

**CARIBBEAN IDENTITY AND THE DEVELOPMENT OF
THE CREATIVE AUDIO-VISUAL INDUSTRY:
A PROPOSAL**

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INTRODUCTION

The development of the Caribbean Audio-visual industry has been addressed in recent times.¹ There have been some institutional initiatives such as the Trinidad and Tobago Film Company, the attempt being made to form a Caribbean association of producers, and proposals for regulatory reform to support local content, as well as other proposals such as (1) co-productions (2) obligations on commercial and public broadcasters (3) quotas, including a possible Prime Time Access Rule, and (4) tax incentives, have been advanced.² Indeed the attention which the AV industry has obtained in recent times is due in part to the discussions surrounding the negotiation of the Economic Partnership Agreement between the European Union and Cariforum countries and the unique provisions in that agreement relating to access to the EU market for the cultural industries and co-production.

This paper seeks to outline a specific proposal for the development of the creative AV industry in the Caribbean that seeks to address what is perhaps the key constraint which is *funding*. By the “creative AV industry” we mean filmmakers and producers of creative audio-visual material including animation, but *excluding* the production of commercials for advertising on television and online. In focusing on the funding issue, I do not mean to suggest that there are not several other factors that are very important to the success and development of the industry. But I do believe that, without adequate, sustained funding, the objectives we have for the development of the creative audio visual industries will not be attained. Funding is a necessary but not a sufficient condition for successful development.

BROADCASTING, CINEMA AND THEATRE IN THE CARIBBEAN

* Several persons made comments and suggestions on various versions of the paper or provided information. These comments and suggestions are gratefully acknowledged, with responsibility for errors and omissions remaining mine alone.

¹ See, Keith Nurse et al, *The Cultural Industries in CARICOM: Trade and Development Challenges*, Caribbean Regional Negotiating Machinery (CRNM), November 2006; Keith Nurse, *Local Content and the Broadcasting Sector in Trinidad and Tobago*, Presentation to TATT Seminar, April 2009

² See Yvon Thiec, *Recommendations for the Audio-visual sector*, Regional Stakeholder Consultation, June 2009, Barbados, and Terrence W. Farrell, *Finding Our Voices in the World: Valuing Local Content*, Regional Stakeholder Consultation, Barbados June 2009

Television Broadcasting

With the exception of Barbados which has a monopoly government-owned broadcaster, the television broadcasting industry in the Caribbean is characterised by several commercial broadcasters each attempting to serve small island markets, along with other ‘broadcasters’ who reach audiences via one or more cable operators. This latter category has been growing since the advent of cable, although the programming has tended to be niche – sports, music videos, and some news programming (JNN). In Trinidad and Tobago, the government has two television stations –CNMG and NCC – one of which operates in the commercial space in competition with the private sector commercial broadcasters. In Guyana, the television stations are government-owned. Some TV broadcasters have an arrangement with JumpTv to carry their signal over the Internet.

Territory	FTA Broadcasters		Local/ or Regional Cable Channels	
Trinidad and Tobago	8	CCNTV6, CNC3, Gayelle, IETV, CNMG, Parliament, WINTV, Synergy	4	Caribvision, Sportsmax, Tempo
Jamaica	3	TVJ (RJR), CVM, Love	5	JNN, RETV, Tempo, Sportsmax, Caribvision, Hype
Barbados	1	CBC (Government)	3	RETV, Tempo, Caribvision
Grenada	2	GBN, MTV	4	Gayelle, Tempo, Caribvision, CC6
St. Lucia	2	Helen, Daher		Caribvision
St Vincent	1	SVG Broadcasting		Caribvision
Antigua	1	AB Broadcasting		Caribvision
Guyana	5?	NCN plus 4 private		
St Kitts & Nevis	1	NBC (Government)		Caribvision
Source: Broadcasting Commissions; Telecommunications Authority				

Cable and DTH Operators

There are a large number of cable system operators in the region. Jamaica has over 40 cable operators. Most of the other islands have between one (1) and five (5) cable operators.

The dominant Cable and DTH operators in the region are:-

- Columbus Communications (Flow)
- Direct TV (Satellite DTH)

Cable and Wireless (Lime and TSTT) began testing the delivery of IPTV services in 2009 using their telecommunications infrastructure. In Trinidad and Tobago, Green Dot, a wireless ISP company, began offering wireless cable TV services. MCTV, a subsidiary operation of CBC in Barbados, operates wireless cable services. Digicel applied for a wireless cable licence in Jamaica, but services have not commenced.

Radio Broadcasting

There are now a large number of radio stations broadcasting in the various islands as a result of the deregulation that has occurred in most territories, except Guyana.

Territory	# of Radio Stations
Trinidad and Tobago	38
Jamaica	21
Barbados	12
Grenada	12
St. Lucia	11
St Vincent & Grenadines	9
Antigua and Barbuda	19
Guyana	2
St Kitts & Nevis	11
Source: Radiostationworld.com; Broadcasting Commissions. Some stations in the islands operate on multiple frequencies to be able to cover the territory; AM frequencies still operate in a few countries.	

Some stations play mainly or only local (Caribbean) music –reggae, calypso- while some stations play only or mainly foreign music – R&B, jazz, popular music. There are also seasonal variations in local content, spiking during the Carnival season. In recent times, the BBC has been allowed to broadcast in most territories in the region via satellite link to local transmitters on approved frequencies in each territory.

Reinvention of Cinema

The cinema used to be a major source of entertainment of audiences in the region before the advent of television. Cable accelerated the erosion of the market for cinema. However, as in other markets, the reinvention of cinema through cineplexes (multiscreen plus other entertainment and casual dining) pitched at a higher price point than traditional cinema has seen a resurgence in attendance. Cinema competes with the DVD rental market which is driven

largely by pirated material for first run productions. Indeed, pirated DVDs and music CDs are sold openly on the streets of towns and cities in the region.

In recent times, there have film festivals held in Jamaica, Trinidad and Tobago and Barbados, with growing audience participation. Some films from the festivals have found their way into the Pay Per View cable channels.

The Languishing of Theatre and the Performing Arts

Theatre and the performing arts have never attracted mass audiences in the region, and traditional audiences (middle and upper class) have been pulled away by television, particularly the arts content now provided on cable, in cinemas, and through visits abroad to New York and London. The Little Carib Theatre, which once hosted plays by Nobel Laureate Derek Walcott and other Caribbean playwrights and the dance of Beryl McBurnie, is no longer fully operational. Trinidad and Tobago has recently built a multi-million dollar National Academy for the Performing Arts (NAPA) which can seat an audience of 1200 in its main auditorium, along with training facilities and a hotel. NAPA is to fall under the University of Trinidad and Tobago and ambitious plans are being developed for theatre productions and the performing arts generally at NAPA.

There continues to be productions of short-run, fast-paced comedy theatre in Trinidad, mainly from Raymond Choo Kong Productions, but it is not clear the size of the audiences attracted by these performances. To its credit, Gayelle TV does put local plays on television, but the productions are low-budget.

The National Dance Theatre Company of Jamaica founded by the late Rex Nettleford in 1962 continues to perform and tour. But from all accounts, a similar decline in theatrical productions and attendance is also apparent in Jamaica.

There are jazz festivals (so-called) in several islands –St. Lucia being the most famous, as well as Tobago, Barbados and Jamaica – as well as mega-entertainment events outside of the traditional Carnival celebrations. Typically these involve foreign as well as local artistes. These events are however, not usually distributed on television either live or edited and packaged for later consumption.

CONTENT CONSUMPTION IN THE CARIBBEAN

In the 1960s and 1970s, the region's politicians, economists and cultural activists lamented the high import content of our consumption of goods and services in the region and devised import

substitution and regional economic integration as policies to reduce economic dependence. In the cultural sphere, the consumption of foreign content was also lamented.³ Our radio stations did not play enough local music and our cinemas showed only foreign films. When television entered the region in the 1960s, audiences were regaled with even more foreign (American) programming, although there was a fair amount of non-news local content produced within a limited-hours programming schedule. The discussion at that time was in terms of economic and cultural 'imperialism'.

The great irony is that 40 years later, we have many more radio and television stations, more cinemas (though in multi-screen cineplexes), access to hundreds of cable channels and we are consuming even more foreign content than we were in the 1960s and 1970s. Television stations and radio stations now operate 24 hours per day every day of the year.

Why Is There So Much Foreign Programming

The reasons for the overwhelming preponderance of foreign (mainly American) programming are mainly economic. The United States dominates the world in film, video and music production and has a global distribution network for its productions. Although piracy and the DVD market have eroded profitability in recent years, the United States is able to sell its productions all over the world at very affordable cost (varying by what the market can bear).⁴ Globally, the only exceptions to the dominance of American programming for television and film are India and, anecdotally, Nigeria. Europe has resisted American dominance with tough local content regulation and financial and other support for European work.

Impact and Implications of Foreign Content Consumption

Why should Caribbean governments and societies be concerned about the high rate of consumption of foreign content on our television screens and in our cinemas? Several reasons can be advanced.

Taste Formation - the lifestyle depicted in American programming may influence the consumption tastes and expectations in societies at a much lower level of income and capacity to meet those expectations. On the other hand, it can be argued that the consumer items and lifestyle depicted may be seen as aspirational and encourage persons in those societies to work toward the acquisition of those items and lifestyle.

³ See Rex Nettleford, Threats to National and Cultural Identity, in Bryan et. al (eds.), Peace, Development and Security in the Caribbean, Macmillan, 1990, and Rex Nettleford, Inward Stretch, Outward Reach, Macmillan, 1993.

⁴ Once the production has been made, the only cost involved is distribution. A TV station can buy the latest American soap or drama for a series run of 13 shows for US\$4,000 to US\$12,000. It is estimated that American programmes cost one-tenth to one-third what it costs to produce local programmes.

Violence and Crime – the jury is still out on whether or not violence and criminal activity shown on television and in cinemas actually influences the behaviour of young people in the real world. It is certainly the case that a significant proportion of American programmes do depict violence, sometimes gratuitous, in their dramatic productions.

Community Values and Attitudes - while there is arguably a great deal of consonance between American (or Western) and Caribbean values, there are several areas where there are significant differences. These areas include Homosexuality, Capital Punishment, Corporal Punishment of children, the status of Women, and what is or is not considered humorous. (In the Caribbean, ‘picong’ or ‘fatigue’ is considered to be humorous, but such ‘jokes’ might be regarded as personal insults in other places.) These considerations will also be important in considering whether material from the Caribbean will resonate with audiences outside of the Caribbean.

Role Models and Heroes - American content has ensured that Caribbean audiences are as familiar with the movements and views of President Obama as they are of their own political leadership, perhaps even more so. They are also familiar with sports stars, celebrities from film and music, and the ‘heroes’ portrayed by American film and television. Next to these ‘role models’ and heroic figures, there is comparatively little to be seen of local heroes and role models on our television programmes, and hence little is known about them. Combined with the distrust of local politicians and the suspicion with which business persons are generally regarded, there is a void in the society’s need for heroes which tends to be filled by hero figures from outside the region. The heroic stature of the late Bob Marley is the exception which proves the rule. Yet for those who know the history of the Caribbean projected onto the world stage, there are many other heroic figures who should be justly celebrated and their achievements and stories passed on to our younger generations.

For these reasons, there is a valid concern that Caribbean governments and societies should have about the extent of foreign, especially American programming on our television and cable broadcasts, now exacerbated by access to the Internet and the New Media offerings through YouTube and other sources of video content. Other countries, developed and developing, have long held similar concerns and have implemented to varying degrees some form of local content regulation as part of national broadcast policy. Such regulation is conspicuous by its absence in the Caribbean. Local content regulation is discussed in the next section.

LOCAL CONTENT REGULATION

It is important that we address the question of local content regulation as a mechanism for stimulating local content production, sometimes advocated as a panacea for the ills of the audio-visual industry and the creative industries generally.

Content is regulated in many countries for the following reasons:-

- a) Protection of citizens, mainly children, from material deemed harmful
- b) Promotion and protection of cultural traditions and social practices, and
- c) Public service (Emergency and Disaster Response)

EU, Canada, South Africa and Australia

The European Union countries have longed sought to protect their cultural and creative industries from foreign (read American) dominance and the EU has a complex of regulations and directives which seek to sustain those industries and protect EU culture. Certain developing countries and some developed ones have achieved high proportions of local content through regulation.

In Canada, the Broadcasting Act of 1968 (revised in 1991) seeks to promote Canadian content through quotas as promulgated by the regulator, the CRTC. Section 3 of the Act seeks to foster Canadian expression and the policy states clearly that radio frequencies are public property and that programming broadcast by public, private and community stations provide a public service “essential to the maintenance and enhancement of national identity and cultural sovereignty”.⁵ Section 3 goes on to state:-

(d) the Canadian broadcasting system should

- (i) serve to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada,
- (ii) encourage the development of Canadian expression by providing a wide range of programming that reflects Canadian attitudes, opinions, ideas, values and artistic creativity, by displaying Canadian talent in entertainment programming and by offering information and analysis concerning Canada and other countries from a Canadian point of view,
- (iii) through its programming and the employment opportunities arising out of its operations, serve the needs and interests, and reflect the circumstances and aspirations, of Canadian men, women and children, including equal rights, the linguistic duality and multicultural and multiracial nature of Canadian society and the special place of aboriginal peoples within that society

The policy also advocates for high quality programming (3(g)), predominant use of Canadian creative resources (3(h)), significant contribution from the Canadian independent producers sector (3 (i)(v)).

In South Africa, local content regulations were implemented in 1997 and initially set at 20% for radio and television. The quota scheme was significantly revised in 2003, with the overall

⁵ Canada Broadcasting Act, 1991, Section 3 (1) (b)

quotas raised to 35% for commercial television broadcasters, 55% for public service broadcasters and 8% for terrestrial subscription services. There are specific quotas for particular genres of programming content such as dramas, documentaries, educational programmes, etc. A points system introduced to take account of local language and other issues, and repeats are penalised.⁶ The quota for commercial radio was increased from 20% to 25%.

In Australia, the commercial broadcasters must meet a local content quota of 55% between 6 a.m. and midnight averaged over a year. The quotas do not apply to the two public service broadcasters which have standards set within their enabling legislation. Subscription broadcasters are required to allocate 10% of their programme expenditure to local content. The objective as stated in the Standard is “to promote the role of commercial television broadcasting services in developing and reflecting a sense of Australian identity, character and cultural diversity by supporting the community’s continued access to television programs produced under Australian creative control.” New Zealand programmes are recognised as ‘Australian’ for purposes of the standard.

While Canada, Australia and South Africa all indicate increases in local content programming with the implementation of regulation, the evidence does not suggest that local content quotas *alone* have a significant impact on increasing local content on television and in cinemas. Government involvement in other ways is also critical and include (a) tax incentives (b) subsidizing local production (c) supporting industry training and (d) supporting international marketing efforts. It is also clear that actual implementation of quotas can be complicated and problematic for providers, especially in respect of music on radio.

New Zealand

In New Zealand, there is a different approach to increasing local content. Policy in New Zealand actually allowed foreign ownership and control of media houses and deregulated the media and communications industry resulting in a multiplicity of radio stations and commercial broadcasters alongside the state-owned TVNZ. However, TVNZ operates in the commercial space and is funded by advertising revenues. Support for local production was advanced by the creation of New Zealand On Air in 1989 and the Maori equivalent Te Mangai Paho in 1993. These institutions have the responsibility for funding local content productions which meet the social and cultural objectives of the broadcasting policy. Notwithstanding the funding approach to local content compared to the use of quotas in other countries, New Zealand has achieved significant success in increasing the amount of local content since the establishment of NZ On Air. In the 6 a.m to midnight block, the six main free to air television channels delivered 34% local content in 2008, ranging from a high of 60% on TV One (the dominant station) to 12%..

⁶ Lara Kantor, “Local Made Lekker”

The 2008 Annual Report of NZ On Air reports as follows:-

Hours of Programming	1989	2008
Drama	59	711
Children's	464	1047
Documentary	34	691

NZ On Air Annual Report 2008

The Caribbean Situation

Caribbean territories do not now have local content regulations or specifically, local content quotas. Indeed broadcasting policies and broadcast codes are only now being developed in some territories, following the opening up of the telecommunications market.⁷ The Trinidad and Tobago Government was quite explicit that:-

“The government of Trinidad and Tobago does not propose to dictate content in broadcasting. The plurality of voices and views must contend and high standards of substance, variety and persuasion shall determine the success or failure of private endeavour in the commercialized broadcast sector.”

And again:-

“Much argument has taken place regarding a mandatory percentage of local content in the commercialized broadcast sector. The Government is of the view that it is contrary to both the country's Constitution and the tenets of free enterprise to legislate content for the broadcast industry. Besides, such a move could be counterproductive, since it could engender complacency and consequential mediocrity. Local output in all fields, including culture, must develop resilience for the tough competitive environment of the modern world.”⁸

⁷ The Telecommunications Authority of Trinidad and Tobago has developed a Draft Broadcasting Code which should be taken to Parliament shortly. (<http://www.tatt.org.tt/>). The Draft Code does not address the question of local content, but rather what is “appropriate content” especially for children. In Jamaica, the Broadcasting Commission recently imposed a controversial ban on videos and songs which promote ‘dagging’ – sexually explicit ‘dancehall’ music. (http://www.broadcastingcommission.org/broadcasting_laws_regulations_codes).

⁸ Government of Trinidad and Tobago, *Fast Forward: The National Policy on Broadcast and the Broadcasting Industry*, 2004. The argument that local content regulation is contrary to the constitution is somewhat facile though in that most countries, even the USA with its powerful First Amendment, recognise that there are circumstances when free speech may be restricted in the public interest.

Some countries in the region, notably Barbados and Guyana, continue to maintain tight licensing regimes for broadcasting and government control of television.

Local Content Regulatory Policy in the Caribbean

We do not believe that Caribbean governments should resort to local content *quotas* as the mechanism for increasing the proportion of local content on television and cable. Acknowledging that this position perhaps flies in the face of the thinking of both the AV industry and some regulators, the reasons for our taking this position are as follows:-

1. Local content regulation for television would have made sense in the pre-Internet, pre-Mobile, pre-Cable era. In today's world where content is accessible via these new platforms which are growing in importance especially among young people, and effectively disrupting traditional media platforms, it will avail us nought to attempt to regulate what audiences are prepared to consume, unless regulators are prepared to attempt the impossible and try to regulate access to the Internet.⁹
2. Local content quotas do little to directly stimulate high quality production. If quotas are specified, broadcasters and cable operators will fill the void with the cheapest and hence lowest quality programming they can find. In a region where audiences have become accustomed to high quality programming in viewing Fox, CNN, BBC, Discovery, NatGeo, etc, local content which does not meet a minimum expected standard in terms of quality will not attract audiences, and hence will not garner advertising support.
3. Local content regulation that is meaningful and potentially effective, is also complicated. What is 'local' needs to be defined and measured. Where a media company has several stations, do the quotas apply to each station or to all owned stations collectively? How should repeats be treated especially in respect of children's programming? Will there be different quotas for different genres of programming? Will news be counted, and will only the local news component be assessed for quota compliance? Given these complexities, the capacity of the regulator to promulgate and then enforce compliance comes into question. The cost of ensuring compliance would also need to be assessed relative to the putative benefits.

THE CARIBBEAN AUDIO-VISUAL INDUSTRY

We have little data on the size and capacity of the audio-visual industry in the Caribbean. Other countries which have funding mechanisms also collect data on the applicants and have

⁹ See Jason Bosland, *Regulating for Local Content in the Digital Audio-visual Environment-A View from Australia*, University of Melbourne Law School, Legal Studies Research Paper #216, 2007, and references cited therein.

information on output, employment, expenditure by type of production, expenditure on training and development, etc. The Trinidad and Tobago Film Company recently attempted to collect data from the industry and received such little cooperation that it found the data collected to be largely uninformative.

What we do know about the industry in the region is as follows:-

1. There are about 60-70 'production companies', not including the broadcasters themselves.
2. Most companies retain a small staff and draw on a pool of freelancers –cameramen, production assistants, editors – to carry out their work.
3. Most of these production companies are involved in the production of commercials, corporate marketing material and training material. In Jamaica, music videos are important for production companies. Some are involved in the rental of equipment and the provision of AV services. Features and documentaries are also produced for government and government agencies.
4. There are about 4-6 production companies in Trinidad and Tobago which do features, documentaries and are capable of doing low to medium budget films.
5. There are only 1 or 2 companies in Barbados which do features, documentaries and film.
6. In Jamaica there are about 2-3 companies which are capable of executing feature film productions. Jamaica has had the most experience in working with foreign film productions.
7. We estimate that the AV industry employs directly and indirectly about 300-400 persons across the region.

Intellectual Property Protection in the Caribbean

The regime for the protection of intellectual property is now well-established in the Caribbean, but enforcement remains a major problem especially for musicians.¹⁰ Piracy of video material is commonplace and DVDs of foreign videos are sold openly on the streets of Caribbean cities and even cable operators pirate the signals of providers for parts of the programming they offer.¹¹

¹⁰ The agencies in Trinidad and Tobago, Barbados and Jamaica are Copyright Organisation of Trinidad and Tobago, Copyright Society of Composers, Authors and Publishers (COSCAP) (Barbados) and Jamaica Association of Composers, Authors and Publishers (JACAP). See Nurse et.al. *op.cit.* Chapter 10.

¹¹ Some cable operators may argue that they do not pirate' the signals because the signals are not blocked by the providers. However many of these providers do not seek to enforce their rights because the size of the Caribbean market is seen to be too small to incur the costs of enforcement.

THE PROPOSAL

A Model for the Caribbean

Objectives

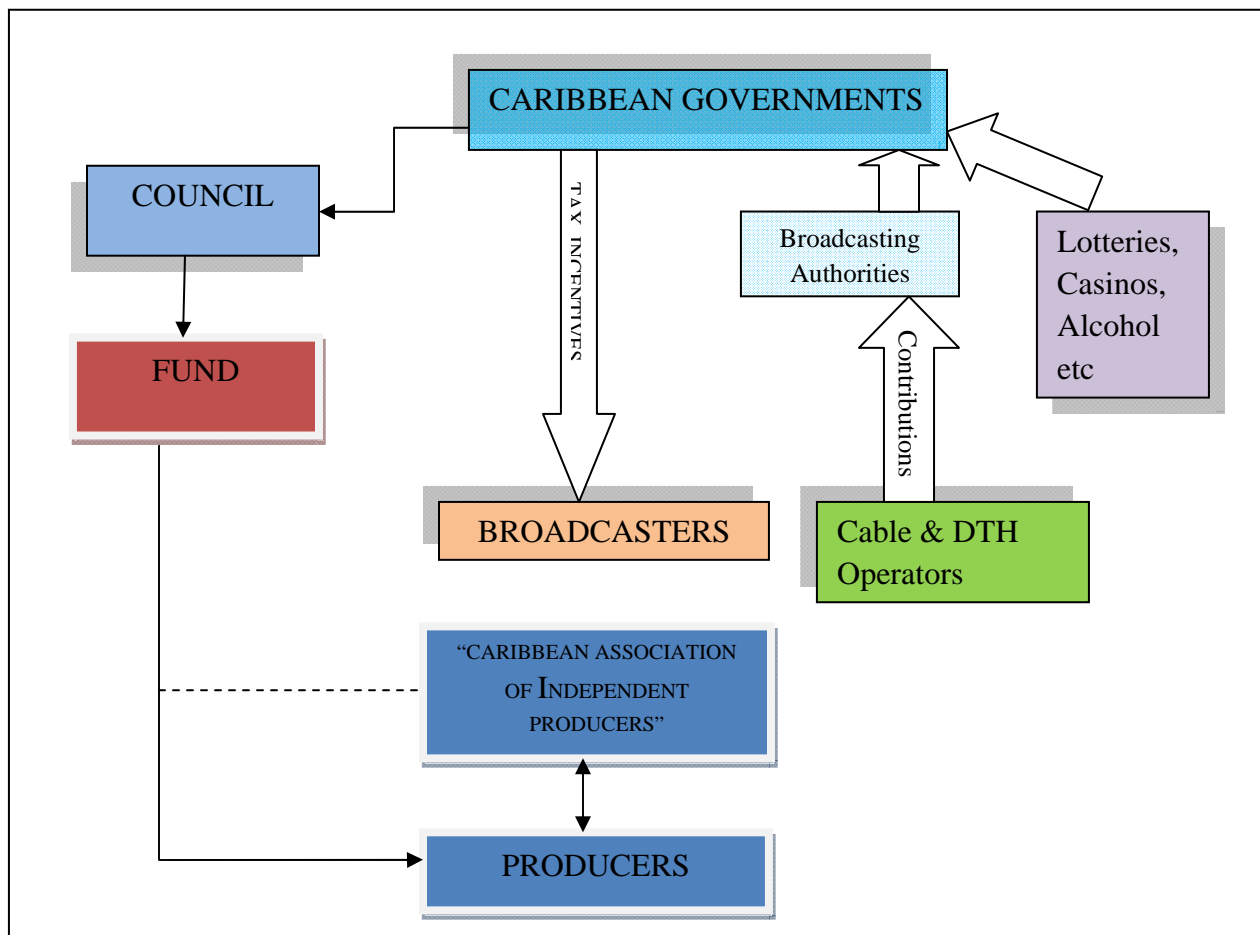
Our proposal which is inspired by New Zealand On Air seeks to achieve the following objectives:-

1. Stimulate increased production of good quality non-news content in the region
2. Facilitate the distribution of that content on regional free to air television, on cable on the Internet, regionally as well as globally.

Key Elements

The key elements of the proposed model for the Caribbean are:-

1. Sourcing the financing of production
2. Structure for the management and governance of the financing of production, including the role of governments
3. Mechanisms for facilitating distribution of local content



How Will The Model Work?

We believe that finding a substantial and sustainable source of funding for local productions is one of the key elements. *Regional governments must be the main source of that funding.* The question arises as to why the Fund should be regional, and not several national funds instead. First, a regional Fund will eliminate duplication as it can be presumed that most countries will have common interests. If one production can cater for all the interests then why produce 10 or 11 separate productions on the same topic or issue? Second, it will be easier to sustain the Fund on a regional rather than a national basis once it is up and running because the Fund will have greater scale and the capacity to attract extra-regional funding. Third, a regional Fund will be more effectively insulated from party political pressures and interest groups within each territory, which national funds may find more difficult to resist such pressures.

We envisage that the Fund will have three sources of regional funding. First, Governments should earmark revenues raised from national lotteries, taxes on gambling casinos and taxes on alcohol and tobacco to contribute toward the Fund. Second, we suggest that those regional governments which continue to operate loss-making media operations (television and/or radio) where private commercial broadcasters already operate should close those operations and redirect the funding to the proposed regional Fund for Local Content Production. Third, cable and direct to home (DTH) operators who now get a ‘free ride’ in respect of content from local broadcasters as well as from foreign providers who do not collect fees from the local cable operators, should be made to make a contribution to the Fund via their concession or licence fees paid to the respective broadcasting authorities. Those cable operators who do support local content can be given a rebate on those contributions to the extent of their direct support of local production companies.¹²

The administration of the Fund and the disbursements for approved projects will be placed under a regional “Council for the Advancement of the Visual Arts”. The Council’s mandate will be to support worthy projects advanced by producers which meet the criteria laid down by the Council. The Council will be comprised of persons with a sound understanding of the visual and performing arts, committed to regional development and progress, and independent of governments or political parties.

It is not reasonable to expect that there will be immediately advertising support for local content productions, especially where that content is of unknown quality or audience response. Yet broadcasters would be expected to support these productions in preference to cheap foreign (American) programmes. In the absence of mandatory local content quotas, broadcasters should

¹² In Canada there are several ‘certified’ funds organized by various entities including cable operators (e.g. Rogers Documentary Fund, Cogeco Program Development Fund), telecommunications companies (Bell Broadcast and New Media Fund) among several others.

be incentivized to support increased local content by the implementation of a sliding scale of tax rebates which varies inversely with the amount of (non-news) local content. Broadcasters who disseminate little or no non-news local content will face the normal maximum statutory tax rates in their territories. Those who maximize non-news local content will be allowed to make appropriate deductions on corporation tax on a formula which is agreed and uniform across the region.

Key Questions

Amount of the Financing

New Zealand On Air spent approximately US\$60 million on Television production in FY2009. New Zealand has a population of just over 4 million, compared to the 5 million population of the English-speaking Caribbean. In FY 2008, Australian state and federal funding agencies spent about US\$150 million on Production and Training and Development, with additional amounts spent on Archiving projects. Australia has population of about 20 million.

Caribbean governments should initially target annual financing for the local television, film and radio production of US\$40 million, rising to US\$50 million within 5 years.

Sourcing the Revenues for the Fund

There are several possible sources of funding which regional governments can tap and use to fund local production through the Council:-

1. Discontinuation of loss-making commercial broadcasting operations and redirecting the expenditures from those operations to the Council¹³
2. Use of part of the proceeds of national lotteries and other gambling taxation
3. Use of part of the proceeds of licence fees paid by broadcasters
4. Mandatory contributions from cable operators

Cable operators should be required to make contributions because (a) most if not all cable operators access foreign programming for which they do not pay (b) cable operators give some advertisers a 'free ride' in local markets; this adversely impacts the overall market for advertising and puts even greater pressure on broadcasters to opt for cheaper foreign programming; (c) while

¹³ Caribbean governments have not served taxpayers well by entering into commercial broadcasting. This is so for several reasons:- (1) the stations are usually loss-making (2) they compete with private sector commercial broadcasters for advertising revenue which has the unintended consequence of increasing foreign content; (3) the programming on these stations is not demonstrably different from that of the commercial broadcasters, and (4) the public service broadcasting mandate can be addressed by a creative public-private partnership which would be cheaper and more effective for governments in the long run.

free to air broadcasters make an investment in producing local news and current affairs programmes, cable operators for the most part, make no investment in any form of local content.

In addition to the funding provided by regional governments, the Council should be active in seeking international grant and other funding to the administration of the Council, accumulate a permanent Fund, where the interest and returns are used to supplement government funding and finance the administration of the Council.

Composition and Operations of the Council

The Council should comprise not less than five (5) and not more than seven (7) members, appointed by the CARICOM ministers responsible for the Arts/Information/Broadcasting. The Council members should be persons with experience in (i) video or film production (ii) entertainment law (iii) media, in particular television and radio broadcasting (iv) Caribbean history or social sciences. The composition of the Council should be broadly reflective of the region whose audiences it will be set up to serve. Members should be appointed for a fixed term not exceeding five (5) years, appropriately staggered so that there is continuity, and members may be re-appointed for a further term. Members should receive a stipend and allowances to cover travel to council meetings.

The Council should be serviced by a small secretariat comprising a Chief Executive Officer, supported by an executive assistant and two analysts. The Council will establish the procedures for the receipt of applications for funding and the CEO and staff will ensure that the application process works to the satisfaction of the Council and the applicants. The CEO will also be responsible for the disbursement of funds and accounting to the Council for the disbursements. The analysts will monitor the use of funds by producers and also collect and compile data and information on the industry and on local productions and disseminate these with the approval of the Council. They will also collect information and data on audience response to the productions so as to guide and improve funding decisions for future productions.

Tax Incentives for Broadcasters and Cable Operators

Producing local content is only half the battle. The content must be distributed to audiences in the region. While the Internet and DVDs offer alternative platforms for distributing video content, it remains the case that television and cable are still the dominant platforms for video distribution everywhere. In the absence of quotas, it makes sense to provide incentives for broadcasters and cable operators to increase the amount of local content in their programming. In the case of cable operators the tax incentives will offset in whole or in part any mandatory contribution they are required to make to the Council.

Why Independent Producers should act through an Association¹⁴

Independent producers who contest for funding from the Council must be members of the industry association and any application for funding must be endorsed by the association. This should be so for the following reasons:-

- 1) It will serve to increase the assurance that the producer is bona fide
- 2) It will facilitate data collection on what is going on in the industry, who is working on which projects, etc.
- 3) The Council will have a point of contact that would allow it to get the views of the industry.

The Association should have broad and inclusive criteria for membership so as to allow smaller and more entrepreneurial producers to be represented and to have a voice within the association. At the same time, to qualify for government funding, production companies need to be registered with and compliant with the tax authorities in the territories in which they are domiciled.

SUMMARY AND CONCLUSIONS

Caribbean identity is seriously threatened by the exponential exposure to foreign content through a multiplicity of platforms.

However, technological developments and the ubiquity of the Internet would make the implementation of local content quotas ineffective.

Caribbean governments need to provide significant funding for the creative Audio-visual Industry in the region in order to (1) shore up Caribbean identity and values (2) promote sustainable employment (3) increase the stock of intellectual property and (4) contribute to foreign exchange earnings over time.

Specifically, Caribbean governments should seek to provide funding to the regional AV industry of US\$40 million per year. To this end, regional governments should facilitate the formation of a Council to operate and manage the funds provided.

Governments should earmark revenues from national lotteries, and taxation of alcohol, tobacco and gambling to provide the funding to the Council. In addition, regional governments should

¹⁴ It is heartening to hear that the Caribbean Audio-Visual Network has been formed and is soon to be launched.

implement a regime of tax deductions or rebates for broadcasters and cable operators on a sliding scale which varies inversely with the amount of (qualifying) non-news content they distribute.

The Council should also seek grant and other funding from extra-regional sources to permit the accumulation of a permanent Fund, the interest and returns on which can be used to fund the administration of the Council as well as supplement government funding.

Independent producers and filmmakers in the region should form an association which can represent the interests of the industry to regional governments and to the proposed Council.

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