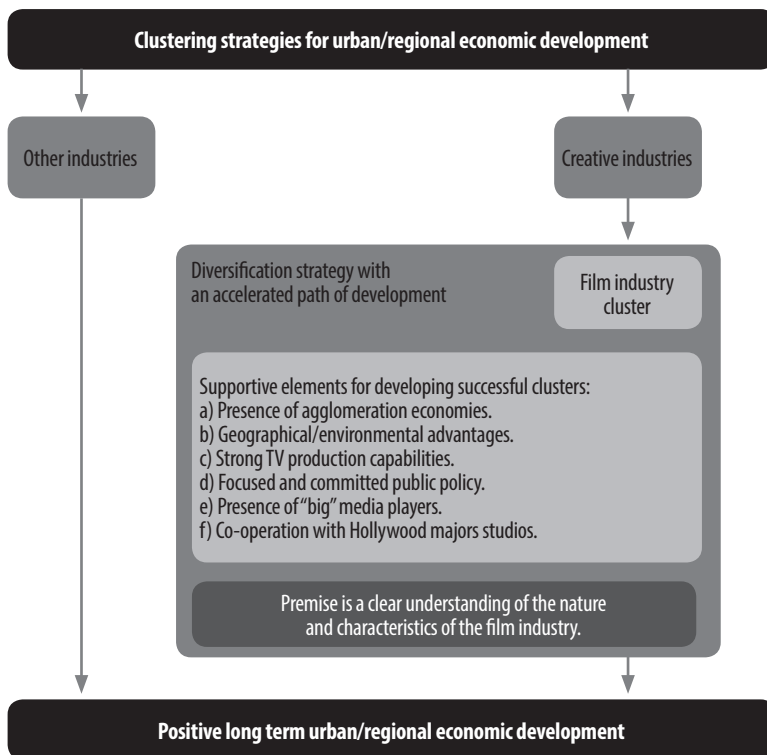
vive. This dynamic favors either geographic clusters or “functional” clusters, like those that characterize the European animated film industry.

Networking even plays a vital role at the international level, allowing runaway productions and international co-productions, and determining access to international markets and distributors (Litvak, 2009; Cole, 2008; Coe, 2001; Mossig, 2008).

### A model for guiding public policy makers

Given contemporary debates on the use of cultural industries to boost urban/regional economic development, we suggest policy makers may or should consider and pose some of the following questions:

- Is the formation and development of a film industry-based cluster a worthwhile strategy for regional development? Why or why not?



**Figure 1.** Model: Film industry attraction as a clustering strategy for regional development.

- Under which circumstances can this be an adequate strategy for regional development?
- What elements must be emphasized? What are the pros and cons of this strategy?
- Can previously successful experiences be multiplied or replicated in my city/region/nation?
- How can this strategy be implemented?
- Can film industry clustering/attraction be a successful and advisable policy for sustainable long-term regional economic development?

“Urban development results, among other factors, from the location of economic activities” (Lorentzen, 2009, p. 837). If we assume this to be true, which it quite probably is, we can advance several examples of public policy advice regarding the co-location of film industry activities in a city/region. We propose the model of figure 1.

We consider that the formation and development of a film industry-based cluster is a worthwhile strategy for regional development if understood as a diversification strategy for regional development in places with agglomeration economies, some history of film or TV production, convenient meteorological and geo-strategic conditions, and willingness to invest considerable resources towards a successful future.

Moreover, we suggest that “playing” with big media players, like major Hollywood studios, must be emphasized, since their market dominance is key to turning a profit in this industry and since big media players are always eager to find new partners in order to reduce production costs, as proved by the former’s increasing mobility.

One of the main benefits of our approach is that, if a successful strategy is developed and implemented by accounting for all the points in our model, levels of industry clustering such as those enjoyed in Vancouver can, in our opinion, be achieved in less time, with the resulting economic returns expected for regional development.

One of the drawbacks of our approach, however, is that “playing” with major studios, as a newcomer, is improbable, suggesting the need for longer-term and costlier investments.

We assume that successful experiences can be multiplied or replicated in other cities/regions, as long as these regions satisfy the points outlined in our first lesson.

Implementation requires a long-term vision, an ambitious plan, significant financing, and human and material resources.

We believe that film industry attraction can be a successful and advisable policy, which can contribute towards diversified and long-term regional development only if a given location reaches a positive self-evaluation, after reading the evidence presented in this paper, and goes on to firmly maintain its desire to develop a film cluster.

### **Limitations and conclusions**

This paper has some limitations, since it is based on a review of the literature and is not itself an empirical study. Also, it can be argued that a case study or interviews would be helpful in refining, discarding, or complementing the proposed lessons. We agree with the above points, and call for future empirical research to be compared with our model in order to evaluate it accordingly.

Despite these limitations, however, our conceptual paper fulfill the tasks of helping readers understand the dynamics of urban/regional development based on the film industry and of setting a clear theoretical background for further empirical research.

Moreover, with our model, we clearly present a roadmap for policy makers, urban/regional planners, and governments around the world who might be interested in developing cities/regions through this economic activity.

Studies such as those by Oakley (2004) and Pratt (2008) (cited in Choi, 2010, p. 766-7) question whether the effort of creating and developing cultural industries, including the film industry, can be worthwhile as a long-term strategy for regional economic development.

They draw attention to the difficulty of measuring concrete results and the contributions of cultural industries towards their respective localities, as well as the challenges in accomplishing the expected benefits in employment creation and economic growth in those places that have already engaged in such endeavors.

These authors are not alone, and their findings are backed by research conducted in Canada and the United States, which has questioned the increasingly negative dynamics that competition among cities generates for cities themselves, public finances, and even labor markets in the film industry.

However, as might be expected, there are also strong arguments for the *huge* direct and indirect benefits of the film industry in cities, regions, or nations (Coles, 2010; Litvak, 2009).

Before embracing public policies aiming at the creation and development of cultural clusters, specifically film industry clusters, as tools for economic enhancement, we believe that interested policy makers should be aware of:

- 1) the path-dependency of this industry in successful and established locations,
- 2) the long-term maturing process this industry characteristically needs to flourish successfully,
- 3) and the ambiguities of —and discussions on— its economic contributions in places where high levels of industry concentration are neither present nor expected.

Once they have accounted for the aforementioned points, policy makers will be in a better position to make wiser decisions.

We also believe that film industry attraction, if it pursues real long-term benefits, should clearly attempt to establish and develop a strong film industry cluster, and should focus on “playing” at an international level in a “localized” manner with the unrivaled major studios in Hollywood, whose dominance in world markets seems to have no foreseeable “(the) end”.

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## Contact

### Abelardo Medel

abelardo.medel@tu-ilmenau.de

### Britta Gossel

britta.gossel@tu-ilmenau.de