

Evaluate the Effects of Russia's Increased Nationalization of the Film Industry in 1995-2005

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Abstract

After the collapse of the Soviet Union, the Russian film industry, like other industries, underwent complete privatization. The original film studios and movie theaters were unable to make a quick transition from a planned economy to a market economy, which dealt a huge blow to the Russian film industry. Russian films have fallen far short of the former Soviet films in terms of production quality, the quantity of production, and world influence. To change this predicament, the Russian government made a series of nationalization policies for the film industry from 1995 to 2005, which were effective in promoting the redevelopment of Russian cinema and the formation of a unique "national cinema", but also controversial, because Russian cinema has shortcomings in its development. After 16 years, we can evaluate the effectiveness of these policies from the perspective of the development of the Russian film industry today. This study will help to assess how the Russian film industry can continue to develop in the face of the epidemic, the embargo, and the economic downturn.

Keywords

Nationalization; Russian cinema; National cinema.

1. Introduction

The nationalization of the Russian film industry between 1995 and 2005 was effective, and this propelled Russian cinema gradually out of the difficulties brought about by the collapse of the Soviet Union. However, hampered by the small size of the Russian film market, the invasion of Hollywood, and the chronic weakness of the Russian economy, Russia has relied too heavily on nationalization to maintain a market share for local films. On the other hand, Russian national cinema has been subject to too much government intervention and some of its films have been very unpopular with consumers.

2. Russian Cinema in the Soviet Era

2.1. Film Achievements of the Soviet Era

The Soviet Union, the predecessor of the Russian Federation, had made many contributions to the enrichment of film theory. Eisenstein's montage theory and the Kulishov effect are inescapable in the path of film development. During these 70 years of the Soviet Union's existence, cinema, as a cultural symbol, experienced the same glory as the Soviet Union. During the Cold War, the Soviet Union also won four Academy Awards, which the ideologically opposed Americans recognized. During the Soviet era, the Soviet film industry was based on a planned economy system that operated under state investment, making mosfilm the largest film studio in Europe[1]. The Soviet-era, also due to the operation of the planned economy, made it possible to produce films without excessive consideration of costs, take War and Peace (1965) for example, a film that cost \$9.2 million in the 1960s, involved hundreds of thousands of people in its production, and ended up being a whopping 403 minutes long. The film won seven

international awards, including an Academy Award. But after the Soviet Union began to reform and collapse, the Russian film industry declined like the rest of the industry.

2.2. The Decline of Russian Cinema

In the mid-1980s, the Soviet Union embarked on a path of reform. Democratization and openness became the slogans of reform. The reforms of the Gorbachev era were controversial, and he was too eager to move from a planned to a market economy. "In 1986, the Soviet Union formulated new film development and planning, expanded the autonomy of film studios, the State Film Committee abolished film censorship, and film studios began independent economic accounting and became self-financing, and the state no longer had a monopoly on film distribution and projection." [2] Take the example of mosfilm, once the largest film studio in Europe, which produced 17 films in the 1970s during the Soviet era, but only 1 film in the 1990s. In the face of the impact of foreign films and its own inability to adapt to the market economy, which led to a significant loss of former state assets and a massive loss of film talent, mosfilm became a private company after the collapse of the Soviet Union. This meant that the state no longer invested money to support the development of the film industry, as it had done in the previous planned economy. And privatized companies could participate in the film distribution sector, and foreign films could freely enter the Russian film market. In general, this has advanced the progress of Russian cinema towards marketization. However, due to the highly planned economic background of the Soviet Union, the Russian film studios were unable to adapt to the sudden privatization during the rapid reform.

3. The state of the Film Industry at the Time of the Establishment of the Russian Federation

The complete privatization of the Russian film distribution channel, along with the rest of the industry, made the production of Russian domestic films in a difficult position. This is due to after the collapse of the Soviet Union, Boris Yeltsin became the president of the Soviet Union and introduced "shock therapy", which means no government intervention in economic activities and made the market adjust itself. "After the collapse of the Soviet Union, the market share of Russian domestic films was only 3%." [3] Most of the movie theaters are controlled by privatized companies, which prefer to show foreign films to draw in audiences. This has caused box office revenues that could have gone to domestic film studios to flow to foreign film studios. The primary beneficiary here is Hollywood, which has a commercial storytelling model with tense plots and constant conflicts, and Hollywood movies have high box office worldwide, so Hollywood has more money to invest in movies and improve their effectiveness and quality. However, at the same time, Russian local films have declined. Hollywood has not only captured a major portion of the Russian box office but has also taken over Russian television with pirated movies. Although Hollywood has provided better cinematic entertainment for Russians, the impact of Hollywood films on the Russian film industry has been negative. Hollywood accounts for most of the box office in Russia. Even in 2019, when local films are gradually recovering, the Russian film market has only one local film in the top 10 of the Russian box office [4]. The main reason for this is that local films cannot compete with Hollywood. Hollywood entered the Russian market and took away a large amount of box office, leaving the local film industry without enough money to develop. Hollywood films occupy a significant part of the Russian film market. The development of Russian cinema is facing challenges. It can hardly develop independently by itself and needs the support of the state to do so. The new Russian Federation has encountered the following problems in developing its film industry: the decline of the industry due to the economic recession; the inability of the existing studios to adapt quickly to the market economy when the planned economy shifted to the market economy; the rapid domination of the Russian film market by Hollywood-led Western films; and the weakness of

local films exacerbated by the rampant piracy. By 1996, the annual production of Russian films had dropped to 27, only 20% of the average production in the 80th century. This has led to Russian films being unable to get enough money from the film market to sustain their development and thus fell into a vicious circle.

4. Nationalisation Policy of the Russia Duma in 1996

In order to change this dilemma and promote the development of Russian local cinema and film industry, in August 1996 the Russian Duma (Russian Parliament) passed N 126-F "On state support for cinema in the Russian Federation." [5] This bill changed the situation since the Gorbachev era in the Soviet Union when the state abandoned the regulation, control, distribution, and production of the film industry. The bill developed the film industry as a means of ideological propaganda in Russia. It clarifies that Russian cinema is a sphere of culture and art and that the state needs to assume responsibility for the protection and development of the film industry, as well as the conditions for making film productions available to the public. This means that the adoption of this law corrects the wrong path of leaving the cinema as a general industry to the market, defines "state cinema" in this law, and establishes the path of supporting the development of state cinema. "National Cinema" is a film made by Russians, under the control of the Russian capital, and is based on Russian culture. The state will support the development of national cinema with direct investment. As a result, the Russian film industry, which was in disarray, has gradually recovered and established a basic direction for the development of cinema. However, the implementation of the policy took time to reflect, and the negative effects of Russia's economic shock therapy at this time, the effects of this legislation were not apparent at first. However, after the initial recovery of the Russian economy and the Putin government's five-year plan for the development of Russian culture, it had a profound impact on the recovery of the Russian film industry.

Due to the direct support of the government, "National Cinema" is also influenced by the will of the state in terms of plot and has evolved a different narrative approach from mainstream Hollywood, most notably in war films. Most of the Russian war films are supported by the state, and we can see that the narrative approach of Russian war films is different from that of the common "Hollywood war films". In Hollywood war films, the good side always survives a series of conflicts against the evil side, thus promoting the righteousness of the victorious side. This narrative approach has been well received by audiences and has been tested by the market. War films from many countries have evolved from this model. Russian war films, however, must consider the state's behavior and assume an ideological propaganda function for the state. In this narrative, the good side fights to the end against the evil forces, and even sacrifices themselves. Through the sacrifice, Russian patriotism is shown. The 9th company (2005) is the best concrete result of this series of policies. The film is a demonstration of the Russian spirit of sacrifice in defense of the country through the Soviet Union's entry into Afghanistan. The film generated \$25 million at the Russian box office and was the number one film at the Russian box office in 2005. [6] Since then, many Russian war films have been influenced by the "victory by death" narrative, such as *The Brest Fortress* (2010) and *Stalingrad* (2013). The emergence of this particular narrative technique is due to several factors. The first is that Russian war films, which are mostly produced with direct state input and in the manner of "state films," are influenced by state directives, while Russia's relations with Europe and the United States are still tense and the original buffer zone is constantly being eroded. Russia needs to unleash the patriotism of its people and unite its citizens to deal with the complex world political situation, and the Russian "national cinema" has taken on the role of a tool to promote patriotism and nationalism, not just art or merchandise. On the other hand, the impact of the 20 million people who died in World War II was so profound that the sacrifice of personal interests for the sake

of the country became a major theme in Russia. And Russia has begun to reintroduce its culture to the world by telling the Russian story through the medium of "national cinema".

Cinema as a propaganda medium is very important to the Russian government, and the good development of the film industry can improve the national cohesion of Russia. In 1999, Vladimir Putin took power and became the President of Russia. Under his leadership, the Russian economy gradually recovered and since then the Putin era has been underway for 20 years and in the face of a weakening film industry, the Putin government has implemented a series of policies to support the development of Russian cinema. In formulating its cultural development policy, the Putin government has, to a certain extent, reverted to some of the features and methods of the Soviet era. "The first was the creation of a five-year plan for the development of Russian culture" [7], which was widely available in socialist countries. The five-year plan includes a plan for the development of the film industry. The "Russian Cinema" sub-program explicitly provided for the creation of artistic and socially significant films and the strengthening of the social orientation of Russian cinema. To expand the capacity of domestic film production and increase the competitiveness of domestic films in a situation where foreign films are dominating the domestic film market. Strengthen the upgrading of domestic distribution equipment, promote the computerization and electronification of distribution equipment, and regain control over distribution channels and modernize existing cinemas. To promote this program, the cash-strapped Russian government planned to invest 19,728.9 million rubles and increased the budget in the actual process, which injected a large amount of funds into the Russian film industry that had temporarily lost its ability to grow on its own and promoted the recovery of the Russian film industry. In this program, these funds are mainly used for the production and distribution of creatively significant films, customized films for young people, animated films, and national films. In addition, these funds were used to upgrade rural and urban projection equipment and to participate in and create international film exchange events, such as film festivals. This has enabled Russian cinema to break away from the situation that existed when the Soviet Union first collapsed. With the financial and policy support, Russian cinema has developed rapidly. Russian cinema has begun to catch up with Hollywood in terms of film production technology, and the aforementioned "national cinema" is an important development project.

In the face of the confusion in publicity and distribution channels that resulted from full privatization, in April 2001, the Putin government issued Presidential Decree No. 390 "establishing the Russian Film Distribution Corporation" ['Decree Of The President Of The Russian Federation No.390 Of April 4,2001', Президент России, 2022]. This company is controlled by the state and its main function is to be responsible for the distribution of films. This means that not only the distribution of local films is regulated by the state, but also the import of foreign films is restricted. Russian local films are still weak in the face of Hollywood films until today, and until today, the Russian government is trying to limit Hollywood's market share, which not only ushers in room for the development of domestic films to survive, but also helps export Russian local films to foreign countries and further overseas markets. Besides, since the Soviet-era movie theater projection system has been destroyed, the post-independence cinemas, due to the economic chaos, do not have enough capital to update their cinema equipment. This to a certain extent prevented people's desire to watch movies, which in turn prevented the development of domestic movies. The few modern cinemas that existed at the beginning of the 21st century were privatized cinemas, which only showed more popular American films in order to make better profits. To cope with this situation Russian film distribution companies are building their own cinemas, developing and investing in cinema equipment and technologies. With the addition of 1,076 modern cinemas in 81 regions of the Russian Federation in 2015-2021 alone.[9] The modernization of Russia's cinema circuits is underway. Having rebuilt an effective cinema system, this has basically unblocked the entire

chain of Russian cinema from production to projection, laying the foundation for the revival of the film industry.

However, the Russian film industry still faces many continuing historical problems, a lack of professional talent, limited overall film quality, a lack of funding, and an objective piracy problem, which makes it necessary to continue the policy of direct state support. However, as time progressed, the nationalization policy continued to this day, with increasing government control and support of the film industry. This has resulted in a perverse development of the Russian film industry. According to Zhou Yan, "Of the 15 films that recovered their costs in 2012, only 3 were financed by the government, while the worst 15 films were financed by the government in 12 cases." [10] In 2019, COVID-19 has yet to wreak havoc globally and affect the film industry, with Russian box office debut revenues of \$164 million, but only T34 (2019) is a Russian domestic film in the top 10 Russian box office, with domestic films accounting for only 23% of the total box office. Hollywood films continue to account for a large share of Russian box office figures.

5. Conclusion

The period 1995-2005 was of great importance for the development of Russian cinema. Russia underwent a series of nationalisation policies during this time period. The implementation of these policies enabled the Russian film industry to receive financial and technological support, which helped the Russian film industry to survive the decline brought about by the dissolution of the Soviet Union and shock therapy. The Russian film industry has been able to develop itself. The Russian box office grew from \$113 million in 2002 to \$445 million in 2021. The number of film releases has grown from 42 in 2002 to 575. On the other hand, because 'national cinema' is influenced by state support and national will, despite the high quality of their productions, they are unable to export their cinematic works as powerful a cultural export as they were during the Soviet era, and the influence of Russian cinema is limited to the CIS countries.

Acknowledgments

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