

FILM POLICY AND FILM DISTRIBUTION: THE CASE OF THE BALTIC FILM INDUSTRIES

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Abstract

The aim of the study is to analyse the development of the Baltic film distribution markets and to provide new recommendations for its potential growth based on mission economy approach and bigger role of the states in co-creating and co-shaping the markets especially for the Baltic co-production of films and their distribution. The study used both qualitative and quantitative methods for data extraction and analysis. Firstly, descriptive statistics as a method was used to analyse the market shares of the main film distribution companies in Lithuanian, Latvian and Estonian film industries. Furthermore, 5 semi-structured interviews with experts from the Baltic film industries were conducted. As a result of the research, the author concludes that there is a potential in family genre films that are produced in the Baltic States, but in general the Baltic co-production films lack quality, storytelling that would arouse the interest of the audience and potentially new regional film fund "Baltic Film and TV Fund" would have to focus not only on increased financing for co-productions, but also on other measures that would help to produce better quality genre films including co-productions and their distribution.

Keywords: film policy, film distribution, mission economy, the Baltic film industries, business administration

DOI:10.2478/acpro-2024-0003

Introduction

The realization of film production in the market depends on distribution and exhibition processes. Film distribution is the most commercialized sector in the film industry since without it the audience would not be able to see the product and it would not recoup its investment. Therefore, distribution and exhibition are essential in linking cinema supply and demand with both relying on market forces (Miranda & Santos, 2023). Also, the distributors are thus the film industry's most influential gatekeepers that have the power to decide which films will be available to the audience in the marketplace and thereby regulating the types of cultural experience with which the audience can engage (Higson, 2018: 309).

Film policy, on the other hand, targets culture and identities and market-driven interests are also powerful when national and European policies are addressed, especially due to the goals of countering the US dominance, which require efficient competitive standards (Miranda & Santos, 2024: 172). Since films as other cultural products have a highly uncertain demand, simply expanding the market, producing more films, or screening more films does not guarantee more exposure among audiences (Parc, 2020: 459-460). Moreover, small film industries such as Lithuanian, Latvian and Estonian that have a low audiovisual capacity and limited domestic markets for all locally produced goods and services (including culture) are traditionally forced into a greater dependency on external markets (Hjort & Petrie, 2008).

The film distribution markets in the Baltic States started to develop during 1991 – 1993 and Hollywood film production and its market share in Lithuanian, Latvian and Estonian cinemas took the dominant position. One of the reasons why Hollywood film production dominates in European film industries and

their distribution and exhibition markets are related to market fragmentation – linguistically and economically (directly influenced by investments and business administration).

The question is about the role of distribution for national cinemas and why has policy support for the production sector prevailed, when distribution is the film industry's key zone for profit (Harris, 2018). For example, the Nordic cultural model, which stands out as a particular association of decentralization, welfare state and accessibility has shown that specific policy schemes where the articulation of national and regional-local levels, more efficient consideration of film heritage and digital policies can influence distribution and exhibition both in national and international markets (Miranda & Santos, 2024: 174; Gran & Gaustad, 2022).

Therefore, there is a need to rethink the direction from a policy-making perspective - how public sector and its organizations can set the directions – design, implement and evaluate innovations and use their dynamic capabilities to set mission-oriented policies. One of the directions is related to shaping future markets rather than fixing various failures in them, because industrial and innovation strategies can be critical pillars to achieve transformational change, for instance, identifying and articulating new missions that can galvanize production, distribution, and consumption patterns across various sectors (Kattel, Mazzucato, 2018; Mazzucato, 2021).

The purpose of the research – to provide new recommendations both to film distribution companies and public institutions that participate in shaping film policy for the development of national film distribution based on mission economy approach. Objectives are formulated as follows: 1) to analyse the development of the Baltic film distribution markets; 2) investigate the main obstacles of national film distribution in Lithuania, Latvia and Estonia; 3) to explore the new ways of shaping and co-creating the film distribution markets and possible partnerships and innovations that would help to foster national film distribution and co-production in the Baltic film industries.

Mixed-method approach was selected for the research and two methods were used – descriptive statistics and content analysis. The use of mixed-method approach allows to capitalize on the strengths of each while offsetting their respective weaknesses and is useful when it comes to data evaluation and triangulation, which could be useful when different aspects of a phenomenon are studied, and where the relationship between macro and micro levels are explored (Bryman & Bell, 2007).

Literature review

Film distribution is considered as the most commercial part of the film industry (Moran, 1996) and Western European nations, regardless of size, tend to have stronger and better developed economies than nations in Central and Eastern Europe meaning that the funds for production, distribution and marketing are substantially higher (Higson, 2018: 308).

The late 1990s was the period when appearance of film funds, film commissions and film-friendly policies in Europe experienced certain acceleration influenced by public institutions where creativity was understood not as artistic value, innovativeness or the freedom of expression of a talent, but as added economic value, driver of development and the ability to multiply tangible benefits to accrue marketable knowledge (Cucco, 2018). Moreover, L. C. Harris (2017: 45-46) explains that within film studies, traditional scholarly understandings of distribution have hinged more on the commercial migration of film through space and time and less on how the exertions of distributors critically shape film cultures, national cinemas, reception and new digital forms of circulation.

More recent research about film policies have expressed the concern in line with the “creative industries turn” in European cultural policies – the combination of culture and the market (Menger, 2013). Also, as Miranda and Santos have stressed, analysis of cinema policies is still rare (Miranda & Santos, 2024: 172) and mostly the focus is on film production (Harris, 2018) with distribution support being restricted to promotion and marketing rather than substantial support for theatres, retailing and online (Raats et al., 2018).

Thus, the sizes of the film budgets are not the only ones to take into account – the mode of storytelling and production values adopted for each film, and the extent to which that storytelling was critically acclaimed and validated by festival prizes and other awards (Higson, 2018: 308) are the quality criteria for film distributors to select national films. For example, the question - why Latvian audience is not watching Latvian films might be related with film directors who don't create meaningful films, the audience, which does not appreciate the local films, film distributors who don't know how to sell the films and incompetent experts who decide about projects that will get financial support (Rietuma, 2021: 138-139; Matisa, 2007).

As Raats et al. (2018) and Drake (2019) have indicated, smaller nations have improved in developing support mechanisms that target both domestic and cross-border distribution, in general European films don't achieve much in the way of international distribution even within Europe. A common European market exists only for a very small proportion of European productions, and European audiences don't tend to watch many European films made outside the country in which they live (Higson, 2018: 308). This is also relevant in the context of smaller film industries such as in Lithuanian, Latvian and Estonian where financial support is allocated not only for national films, but also for national film distribution and the lack of financial support is constantly bringing challenges for the film policy.

Methodology

Film distribution is mostly researched using statistical methods such as descriptive statistics, correlations, hierarchical regression (Ebberts & Wijnberg, 2012; Cabral & Natividad, 2020). L. C. Harris (2017) used interpretive and qualitative approach to study film distribution and similar mixed-method approach is applied in this research where descriptive statistics and content analysis of the interviews were selected.

At first internal documents of Lithuanian Film Centre, National Film Centre of Latvia and Estonian Film Institute indicating market shares of film distribution companies were collected and analysed using descriptive statistics. Later 15 questions for the Baltic film industries experts were prepared according to the mission economy principles that are applied in the context of film policy (financing, new value, participation and co-creation, market shaping, partnerships and innovations). 3 interviews were conducted with one expert from Lithuanian Film Centre, National Film Centre of Latvia and Estonian Film Institute. Experts from the film centres were selected according to their functions related with financial support administration for national film distribution, project management, promotion and marketing of national films.

Two additional interviews were conducted with the experts from Acme Film company, which is one of the leading companies in the Baltic film distribution markets. One expert from the Acme Film was the Head of Marketing and Distribution and works with Lithuanian, Latvian and Estonian film distribution markets. The other expert currently is a Sony Pictures Entertainment Manager in Lithuania.

Interviews were carried out in November-December of 2023. The length of the semi-structured interviews ranged from 24 minutes to 51 minutes. 4 interviews were conducted and recorded using MS Teams platform and one interview was conducted and recorded live. The analysis of information gathered from semi-structured interviews with the experts was performed using content analysis method (Bryman, 2004), which was applied in order to code, categorize, evaluate and calculate the frequency of the answers from the film industries experts.

Results

The first film distribution company in Lithuania was founded in 1991, which was called Cinemark. This company established relations with representatives of the Hollywood film industry. Although initially the company's goal was to produce Lithuanian films, but after an agreement with Warner Bros., the distribution of Hollywood films in Lithuania was started and it lasted till 2005. Hollywood film production in Estonia and Latvia started to be distributed couple years later than in Lithuania. In 1993 Motion Picture

Distribution in Estonia (MPDE) was established, which concentrated on distribution of Hollywood films and quickly it took the leading position in Estonian film distribution market (Eesti film, 2000: 8-9). In 1992 the joint company *Baltic Cinema* was established together with FinnKino in Latvia, which engaged not only in distribution of Hollywood films, but also distributed European films (Rietuma, 2021: 133).

During 2001-2004 FinnKino¹ started to operate in Lithuanian, Latvian and Estonian film distribution markets. Before the entrance of FinnKino into the Baltic film distribution markets there were such companies as Cinemark, Bombos filmai, Garsų pasaulio įrašai, Lietuvos kinas and Acme Film that operated in Lithuania.

Till 2006 in Latvian film distribution market Baltic Cinema and Acme (which started to operate in Latvia from 2004) had the biggest market shares. From 2002 till 2006 part of Motion Picture Distribution in Estonia (MPDE) shares belonged to FinnKino and from 2006 it took 100% of shares and MPDE changed the name to Forum Cinemas.

It is important to highlight that Baltic Cinema and MPDE, which were operating in Latvia and Estonia were bought by FinnKino and later integrated into Forum Cinemas. In Lithuania, FinnKino did not buy any previously existing company, but established a new one. According to Figure 1, Forum Cinemas took dominant position from 2006² when its film distribution market share reached more than 50 percent. In Estonia this percentage was around 90 percent from 2006 till 2009 when Acme started to operate in Estonian film distribution market.

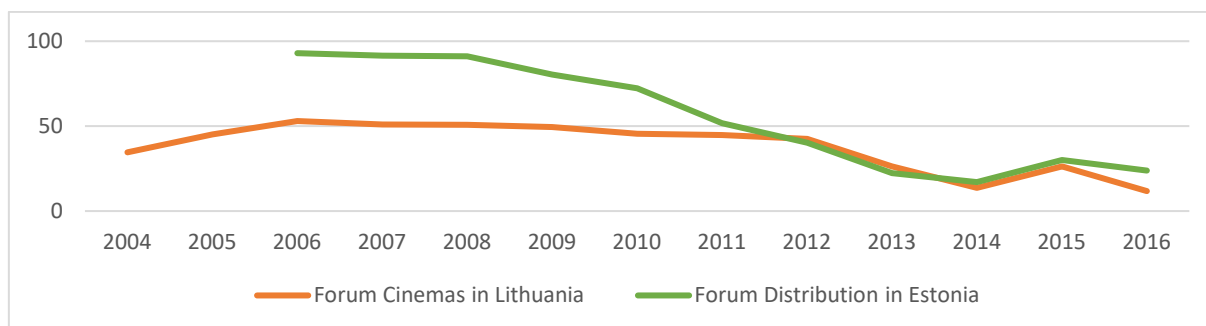


Figure 1. Forum Cinemas film distribution market share in Lithuania and Estonia during 2004-2016 (by admissions) (Lithuanian Film Centre, 2024; Estonian Film Institute, 2013-2016)

In Lithuania Forum Cinemas had two competitors – Acme Film³ and Garsų pasaulio įrašai. During 2012 – 2013 Hea Film was established. This company exists in Lithuania under the name – Theatrical Film Distribution (TFD), in Latvia – as Latvian Theatrical Distribution (LTD) and in Estonia at first it was Hea Film, later – Estonian Theatrical Distribution (ETD).

¹ FinnKino in Lithuania, Latvia and Estonia were managing Forum Cinemas. In Estonia started to operate in 2002, in Lithuania – from 2003, in Latvia – from 2004.

² In 2005 MPDE took 88,70 percent market share.

³ Acme Film was established in 1999 and improved their film distribution market share in Lithuania.

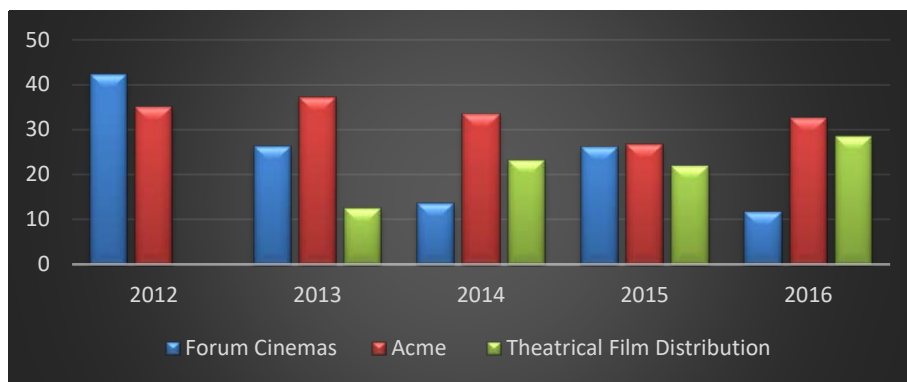


Figure 2. Film distribution market share in Lithuania during 2012-2016 (by admissions)
(Lithuanian Film Centre, 2015-2016, 2024)

In 2013 Hea Film took over representation of 2 Hollywood film production studios - 20th Century Fox and Disney from Forum Cinemas in Lithuania. During that period three companies – Forum Cinemas (Forum Distribution in Estonia), Acme Film and Hea Film (TFD in Lithuania, LTD – in Latvia) were the biggest in regard to film distribution market share in the Baltic film industries. These companies represented 2 Hollywood film studios each. As it is possible to notice from Figure 1, Figure 2 and Figure 3, Forum Cinemas started to lose its dominant position to Acme Film in Lithuanian and Estonian film distribution markets (comparing market shares of admissions) around 2011-2014 period.

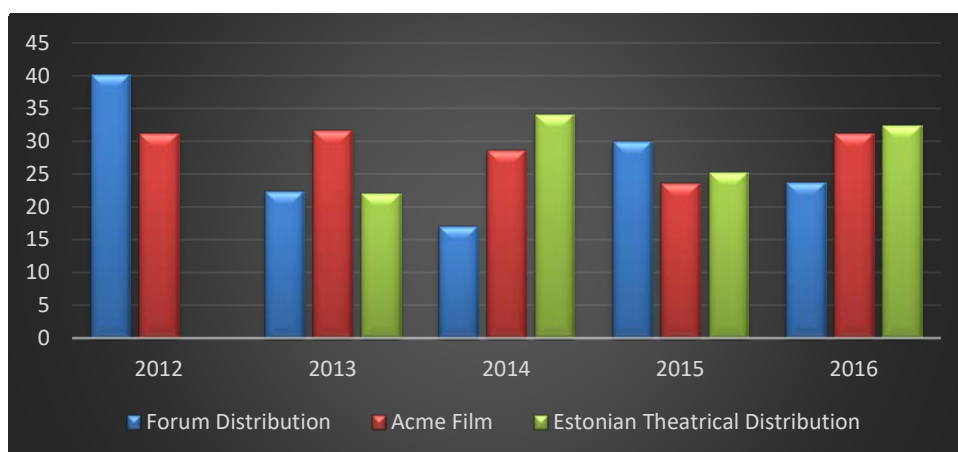


Figure 3. Film distribution market share in Estonia during 2012-2016 (by admissions)
(Estonian Film Institute, 2012-2016)

Hea Film (Estonian Theatrical Distribution) was the biggest competitor to Acme Film in Estonian film distribution market and still is since in Lithuania Acme Film had the highest market share in 2023 and in Estonia it had the second highest market share of 34,14 percent (Table 1).

Table 1. Acme Film market shares in Lithuanian and Estonian film distribution markets in 2023

Acme Film market share in Lithuania	Acme Film market share in Estonia
32.73 %	34.14 %

Source: developed by the author using statistics from Lithuanian Film Centre (2024) and Estonian Film Institute (2024)

Local film distribution companies that started to operate in Lithuanian, Latvian and Estonian film distribution markets from 1991 were mainly engaged in the distribution of Hollywood film production. The shaping and co-creating of these markets was complicated due to the low financing for national film production. Also, there were years when 0 national feature films were produced either in Lithuania, Latvia or Estonia during the period of 1994 till 2000 (Dabrovolskas, 2022: 40). It meant that there were almost no national films to distribute.

Moreover, institutions responsible for the formation and implementation of film policy in Lithuania, Latvia and Estonia were established during different periods of time. National Film Centre of Latvia was the first one being established in 1991, Estonian Film Institute was established in 1997, and Lithuanian Film Centre started to function only in 2012.

After the film centres were established and with the rising financing for national film production after 2000, slowly national films in the Baltic film industries started to be distributed by Forum Cinemas, Acme Film, Hea Film and other companies. For instance, in 2005 in Latvia only 5 national films were distributed in cinema theatres while 101 were from US and 36 from Europe (Rietuma, 2021: 137). The market shares of national films did not reach more than 8 percent in Latvia and Estonia during 2010-2014 and reached 20 or more percent in 2018-2019 (Facts and Figures, 2015, 2022). These factors directly influenced film distribution markets and their development in the Baltic film industries.

The importance of film distribution in the Baltic film industries

All three institutions - Lithuanian Film Centre, National Film Centre of Latvia, Estonian Film Institute that are responsible for the formation and implementation of film policy in the Baltic States introduced new strategies and regulations to support distribution of national films in the local and international markets before celebrating the 100th anniversary in 2018. National Film Centre of Latvia started to prepare the film visual identity, popularization and accessibility strategy called “Latvian films for Latvian Centenary” in 2014 (Rietuma, 2021: 95). Lithuanian Film Centre introduced this type of support later and first films received it in 2017 (Lithuanian Film Centre, 2017). The implementation of these strategies could be associated with mission-oriented approach since they were not about fixing market failures, but more about actively co-creating and co-shaping them via direction, which was to celebrate 100-year anniversaries.

Table 2. Comparison of annual state support for film industry and film distribution in Lithuania, Latvia and Estonia (2021, 2023)

	Lithuanian Film Centre	National Film Centre of Latvia	Estonian Film Institute
Annual state support for film industry	8 296 000 EUR	8 357 419 EUR (2021 data)	16 841 886 EUR
Support for film distribution	129 000, 8 EUR (1.55%)	76356 EUR (2021 data) (0.91%)	39 700 EUR (0.24%)

Source: developed by the author using statistics from Lithuanian Film Centre (2023), National Film Centre of Latvia (2021) and Estonian Film Institute (2023)

As it is possible to notice from Table 2, the support for national film distribution is relatively low in all Baltic States compared to the support for national film production. Therefore, the information collected from interviews with experts shows national film production heavily relies on distribution companies and selected marketing strategies. According to the experts of Acme Film, there were plenty of unsuccessful experiences when film producers try to distribute national films themselves. The latter situation happens, because film producers try to save finances at the expense of creativity. To put it more into detail, lack of financial support for film distribution creates an illusion that you as a producer can do marketing better

with very low budget than the company, which specializes in film distribution. According to Mazzucato (2021: 166), much of today's economic discussion tends to focus on public debts and deficits while forgetting the question what needs to be done and then moving on to how to pay for it. If structured through dynamic institutions that encourage creativity and innovation – public investment can foster long-run growth (Mazzucato, 2021: 166).

Table 3. The importance of film distribution financing in the Baltic film industries according to the experts (table created by the author)

Categories	Evaluation	Frequency
Importance of film distribution	National film distribution and the role of distribution company	2
	Film distribution strategy and marketing	2
	Film distribution companies have better access and conditions negotiating film releases in cinema theatres	1
Growth of financial support for national film distribution	Depends on whole budget for national film centre	3
	Growth is not needed	2
	Separate distribution budget for the 100th year anniversary	1
	Growth is possible	1
	Support is also needed for international distribution	1
Baltic co-productions and its distribution	Problems with unknown actors from Lithuania, Latvia and Estonia and different languages	2
	VOD	1
	Film centres promote Baltic films during Baltic film events	1

As also indicated in Table 3, the financial support for national film distribution and its growth depends on the whole budget of film centres in Lithuania, Latvia and Estonia. As this type of support was introduced not so many years ago, improvement is needed and it brings the question of Baltic co-productions, which also is not receiving enough financial support for production and distribution. Later it affects the quality of films and such distribution companies as Acme Film usually try to avoid the uncertainty and financial risk that current Baltic co-productions are bringing. Moreover, there are more problematic areas related with Baltic co-productions such as unfamiliar actors that are only known in the main co-production country (so-called majority co-production). This additional problem is not helping to attract spectators to the cinema theatres to see Baltic co-productions and only in some cases their distribution is partially successful in video-on-demand (VOD) platforms.

In order to attract audience to cinema theatres there is a need to think about the value, which is being created when financial support is allocated for the national film production. Since the results of new value creation cannot be seen instantly, mission economy-oriented approach emphasizes the collective process through which the new value is created. Mazzucato (2021: 168) offers to define the collective creation of value and the notion of public purpose which can drive the direction of that value creation.

Table 4. New value of national film production and Baltic co-productions according to the experts (table created by the author)

Categories	Evaluation	Frequency
New value for national film production	Baltic co-productions that could be shown in televisions or cinema theatres or VOD (minority and majority)	5
	Film quality and orientation towards audience	4
	More focus on genre films and creating recognizable standard	3
	More films are needed for children and family, historical genre	2
	Half of the movies produced in Estonia are co-productions	1
	Film distribution companies should invest more into national film distribution	1

According to the results indicated in Table 4, the new value of Lithuanian, Latvian and Estonian national film production lies in the quality of national and co-production films and recognizable standard which is not achieved yet. One of the examples of recognizable standard and orientation towards the genre films, which the audience find attractive is the case of the Nordic films. The Nordic Model is associated with a Media Welfare State (Syvertsen et al., 2014). In terms of film policy, Nordic films need to be ‘useful’, because it is a “means of engaging citizens with norms and values that are integral to the project of building what, at a given moment in time, counts as a good society” (Hjort & Lindqvist, 2016: 15-18). Also, strong territorial embeddedness of cinema policies in the Nordic countries, which, combined with the involvement of independent entities, contributes to a more efficient integration of film distribution and exhibition (Miranda & Santos, 2024: 176; Harris, 2018).

Table 5. Decision making (participation) related with film distribution in the Baltic film industries according to the experts (table created by the author)

Categories	Evaluation	Frequency
Decision making	Experts from film distribution companies should not be involved in decision making (because of conflict of interest, not possible to pay for application evaluation and faster using internal resources)	3
	Regulating documents will be updated and potentially experts from film distribution companies could participate in expert commissions that decide about support for national film distribution or at least would give recommendations about criteria for applications to receive financial support	3
	Experts from film distribution companies can participate in larger scale film policy decision making or provide comments and suggestions to improve certain processes	2
	Experts from smaller film distribution companies sometimes are involved and that depends on the project	1
	Lack of transparency in regard to financial support allocation for film distribution	1

If we analyse how involvement of the experts of film distribution companies and their participation affects film policy in the Baltic film industries, it is noticeable a certain contradiction between allowing experts from film distribution companies to participate in deciding about financial support for national film distribution and not allowing to participate, because of conflict of interest and other reasons. In the case of Nordic Media and film policy, there is a tendency to choose policy solutions that are consensual and based on consultation with both public and private stakeholders (Ibrus & Rohn, 2019: 44). Consequently, one of the compromises that could be offered for the decision makers in the Baltic film industries is to allow experts from film distribution companies to provide their recommendations about criteria applied when deciding which applications should receive financial support.

Table 6. Partnerships between public and private sectors in regard to national film distribution according to the experts (table created by the author)

Categories	Evaluation	Frequency
Partnerships between public and private sector	Film distribution companies are already involved in distributing big national film production, but not involved in distributing smaller arthouse film productions	2
	Partnership with Public TV on a film project basis	1
	Support for smaller distribution companies who distribute European art-house films	1
	Film producers, distributors and exhibitors are in close contact when it comes to opinions about film industry processes and its regulation	1
	Partnerships between Baltic film industries in film production	1
	Partnership between film distribution companies and film education institutions are not explored yet	1

Participation and co-creation in the film industries are also affecting possible partnerships and collective value creation. If the stakeholders are not involved enough in participation, less partnerships are developed and finally the shaping and co-creating the markets are mostly focused not on exploring new opportunities and ways to create new value, but more on the daily administrative processes (Table 7). Capability to take risks together and experiment, to welcome learning under conditions of uncertainty and to use finance to serve long-term objectives are necessary for organizational change (Mazzucato, 2021: 166).

Table 7. Shaping and co-creating film distribution markets in the Baltic film industries according to the experts (table created by the author)

Categories	Evaluation	Frequency
Shaping and co-creating the distribution market	Allocation of financial support for national film distribution	4
	Small scale communication campaigns to remind audience about Latvian films/small promotion activities in Estonia	2
	Informing media about upcoming film releases and helping film producers to write press releases for the media	1
	Financial support for school children programme and social programme for institutions in order to foster the accessibility of films in the regions (funded by Ministry of Education, Ministry of Culture and Culture Capital Foundation)	1
	Supporting cinemas that are in the network of European cinemas	1
	Support for film distribution and subtitles, description translation for the audience that have disabilities to have better accessibility of national films in cinema theatres	1
	Statistics and age census provided by film centres	1

Shaping and co-creating the markets are about aligning instruments that are available to government to steer the economy in the direction that produces the value (Mazzucato, 2021: 165). It means that the focus is not on fixing market failures, but on policy with direction. At the moment film centres in Lithuania, Latvia and Estonia are shaping and co-creating film distribution markets mostly with allocation of financial support for national film distribution. There are also other activities, but mostly they are limited and does not reach bigger impact on the industry level.

Table 8. Innovations in national film distribution markets in the Baltic film industries according to the experts (table created by the author)

Categories	Evaluation	Frequency
Innovations	Innovations needed in film distribution and marketing (target audience) of national films in regard to producers' engagement or hiring film distribution companies and also synergy during production process	5
	Certain amount of financial support for film education programmes in schools needed (building an audience for national films)	2
	Improvement of film distribution support schemes needed	2
	More cinema theatres and halls are needed	1
	Support is needed for VOD release of national films	1

Following mission economy approach, there could be a new value for national films if they would be more genre based, oriented towards the audience with emphasis on innovative marketing and recognizable standard. The same applies for Baltic co-productions if they want to be distributed by Acme Film or another commercial distributor. Only one example was mentioned by experts from Acme Film –

“Christmas in the Jungle” (Latvian, Estonian and Indonesian co-production, 2020), which is a family movie that had partial success in cinema theatres.

If searching for innovations, there still could be more partnerships between film distribution companies and film education institutions, which could foster new player entrance, specifically, younger generation into the industry with better knowledge on how to operate. Experts from film centres also agreed that certain amount of financial support is also needed for film education, which would help to build an audience for national films. Innovations are also needed in film marketing, especially in the case of Baltic co-productions who still did not reach its audience potential.

Table 9. The Baltic Film and TV Fund according to the experts (table created by the author)

Categories	Evaluation	Frequency
The Baltic Film and TV Fund	Baltic Film and Media Fund is needed, which would include public TV and National Film Centres	4
	Film distribution fund is not needed	1
	Support concrete projects through the Fund	1
	Additional support scheme for film distribution in the longer run	1
	Depends on the concept of the Fund, but questionable	1

The last table (9) indicates the expert opinions about Baltic Film and TV Fund, which would include not only national film centres, but also public television. The need of the fund was already expressed in 2018 when Ministries of Culture of the Republics of Lithuania, Latvia and Estonia signed Programme of Cultural Cooperation for the years of 2019–2022. In the article number 7 it was indicated that “The Parties shall foster co-operation in the field of cinema and audiovisual production and facilitate joint promotion of the Baltic film and audiovisual production within the Baltic States and abroad. For this purpose, the Parties shall consider the possibility of establishing a co-production fund for films and TV-productions between Estonia, Latvia and Lithuania“(2018).

At the moment there are ongoing discussions about the necessity of the fund. While experts from film distribution company Acme Film agrees that the fund could be helpful to promote Baltic co-productions, but it also depends on the concept and financial inputs. Current experts from the film centres in Lithuania, Latvia and Estonia expressed different priorities about establishment of the fund.

To sum up, Lithuanian Film Centre, National Film Centre of Latvia and Estonian Film Institute started to allocate financial support for national film distribution and co-production before the celebration of 100th anniversary of the Baltic States in 2018. In Latvian case, the strategy called “Latvian films for Latvian Centenary” was prepared in 2014 and this represents one of the mission-oriented directions that was applied. Looking more detailed into the film policies in Lithuanian, Latvian and Estonian film industries, there is a need to not only allocate more financial support for the distribution of national film production and co-production between the Baltic States, but also to develop regulations that would foster integration of private and public stakeholders. Currently, there is not enough of participation and partnerships between the film centres and other industry players such as distribution and exhibition companies, film schools. The film distribution markets are also co-shaped and co-created mostly through the daily administrative processes without emphasizing the creation of new value and innovations.

Conclusions

The formation of film distribution markets in Lithuania, Latvia and Estonia during the 1990s and further on was affected by local film distribution companies that quickly established relations with the Hollywood film studios. Since the national film production in Lithuanian, Latvian and Estonian film industries were not supported enough, there was a vacuum, which was filled with Hollywood films. During later years and especially after 2000 when film centres in Latvia, Estonia and Lithuania could allocate more financial

support, slowly national films started to be distributed by Forum Cinemas, Acme Film, Hea Film and other local film distribution companies.

The development of film distribution markets in the Baltic film industries showed that there is potential of national film production and Baltic co-production in the longer run if the production quality would be better and more oriented towards the audience. Currently, the biggest film distribution companies such as Acme Film or Hea Film are hired by local producers and then apply for the distribution support. The amounts provided for national film distribution are different in all Baltic States, but the biggest need for the growth of support is needed in Lithuania.

As research results showed, there are other initiatives that could be applied in order to foster partnerships between private and public sectors. Especially, it is needed between film education and film distribution since the know-how and wider knowledge of film industry processes would help future film producers and directors understand the role and influence of film distribution companies in regard to marketing, negotiations of film releases in cinema theatres and VOD platforms and national cinema.

Analysing the role of institutions that are responsible for the film policy and also allocation of financial support for national film production and distribution, it is noticeable that the most cooperation and partnerships are between film industry players such as producers, film distributors and exhibitors, but there is a lack of partnerships between film centres and distribution companies.

One of the most important recommendations is to put more focus on film education and to create conditions allowing business participation to exchange experience with younger filmmakers and producers. Therefore, more support is needed for film education scheme, and it is connected with another recommendation about the Baltic Film and TV Fund, which would deal mostly with the Baltic co-productions.

The results from expert interviews showed, there is a need for a quality standard in terms of storytelling and production values (technical quality of sound and video, special effects, costumes, set design, editing), which would be associated with the Baltic cinema. Yet, at the same time innovations needed for the film marketing and especially for the Baltic co-productions, because the audience cannot recognize actors from different Baltic States and differences of languages also affect audience choice in selecting Baltic co-productions.

Currently, only few examples such as “Christmas in the Jungle” (2020) partially brought the audience’s attention in regard to Baltic co-productions and that only proves that there is a need to involve more players such as public TV into the financing schemes, models and experts from film distribution companies into decision making and participation while considering the new Baltic Film and TV Fund and new value for the national and co-production films.

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