

## Feature filmmaking within the new Europe: moving funds and images across the East–West divide

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As J. Hoberman aptly noted, the only genuine co-production between Europe's East and West during Cold War times was the Berlin Wall (Hoberman, 1998: 6).

With the Wall now gone for more than a decade, and with the new headquarters of the Berlinale at Potsdamer Platz, the empty space previously symbolizing the void between East and West, it is worth revisiting the East–West divide to check how successfully Eastern European cinema has been re-integrated into the cultural industries of the 'new Europe', and what is the new place allotted to Eastern European film industries in the new division of international labor.

A decade of transition in Eastern Europe allows us to sum up important lessons from the stormy and profound transformation in cultural production. The Eastern European cultural industries were the first to suffer massive cuts and withdrawal of secure funding early in the 1990s. Cinema was affected most notably. Throughout Eastern Europe filmmaking underwent volatile structural changes and was subjected to contradictory undertakings in administration and financing. The crumbling production routines caused a creativity crisis for many filmmakers. Problems included unfair competition, a deepening generation gap, and decline in feature, documentary, and animation output. The concurrent crisis in distribution and exhibition led to a sharp drop in box office indicators for all productions carrying an Eastern European label. And even though toward the end of the 1990s there was a process of normalization, the period was one of transition and readjustment (Iordanova, 1999). During this difficult decade, cinematic co-productions came to play a vitally important role within the film industries of all Eastern European countries.

Historically, co-production practices in filmmaking developed as a solution to the impossibility of securing large budgets for films made in smaller countries (Elley, 1993; Hoskins et al., 1997). Pooling of financial resources is undoubtedly the main reason for the large number of co-productions that the Eastern European countries came to be involved with in the 1990s. In a situation of reduced and sometimes non-existent domestic subsidies, attracting foreign funds is often the only means of producing a film. Furthermore, the new national funding mechanisms of some Eastern European countries have made subsidies dependent on foreign participation – if a production can show it has been granted funding from abroad, it becomes automatically eligible for domestic support. For the Western participants a co-production with an Eastern European partner may bring cost advantages in terms of labor and location, while for the Eastern partners it brings work for professionals who may otherwise have none.

But the reasons for favoring co-productions have not only been of a financial nature. Along with the crisis in national film production routines, the Eastern bloc's existing exchange mechanisms rapidly disintegrated after 1989. The West had suddenly become the only desired partner for filmmakers from each and every country in Eastern Europe. The reasons were political as well as economic. In economic terms, the distinction between the capitalist economies of Western Europe and the transitional economies of Eastern Europe translated into a relationship of 'haves' and 'have-nots', and the finance needed to keep a sector of secondary economic importance like culture going could only come from the West. Politically, re-orientation to the West was now on the top of the agenda for all Eastern European countries, and collaborations with Western partners were strongly desired. Former networks within the Eastern bloc were quickly abandoned as new alliances were sought.

Many Eastern European films that have enjoyed international critical acclaim – for example *Kolya* (Czech Republic, 1996, Dir. Jan Svěrák) and *Underground* (France/Germany/Hungary, 1995, Dir. Emir Kusturica) – may not have been made if it were not for co-production funds and the will for new partnerships. The first Bosnian movie shot after the war, Ademir Kenovic's *Perfect Circle* (1997), was made possible only due to international grants from the Soros Fund, Eurimages, Fonds ECO (Europe Centrale et Orientale), Pro-Helvetia, and Rotterdam IFF's Hubert Bals Fund. The Macedonian film *Before the Rain* secured the participation of the Macedonian Ministry of Culture mostly due to the availability of funding from French and British sources. The latest film from *Before the Rain*'s acclaimed director, *Dust*, which was shot in the summer of 2000 in Macedonia, had only 5 percent domestic financing, the rest of the funding coming from international sources.

The volatility in Eastern European cinema coincided with a clearly articulated period of insecurity in Western European cinema policies, driven by growing anti-American sentiment. The establishment of such pan-European funding bodies as *Media* and *Eurimages* came as a reaction to the staggering triumph of Hollywood's commercial output across Europe's screens. Re-integrating Eastern European cinemas as a means of strengthening European filmmaking became an imperative for those shaping the audio-visual policies in the 'new Europe'.

In this study I investigate various aspects of Europe-wide co-production practices that I evaluate in regard to the cinemas of Eastern Europe. In each particular case I am interested to see how these practices reflect on the filmmaking of Eastern European countries. In the discussion that follows, I will be claiming that:

- Early in the 1990s opportunities making international film funds available to Eastern Europe proliferated and somewhat compensated for the domestic crisis in its cinemas. Toward the end of the decade, however, while the need was still there, Western European priorities in cultural policies changed and aid for Eastern European filmmakers was no longer available. I will track this in a case study looking into the short history of the French Fonds ECO, which existed between 1990 and 1996. It was the only program tailored specifically to support the cinemas of Eastern Europe, and thus is of special interest.
- Regulated co-production schemes across Europe are becoming increasingly dependent on the estimated commercial potential of planned works. This results in an emerging international class of European 'auteurs' – established filmmakers who benefit from their existing international standing – and in diminishing chances for emerging talent from Eastern Europe.
- The way European film financing is set up, in practical terms, urges filmmakers from Eastern Europe to migrate to the West and obtain some sort of status (domicile, residency, citizenship) in a Western country. A simple migratory move, which may be unrelated to any creative considerations, sometimes proves of utmost importance, as fewer possibilities are available to those who chose not to migrate. The movement of people is increasingly becoming a key aspect in the contemporary process of co-producing culture, and in the case of East Europeans establishing oneself in the West becomes a creative imperative: move or perish.
- Rather than seeing a real pan-European interaction which would involve a variety of partnerships between participants from East and West, North and South, we observe the emergence of new regional co-production configurations that transcend former and even current political dividing lines and are based on strictly practical principles of regional convenience.

- Even though the industry analysis of European cinema clearly identifies the disparity of production and distribution as a major impediment to performance, only rarely are matters of international distribution tackled alongside production. While recuperation of subsidies invested in production can only materialize if a film is successfully distributed, in practice little is done to help a film's exposure once it is made. To illustrate the divorce of production assistance from distribution I will look into Eurimages' distribution support program.

In my discussion I will develop each one of these claims and present the relevant supporting evidence. This is the place to mention that my investigation is only concerned with the film industries of the countries of what used to be called the Eastern bloc. I only occasionally make references to Russia and the other Soviet successor states that are not the subject of my study. I also leave out of my study the co-production practices involving American or other overseas partners – my focus is only on co-productions realized within Europe.

### **Fonds ECO: targeted support to East European filmmaking in the 1990s**

Anne Jäckel is right to note that France's film policy 'has benefited many individuals who, for various reasons, have found it difficult to make films in their own country' (Jäckel, 1996: 85). In all fairness, France is the only country which, in the 1990s, operated a custom-tailored program for support of cinema in Eastern Europe: Fonds ECO. The fund existed over seven years: it was started in 1990, its activities were terminated at the end of 1996.

The story of the existence and closure of Fonds ECO brings to mind the perceptive thesis of East Europeanist Jeanine Wedel. Wedel (1998) distinguishes three periods in the post-1989 exchanges between East and West: a) triumphalism, b) disillusionment, and c) adjustment. This periodization can easily be applied to the case of Fonds ECO and its subsequent modifications – it begins early in the decade with a 'triumphalist' opening up of new programs, followed by a subsequent 'disillusionment' and closure in 1996, and eventually ends up in 'adjustment' – from help open to all to help for a select few.

Fonds ECO was intended to assist film production in the countries of Eastern Europe and the former Soviet Union during the transition period, to further the involvement of French producers in the region, and to provide help 'for the opening of the French industries toward these markets' (Fonds ECO, 1998). The program was run by the Centre National de Cinématographie (CNC) with funding provided by the Ministry of Foreign Affairs and the Ministry of Culture and Communication.<sup>1</sup>

At quarterly meetings, the board members of Fonds ECO would consider between 10 and 15 applications per session. The number of applications ranged from around 40 in the early years to over 65 in the middle of the decade, adding up to a total of 407 applications for the duration of the program's existence. Of these 407, 95, about a quarter, received a favorable decision, which translates into financial aid ranging between FF500,000 and FF1,075,000 per film (circa US\$70,000 and US\$150,000). Seventy-six of the 95 approved proposals have been successfully completed; 19 abandoned for various reasons. In addition, three pilot projects and 17 script revisions have received financial support through the program.

According to the Fonds' stipulations, funding is granted to films that express the cultural identity of the originating country and are filmed in its own language. The involvement of French partners was not compulsory at the time of application, but if a project was approved, French participation was required, and was particularly encouraged at service and post-production levels.<sup>2</sup> The finished projects were expected to acknowledge the Fonds' assistance in the film's credits. Projects which had secured Eurimages funding were eligible to apply for additional funding from Fonds ECO.

A regional breakdown of the award results indicates a more or less fair distribution of aid between the countries of Eastern Europe (54 projects supported) and those of the former USSR (41 projects). No country quotas were applied in the decision-making process. As a result, while the success rates of Russia, Slovenia, Albania and Macedonia were around the fund's average of 25 percent, 40 percent of the Romanian projects were approved (eight out of 20) and none of the five Croatian applications succeeded. For the other countries, the success rate varied between 10 percent (Poland with 62 projects, six funded) and 30 percent (Slovakia with nine projects; three funded). See Table 1 and Table 2.

1992, when nearly 40 percent of the applications were granted funding (a total of 24), marked the peak of the 'triumphalist' period, in Wedel's terminology. In 1996, the success rate fell to 10 percent (a total of six), clearly suggesting that the available funds no longer met the demand and

**TABLE 1**  
**Fonds ECO ratio of applications and funded projects**

<b>Regional distribution</b>	<b>Applications</b>	<b>Approved</b>	<b>Success rate</b>
Former USSR	150	41	27.0%
Eastern Europe	257	54	21.0%
Combined totals	407	95	23.7%

*Source:* Projets Présentés au Fonds ECO depuis 1990. Paris: CNC, 27 November 1996.

**TABLE 2**  
**Fonds ECO breakdown of funding by the year**

Region	1990	1991	1992	1993	1994	1995	1996	Total
Former USSR	4	5	13	5	7	4	3	41
Eastern Europe	8	9	11	10	4	9	3	54
Combined totals	12	14	24	15	11	13	6	95

*Source:* Projets Présentés au Fonds ECO depuis 1990. Paris: CNC, 27 November 1996.

that, in Wedel's terminology, the 'disillusionment' period had taken over. Fonds ECO was dismantled in December 1996.

There is evidence that the closure of Fonds ECO was against the wishes of the people involved with its operation. A memo dated February 1996 states that 'the transition toward a market economy has not become easier and the Eastern European countries have seen their feature film production considerably reduced; therefore for a number of them Fonds ECO represents *a really vital source of financing*. In this sense, the main mission of the Fonds remains unchanged' (Fonds ECO, 1996:1, emphasis in the original). The text of other memos from later that year does not even contain a hint that the operation would be terminated in a few months.

I will abstain from speculation as to what precisely were the factors behind the 'cooling down' – the reasons are most likely of a complex nature, combining factors from the fields of international politics, cultural administration and domestic economy. Whatever the concrete considerations, it is clear that by 1996 priorities had changed, and it was no longer believed that aid targeted to support the cultural production of Eastern Europe could be justified.

The official explanation for the termination was that the situation had evolved and new funding mechanisms had come into place, making Fonds ECO obsolete. These 'new' mechanisms were actually Eurimages (in existence since 1989), Fonds Sud, the program operated by CNC on behalf of the French government to support filmmaking in lesser developed countries of the Third World (in existence since 1984), as well as the program for selective aid to foreign cinemas (in existence since 1959, reinstated in 1997).

In Wedel's terminology, the period of 'adjustment' had come. The reality was that after the closure of Fonds ECO at the end of 1996, filmmakers from most countries in Eastern Europe could no longer benefit from CNC's aid. Only a few of them (Albania, the Yugoslav successor states, and the former Soviet republics in Central Asia and the Caucasus) remained eligible for support through Fonds Sud. These countries were added to the mandate of Fonds Sud for a term of two years during which a budget of FF2,000,000 (circa US\$270,000) could be disbursed to projects

originating from the region. The other funding scheme, the program for direct support of foreign film industries, which I will discuss in the next part, was exclusively open to well-known directors from around the world.

The story of the short-lived Fonds ECO reflects the general state of Western aid to Eastern Europe. After a somewhat euphoric push of generosity, followed by an abrupt cooling down, the situation with French aid for cinematic production was adjusted to match the more general aid situation across the region. While enabling occasional producer-led collaborations with select Eastern Europeans, the general line was to abstain from publicly articulated and clearly regulated commitments. Even though France stood out positively with Fonds ECO, by the end of the 1990s French aid to Eastern Europe's filmmakers was no longer in place, and the situation was one of diminished possibilities for younger directors and preference to established and well-connected filmmakers. Currently, French aid to Eastern European filmmaking is not very different from that of other Western European countries – sporadic and selective.

### **Cashing in on 'auteurs'**

Even made with subsidies, films are expected to perform well in the international marketplace, and this was not really the case with European film in the 1990s. Growing concern about poor commercial performance, or rather the push to measure success with box office indicators, resulted in changes to funding policies. When translated onto the territory of Eastern Europe, these new policies created a clear division between the category of new filmmakers faced with shrinking opportunities, and an emerging class of internationally renowned filmmakers – more or less bankable 'auteurs', whose work is facilitated by specially adjusted arrangements. The division between these two categories is still blurred, but will become more distinct in the long run.

After the closure of Fonds ECO and the limitation of Fonds Sud funding to a handful of countries, the possibilities for Eastern Europeans to secure French funding are extremely limited. Yet, one of the options still open is the so-called Program for Direct Help to Foreign Cinema (*Aide Direct aux Cinématographies Étrangères*). The program distributed FF6m annually (circa US\$850,000), and was geared toward supporting the work of a small number of well-established foreign filmmakers who were believed to encounter difficulties in finding full finance in their respective countries. The funds are awarded under the personal supervision of CNC's director, and were particularly meant to help those directors who had established links with France's cultural community and who intended to use French labor and services for the project. An additional criterion was that the

directors in question were not able to benefit significantly from the other systems of finance, like Eurimages (CNC, 1998).

Between period 1997 and 1999, only two Eastern European directors benefited from this scheme – Romanian Lucian Pintilie and Lithuanian Sharunas Bartas. Both Pintilie and Bartas are no doubt among the most talented and original filmmakers working in Eastern Europe. Like all directors from their respective countries, they experience difficulties securing financing from within their respective countries, so they easily satisfy the first condition for French aid. As far as the rule about access to other funding schemes is concerned, they can barely be called underprivileged. They both have a good record with Fonds ECO, where Pintilie holds the record with five approved projects. In addition, they were successful in securing Eurimages funding at the time when they received support from CNC, a situation suggesting that the rule about limited access to other funding is applied quite loosely.<sup>3</sup>

If one looks closely at Bartas's case, the mechanics of this selective treatment of 'auteurs' becomes particularly questionable – a filmmaker who emerged in the 1990s, he started as an unknown, coming from a country whose filmmaking was practically non-existent on the cinematic map of the world. It was the support he received through Fonds ECO that was decisive in launching his career, and it was due to this support that he became the high-profile art house director he is today. Had this Lithuanian been making his debut feature in 2000, in the absence of aid programs open to first-time filmmakers, he would have faced a different, far more restrictive situation – a situation faced by all talented filmmakers from the region starting out today.

France had at least tried to run an 'open access' program for a while. By comparison, in Britain, where, throughout the 1990s, co-production support was decentralized and operated by various organizations, only select and well-connected Eastern European filmmakers were able to secure funding from various sources, such as British Screen (e.g. Milcho Manchevski's *Before the Rain*, 1994), Film Four (Jan Svankmajer's *Conspirators of Pleasure*, 1996), or the BFI. Many of the British–Eastern European co-productions became possible only due to the personal interest of executives from these organizations in the cinema of Eastern Europe (like British Screen's Simon Perry), or the personal encouragement of friendly supporters. Decentralized support for co-productions also meant that no promotional mechanism for such projects was in place, thus many films performed poorly at the British box office, like Goran Paskaljevic's 1995 *Someone Else's America* which did well internationally but was a flop in the UK. Others never reached a theatrical release and were only telecast, like Svankmajer's *Conspirators of Pleasure* or Károly Makk's *The Gambler*. The situation with Eastern European co-productions in Germany and other Western European countries is similar to the one in Britain. Such



ventures are sporadic and depend on personal contacts, both in the countries with existing legal frameworks for partnerships, and in countries where public financial support is regulated less formally.

The trend towards cashing in on well-established directors takes over even in the case of programs that invest public money. Recent changes in Eurimages funding rules, for example, make subsidies directly linked to market mechanisms. While in the past Eurimages operated only one competition for all projects, from 2000 funding has been split between two schemes – the first one for films with ‘real circulation potential’, and the second one for films ‘reflecting the cultural diversity of European cinema’. Funding available under the first scheme is about 40 percent higher than that available under the second, thus making it particularly attractive.<sup>4</sup> It is up to the producers to decide under which scheme to apply. If rejected, however, the project cannot be moved to the other competition. Eligibility is strictly linked to circulation outlook, judged by criteria such as ‘the commercial potential of the projects, their pre-sales and sales estimates, the number and quality of distribution commitments, the percentage of market financing confirmed, and the experience of the producer and the director’ (Eurimages, 2000a: 12). The projects are expected to have, at the time of application, a sales projection by a credible sales agent as well as documented distribution commitments from at least three countries. As the award money is paid in installments, distribution contracts and actual distribution are the conditions upon which the payments of the second and third instalments of the award depend.<sup>5</sup>

The new funding mechanisms once again strengthen the trend observed above – a green light for experienced directors and producers, cashing in on established and marketable names. In practice, it also means favoring the countries with well-established cinematic traditions as it is much more likely that projects from France, Italy and Spain would have a better circulation potential and pre-sales than those from countries of smaller and lesser-known film industries like Romania or Slovakia.

Indeed, a look at what Eurimages funded under the new first scheme until August 2000, reveals that out of ten projects, funding went to three Eastern European directors – Hungarian István Szabó, Serbian Goran Paskaljevic, and Czech Jan Sverák, all award-winning directors of the highest caliber whose work had previously been funded by Eurimages.<sup>6</sup> Only Jan Sverák’s project, however, was to be co-produced by an Eastern European country, the Czech Republic. The other two did not list Eastern European co-production partners either on majority or on minority levels. Paskaljevic’s film was to be a co-production of Italy, Ireland, France and the UK, and Szabó’s a co-production of Germany and France.

The favoritism in the selection of directors and the way work is facilitated in co-production arrangements encourage and even demand the

migration of Eastern Europeans to the West, underpinned by considerations of convenience, an issue which I will consider next.

### **The urge to migrate: a practical imperative**

One possible way for an Eastern European director to make a co-produced film is to engage in a straightforward international co-production, with part of the financing coming from home sources – this last element is often difficult to secure. But there is also another way: rather than moving funds to the East, it may be easier if the director himself moves to the West. This positions the director closer to the action and increases the chances to secure financing.

Today migration of Eastern Europeans to the West is not so much about creative freedom, as it was with filmmakers migrating during earlier decades, but more a matter of creative convenience. At a time when the Schengen agreement keeps Western Europe off limit for many in the East, it is a matter of practical wisdom for Eastern European filmmakers to establish themselves in the West and to obtain some sort of Western personal identity, be it a second citizenship or just a residence card. Such an arrangement gives them realistic access to funding, much better than they would have if they simply stayed at home and tried to make funding applications at a distance. Thus, movement of talent becomes a vital aspect of co-production.

Although, according to Eurimages definitions, a passport of any European country would qualify a director as 'European', actual residency in the West becomes equally and even more important than nationality. Simply having an address in France, for example, makes directors eligible for the French programs not open to them as foreigners. Lucian Pintilie, the Romanian, has lived in Paris for many years and is eligible for funding as a French director. The same is true for Georgian Otar Iosseliani, as well as more recently, for Serbian Paskaljevic.<sup>7</sup> Also in other European countries it is the residence, and not the citizenship, of the director that is important when seeking funding. Immigrant directors direct about half of the annual film output of countries such as Austria or Switzerland.

Movements of creative talent, exile, diaspora, and participation in transnational projects have always played a defining role in Eastern European cinema. In the past, under the cold war framework, filmmakers seemed to migrate mostly for political reasons, escaping censorship and searching for freedom of expression. There have been migrations of East European intellectuals in response to all the major political shake-ups in the region, including the latest one leading to the migration of scores of Yugoslav filmmakers in the 1990s. It should be noted, however, that by no means all of the East European émigré directors were involved in politics.

While Dusan Makavejev, Jerzy Skolimowski and Agnieszka Holland made films focusing on controversial social issues, many others, such as Roman Polanski, Andrzej Zulawski, or Walerian Borowczyk, rarely expressed interest in politics. Milos Forman has been quite evasive in discussing his own motives for emigration, and while mainstream film criticism has persistently presented him as a typical post-1968 exile, the director himself has made sure not to engage in any overt statements identifying politics as the main reason of his migration to the West.

The one-dimensional focus on political dissent when exploring the migratory movements of Eastern Europeans has obscured other equally important aspects underlying these migrations. The opportunity to work in the West without necessarily emigrating, available to select few before the fall of the Berlin wall, proved of crucial importance for the careers of many filmmakers who remained based in the region. Andrzej Wajda, for example, would keep himself busy with various European-financed productions at times when conditions at home prevented him from working, but would always return to Poland. Krzysztof Kieslowski made his most daring political films at home, in the face of Polish censorship, but only gained the visibility he deserved after he started working in France on films which focused on personal existential issues and not on politics.

The 1990s witnessed a number of border crossings in all spheres of cultural production. Nowadays, movement of film professionals is more intense than ever, and with cross-border financing for films more and more of them work internationally. Most of them maintain residence ties with some location in the West, and are in possession of personal documents that secure them freedom of movement not available to their ordinary compatriots. They can go back and forth as they wish, and most of them work both at home and abroad – a luxury which was not available to the typical East European émigré intellectual of cold war times. They are no longer exiles, and not even émigrés, but members of the new class of people involved in transnational filmmaking. Their movements, directly reflecting the intensifying migratory dynamics and the transnational essence of contemporary cinema, make it necessary to re-evaluate the clear-cut concepts of belonging and commitment to a national culture. Being transnational, however, at this point in time means simply being based in the West.

### **Regionalism – an alternative to Europeanism?**

During the years of state socialism, the geopolitical make-up of Europe was such that the countries of Eastern Europe, then belonging to the so-called Soviet sphere, engaged in active cultural exchanges. Film production was one of the areas where these exchanges were most intense. Directors,

actors, cinematographers and production designers from one Eastern European country were often involved in productions made in some of the other countries of the Eastern bloc. There were a number of bilateral treaties in the field of cinema, as well as organizations facilitating the interactions in production and distribution. As a result, the cinematic output of every Eastern European country was getting guaranteed exposure across the region, even if attracting wide audiences only on select occasions. While interactions with the West were controlled and often suppressed, many took advantage of the freedom of movement they enjoyed within the sphere of Eastern Europe. Back then, for example, Romanian Lucian Pintilie, politically inconvenient at home, moved to Yugoslavia where he worked on an adaptation of Chekhov's *Ward Six* (1978). Searching for a more relaxed creative climate, Bulgarian Rangel Vulchanov made films in Czechoslovakia in the early 1960s. Many filmmakers were educated at a film school in some other Eastern European country: a number of Yugoslav directors, for example, studied at FAMU and later came to be known as members of the so-called Prague group.

After 1989, most of these collaborative networks rapidly disintegrated, often before new international mechanisms were established. Partnerships with the West became a hotly sought-after arrangement, and former partners from within Eastern Europe turned to each other for new projects only rarely. These processes largely coincided with the formation of the pan-European funding body, Eurimages, which many of the Eastern European countries joined in the course of the 1990s. It was expected that with its requirement for tri-partite production collaboration, Eurimages would enhance a Europe-wide interaction and open up unprecedented possibilities for cultural integration between the West and the 'other Europe'.

More than ten years into Eurimages' existence, with over 400 projects supported, it makes sense to examine whether this organization helped to bridge the gap between Eastern and Western Europe in the field of cinematic production. Looking into its records shows us that the organization has, indeed, substantially helped to promote European integration in the field of culture. Rather than observing an assertion of Europe-wide multi-directional interactions, however, we see clear signs of persisting and even newly established regionalism.

Up until 2000, applications to Eurimages could only be filed for undertakings that would include participants from at least three countries. Recently this requirement was waved and two country partnerships are now acceptable. A look at the long list of tripartite collaborations gives a clear picture of several regional combinations of partners applying jointly for co-productions. One can distinguish a Romance region (at least two of three participants, and often all three, are from a Romance speaking country), a

Germanic one, a Nordic one, a Central Eastern European one, and a Balkan one.

The Balkan region is a new development, taking shape only in the 1990s. Contrary to the widely shared belief that the Balkan countries are permanently at odds with each other, evidence from Eurimages funding records shows that a large number of co-productions include participants from at least two Balkan countries: there are partnerships between Bulgaria and Turkey, Cyprus and Greece, Cyprus and Bulgaria, and even the unlikely pair of Greece and Turkey. In 1998, for example, Bulgaria was a minority co-producer in seven films, six of which were Balkan regional collaborations – three with Greece as majority producer, and three with Turkey. On two of these three Turkish projects, Greece acted as a second minority producer alongside Bulgaria – not bad for countries that are believed unable to leave behind their long history of ethnic and religious tensions. On the rare occasions when filmmakers from former Yugoslavia, who do not have direct access to Eurimages, have managed to put together a Eurimages application, we see them collaborating within the Balkan region as well. The Eurimages web-site, for example, gives detailed information on the co-production partners of *Bure baruta* (distributed as *Powder Keg* in Europe and *Cabaret Balkan* in the US). Set in Belgrade, made by a Serbian director living in Paris, and widely accepted as a film from Yugoslavia, the project is actually a co-production of France, Greece and Turkey.

The only country in the region with access to the EU's program for cinema support, Media, is Greece, which thus becomes a desired partner for those in the region seeking access to EU funding. Such is the case of *After the End of the World* (1998, a co-production of Germany, Greece, and Bulgaria), which is one of the two feature productions that Bulgarian directors were able to complete during that year. Set in the city of Plovdiv and directed by a Bulgarian director, Ivan Nichev, the film's cast and the storyline of multi-ethnic co-existence including Jews, Gypsies, Turks, Bulgarians and Greeks, have been adjusted to fit the partnership with Greece from the very conception of the project.

Similar processes can be observed in the Nordic region, where Scandinavian producers more and more often work on joint projects with partners from the Baltic countries. Sweden may have a past record of allowing some high-profile exiles from the Eastern bloc to make films, like the Yugoslav Dusan Makavejev's *Montenegro* (1981) and Russian Andrei Tarkovsky's *Sacrifice* (1986). Today, however, most eastward oriented projects of Swedish producers are confined to the Baltic region (interview with Peter Hald of the Swedish Film Institute, Stockholm, October 1999). This regionalism is undoubtedly enhanced also by organizations such as the Nordic Film Board that recently expanded to include the Baltic republics.

Co-productions involving partners from what can be called the Central East European region (Poland, Hungary, Slovakia and the Czech Republic) are equally frequent. Although there have been frequent collaborations with Germany and Austria that would allow us to speak of the restoration of something like a region of 'Mitteleuropa' in cinematic co-production, the regionalism here is not as clearly articulated. At least several co-productions annually have involved partners from the Central East European region, thus confirming the regionalist trend.

Thus, as far as film production is concerned, even though the disintegration of the earlier Eastern bloc network is compensated by the creation of a Europe-wide multi-lateral funding body, it nonetheless remains defined by developments in regional collaborations. As far as distribution is concerned, however, the mechanisms allowing Eastern Europeans to know of each other's cinematic output and for Eastern European productions to gain exposure across the region, are irretrievably lost.

### **The 'lame duck' of distribution**

Eastern European filmmaking is in a particularly disadvantaged position in regard to international distribution. Even though some mechanisms enhancing distribution alongside production are in place, they do not seem to work as expected. I will illustrate the shortcomings of distribution endeavors by looking at the Eurimages program in support of distribution.

The distribution arm of Eurimages operates independently from the production one: while a project may have been supported on the production level, that does not mean it will be supported for distribution. In addition, the distribution support program is open not to all member states but only those who do not receive such support under the EU's Media. Thus, of the 25 member states of Eurimages, only eight, mostly Eastern European countries, are eligible for distribution support.<sup>8</sup> The other member states can apply for distribution only if the film to be distributed originates from one of these same eight countries.

The distribution program, which started in 1990, has seen a steady increase in applications. Starting at six in 1990, the number of distribution support undertakings reached 141 in 1999. The number of applications continues to grow, thus giving a clear indication that support for distribution is one of the most popular and needed forms of support. Since its creation, the program has assisted around 150 distributors and more than 600 films. The yearly budget for distribution support is around FF5m (US\$700,000), about 10 percent of the total for Eurimages, and is unlikely to increase. The average distribution award varies, usually between FF30,000 and FF50,000 (US\$4000–7000), and is no more than 50 percent of the distribution costs.

One of the leading rules of the distribution program states that: 'No distributor may apply for a film originating in its own state'. This is a restriction that applies both to majority and minority partners. Thus some of the countries which co-produce a film are excluded from access to the program supporting distribution. Why? Because Eurimages administrators believe that film-makers should be able at least to secure the release of their films in their own countries, and that distribution support should be oriented elsewhere. According to Eurimages' Christoph Weber, as evidence of distribution potential has been one of the criteria for the award of production funding in the first place, supporting the distribution of films that have received production funding would mean giving them a 'double reward'.<sup>9</sup>

As a result of this philosophy, many films never go into distribution in all their co-production partner countries. This is particularly true for the minority co-producers: films, which involve the creative potential and force of a small film industry, never become part of their own national cinematic culture. Bulgaria, for example, is a minority producer of a number of films that have never been seen in the country. However, curiously Eurimages granted support in 1998 to the Bulgarian Duga Art Film for the distribution of the Hungarian Gypsy-themed film *Romani Kris* (1997, Bence Gyöngyössi), a production on which a Bulgarian company acted as a minority co-producer. The grant was evidently awarded against the rules, probably because of a simple oversight. Ironically, it took an oversight for the film actually to be seen in the country that co-produced it.

Recuperation levels of Eurimages awards for production are extremely low. In 1994, only 1.63 percent of the amount of grants had been repaid. In 1995 this figure was 1.97 percent, and in 1996 it fell slightly to 1.82 percent. The picture was somewhat better in 1997 when a healthy 5 percent had been recouped, but in 1998 the figure was only 2.94 percent. According to Eurimages' administrator Tracy Geraghty (interviewed August 1999), no specific officer is assigned to deal with the recuperation of funding and the international box office performance of a given film is not explicitly monitored. Eurimages relies solely on reports sent in by the producers. The collection agreements signed at the time of application for support are the only guarantees for repayment of loans.

Eurimages awards production support in the form of advance on receipts and it is, theoretically, repayable. The distribution support, in contrast, is awarded in the form of non-repayable grants. Simple logic seems to suggest that if Eurimages is at all interested in recouping its production investment, it would be in its interest also to support the distribution in countries where the film is most likely to be seen. Moreover, if the production investment is repaid with the help of a distribution grant, the feared 'double reward' would be avoided. Eurimages, however, do not follow this logic. In addition, they do not have a monitoring mechanism in place to

follow the distribution of the films that they have supported on the production level. They do not gather firm data on which films were distributed where and with what success. According to Christoph Weber, although they are aware that the mechanisms meant to encourage the release of supported films and the recuperation of subsidies are not working well and that there is lack of permanent monitoring of the market performance of the supported films, no substantial changes are anticipated in their distribution program.

Another specific feature of Eurimages' distribution program is that not only films made with its own help, but all European films are eligible for distribution support. Why? The stipulation is, once again, a consequence of the (defeatist) logic which says that it would be too much to give additional distribution support to films that have already received funding for production: if they cannot get themselves into distribution, they are probably not good enough to be distributed (Weber). It is better, instead, to give production support to films that have already attracted international interest.

In practice, this principle translates into effective support for the distribution of Western European productions to Eastern Europe, and in particular for the distribution of French cinema. The way the program is set up seems to be neutral, but in practice there is clear evidence that French productions have benefited the most, as can be seen from Table 3.

Distributing French films to Eastern Europe with Eurimages' support is a good strategy against the overwhelming influx of American cinema that often occupies over 90 percent of the screens in the region. But this is happening at the expense of other European films that would be more likely to be distributed within the region had the distribution support been limited to Eurimages-supported productions?<sup>10</sup>

A look at Eurimages records indicates that Eastern European-made films have rarely been distributed in another Eastern European country. Iron-

**TABLE 3**  
**Eurimages distribution**

<b>Year</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
Total films distributed	6	12	18	16	29	43	97	90	131	141	88
French films distributed	1	6	5	4	6	21	42	40	44	58	33
% French films distributed	17%	50%	28%	25%	21%	49%	43%	44%	34%	41%	37%

*Source:* Eurimages web-site, available: <http://culture.coe.fr/Eurimages>

*Note:* This table does not include French co-productions directed by foreign directors such as Otar Iosseliani, Nana Dzhordzhadze, or Krzysztof Kieslowski.



ically, Switzerland and Turkey, the two non-Eastern European members of the distribution program, have applied to distribute more Eastern European films than any of their Eastern European counterparts.

This situation is also partially due to the mere lack of interest by Eastern European distributors in the cinematic output of their neighbors. The mutual apathy of Eastern European countries to each other in post-communist times is an important factor. In their drive to 'return' to Europe and rejoin the West there is an overwhelming tendency across all these countries to reject everything from the past, including cultural interaction. By the mere virtue of its origins, everything coming from the West is more marketable than anything coming from the former Eastern bloc. In their drive to get themselves out of the economic ghetto of the Soviet sphere (which they believe also extends over culture), Eastern European countries end up in isolation from each other. This situation is not addressed or helped in any way by the pan-European arrangements of organizations like Eurimages.

### **Conclusion: co-producing nationality?**

Given the intense movements of film finance and people beyond national borders and former political division lines, classifying films as belonging to a national cinematic tradition is becoming increasingly problematic. Nonetheless, legal experts working for the European audio-visual policy making bodies are still preoccupied with comparative investigations on the concept of a 'national' film. According to one of them, Michel Gyory (1999):

The importance of the nationality of a film now resides in the fact that public support to the film industry, be it in the form of direct financial support (subsidies, loans, etc.), tax advantages, compulsory investment in film production or quotas of films or programs, depends in each country on the nationality of a film, as these advantages are reserved for national films and films assimilated to national films. The concept of nationality of a film is thus regarded here as the link between a film and the culture and/or the economy of a country.

We often come across paradoxical cases where films produced with international financing become the subject of rows over nationality. Over the past decade we have seen not one but many controversies surrounding the nationality of films, and most of these have evolved, not surprisingly, around productions involving Eastern Europeans. When Poland entered Kieslowski's *Double Life of Veronique* (1991) into the foreign language competition at the Oscars, France objected as the film was made mostly with French financing, and Poland was forced to withdraw it. The mysterious 'nationality' of Emir Kusturica's Cannes-winner *Underground*

(1995) was extensively scrutinized by Western critics, mostly because of its cryptic and allegedly pro-Serb ideology.

The number of films whose 'nationality' is difficult to determine is growing, and once again this is particularly visible if one looks at co-productions involving Eastern Europeans. *Someone Else's America* (1995), for example, was a co-production of France, UK, Germany, and Greece, but it was written and directed by Serbs (Gordan Mihic and Goran Paskaljevic). It was set in New York and Texas, but was shot mostly at a studio in Munich. It told stories of Spaniards, Montenegrins, and Chinese, but had a Briton and a Serb in the leads (Tom Conti and Miki Manojlovic). None of the producing countries was referred to in the film's plot, suggesting that the nationality of a film's financing is no longer directly reflected in the film content.

With time, many of these disputes over nationality will prove futile. The times we live in mark the end of the strictly national film industries. A variety of collaborative artistic projects bring previously isolated spheres together. The filmmaking process is no longer confined within national borders, and national particularities determine cultural consumption even less. The category of the national, which persists in the legal framework of the audio-visual industry and at various festivals and awards, will increasingly reveal itself as anachronistic. The future may well mean less diversity. In the new international division of labor, Eastern European countries are relegated to a supporting role. During the 1990s, the Eastern European film studios hosted a number of Western runaway productions which kept the facilities busy and employed local film people but did not go any further in acknowledging the involvement of the country providing the services. In co-productions, Eastern European partners are much more likely to appear as minority producers rather than as majority ones. Such minority participations, however, barely count as contributions to a national cinematic culture.

## Notes

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1. Fonds ECO is a good subject for a case study as its records list not only the approved projects but also those that failed, which allows us to compile a more or less reliable picture of its operation. Such transparency is not characteristic for other European co-production bodies. I would like to acknowledge the help of Mme. Catherine Legave of the Centre National de Cinématographie, formerly an administrator of Fonds ECO, with whom I held a meeting in August 1999 at the CNC headquarters.

2. Looking at the list of funded projects, however, I cannot help noticing that all the approved projects have had a French participant listed at the time of application.

3. Pintilie received Eurimages funding for his *Terminus Paradise* (1998). Sharunas Bartas had two projects funded by Fonds ECO, and one by Eurimages in 1998.

4. Maximum support under the first scheme does not exceed 610,000 Euros for budgets lower than 5.4m Euros and goes up to 763,000 Euros for budgets higher than 5.4m Euros. Maximum support under the second scheme cannot exceed 380,000 Euros for budgets below 3m Euros and 460,000 Euros for budgets above 3m Euros (Eurimages, 2000a).

5. Still, the main criterion remains the confirmed financing. Under the first scheme it is supposed to be at least 75 percent in the majority co-producing country and 50 percent in the minority country at the time of application.

6. Hungarian Márta Mészáros and Romanian Nae Caranfil are the only Eastern Europeans who received funding under the second scheme out of 19 projects by August 2000.

7. Paskaljevic is even listed as French at the Eurimages web-site in 2000. See <<http://culture.coe.fr/Eurimages/bi/eurfilm2000.html>>

8. In 2000, countries with access to the program were Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia, Switzerland and Turkey.

9. Interview with Christoph Weber, in charge of distribution program at Eurimages, Strasbourg, August 1999.

10. The most successful young directors, like the Czech Jan Sverák or the Macedonian Milcho Manchevski, have long realized that working on securing international distribution from the onset is of equal (if not even greater) importance to obtaining production financing. Their films were distributed in the West by Miramax and Buena Vista International.

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