

In Focus

Public Funding in a Time of Crisis: Film Funds and the Pandemic



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ABSTRACT

This essay will examine the role of publicly-funded film funds in small nations during the pandemic. Organisations like Det Danske Filminstitut, Hrvatski Audiovizualni Centar, Screen Scotland and Screen Ireland exist to support filmmakers in the realisation of their creative vision, to aid the circulation of national cultural resources and to provide audiences with the opportunity to access a diverse array of films. In small nations they are often the primary source of funding to the sector and so play a key role in building the capacity and international visibility of the nation and its film output.

This contribution to the special issue will identify trends in the funding and support provided by these organisations during the crisis; for instance, in adjusting their funding strategies, but also in their advocacy efforts with those beyond the film sector to secure financial support measures for the sector. It identifies future roles for film funds including redistributing limited public funds, supporting creative labour markets that are sustainable and equitable, and communicating the message to international productions, potential co-producers and investors that the country and its sector is open for business. I conclude by also reflecting on the long-term threats that these bodies may themselves face in the coming years as a result of economic and political transformations that are occurring today.

PUBLIC FUNDING IN A TIME OF CRISIS: FILM FUNDS AND THE PANDEMIC

Film has long been regarded as one of the jewels of European culture and is increasingly seen as an economic resource by nations keen to attract inward investment and build indigenous filmmaking capacity. The coronavirus pandemic represented a direct threat to the sector, shuttering both

its production and exhibition activities. However, whilst unprecedented in many ways, the experience of 2020 should be seen as one element in a longer timeline of crisis and change for the sector. The pandemic simply accelerated many transformations already taking place including the existence of an agile but resultantly precarious and unequal labour market, the further consolidation of power by

transnational media and technology giants, and more squeezed funding and distribution opportunities for independent cinema. The pandemic further exposed the persistent structural weaknesses of the European film sector.

This contribution to *Baltic Screen Media Review* focuses on the role of film funds in response to the crisis of the pandemic but also to wider transformation within the sector. There exists a dense network of film funds at national and regional level, including publicly-funded bodies like Suomen Elokuvasäätiö (Finnish Film Foundation), British Film Institute, Det Danske Filminstitut (Danish Film Institute), Screen Ireland (Fís Éireann) and Eesti Filmi Instituut (Estonian Film Institute). These organisations exist to support filmmakers in the realisation of their creative vision, to aid the circulation of national cultural resources and provide audiences with the opportunity to enjoy a diverse array of film, television and animated content. This critical and longstanding role puts film funds in a unique position to offer practical support to the sector, both now as it responds to the immediate aftermath of a global lockdown and subsequently as the sector begins to rebuild for the longer term. This article reviews the immediate responses of film funds across Europe, the threats that they themselves will likely face in the coming years and the role they might play as the challenges facing the screen sector and its workers intensifies.

This contribution to the special issue emerges from a project funded by the Arts and Humanities Research Council (AHRC) called 'Screen Agencies as Cultural Intermediaries: Negotiating and Shaping Cultural Policy for the Film and TV Industries within Selected Small Nations.'¹ This project examines the experiences of funding bodies in a number of European countries including Denmark, Croatia, Belgium and Ireland. As part of this research we interviewed many of the CEOs and chairs of these

agencies, along with mid-level staff in roles generally titled as 'Head of Department' or 'Senior Advisor.' We conducted 46 semi-structured interviews during the period of September 2018 to February 2020, most of which were conducted face to face in-country. We also undertook reviews of the institutional policies of the selected screen agencies and the national policy frameworks they inhabit. Since March we have continually monitored and collated their updated support programs and followed closely their public responses to the pandemic.

EUROPEAN FILM FUNDS

Very few film productions reach our screens without some form of direct or indirect public support (Doyle *et al.* 2015, Sørensen, Redvall 2020). One of the main purveyors of film funding have been film funds, alternatively titled film commissions, film institutes and screen agencies. Whilst traditionally regarded as a cultural agency [often with funding and accountability through the culture department of their national government], the role of film funds has expanded in the last two decades to include a plethora of economic concerns related to securing inward investment, developing sectoral infrastructure and building labour capacity. This is in line with wider developments in European film and cultural policy (Mingant, Tirtane 2018).

In practice this means their activities often cross multiple policy domains including the arts, economy, education, public planning and tourism. This expansion of their remit has necessitated an expansion of their activities. While often regarded as film funds, few concentrate exclusively on either *film* alone [also incorporating support for high-end television drama, animation and even gaming and screen technologies amongst others] or *funding* alone; crossing the entire film value chain, although support for production still dominates their interventions). In many nations, they are the sole provider of funds to the film sector and they are a powerful voice for and about the national screen sector to a range

1 More information about the research project can be found at www.smallnationsscreen.org.

of constituencies, both domestically and internationally. It is this structure, remit and range of activities that makes film funds a significant object of analysis for scholars. They reflect and shape assumptions pertaining to both the industry and the policy contexts into which they are embedded.

THE RESPONSE OF FILM FUNDS

In the context of the pandemic, film funds have generally responded swiftly to the shuttering of the industry. Many of the staff working in these organisations enjoyed careers in the sector and fully appreciate the financial, logistical and creative burdens those in the sector face at this moment. Furthermore, the efficacy of many funds is forged on the relationships they have cultivated over time within the sector. The research interviews we conducted prior to the pandemic indicated the critical value of expertise and relational capital to the legitimacy of film funds and their ability to leverage and mobilise resources.

One of their most visible activities during the pandemic is their engagement in a mediating role. They have been active participants and, in some countries, assumed a leadership role within a group of several networks that have emerged to form a 'crisis coalition.' This usually includes other local stakeholders (such as film companies, trade unions and guilds) in which the coalition attempt to act fast and with common purpose, whether around the safe resumption of filming, or the reopening of cinemas. Film fund staff were able to mediate complex policy structures and administrative geographies that do not always align within the natural structures of the screen sector. This mediating role becomes even more central as the specific structures of the screen sector are often unacknowledged by policymakers, especially where flexible working has become normalised as a way of professionalising the sector and as a tax-efficient way of operating.

In many nations, film funds officials have been visible contributors to public discussions of the cultural sectors response to Covid and advocates of measures which

take account of the financial arrangements for many of those working as freelancers and on contracts. For example, Lietuvos Kino Centras (the Lithuanian Film Centre) and the Finnish Film Foundation will each distribute additional funding made available by their government to the film sector (2 and 5 million Euros respectively).

Some of this funding will go towards ensuring that existing productions can be completed. There has been an enormous challenge for current projects to re-imagine their production process and the accessing of essentials like insurance and protective equipment. The scale of the disruption is significant. *Margrete den Første*, directed by Charlotte Sieling with funding from the Danish Film Institute (DFI), was forced to pause shooting in the Czech Republic, with 23 lost days of filming and predicted losses of nearly €1m or approximately 10% of its budget (Pham 2020). The DFI will contribute to these extra costs in order to make the production viable. Tailor-made measures to ensure the safety of cast and crew must be agreed for each production and many filmmakers have responded innovatively to the challenge (Sperling 2020). Recognising these difficulties, many film funds are offering more flexible terms including extending deadlines, accelerating payment of grant funding allocated prior to lockdown or deferring loans and levies. For example, instead of paying its allocated grants for feature film development in three instalments, the Estonian Film Institute will make payment in two. Elsewhere, the Swedish Film Institute has announced that that it will not claim costs related to events that were cancelled due to the virus, providing some relief to its film festival sector. The purpose of these interventions has been to keep the sector running and to help productions bridge their finances until 'business as usual' can resume, whatever that might look like, and whenever that might happen.

A further priority for film funds is in relation to distribution, an area where there are longstanding issues for national cinema (Harris 2018; Raats *et al.* 2018; Smits 2020). The shutdown of cinemas across the world

has meant some films have had to bypass their theatrical release window entirely and go straight to streaming platforms, thereby losing out on much needed revenue and exposure. Many of the criteria for funding amongst European film funds has traditionally involved schedules for release windows and it looks like there might be some changes coming in that domain amongst the larger European funders in Italy, France and Spain, at least temporarily (Keslassy *et al.* 2020).

However, even pre-pandemic there were some signs of change in the release strategy of major studios. Many are predicting that even once cinemas reopen, there will be very different patterns of release and terms of distribution going forward (MacNab 2020; Noonan 2020; Tran, Eriksen 2020). This will have major implications for European producers, especially in more minor filmmaking territories, in terms of how they get their content to audiences. In many small nations the size of their domestic market is often limited and so recouping the full cost of production in home markets is challenging. However, the ability of their film content to travel is thwarted by the scale of their indigenous distribution capacity and the limited traction that foreign language films continue to get in overseas markets. Whilst in the past film funds have focused less spending on distribution compared to the production of film (European Audiovisual Observatory 2019: 19), a number of film funds have formulated interventions on the demand and distribution side. The Finnish Film Foundation have a dedicated fund for local cinemas and exhibition hubs like film festivals, whilst the Lithuanian Film Centre, Swedish Film Institute and Danish Film Institute have indicated they will expand their support program for distribution. Others are keen to launch their own new distribution initiatives (including *filmas.lv*; *netikino.ee*) in order to support local film production and seed local demand for content which they hope will help contribute to the recovery of the whole sector. However, we are at the beginning of a major period of

transformation for the sector in which there needs to be a serious reflection on the efficacy of existing transnational and national distribution-related film policy in order to equip European cinema for the digital age. Here screen agencies will be a key mediator between local and global forces and in ensuring that cinema from smaller nations, or in minority languages, continues to have a route to international markets.

Amidst the uncertainty, there is some optimism for the future. While production was shuttered, film funds turned to development funding, making money available to support new projects including the Estonian Film Institute which reports that it will increase its budget for feature film development. Some smaller European nations have been able to return to production or have found innovative ways to manage production (Lattanzio 2020, Roxborough 2020). Countries supplied with help from the national film body responded quickly to formulate new protocols for filming and have been chasing lucrative foreign investment from the US in particular where filming in many states remains problematic. This might be an opportunity for small nations to build their advantage and for further productive cross-border alliances to emerge in territories such as the Baltics and Nordics.

THE THREAT TO FILM FUNDS

Despite their role in securing the sector's future, film funds themselves will face their own financial uncertainty. While the investments detailed above might indicate some extra funding has been allocated to them, much of this has gone straight out the door to ensure the liquidity of projects and film companies. Some funds have had to find extra money from their own fixed budgets at a time when their ancillary revenue streams (from things such as cultural venues in the case of the Danish Film Institute) have disappeared too. This squeeze on budgets will undoubtedly have an impact on the volume and range of new projects which funds will be able to support in the long-term and force some difficult decisions to be made about where priorities are for national

cinema. Given the reliance of European film on public funding, some potentially dark years lie ahead for filmmakers.

The threat of a very deep global recession hangs over many economies and this will likely be the most pressing issues for film funds. Bodies like Screen Ireland have only just recovered their budget following the 2008 recession and now find themselves facing a return to more budget cuts and fewer resources. In most countries, public financing for film and television will have to sit alongside more immediate needs such as funding for health and social care. Again, the advocacy role of film funds will become important as they make the case for the importance of film and television to the cultural and economic future of countries.

The political climate that emerges post-Covid will be as significant for film funds as the economic changes that occur. The susceptibility of film funds to political change has been noted by several scholars including Doyle *et al.* (2015) in relation to the dissolution of the UK Film Council in 2011. Some international funds have already felt both the economic and political tide turning. Ancine, Brazil's foremost public-sector source of film funding, has had all of its incentive programs frozen, though even before the lockdown it faced an 18-month freeze on public film funding under the country's far-right government (Hopewell 2020).

BUILDING A 'NEW' EUROPEAN SCREEN INDUSTRY

As attention turns to the recovery of the sector, what role might film funds play? The most obvious is the distribution of increasingly limited public funds. With private investors likely to become more risk averse in the immediate future, public funding will be more important than ever. Innovation in deployment of public funding will be required if the opportunities of the present moment are to be realised, especially in remedying the ongoing constraints within European distribution.

A second role for film funds will be in supporting creative labour markets that

are both sustainable *and* equitable. Whilst some film funds such as the Swedish Film Institute have attempted to lead change,² full realisation of equity in the screen sector remains stubbornly slow (see Šalaj, Kaminskaitė-Jančorienė 2019; Redvall, Sørensen 2020; Rollet *et al.* 2016). In our research many funding organisations have been reactive rather than *proactive* in relation to equality, diversity and inclusion. This was recognised in our interview with Claus Ladegaard, CEO of the Danish Film Institute:

[T]he agenda of either ethnic representation or gender has come from another... it wasn't initially our agenda. It was an agenda coming from somewhere else.

However, research points to the unequal economic and social impact that the pandemic will have on European citizens and its workers. Women and ethnic minorities are predicted to be disproportionately harder hit by the economic fallout from the pandemic (Cookson, Milne 2020). At the same time the protests around Black Lives Matters demonstrate the routine and systematic injustices that Black people face globally, including within the film industry. Film funds will need to ensure that any gains made in the last decade are not lost and that subsidies and other economic recovery measures protect *all* creative workers. The distribution of funding will be a critical juncture for this intervention.

Finally, film funds will have a key role in declaring the screen sector as 'open for business', especially as large epidemic waves continue to break across Europe. In part this will involve communicating to international productions, potential co-producers and investors that their country

2 Originally launched by Anna Serner of the Swedish Film Institute at the Cannes Film Festival in 2016, 5050x2020 is the campaign for gender parity in the film industry with the goal of 50% of funded films to be directed by women. Several other independent initiatives for funding parity have since emerged under the banner #5050x2020, with the British Film Institute, Creative Scotland, Screen Ireland, the Austrian Film Institute, Telefilm Canada and Eurimage all committing to various forms of this target.

is ready to resume trade. Furthermore, as the rules for filming vary between countries and in some cases within a single country, film funds will increasingly be called on to help productions navigate a way through local conditions and to harmonise trans-national production. On another level, their communicating role will be to encourage people back into cinemas and film spaces, hopefully with a greater appreciation for their own domestically produced content. Convincing audiences that cinema is safe can be done by encouraging and funding new protocols for things like cleaning, staff training and revised access arrangements. Reopening will be especially difficult for the network of small cinemas that exist in many of our communities. In these spaces social distancing will be nearly impossible (both physically and financially) and in many cases they rely heavily on volunteers for their basic operations. Film funds need to make sure that the pandemic doesn't contribute to the further consolidation of big cinema chains and that independent cinema remains a visible and viable part of community life in Europe.

2020 has been an extraordinary moment of shared experience. By April more than 3.9 billion people, half of the world's population, have been living under some form of restriction on their movements and social contact due to the pandemic (Sandford 2020). However, in the midst of isolation there have been numerous examples of communities brought together to engage creatively. Much of this was supported by publicly-funded organisations such as film funds and public service broadcasters. In the coming years, film and television will help us make sense of this extraordinary experience. And so, film funds will continue to have a critical role in realising those stories and in sustaining a European film sector.

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