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THE MODELS OF CULTURAL INDUSTRIES POLICY: CASES OF DANISH AND LITHUANIAN FILM INDUSTRIES

Since the end of the 20th century, cultural industries have increasingly attracted attention in the areas of economy and politics. They are becoming the most important part of the country's culture as they generate symbolic and economic capital. In Europe and other countries of the world, cultural industries have appeared as a private business that have not needed the support from the state; however, further development of these industries and their successful competition with international corporations of cultural industries require a purposeful policy of the state. One of the major economic powers of cultural industries in most of the countries is the film industry. At the moment, the Lithuanian film industry has been causing a lot of discussions. The Lithuanian policy of cinema is going through the phase of changes. On May 1, 2012, the new Law on Cinema changing the policy of Lithuanian cinema was adopted. The new policy model of the Lithuanian cinema should be similar to the one applied in the United Kingdom and Scandinavian countries, namely the model based on the principle of arm's length. The article defines a possible framework for the policy models of cultural industries, compares the policy of the Lithuanian cinema being shaped as the analogous model of Danish cinema policy adopted in 1997.

Keywords: Model of Danish film policy, cultural industries, policy models of cultural industries, model of Lithuanian film policy.

МОДЕЛІ ГАЛУЗЕЙ КУЛЬТУРИ: ДАТСЬКА ТА ЛИТОВСЬКА КІНОІНДУСТРІЇ

Віткаускайте І.

З кінця минулого століття культурна індустрія все частіше привертає увагу економістів і політиків. Вона стає важливою частиною культури країни, створюючи певний капітал. У Європі та інших країнах світу індустрія культури розвивалася в основному як приватний бізнес, який не потребує підтримки з боку держави. Однак розвиток цієї галузі і успішна конкуренція з міжнародними корпораціями культурних індустрій вимагає цілеспрямованої політики держави. Однією з основних економічних сил галузей культури в більшості країн є кіноіндустрія. В даний час діяльність литовської кіноіндустрії викликає багато дискусій. З прийняттям нового закону (01.05.2012 р) про зміну політики кіно литовське кіномистецтво переживає фазу змін. Нова політика литовського кіно повинна бути схожа на англійську і скандинавську, а саме засновану на принципі «відстані витягнутої руки». У статті визначена можлива структура моделей галузей культури на основі порівняння кіноіндустрії Литви та Данії.

Ключові слова: модель данської політики кіно, індустрії культури, політики моделей культурних індустрій, модель політики кіно Литви.

МОДЕЛИ ОТРАСЛЕЙ КУЛЬТУРЫ: ДАТСКАЯ И ЛИТОВСКАЯ КИНОИНДУСТРИИ

Виткаускайте И.

С конца прошлого века культурная индустрия все чаще привлекает внимание экономистов и политиков. Она становится важной частью культуры страны, создавая определенный капитал. В Европе и других странах мира индустрия культуры развивалась в основном как частный бизнес, который не требует поддержки со стороны государства. Однако развитие этой отрасли и успешная конкуренция с международными корпорациями культурных индустрий требует целенаправленной политики государства. Одной из основных экономических сил отраслей культуры в большинстве стран является киноиндустрия. В настоящее время деятельность литовской киноиндустрии вызывает много дискуссий. С принятием нового закона (01.05.2012 г.) об изменении политики кино литовское киноискусство переживает фазу изменений. Новая политика литовского кино должна быть похожа на английскую и скандинавскую, а именно основанную на принципе «расстояния вытянутой руки». В статье определена возможная структура моделей отраслей культуры на основе сравнения киноиндустрии Литвы и Дании.

Ключевые слова: модель датской политики кино, индустрии культуры, политики моделей культурных индустрий, модель политики кино Литвы.

Introduction. Countries can formulate their policy of cultural industries (CI) in different ways depending on their purposes to select certain means to implement the policy and establish institutions to perform them. Based on these characteristics, it is possible to distinguish models which define the position of the state with regard to the CI, and it helps to understand the decisions of the state in terms of the CI management.

One of the major economic powers of cultural industries in most of the countries is the film industry. Not only does the film industry generate many job positions and a great part of the GNP, it also has other positive economic “side effects” like encouraging the interest in the country, its awareness and attracting qualified workers of the creative industry (Oxford Economics, 2012).

Currently, a lot of discussions in Lithuania are generated because of the current policy of the film industry since the Lithuanian film policy experiences the transition phase: from the long-lasting state-funded (paternalistic) model to the arm’s length model.

On May 1, 2012, the new Law on Cinema has been adopted which regulates the activities of the Lithuanian Film Centre (LFC) as the institution that implements the Lithuanian film policy. The establishment of this institution generated a lot of discussions. The Independent Producers Association of Lithuania argued that film creators have not been approached for discussions when creating the LFC and that its structure has been created by the head of the LFC. Therefore, it is feared that LFC might become a bureaucratic structure. Filmmakers union had some doubts about the version of the LFC statute as it implied the LFC’s intention to intervene with the creative process itself and to control it (Domeikaitė 2012). Therefore, when creating the new model in the Lithuanian film policy, it is worth comparing it with the same model operating in another country. Denmark can be taken as an example of such country as it is similar to Lithuania in terms of its area

and the arm's length model in the film policy which has been applied since 1997 when Danish Film Institute was created.

The aim of the paper is to reveal the model of the policy of cultural industries in Lithuanian and Danish cinema policies.

To achieve the aim, the following objectives have been set:

- 1) To describe the policy models of cultural industry.
- 2) To reveal the advantages/disadvantages of a policy model of a particular cultural policy area (film) in Lithuania as compared to the policy model of the Danish film industry.

Methodology: systematic analysis of scientific literature, document analysis, interview.

1. Application of cultural policy models in cultural industries

The CI policy is used via the means of implementation of the cultural policy, i.e. financial, legal and social-psychological ones. The measures used depend on the model of the cultural policy. According to Vilkončius, there are as many cultural policy models as there are countries (Vilkončius 2007). However, the most typical models of cultural policy can be distinguished on the basis of certain features such as aims, the type of funding, the extent of control, etc. For example, A. Rimkutė distinguishes the model of cultural policy on the basis of state control in the cultural sector:

- Liberal model: culture depends on the market;
- Patronal model: the state is the patron of culture. It funds culture but does not control its cultural functioning;
- Paternalistic model: the state actively controls the cultural sector (Rimkutė 2009).

However, the traditional art policy cannot be suitable to control the CI (Pratt 2005); therefore, each section of the cultural policy can have its own policy model. For example, the policy of heritage is pursued in accordance with the state model in almost all countries, and the policy of promotion of culture is pursued in terms of the liberal one. Further in the article possible CI models will be defined based on the classification of the models of cultural policy as the paternalistic, the patronal and the liberal.

Paternalistic model of the cultural industries policy. The main principle of the paternalistic CI policy model is active participation of the state in the CI, which is expressed most evidently through direct funding. The state is directly funding the CI most of the time. The funding is awarded through the Ministry of Culture or a relevant department (Hillman–Chartrand 1989). Institutional and programmatic funding. CI do not depend on the market factors. However, in most countries, CI has been independently developing the area of cultural business with the state not taking active interest in it. Paternalistic model could be popular only in those cultures which are highly concerned with their national culture.

Patronal model of the cultural industries policy. The Patronal CI model is characterised by the fact that the state raises certain goals of the cultural policy, funds the implementation thereof but does not interfere with the implementation process. The main feature of this model is the funding of culture based on the arm's length principle. Funding is distributed through independent organisations, the councils of culture or art (Hillman–Chartrand 1989). The independent organisation that distributes the support (the council of culture or art) is formed by the parliament or the Ministry of Culture, yet the political institutions do not manage it directly, allowing to make autonomous decisions throughout the entire cadence (Rimkutė 2009:28). Such organisations make

decisions on the basis of the assessment provided by professional artists and cultural experts (Hillman–Chartrand 1989).

Liberal model of the cultural industries policy. The Liberal CI model is characterised by the fact that the state does not interfere with the CI activities. Mostly, it encourages indirect funding by adopting the laws which encourage businessmen to invest into the CI. They can involve tax incentives for sponsors of culture, concessions and other laws (Vilkončius 2007). Therefore, CI develop on the basis of the market conditions, and the forms of CI products and the variety thereof depends on the attitude of private supporters and the needs of consumers. This policy model is characteristic of the states which have a great amount of globally significant heritage.

2. Policy models of Lithuanian and Danish film industries

Policy model of the Danish film industry. The Ministry of Culture of Denmark in its official website declares the arm's length principle as the main principle of the entire cultural policy of Denmark "in order to ensure freedom of expression in art and culture, grants to artists are given with no political strings attached and, of course, criticism of "the establishment" is permissible. Therefore, independence and the arms-length principle are fundamentals of Danish cultural policy" (Ministry of Culture Denmark 2013). The website also explains the essence of the arm's length principle: "the arms-length principle implies that neither politicians nor the Ministry of Culture are involved in concrete subsidy allocation or act as arbiters of taste. The ministry's role is first and foremost to act as architect of the framework for an overarching cultural policy and, in collaboration with the Parliament, to set the objectives and to create the structures that form the basis for cultural policy in Denmark. Thus, neither politicians nor civil servants but independent peer groups grant money to the arts" (Ministry of Culture Denmark 2013).

By implementing these statements in Denmark, the Danish Agency of Culture has been established which coordinates the activities of various councils of independent experts. Film policy is performed by a special institution, i.e. the Danish Film Institute. The main law regulating the activity of the Danish Film Institute is The Film Act. Besides this law, other important political documents include Film Agreement 2011-2014 and Film Policy Accord 2011-2014.

Danish Film Institute. The Danish Film Institute (DFI) was established in 1997; it has three operating advisory councils of relevant areas, namely The Council for Feature Films, The Council for Short Films and Documentaries and The Museum Council.

DFI tasks established in the Film Act in 1997 are as follows:

- to subsidise the development, production, distributions and showing of Danish films;
- to spread information and knowledge of Danish films abroad;
- to ensure the conservation of films and documentation material concerning films. To ensure the availability of these collections to the public;
- to promote professional experimental film art and the development of talent by holding workshops and various seminars;
- to ensure the production of informative films, including those for educational purposes.

DFI is a state institution under the Ministry of Culture. It is administered by the Executive Committee, the members of which are appointed by the Ministry of Culture. Three members represent cultural, media and managerial expertise. One member from this committee is appointed to The Council for Feature Films, The Council for Short Films and Documentaries and The Museum Council.

The Executive Committee determines its own rules of procedure. It is in charge of the overall management of the activities of the DFI and will determine and follow up on the Institute's overall goals for the promotion of Danish films. The Committee is accountable to the Minister for Culture and it appoints a Management Board. Also, The Committee submits proposals to the Ministry of Culture which later forms the statutes.

The councils of Feature Films, Short Films and Documentaries and the Museum consult the DFI board (DFI Managing Director, Manager of the Production and Development Division, etc.) regarding the activities of the departments of feature films, short films and documentaries and the department of the museum.

At the moment, Danish Film Institute has four main departments: Audience & Promotion, Production and Development, Filmhouse and Administration. Each department has certain divisions. Audience & Promotion has three divisions: Audience & Events, Distribution & Promotion, Center for Children and Youth film which has three departments (Film-X studio, Film-Y studio and the Public Service Television Fund). Production and Development has four divisions: Development of New Talents of the Danish Cinema, Full-length Artistic/Feature Films, Short Films and Documentaries and Film Workshop. With four divisions, Filmhouse is no exception; it is further divided into the Cinematheque, Film archives, Storage and Restoration, Library and the Archive of Film Stills and Posters. The Administration Department has Management Secretariat, Internal Service and Finance and IT divisions.

Film funding in Denmark. Feature films are subsidised on the basis of several funding programmes: Commissioner Scheme, Market Scheme, and Minor Co-Production Scheme. When distributing the funding on the basis of these programmes, it is obligatory to take the Film Act and Film Agreement into consideration. The document Terms for Support to Feature Films which has been enforced in 2012 establishes that the DFI can support writing of the scripts, as well as the production of films where the full amount of the financial support is paid for the production of films in four stages, and DFI has the right to control the production constantly. Similar conditions apply to funding of Danish documentaries and short fictions. Documentaries of great artistic value are funded by the Commissioner Scheme. The DFI can also provide financial support if the film is created together with foreign film studios, yet it must comply with certain requirements established in the framework. Since 1982, no less than 25% of all subsidies have been granted to the films for children and the youth. Also, financial support can be granted by the municipalities and districts.

The department of New Danish screen development is responsible for the development of new cinema talents (less experienced directors). All films that have been subsidised by this department are broadcasted on DR and TV2 channels and can receive a permission to be distributed in film theatres.

A great deal of Danish films are funded by public service broadcasters, i.e. TV2 and DR. It is noteworthy that the DFI receives a great amount of funding from tax money which is distributed by the Ministry of Culture. Moreover, certain amount can be granted for film funding by various foreign funds, programmes and Danish film funds: FilmFyn fund grants funding for the production of various films which are created and filmed in the South Fyn island; The West Danish Film Fund funds films created in the Western Denmark; Copenhagen Film Fund is also a regional fund, yet it is a trade fund not intended for art support. The support takes the form of investment, provided the production is financially successful.

Companies which do not participate in the film industry do not allocate funds for the production of films because the private company must invest into films without any tax incentives; therefore, it is considered to be a simple investment which may not be recoverable. Denmark does not perform indirect support for the cinema: there are no tax incentives for making films, etc.

Distribution and exhibition of films in Denmark. In Denmark, film showing is managed by several institutions, namely the subdivision of the DFI's Filmhouse, the cinema Cinematheque, other Danish cinemas and the national television of Denmark.

The accessibility and distribution of films is controlled by the Minister of Culture by establishing certain rules. Currently, in order to sell films for children under 15, they must be confirmed by the Media Council assigned by the Ministry of Culture. It decides for which age group it is appropriate to show a certain film.

The DFI subsidises the screening and dissemination of the Danish cinema. Also, municipalities and districts can grant the support and loans for the distribution of films. Moreover, on the basis of the Film Agreement 2011-2014, cinemas can receive a one-time support. Funding is granted for participation in various international film festivals as well.

There is a library in the DFI Filmhouse with various research sources and literature about Danish cinema and television. Also there is the DFI archive with the collection of film stills and posters. This collection is one of the largest collections in the whole world. The archive has a great collection of films from 1941, when the first museum of the Danish cinema was established. It receives films pursuant to the Film Act: no later than in two years (after the film was shown) filmmakers must submit a copy to the DFI. The negatives that have not been submitted to the DFI cannot be destroyed.

The Center for Children and Youth film is another important department of the DFI which is responsible for the education of youth in the area of films. This centre helps children and teenagers to understand how the films are created and try it themselves. It organises various film festivals for children, seminars, conferences for media instructors and teachers. The Center for Children and Youth film consists of two parts: FILM-X studio (allows children to create and act in short films which are later recorded in the electronic medium and handed back to children) and FILM-X mobile film studio (allows children to be filmed in the actual car with background projection).

The Film School plays a very important part in the education of the Danish cinema. This country has one state school, i.e. The National Film School of Denmark. The school was established in 1996 and it is funded by the Ministry of Culture. The school educates film directors, animators, cinematographers, editors, producers, screenwriters, sound and TV specialists.

The model of the Lithuanian film industry policy. The main law regulating the activity of the film industry in Lithuania is the Law on Cinema of the Republic of Lithuania. Other important legislation: The Statute of Lithuanian Film Centre under the Ministry of Culture, the Statute of the Film Council, labour regulations of the Film Council, Funding Rules for Film Projects, Law on Copyright and Related Rights of the Republic of Lithuania and Law on Taxes of Profit.

The most important political institution governing the film policy is the Lithuanian Film Centre established in 2012 which is regulated by the Law on Cinema of the Republic of Lithuania. The activities of this institution are coordinated and controlled by the Ministry of Culture of the Republic of Lithuania. Also, Film Register managed by LFC.

Lithuanian Film Centre. The Lithuanian Film Centre is managed by a director. It is directly subordinate and accountable to the Minister of Culture. The LFC has two departments: Department of Film Production and Department of Film Promotion, Information and Heritage. Each department has separate managers who are subordinate to the director of the LFC. Its functions are similar to those of the DFI.

The Film Council is a collegial advisory institution of the LFC. It consists of creators of art, evaluators, film-makers and one representative of the LFC. All candidates to the Film Council are suggested by associations operating in the film industry. The list of suggested candidates is confirmed by the order of the LFC director.

The main form of activity of the council is a meeting, during which film projects that want to get the state funding are evaluated. Also, the results of project implementation are evaluated, and suggestions are submitted to the LFC director.

The Film Council, the head of the LFC and certain experts from the LFC participate in the meetings. If needed, they invite external experts; in the LFC itself, there are certain experts who work with foreign funds, etc. During the meetings, the Council adopts decisions about the funding of film projects based on the evaluative criteria. A special table is compiled where the project is rated in accordance with certain criteria such as the producing part, the funding part, the creative part, etc. There is also a verbal evaluation designated to evaluate the artistic part of the film.

The decision of the Film Council adopted during the meetings can be protested by the LFC if the latter has a different opinion. However, the LFC should consider and react to various proposals, yet if it has evaluated the project differently, the head of the LFC can disregard the decision made by the Film Council as it is the final authority which confirms everything and issues grants for film projects.

Film funding in Lithuania. The greatest amount of funding for cinema in Lithuania is distributed by the LFC. When evaluating the projects, the priority to get funding belongs to a film when its film-making is joint, when the project is funded by the EU, the European Council and other international programmes and funds or for the production of films if no less than 80 per cent of funding will be spent in Lithuania. Also, there is the maximum possible amount for funding which can be used for the production of films. The Culture Support Foundation also funds projects of various associations which contribute to the development of the film culture, education, etc. The film can also be funded from the value added tax (60 per cent of the income from the previous year), from the distribution of films and the showing thereof in the cinemas. Moreover, municipalities can also fund. Most importantly, the film must comply with at least two film criteria indicated in the Law on Cinema.

On May 21, 2013, the Seimas agreed on certain amendments of the Law on the Tax of Income: the tax on income and the taxable profit were reduced. These amendments allow the state and the foreign business to use the tax incentives if they grant gratuitous funding to the production of Lithuanian films. The amount can reduce the income tax which is calculated for the tax period, when the certificate confirming the investment has been received.

Screening and distribution of films in Lithuania. Film register (established in 2004) is managed by the LFC. In order to screen the films in the cinemas, all films must be indexed in accordance with the age limit, except the cases when the films are exhibited in cultural events, etc.

Funding from the municipal budget can be granted for the main activity of municipal cinemas and various film projects. Also, promotion, distribution of films, etc. can be funded from the state budget. However, state funding for promotional projects is granted only when film production has been funded by the state, and if the funding has not been received, it must meet at least two criteria established in the Law on Cinema.

If the production of film has been ordered by the state and 100 per cent thereof has been funded from the state budget, the right to broadcast the film on television belongs to the Lithuanian National Radio and Television.

State archives are responsible for the storage of films. Filmmakers must submit the original film material for storage if the film has been funded by state.

The LFC does not manage film education; it is performed by other organisations operating in Lithuania. The Skalvija Cinema Centre participates in the education of youth. It has established a cinema academy for 9- and 10-graders. Besides film exhibitions and education, Skalvija organises various festivals. Another institution established in Lithuania in 2005, Meno Avilys, organises various events and courses related to cinema as well as cinema camps. Also, film digitization has been started, even though it is supposed to be the work of the LFC. The programme “Kinas mano mokykloje” (En. *Cinema in My School*) takes place as an opportunity to use films as an educational means in Lithuanian general education schools. The Lithuanian Film Academy is a public enterprise established in 2010 which fosters the Lithuanian cinematic culture, seeks to preserve the heritage of the Lithuanian cinema for future generations and to evaluate film and television actors and award the national prize of Sidabrinė Gervė (En. *The Silver Crane*). Also, it attempts to strengthen the dialogues between Lithuanian film institutions and film professionals, and to support and encourage the creative work of young Lithuanian film talents, etc. Moreover, there is the Lithuanian Filmmakers Union (est. in 1931) which supports the creative work of its members, organises various cinematic events, takes care of the copyright protection, publicises the problems of the film society, etc.

The Film Promotion and Information Office of Lithuania is responsible for the promotion of films on the Internet; it runs the project “Lithuanian Film Centre”, an online portal promoting Lithuanian film art, informs about the history of the Lithuanian cinema and collects data about Lithuanian film-makers.

In 2013, the Audiovisual Arts Industry Incubator was established. The incubator provides an opportunity to create the production of films and television, as it has all state-of-art equipment.

Similarities and differences of policy models between the Danish and Lithuanian film industries. The policy of Danish and Lithuanian film industry is based on the principle of ‘the arm’s length’. The most important political institutions are the DFI and the LFC. Both of these institutions are regulated by the Law on Cinema and perform the same function: they pursue the film policy in the country and distribute the funds from the Ministry of Culture. The Ministry of Culture in the models of both countries perform very similar functions: it forms the film policy of the country and prepares laws in the area of cinema as well as other relevant legislation. However, the Ministry of Culture of Denmark states very clearly and stresses that its policy is based on the arm’s length principle. In the meantime, the Lithuanian cultural policy is currently in the transition phase. After a long-lasting stagnation, the changes have started; the model of Lithuanian cultural

policy has been changed in both the film area and that of the culture; however, it has not contributed to any noticeable results yet.

Comparing the DFI and the LFC, a great difference can be noted considering the structures of these institutions. The DFI management and administrative apparatus (the Executive Committee and the Board managing the everyday affairs) is better developed. The LFC has a director and an administrator. The DFI Executive Committee is responsible for the DFI's activities and submitting proposals for the Ministry of Culture of Denmark. According to the law, the LFC should also submit proposals to the Ministry of Culture, participate in the formation of the film policy, yet it does not have a committee or a larger council, so it is hard to imagine them implementing this function.

The DFI has more divisions and departments which are responsible for certain areas. For example, the DFI's divisions of Production and Development department are responsible for the production and development of each type of film. These departments fund production and development of films based on certain schemes and assessment of the councils. The LFC has only two departments and no further divisions.

Speaking of funding, the sources of the funds distributed by the DFI and the LFC are different: the LFC fund consists only of the state funds and the DFI receives funding from national television broadcasters.

Both in Lithuania and Denmark, there are maximum amounts set for the production, distribution, etc. of films. It can be said that both countries distribute the funding in instalments. Moreover, in Lithuania, projects can be funded from the Culture Support Foundation, whereas in Denmark there are three funds supporting films based on their regions.

Comparing Denmark and Lithuania, there is a difference between the participation of the private capital in the film industry: private funding takes place in Lithuania; sometimes business establishments unrelated to the film industry support films. However, according to a Lithuanian film director during an interview, private funding is very scarce, no exception is the state funding. He claims that the state does not realise that the culture (not only the films) is a value in general. In Denmark, monetary funds are received from the DFI and other funds; single business companies unrelated to the film industry do not support cinema production.

In Lithuania, indirect tax incentive has been introduced for the production of films, namely the income tax relief. In this aspect, Lithuania has an advantage against Denmark where indirect funding does not take place. However, the Danish film policy pays great attention to the cinematic heritage, promotion of the film culture and education. All of this is performed by the DFI divisions. The LFC does not perform it yet and does not have such divisions. In Lithuania, cinema education is performed by different associations. Such dispersion of institutions is not a positive factor. It is noticeable from the interview with the aforementioned Lithuanian film director that film education is not performed systematically. Sometimes there are problems with cinema theatres as it is difficult to understand the principle on which they operate: sometimes they want to show Lithuanian films and sometimes they do not.

The greatest and probably the most important difference between the DFI and the LFC is the evaluation of projects and decision-making on funding. On the advisory level, there are three different services operating in the DFI: the Council for Feature Films, The Council for Short Films and Documentaries and The Museum Council. The Lithuanian Film Centre has only one joint Film

Council. It is noteworthy that advisory councils play an important role in the DFI: they evaluate projects and distribute the funding, and its decisions are irrevocable. Even though the Law on Cinema of Denmark does not claim that the decisions of the councils are obligatory, it goes without saying; otherwise, the DFI would lose its meaning and the arm's length model would collapse. The same cannot be said about the decisions of the Lithuanian Film Council; as it turned out in the interview with the chairperson of the Council, the LFC can disregard the assessment of the council. Ignoring the decisive power of the council violates one of the most important principle of the arm's length policy, i.e. distributing funds based on the decision of experts. The director of the Lithuanian Film Centre is the civil servant appointed by the Minister of Culture; therefore, if his/her word is final in making the decision, it means that the Film Centre is only the branch of the Ministry rather than the institution based on the arm's length principle.

Conclusions.

1. Based on the forms of state control and support, the CI policy models can be divided into the paternalistic, the patronal and the liberal. The main feature of the Paternalistic policy model of cultural industries is active participation of the state in the CI which is characterised by the direct funding of the state. CI do not depend on market factors. The Patronal CI model is characterised by the fact that the state raises certain goals of the cultural policy, funds the implementation thereof but does not interfere with the implementation process. The main feature of this model is the funding of culture based on the arm's length principle. The Liberal CI policy model is characterised by the fact that the state does not interfere with the CI activities and encourages indirect funding of CI with the help of the tax system.

2. Comparing the Lithuanian film policy model with Denmark, which has been applying this model for quite a while, the following advantages and disadvantages of the Lithuanian film policy model can be distinguished:

2.1. As the main institution implementing the film policy, the LFC lacks the governing body necessary for such institution, namely a board or a committee. The DFI has the Executive Committee and the board; the Executive Committee is responsible not only for the management of the DFI, but also for submitting the proposals for the Ministry of Culture of Denmark. The LFC only has a director appointed by the ministry; therefore, it is unlikely that the LFC will implement the function of formulating the film policy established in the Law on Cinema of the Republic of Lithuania.

2.2. The fact that the LFC fund is made entirely of the state budget signifies the disadvantage of the LFC concept. The DFI funding receives additional funding from the broadcasters of the national television. However, the national broadcaster of Lithuania is not supported by the subscription fee and also receives funding from the budget; at the moment, the Danish solution does not suit Lithuania and changes can be expected only after the funding reform of the national broadcaster.

2.3. Participation of private sponsors in film production can be indicated as an advantage of the Lithuanian film policy. In Denmark, separate business companies unrelated to film industry do not support the production of films. In Lithuania, the application of income tax relief has been applied.

2.4. As a disadvantage of the Lithuanian film policy model, one could mention that film education, distribution and exhibition is not assigned to its competence. All of it, alongside of other

functions related to the dissemination of films and education, are performed by the DFI, ensuring the integrity of all links of the film industry.

2.5. The greatest disadvantage of the Lithuanian film policy is the procedure of decision-making on project assessment and funding. Unclear distribution of the decision power between the Film Council and the LFC violates the most important arm's length principle, namely to base the funding on the decision of experts. Moreover, film production is funded insufficiently, etc.

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