Bureaucracies and judgmental autonomy: - Film consultants in a public film institute

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English abstract

This study focuses on how the central public agency in the Danish film field, The Danish Film Institute (DFI) sought to increase its legitimacy and stave off criticism through two structural organizational design maneuvers. The first structural maneuver deals with mediating the tension between artistic and commercial considerations and demands by constructing two subsidy programs, one oriented towards commercial films, and the other towards artistic films. The second structural maneuver seeks to deal with the almost inevitable vulnerability inherent in the artistic subsidy scheme – how, and ultimately who, decides what is of artistic merit and should receive public funding, and how to make such procedures and decisions beyond reproach? Here, the DFI seeks to insulate the chosen evaluators – the film consultants – from external pressures by granting them an organizational position of sovereignty coupled with individual responsibility with regard to evaluations of artistic merit. This can also be seen as an attempt to build a firewall between the DFI and the film consultants. The article shows that neither structural maneuver provides watertight solutions to the problems and issues they seek to resolve. Based on archival research and interviews, two incidents that were portrayed in the press as «scandals» are used to analyze the dilemmas the film consultants and the DFI face in their attempts to deal with legitimacy challenges. One overriding dilemma identified for the film consultants – the «proximity-distance» dilemma revolves around the fact that most consultants are recruited from and eventually return to work in the Danish film industry, but for the period they hold the position of film consultant, they are expected to act in a neutral, disinterested, impartial and fair manner in making their (inevitably subjective) artistic judgments and subsidy decisions.

Key words: Film consultants, artistic judgment, bureaucracy, proximity-distance dilemma, film industry, film institute subsidies, cultural scandals
In a series of articles in Danish national newspapers (during 2001 and 2002), The Danish Film Institute (DFI) and its allocation policies for film subsidies, channeled through its film consultancy scheme, was seriously scrutinized. Critical voices were raised against the film consultancy scheme challenging the very core of the DFI’s self-understanding (and that preferred by the Danish state), namely whether it could rightfully be referred to as a «professional organization». Even though the film consultancy scheme is merely one component of the DFI as an organization, its importance should not be neglected. For one, Danish film has been very successful in recent years, a success that is primarily related to the achievements of films in the art-film category (Strandgaard Pedersen and Mathieu, 2009), the very target of the film consultancy scheme. Secondly, politicians directly asked for an evaluation of the subsidy system (Lundgaard Report, 2000). Thirdly, the DFI and the film consultancy scheme occupy a high-profile place in the public sphere and media. The consultants administering the film consultancy scheme suffer one great deficiency – with autonomy and personal responsibility comes a lack of formal guidelines and support structures to refer to and rely upon especially when things do not go as planned or mistakes are made. As a consequence, the film consultants’ position and the film consultancy scheme seem fragile and in demand of work in order to be legitimized. Thus, the specific focus is on how the DFI as a key player handles the potentially contradicting imperatives of supporting film projects of high artistic quality against commercially viable projects. The research pursued in this article centers around two sets of issues. First, how has the organizing for legitimacy of DFI handled the relations between art and business in an attempt to place the DFI’s judgments beyond question and reproach. Second, what are the dilemmas that film consultants face in their attempts to balance individualized positional and bureaucratic imperatives?

The article contributes to the understanding of cultural mediators in central decision-making positions in organizations, their dilemmas and the practical difficulty of maintaining the dichotomy between art and business in the Danish Film Institute. Organizational divisions, positions and public spheres are created, procedures are codified, documentation is prioritized, transparency and responsiveness to stakeholders is put in place all in the hopes of creating a high-legitimacy, «professional» organization. However, divisions are interpreted and maintained by people; positions and publics are populated by people and, procedures, documentation, efforts at transparency and responsiveness are all carried out by people. And people have sticky pasts, sticky relationships to others and to ideas and institutionalized understandings. This is part of what makes it difficult to erect and maintain both non-permeable boundaries both in organizational practice and in the estimations of external observers between what on the surface might appear to be natural distinctions. This becomes especially important and tricky when the legitimacy of organizations and individuals is linked to maintaining and practicing distinctions along the lines of art and business.

Pursuing these issues, the article briefly describes the DFI and its recent history. Next, we present some theoretical approaches to understanding the actions of the DFI and the position of film consultants. We then use two cases derived from popular press accounts to articulate some of the tensions and dilemmas that emerge in relation to the DFI’s encounter with demands and accusations of improprieties from various actors in the film field. Finally, the article concludes on to what extent and in what ways the DFI meets various legitimacy demands and how this is related to organizing art and business.
Case selection and data generation

The case of Denmark and Danish film is particularly interesting for several reasons. First, the Danish film industry has been widely acknowledged for its high artistic qualities (e.g. in terms of film awards, Dogma 95), resulting in talk about a Danish Wave (Bruhn Jensen, 2003; Hjort and MacKenzie, 2003; Stevenson, 2003) as well as commercial success (Strandgaard Pedersen and Mathieu, 2009). Second, the structure and composition of the Danish film industry (i.e. production, distribution structure, role of and regulation from the state through state subsidies) shares many elements and resembles other European countries (e.g. France, Italy, UK, Sweden), which makes it an exemplary and illustrative case in Europe.

The choice of the DFI, as the empirical point of reference rests on the aforementioned recent success for Danish film, which is roughly based on a director-centered, European (‘Auteur-esque) model focusing on making art films and relying to a certain extent on public subsidies in financing film projects (Mathieu and Strandvad, 2009). The DFI is a key player in relation to allocating these subsidies (Eskjær, 2009) and to the film production in Denmark. The importance of the DFI is, for example, reflected in the fact that in 2012, only one out of 23 films produced in Denmark was not financed by the DFI (Facts & Figures, DFI 2012).

The DFI in its present form was founded in 1997 as a result of a merger between the (former) Danish Film Institute (DFI) (founded 1972) focusing on feature films, The State Film Central (founded 1938) focusing on documentary film and public information, and The Danish Film Museum (founded 1941). Until 1997 these institutions constituted the state institutions operating on behalf of the Ministry of Culture within the Danish film field. First and foremost, the aim of merging the three formerly independent agencies was to strengthen the already existent target areas by increasing the provision of capital and resources in general and by reforming the administrative procedures of the DFI (DFI Virksomhedsregnskab [DFI Balance], 1999: 1).

The DFI has a number of functions. However, the activity that attracts the most attention is the annual allocation of subsidies for new film production, especially subsidies for feature films. In 2002, at the time of the two cases under study, the DFI dispersed a total of DKK 206,1 million (28 million Euros) in subsidies for production and development of films of which 41% went to feature films (Facts and Figures, DFI, 2002). Ten years later, in 2012, the DFI disperses a total of DKK 290,6 million (39 million Euros) in subsidies for production and development of films of which 45% goes to feature films (Facts and Figures, DFI, 2012). The DFI administers two schemes that channel these subsidies, respectively. The schemes are: The commercial scheme entitled the 60/40 Scheme and the artistic entitled the Film Consultancy Scheme. The study focuses on the Film Consultancy Scheme for two reasons. First, it places us right in the middle of the ongoing discussions regarding art and business and we will delve into the way the DFI, as a central player in the Danish Film field, organizes around this topic. Second, it is the Film Consultancy Scheme that most directly pertains to the director-oriented, art-filmmaking characteristic of many recent film successes in Denmark (Strandgaard Pedersen and Mathieu, 2009).

Data for this article consists chiefly of archival material (Ventresca and Mohr, 2002), written sources, primary and secondary material on the DFI and the Danish film industry, as well as interviews with central actors in three distinguishable spheres of the Danish film field. The first is the DFI itself, the second is the National Film School of Denmark and the third is film producers and directors. This latter group can be seen as the DFI’s fiscal «clients».
Documents from the DFI’s own website (www.dfi.dk) regarding its mission, tasks, parliamentary basis, as well as parliamentary white papers from the period around the founding of the DFI were analyzed to see how the structure of the DFI was designed and reformed over time to respond to various pressures emanating from stakeholders and the way the art-business relationship were conceived. An overview of the key documents is found in appendix 1. These arrangements, changes and the struggles that lie behind them are viewed as struggles played out around generating, reformulating and posturing with regard to conceptions of legitimacy. Much of this revolves around interpretations of «professionalism» and processes of «professionalization» with regard to the DFI mandate. A central document is a consultancy report, the so-called Lundgaard Report (2000), commissioned by the Ministry of Culture to evaluate the level of service and operation of the DFI. Our article looks in detail at two incidents reported in the media as «scandals», which followed the Lundgaard Report (2000). In analyzing these incidents, we have turned to media reports (primarily newspaper articles) as well as posing questions in interviews about these incidents. The two cases are referred to as «Jolly Roger» and «Cousin Economy» (an overview of the newspaper articles is found in appendices 1–3). Thus, these two cases constitute «embedded cases» (Yin, 1989; Stake, 2000) in the relation to the wider DFI case and are examples of collective case study and instrumental case study (Stake, 2000). In relation to strategies for case selection, suggested by Flyvbjerg (2004; 2006), our strategy has been based on information-oriented selection and the two cases represent «the extreme cases», that «often reveal more information because they activate more actors and more basic mechanisms in the situation studied» (Flyvbjerg, 2004:425).

The different data sources, mentioned above, were used to triangulate accounts and data was applied to the analysis in two ways. On the one hand, the data was used as a source of knowledge («factual accounts») that could actually confirm what and when things took place, what was officially said and written (what Searle, 1995 would call «institutional facts»). On the other hand, the data was also used as meaningful accounts of what was considered important with regard to events, perspectives, intentions, interests and conduct of oneself or one’s group or agency, and those of others. This distinction between the «factual» and the «meaningful» is obviously far from neat and clear-cut, and usually presented by our informants as baked into one another, but we would contend necessary to analytically distinguish.

The Danish Film Institute

The DFI is a central institution in the Danish film field that operates on behalf of the Ministry of Culture. The film law of 1997 dictated the establishment of a new and stronger DFI, when it was decided that three institutions (The former Danish Film Institute, The State Film Central and The Danish Film Museum) should be merged into a new institution named The Danish Film Institute (Ministry of Culture, law no. 186, 12.03.1997; Bruhn Jensen, 2003). The manifest reason for this consolidation was to «professionalize» the Danish state’s involvement with the film industry. In fact, the political preoccupation with «professionalizing» the DFI did not stop here. Thus, in 2000 and as part of a decision to substantially increase the public provision of film funding over a period of four years, a number of political parties in the Danish Parliament decided to instigate an analysis of the DFI (generally referred to as the Lundgaard Report) in order to make it clear whether the system of subsidies was properly administered, and whether the DFI as an organization was seen to be organized in an efficient and competent manner by its internal and external partners (Lundgaard Report, 2000).
Mission and structure of DFI

The mission of the DFI is to be «the national agency responsible for supporting and encouraging film and cinema culture and for conserving these in the national interest» (DFI homepage: www.dfi.dk). The operations of DFI extend from participation in the development and production of feature films, short films and documentaries, to distribution and marketing, to managing the national film archive and the Cinematek (DFI homepage: www.dfi.dk).

According to the contract upon which the DFI is founded, the DFI «has to ensure that Danish film can maintain its role as an essential cultural factor and thereby strengthen the Danish language and sense of Danish identity» (DFI Result Agreement, 2003–2006:1). Obviously, this is not a modest objective. To fulfill the objective the DFI has to be recognized as an influential player in the Danish film field. Some vicarious indications supports that this is the case. First, in 1999 a broad political agreement between seven political parties was reached, resulting in a significant increase in the provision of public film funding over a period of four years. Second, the DFI is involved in most of the films that are produced in Denmark (in 2012, 22 films out of 23 film produced). Third, the DFI received a national marketing prize on behalf of the entire film field, because of its general merits and the national as well as international attention Danish film has managed to create in recent years. The political agreement, in 1999, obviously placed the DFI in a more influential position than ever before and can be seen as a reward for meeting both cultural and business goals, as it is the DFI that channels this increase in funding. A physical manifestation of the centralization of the DFI is the location of the entire agency and its activities in a single building in central Copenhagen.

The structure of the DFI is such that its governing board is responsible for the formulation of goals and reports on the organization's goal-achievement (see figure 1). The DFI is operationally organized into four departments, each headed by a director. The four departments are: Produktion & Udvikling [Production and Development]; Publikum & Formidling [Audience and Promotion]; Museum & Cinematek [Archive and Cinematek]; and, Administration, which again comprise a number of subunits. Sitting over this four-part division, along with the board is the DFI’s CEO, who is responsible for the day-to-day management along with the directors of the four departments that the DFI comprises. Furthermore, three film councils (Feature Film Council, Short & Documentary Film Council, Cinematek and Archive Council) and the Liaison Committee counsel the DFI on its activities and, these councils are assisted by Medierådsekretariatet [Administration for the Media Councils].
In 2002, at the time of the two cases, the DFI employed approximately 150 people (including a number of students) and spend a total of DKK 364 million (49 million Euro) allocating DKK 255,9 million (34,4 million Euro) – about 70% of the total spending – on film projects and DDK 107,9 million (14,5 million Euro) on operating costs (Facts & Figures, 2002. DFI homepage: www.dfi.dk).

The two schemes: organizationally separating art from commerce

The DFI administers the subsidization of filmmaking through two channels or schemes. One is the so-called 60/40 scheme, which is seen as the «commercial» arrangement «primarily aimed at feature fiction films with a high commercial potential» (Facts & Figures, 2012, p.5). The other is the film consultancy scheme, which is seen as the «artistic» arrangement primarily aimed at feature fiction films with an artistic and experimental potential (Facts & Figures, 2012, p.5). In this way, the DFI tries to cope with the dichotomy between art and business through an organizational division of labor that is defined from the very beginning of an application process for funding, where potential beneficiaries (Danish filmmakers) specifically target their application toward one or the other scheme.

According to the 60/40 scheme film projects may be granted money if judged to have a reasonable chance of attracting a large audience. Thus, commercial potential is a fundamental component in the administration of their scheme. The 60/40 scheme is so named, as subsidies may be granted for up to 60 per cent of the budget by the DFI if the filmmakers can otherwise attract 40 per cent or more of the financing deemed required for the project. The DFI uses external experts (from the film industry) to help judge a project’s dramaturgical quality, the adequacy and reliability of its external financing and its potential to reach a large audience (Lundgaard Report, 2000:22). Already here,
then, we see that commercial and artistic concerns intersect. Yet, in the 60/40 Scheme, these concerns are handled with reference to organizational boundaries, as external experts make the judgment of the quality of project.

The other scheme, which is the focus of this article, is the film consultancy scheme, where film consultants, employed at the DFI, are obligatory points of passage from the very beginning in order for a film to be granted any kind of funding. With this scheme, the artistic quality of a project is judged and co-developed from within the DFI. The administration of the film consultancy scheme is attended to by 6 film consultants. Two consultants for feature films, two for films for children and two for documentaries, who have to make an artistic judgment upon the basis of which support may be granted.

By defining two different schemes, the 60/40 and the consultancy scheme, the DFI explicitly tries to manage by separating art from business by means of an organizational structure that aims at decoupling art and business (Orton and Weick, 1990). This move of organizational separation and decoupling is clearly an attempt at a clear-cut administrative structure characteristic of the bureaucratic ideal of efficiency and predictability as described and promoted about a century ago by Max Weber (1946 trans. [1906–1924]; Ritzer, 1975; Waters, 1989).

The position and activities of film consultants

Another move, obviously, is that of recruiting film consultants with the kind of practical experience and knowledge that make them credible and legitimate in the eyes of a great variety of actors in the film field. As the chairman of the board of the DFI expressed it in a national newspaper, the film consultants have to be hired from amongst the excellent, artistically creative agents in the field (Berlingske Tidende, 20.12.2002). As also emphasized by former CEO of the DFI, in an interview (2005), the consultants have sovereign rights in the artistic area, where their integrity is of pivotal importance if confidence, as to the artistic evaluation process, is to be maintained (Mathieu, 2006).

In other words, not only does the DFI physically separate art and business into two distinct, organizational worlds, they also endow the, in terms of legitimacy, most important group of people with a strong artistic aura and personal integrity, an integrity made possible and protected by reference to a discourse of autonomy. This attempt at solidifying legitimacy via a double move of bureaucracy and autonomy is, in a more abstract sense, a way of trying to maintain a certain sense of purity around the notion and, more to the point, practice of art. However, as the case discussions below will demonstrate the tension between art and business returns with a certain vengeance. While we shall not contend that the double move of separating and protecting is unwise, we do intend to use the case-discussions to discuss and suggest that the dynamic interplay between art and business is of a somewhat more complicated nature that even a well-conceived legitimation strategy could secure on a permanent basis.

In practice, the suggestions formulated by the film consultants are brought before the DFI management team, but it is important to emphasize that it is the film consultants who make the final artistic judgment that cannot be overruled by the management team (Lundgaard Report, 2000:21). These consultants are, however, always in dialogue with financial and technical experts that estimate the financial and technical feasibility of any given project. These consultants are not merely administrators. Rather, they seem to be positioned as (artistic) evaluators and comparers. Who they are, what background they have, how they got there, what they do in their role and why is very much a matter of general interest, especially among those in the film industry, as the cases we present
below are testimonies to. These individuals are chosen based on a long list of personal, occupational and artistic characteristics – their knowledge, taste, impartiality, credibility; and their activities are monitored in a way that these characteristics are used as measurements against their pronouncements (interview with former DFI CEO, 2005). Thus, it appears to be a crucial task to further investigate the lines of argumentation put forward in support of the decision to hire specific consultants, as it will provide an important clue as to the DFI’s specific translation of what it means to be a legitimate, «professional» institution.

The film consultants have two basic tasks: assessment and evaluation on the one hand, and comparison on the other. Assessment and evaluation is based on weighing the merits or quality of a given work or project against ideal criteria or standards (often carried out in terms of implicit or surreptitious comparison to other works or projects at the same stage). Yet, this assessment/evaluation is primarily based on the uniqueness and «inherent» qualities of the given object itself. It is akin to what Heimer (2001) calls «biographical» analysis. Expressions of this sort are made in terms of «no, low, medium, high» artistic merit, based on an (often implicit) understanding of the elements that comprise «artistic merit». The other basic task of the film consultants is to compare and rank projects, as there is a distributional aspect to their job that requires them to allot and allocate based on comparative worth in a temporal specific timeframe. Here the ideal standard(s) used in evaluation may be of only limited value, as in comparison different projects may have different merits that only emerge and cause commensuration problems when two or more real projects are laid side by side, rather than up against some ideal standards. This is what Heimer (2001) calls «case» thinking – comparing «unique» or individual objects that have some common characteristics which makes them capable of being compared or which demands their comparison (e.g. seeking financing in the same year). Evaluation is less obligating or challenging as it is between the real on the one hand and the ideal standard on the other. In comparison, two or more «real», but unique entities are compared and vie with each other in an allocative game with real consequences.

Thus it is not puzzling that the DFI, like most allocative «artistic» comparative activities, decided to use a common means of deciding such questions – experts with the right tastes, heads and hearts to accomplish the task. However, the adoption of a common or isomorphic (DiMaggio & Powell, 1983) means of artistic evaluation and comparison does not lay to rest accountability and legitimacy challenges. In fact, we purport that the adoption of a standard method often serves as what Meyer and Rowan (1977) have named a «rationalized myth», which only makes it even more important to come to a specific understanding of the process of making judgments most central to the film field, namely that of artistic merit.

Choosing the expert evaluator option as the solution to the problem of artistic evaluation or comparison raises the central issues of how these key individuals to these almost all powerful roles with great discretionary leeway are selected, what (if any) directions are offered to them in exercising their professional and artistic judgment, and to whom (and how) they are accountable for their choices?

The DFI and two cases of autonomy-organizational encounters

Two episodes have been selected as cases to illustrate and discuss some of the tensions and dilemmas of legitimacy surrounding the DFI film consultants, as cultural mediators and expert evaluators with high degrees of autonomy and responsibility, administering the Film Consultants Scheme. Both cases received vast media attention and press coverage. Confer appendix 2 and 3 for an overview.
of newspaper articles for the two cases. The cases challenge the art and business distinction, together with the organizational arrangements made by the DFI and the judgment of the film consultants in the DFI. The two cases are named respectively, «Jolly Roger» (taking place in 2001) and «Cousin Economy» (taking place in 2002).

The Jolly Roger case

The Jolly Roger episode is a very special event; since it is the first and so far the only time that the DFI consultants publicly regretted supporting a film. The film consultants first financially supported the film Jolly Roger, then went public and criticized the film they themselves had previously supported, and finally publicly stated that the film given support never should have been supported financially in the first place.

Jolly Roger is a film for children, and it premiered in October 2001 with the first reviews and then the media explosion began. The reviews of Jolly Roger are devastating, advising people not to go see «this terribly bad film» (Information, 12.10.2001). The criticism in the press goes one step further, the next day, going on to criticize the film consultants from the DFI for supporting such a terribly bad film (Information, 13.10.2001).

A week later the press again wrote about Jolly Roger, but this time the headlines were focused on the fact that two of the DFI consultants publicly say that they regret supporting Jolly Roger (19.10.2001). The explanation from the two film consultants is printed in the newspapers as well. The headline above the pronouncement by the two film consultants read: «Yes, we made a blunder» (Information, 19.10.2001). In the newspaper articles the film consultants declare that they agree with the critics that the film is terribly bad and admit that they did support the film. The two film consultants sum it up this way: «We won’t even try to defend ourselves. Jolly Roger artistically is a catastrophe. The film never should have been supported by the Danish Film Institute» (Information, 19.10.2001).

The article by the two film consultants starts a new media storm where the film director of Jolly Roger obviously is displeased (to put it mildly) with the article about the film consultants (Politiken, 20.10.2001). The top management of the DFI is discontent with the whole incident and stated to the press that the film consultants should take responsibility for what they have done rather than trying to distance themselves from their own actions and decisions (Politiken, 20.10.2001).

The board of the DFI calles a meeting, the following week, on 24 October, at which the board decides to suspend the two consultants at least until the next board meeting on 19 November. The board goes further and asked for the two consultants to be discharged at the upcoming 19 November board meeting. The reason that the DFI takes so drastic measures are according to the director of the DFI: «First and foremost that the trust has been broken between the film industry, the consultants and DFI. And none of the involved parties are able to live with that» (Jyllandsposten, 24.10.2001). The two film consultants inform the press that they think their discharge is too drastic a step to be taken by the DFI board. But the film industry and the majority of the press actually support the discharging of the two film consultants according to newspaper articles (Jyllandsposten, 25.10.2001 and Politiken, 26.10.2001). The DFI does not wait until the board meeting in November. On 28 October the two film consultants are officially discharged by the DFI. The firing of the two film consultants has to be confirmed at the November 19 board meeting, though. The discharge of one of the film consultants is, however, withdrawn after the November board meeting. Instead the
suspension of him is upheld until 1 December, when his contract with the DFI expires. In the case of the other consultant the DFI tries to work out a settlement, which ends on 15 December, where it is announced that an agreement of resignation has been accomplished. In this way both film consultants ceased to work at the DFI, but none of them were actually formally discharged in the end (Jyllandsposten 15.12.2001).

The Jolly Roger case, thus, is opened by the devastating reviews by film critics, followed by an overall critique of the low artistic level in the film and in particular that the DFI has supported the film financially. The case turns, however, first into a media storm when the DFI consultants involved in the case decided to go public and renounce their own decision. This is considered problematic by several stakeholders and for several reasons. The film industry and its representatives are angry because the film consultants backstab a film they have evaluated and found worthy of financial support, hereby discrediting the film and destroying its commercial potential. The press, the DFI and the film industry see the conduct of the film consultants as «unprofessional» and disloyal. The film industry and its representatives also consider the case, in more general terms, as a breach of trust between the DFI and the film industry and as such the incident is questioning the position and legitimacy of the DFI and its role within the Danish film industry in a wider sense.

The Case of the «Cousin Economy»

Typical for the modern public sphere, the so-called «Cousin Economy» case starts with a TV entertainment show. In the TV-show entitled «Friends for Life», the CEO of the film production company Zentropa is invited with two of his best friends to participate, both of whom are former film consultants at the DFI. The following day, one of the big national newspapers, Berlingske Tidende, runs a front-page story with two long articles inside the newspaper titled «Friends for life» and «Cousin Economy: Friendly turns controls film support» (Berlingske Tidende, 17.11.02.) and other newspapers follow in the intensive media coverage the following two weeks. For an overview of the newspaper articles see appendix 2 and 3. In the media, film subsidy allocation and the entire system of public, financial support via the DFI is seriously questioned. The basic accusation seems, on the one hand, to be that of nepotism, the elimination of which every trustworthy bureaucracy seeks to accomplish (e.g. Ritzer, 1975; Waters, 1989). On the other hand, albeit in a less obvious fashion, the articles also question the ability of the DFI to separate art from business, an issue that has been extremely important for the DFI to demonstrate via their organizational structure and two film support schemes. In fact, to the DFI this is not merely a matter of protecting the sanctity of the artistic space. Rather, such accusations touch directly upon the public responsibilities to which the DFI is held accountable. Thus, in the Lundgaard Report (2000) ordered by politicians to ensure that the DFI is properly run and organized, the explicit criteria of evaluation of the DFI are whether there is enough pluralism in the administration of film subsidies and, where pluralism is concerned whether there is a multiplicity of schemes for financial support and, if these schemes capture the different types of Danish films, and whether support could be given in different phases and to different elements in the creation of films (Lundgaard Report, 2000: 20). Having two different schemes aim at supporting two different categories of films (commercial films and artistic films) is a very direct and easily communicated way of dealing with this demand for pluralism. However, ultimately the organizational division of labor between art and business is not stronger than the specific organizing within any of these categories, notably that of art. Thus, the case reveals that the organizational simplicity backfires at the moment where the impartial artistic judgment is accused of being contaminated by nepotism and partial interests, and therefore illegitimate as seem to be the message of the articles on Cousin Economy.
The series of newspaper articles on the «Cousin economy» pose one fundamental question relevant to the ability of the DFI to base its decisions on a sound, responsible basis: the degree of autonomy and integrity of the film consultant. Besides being best friends, one of the film consultants under accusation is also primarily responsible for various decisions to support a number of Zentropa film productions and is later employed by Zentropa. In fact, the suspicious attitude is raised on two dimensions: on the one hand, the ability of the film consultant in question to separate private from public life and, on the other hand, the inevitable career-considerations an employment-contract of a short duration (as a film consultant) is bound to produce in a small film field with a few dominant players. As the CEO of the DFI also mentions when commenting upon the difficulties of finding the right people for the job as a film consultant, the job: «is not directly overpaid…» and «… the problem is that you go into this kind of job, and sit there for four years, and you have an awful lot of enemies when you come out» (the former DFI CEO interview, 2005). Even though the DFI’s CEO, in the interview, goes on explaining about the importance of the integrity of the good film consultant, the very same integrity is also put at stake with the current organizational arrangement. It is not exclusively a matter of a short temporal horizon that will not allow the consultant to loosen his or her ties with the industry. Rather, there seems to be an issue with the very occupation category chosen. In an article, in Berlingske Tidende, 20.12.2002, under the heading «Film board unchangeable about film consultancy scheme», both the chairman of the board and the DFI CEO emphasize that the candidates singled out for the position of film consultant are always chosen because of, not in spite of, their actual and practical experience from taking part in the film industry and in the art of making films. The film consultants are filmmakers and creative participants and they never stop being so. We need to bear in mind that the film consultant is a good film consultant in his or her capacity as a co-developer of projects (the former DFI CEO interview, 2005; Lundgaard Report, 2000), and not in his or her capacity as a distant evaluator and commentator. In short, the strength of the film consultant arrangement’s emphasis upon the creative participant is its Achilles-heel, because it is also capable of jeopardizing the separation of art and business that the organizational division between two systems of subsidization holds a promise of.

Perhaps it is also in this light that we need to read the emphasis generally put on the more bureaucratic aspects of organizational efficiency, outlined in the interview with the DFI CEO (2005) as well as in the Lundgaard Report (2000). Thus, a returning issue in the Lundgaard Report is that of the transparency of the activities that are related to decisions to financially support specific projects. The Lundgaard Management consultants praise the high level of written documentation in both schemes and they emphasize the systematic thoroughness that characterizes the general administration of the schemes and the recommendation brought before the management team (Lundgaard Report, 2000: 22). The praise of transparency, on one hand, signifies a reduction in the autonomy of the film consultants who are held accountable to very specific procedures, but it may, on the other hand, also mean a protection against the heavy burden of having to turn down projects proposed by important actors in the film field. While these sources (Lundgaard Report, 2000; the former DFI CEO interview, 2005) are keen to emphasize the sovereignty in matters of artistic judgment, consultants for instance have no say as to how much funding a film is granted, whether a film is technically feasible or not, and proposals from film consultants are put before the top management group at DFI. Even though there have been critical voices from representatives of the film industry targeting the slow bureaucratic administration of the schemes, the Lundgaard consultants consider the critique to be untenable and generally prefer to emphasize that the practice in DFI is sound and ensures a necessary degree of control with public funds (Lundgaard Report, 2000:23).
In the articles on the Cousin Economy (and on Jolly Roger), the legitimacy of the DFI and the film consultancy scheme together with the ability of the DFI to separate art from business is also attacked on another issue. The possibility for making impartial judgments in general is questioned by the press due to the fact that another agency within the DFI called «the Council of Feature Films» («Spillefilmsrådet»), comprised of members of the industry, are actually the ones who recruit the consultants. Here, the argument is that it is not desirable that a potential future beneficiary of a film consultant’s decision to support a film project should decide whom to employ. The implied consequence is that the entire legitimacy and principle of positional and judgemental autonomy is completely shattered by an unhealthy mix of interests, interdependencies, and strong personal relationships. These accusations only make it more interesting to see how the former DFI CEO and the chairman of the board use proximity and intimate relationships with actors in the film industry as part of their persuasive strategy to emphasize the very advantages of close relationships between core actors in the film field. This strategy is interesting in terms of how in which it tries to make competency a radically dispersed phenomenon ascribed to a whole film field (or at least the superior agents of it). While the blurring of the stakes and the relations also seems to jeopardize the ideal of transparency that has been one of the core concerns of political attempts to create broad legitimacy when trying to define the principles of governance of the DFI.

Discussion

The themes presented above – bureaucratization, autonomy, individual responsibility, expert artistic judgment, and the administrative distinction between and separation of art and business – become mired in each other in problematic ways when systems and processes become populated by individuals and actions are taken. The Jolly Roger and Cousin Economy incidents (or «scandals») allow us to see how and where these very concerns clashed.

The «Jolly Roger» case can be examined on several different levels. One level has to do with an indictment of the quality of the individuals or at least their decisions in a given case. This opens up for a critique of the lack of competence of the film consultants involved in funding this film on a quality of service or performance basis. In other words, the «sin» they were guilty of here was funding a bad film. Their artistic judgment faltered on a grand and extremely visible scale. This was a «blunder», and could be excused as a human, temporary lapse of judgment. However, as the incident developed other dimensions of «inappropriate conduct» were alleged.

It was admitted by the film consultants that their decision to fund the Jolly Roger project was the result of giving in to pressure from outside sources. This is problematic from individual and bureaucratic perspectives. It is problematic from a bureaucratic perspective as it witnesses to the fact that the organizational structure did not shield the office holders from external pressure and influence – or at least the film consultants did not experience it that way – and that the decision making procedures are not pure, rational, and dispassionate. Inappropriate corrupting influences (combined with a lack of integrity on the film consultants’ side) were influencing the subsidy allocation process. In addition to a systemic failure or error, the incident also bore witness to a personal failing, a failure to live up to an «artistic code» in which artistic merit cannot be compromised.

By publicly criticizing the film, admitting the mistake of funding it, and acknowledging that they succumbed to external pressures to grant funding, the film consultants were accused of publicly compromising the legitimacy and hurting the organization they were employed by, the DFI, and...
breaking the trust between the DFI and all of its major stakeholders – the film industry, the Danish government, and the population. The inappropriate or «disloyal» conduct here was publicly telling «the truth and the whole truth», which would bring the organization and the principles and system upon which it is built into question or disrepute, rather than letting the issue be handled collegially, out of the public eye. The breech here is organizational disloyalty – admitting that the system is fallible and going public in defense of oneself. Furthermore the timing of their public criticism was unfortunate as the DFI and the film industry were about to negotiate a new four-year contract with the government and obviously did not want to look «unprofessional» and incapable of administrating the public finds for subsidies in a responsible way.\(^{12}\)

Why did the incident (or «scandal») play out in this way? One explanation can be offered in terms of the lack of professionalization in the classic sociological sense. Though open to the expectations to act «professionally» and accusations of «unprofessional» conduct when actions do not reach certain levels or conform to certain norms, film consultants cannot be called professionals in the sociological sense as they are not part of a profession. To use Waters’ (1989) term, they lack professional collegiality – they are not part of a professional group. If they had been part of a profession there would have existed a professional group with which to draft the issues and ultimately defend its members (e.g. Scott, 1965; Freidson, 1973; 2001; Abbott, 1988). As part of the esoteric training process, the professional group would probably have inculcated within its members a sense of collegial discretion as to what to air publicly and what to discuss more discretely in various closed quarters. The film consultants gain their authority and legitimacy from the knowledge and expertise achieved through years of experience in the film field. Thus, the film consultants experienced the most central aspect of their occupational life was under attack – their artistic judgment, and that this had to be rectified and redeemed, even at the cost of admitting a different, but probably in their eyes less significant, personal and occupational failing – succumbing to inappropriate external pressure to make the wrong decision. In such a situation it is better to admit to being a bad bureaucrat (i.e. not keeping to the strict mandate or one’s office and being loyal to the organization), or even a victim of an ineffective bureaucracy (that could not shield one from external pressures) than to admit that one’s artistic taste and judgment is imperfect. If this imperfection can and has to be explained in terms of weakness of will or spine, then so be it. What was important for the film consultants was to salvage the core of their occupational reputation — their artistic judgment. So here they had to admit what everyone – film critics, people in the film industry and the unfortunate ticket-paying audience that saw the film – could see: the film sucked and they financially supported it. The film consultants explained these facts in a way that exonerated and rectified their artistic judgment – they bowed to external pressure. Thus the film consultants chose the lesser of two evils; they admitted moral fecklessness in order to preserve their most important virtue and occupational tool – aesthetic judgment. The film consultants found themselves in an extremely isolated and exposed situation, castigated as individuals both in the media and by the organization they were employed by. If film consultancy were a profession there likely would have been ethical and professional work guidelines to fall back on prior to and during the scandal, as well as a professional organization and collegiality to at least confer with, if not intervene on their behalf. But the lack of such a guiding and protective structure left the consultants abjectly exposed – and ultimately forced to choose between admitting to bad moral or aesthetic judgment.

As is readily admitted and apparent, film consultants are chosen from and return to the film industry – as individuals after relatively short sojourns as film consultants. Aside from the abovementioned aspects of potentially insufficient socialization to act as organizationally embedded experts, the normative dispositions and future career interests are far more in line with the film environments
from which they emerge and will return to again, than the brief role they will play at the DFI. This creates a dilemma both for the film consultants, as well as for those who assess their conduct. How impartial, autonomous and dispassionate can they be? And how do we know when actions are guided by prospective personal interests (and favors to be returned later), and what is impeccable and impartial judgment in accordance with the norms of the environments in which they have spent most of their working life? This is one of the central issues in the Cousin Economy incident – not knowing where personal taste and judgment (the qualities upon which a film consultant is employed) end and personal interest (a highly inappropriate consideration in such employment) begins.

The «cousin economy» incident questions the legitimacy of the DFI in two primary respects. The first has to do with the policy of hiring individual experts directly from the environment that the film consultants are to evaluate applications from and allocate subsidies to. From the DFI, as expressed via its CEO, a competent and legitimate organization is reliant on qualified experts with competence and experience from the industry (Interview with the DFI CEO, 2005). This place the film consultants in a position where the few «degrees of separations» between actors who are temporarily moved into diametrical positions can almost always be pointed at with suspicion. Thus two logics are continuously in potential conflict. On one hand, the film consultants are seen as a kind of «co-developers» engaging in close cooperation with the film project applicant in question, which requires extensive field knowledge and experience in relation to filmmaking to offer skilled and insightful advice on the film project, thus, populating the role with people who lie close to the industry. On the other hand, the consultants are expected to be impartial and be able to distance themselves from the industry and the parties involved. The second logic has to do with the demands for disinterested and depersonalized conduct on part of the film consultants – can they differentiate between objective judgment and friend-influenced or even personal interests? This can be formulated as a «distance-proximity dilemma».

Concluding remarks

This article has been concerned with two sets of issues. First, how has the DFI organizing for legitimacy handled the relations between art and business? Second, what are the dilemmas that film consultants face in their attempts to balance personal positional and bureaucratic imperatives?

The DFI has created a system to handle the art-business tension while making decisions about how to allocate financial subsidies for filmmaking projects. By defining two different schemes, the 60/40 and the consultancy scheme, the DFI explicitly tries to manage and separate art from business by means of an organizational structure. And as such this maneuver can be seen as an example of what Orton and Weick (1990) have termed loose couplings between different dimensions of organizational activities by creating loose couplings between, for example, departments and groups within an organization, hierarchical levels, intention and actions to mention some of the dimensions proposed by Orton and Weick (1990). This move of organizational separation is clearly an attempt at a clear-cut administrative structure characteristic of the bureaucratic ideal of efficiency and predictability (c.f. Ritzer, 1975; Waters, 1989). Another move, obviously, is that of recruiting film consultants with the kind of practical experience and knowledge that make them credible and legitimate in the eyes of a great variety of actors in the film field. This organizational arrangement and system was legitimized through the Lundgaard Report (2000) as a system characterized by transparency, good control and high level of service. In spite of these organizational initiatives, within organizational structures, the cases illustrated how fragile the system is. One overriding dilemma for the film consultants as well as for the DFI, that became evident from the two cases, is a dilemma that can be explicated as a
«distance-proximity» dilemma for cultural mediators in general, but in this case for the film consultants in particular in relation to the film industry, leaving the film consultants in a potentially vulnerable position.

The DFI wants to deal with a number of issues organizationally – to divide, to partition to experts, to make transparent, and to codify. The problem is that in practice while easy to do on paper, it does not perennially or structurally solve all problems. Much, too much for many, is left to humans as opposed to systems – thus the need for judgment or more specifically, phronesis (Barnes, 1976; Flyvbjerg, 1998). This is recognized as unavoidable – which is why sovereign decision-making is given to temporary experts with artistic capabilities. However, the DFI seeks to cut as close to the bone as possible and build bureaucratic monitoring opportunities as close to this sacred area as possible. Thus, the film consultants are contracted on a temporary basis. They present their ideas to wider publics within the DFI continuously, and thus are subject to these internal to DFI «external» pressures. But their judgments are sovereign on artistic matters. They are held accountable to numerous publics and stakeholders (as illustrated in the Jolly Roger case) for their decisions and actions. And this is why they are prohibited from deciding how much funding to give to specific projects. The DFI is replete with specific sectional experts and monitoring, and obligatory public spheres. It has all the trappings of a rational bureaucracy oriented towards servicing the film industry, the movie-going public, and its ministerial patrons. However, as the DFI case illustrates the necessary human factor, and dilemmas arising from membership in constituencies or environments, apparently cannot be eradicated by organizational divisions and procedural specifications.

Appendix 1

Overview over key documents.

Application Formula for feature film, Danish Film Institute, March 1st 2004.


Facts & Figures 2012 Danish Film Institute – Production and Exhibition figures for 2011, Copenhagen. Danish Film Institute.

Film Act, law no. 186, 12.03.1997, The Danish Ministry of Culture.

Film Agreement – Agreement of Film Political Contribution 2007–2010, The Danish Ministry of Culture.

Film Agreement – Agreement of Film Political Contribution 2011–2014, The Danish Ministry of Culture.

Film Consultant Scheme – Statement to the Minister of Cultural Affair and the Spokesmen of Culture from the Danish Film Institute, 14.03.2003.

Framework for the launch of the Application Formula, Danish Film Institute, February 2004.

Independent User Survey (of the collaboration with the Danish Film Institute), Danish Film Directors Association, December 2000.

Instructions for Film Consultants at the Danish Film Institute, INS nr. 16025 from October 11 1985, www.retsinfo.dk.

Job specifications for Film Consultants, decided by the Board of DFI September 9, 1998 – From Take 13, The Danish Film Directors Magazine, November 1998.

Press release from Producers’ Association regarding the Danish Film Institute and the Film Consultant Scheme, 09.01.2003, www.pro-f.sk.

Promotion Plan (Production Subsidies), Danish Film Institute, www.dfi.dk.


Subsidy for feature films in 2004, Danish Film Institute, www.dfi.dk.

Terms for Subsidies for feature films – Consultant Scheme and 60/40 Scheme, Danish Film Institute, 13.05.2003.

Appendix 2

Overview of newspaper articles for the «Jolly Roger» case.

Information 12/10-01, Cut: Film

Information 12/10-01, Children’s movie: Danish offers for the autumn vacation: Belly Flop!

Information 13/10-01, Where is Gummi-Tarzan?

Information 19/10-01, Film consultants regrets supporting «Jolly Roger»
Information 19/10-01, Yes, we made a blunder

Politiken 20/10-01, Film subsidy: Consultants regrets film

Information 20/10-01, Knives in the back

Information 20/10-01, Film CEO regrets criticism

Jyllands-Posten 24/10-01, Film: Film consultants excluded

Berlingske Tidende 24/10-01, Consultants stands to dismissal

Politiken 24/10-01, Opinion: Shame on those Consultants!

Jyllands-Posten 25/10-01, Dismissed consultant feels butchered

Berlingske Tidende 25/10-01, Walking the plank

Jyllands-Posten 25/10-01, Editorial article: The stupid ones

Berlingske Tidende 25/10-01, Support for fast dismissal

Berlingske Tidende 25/10-01, The gatekeepers of culture

Politiken 26/10-01, The corner of the eye: Necessary dismissals

Berlingske Tidende 28/10-01, My Life as a consultant

BT 14/11-01, Captain Camre on the bridge

Politiken 22/11-01, Discharge withdrawn

Politiken 28/11-01, Art and freedom of speech: Film consultants with muscles

Jyllands-Posten 15/12-01, Resignation: Film consultant gets agreement

BT 17/12-01, Course towards failure

Information 4/1-02, Cut: Consultant

Websites: www.dfi.dk
Appendix 3

Overview of newspaper articles for the «Cousin Economy» case.

Berlingske Tidende 17/11-02, Cousin Economy: Friendly turns controls film support

Berlingske Tidende 17/11-02, Friends for Life

Berlingske Tidende 17/11-02, A fragile system

Berlingske Tidende 18/11-02, Friendly turns must be stopped

Berlingske Tidende 18/11-02, Political showdown with camaraderie in the film industry

Berlingske Tidende 19/11-02, Friendly turns: Showdown with film industry

Berlingske Tidende 19/11-02, Collusion in the film industry? Bornedal attacks the film consultants

Politiken 19/11-02: Film subsidy: DF wants to get rid of film consultants

Berlingske Tidende 20/11-02, Aalbæk wants to keep influence

Jyllands-Posten 20/11-02, Film subsidy: Severe criticism of the Feature Film Council

Politiken 23/11-02, Film subsidy: Buddies or consultants

Berlingske Tidende 24/11-02, Behind the Scene: Role-play for millions

Jyllands-Posten 25/11-02, Cousin Economy

Berlingske Tidende 1/12-02, The Golden failures

Berlingske Tidende 20/12-02, Film Board unchangeable about the Consultancy Scheme

Berlingske Tidende 21/12-02, Rude Result: Aalbæk in hateful film showdown

Jyllands-Posten 27/12-02, As cousins we share

Jyllands-Posten 11/1-03, Film subsidy: Self-examination in Film Industry

Berlingske Tidende 13/5-03, The Film Industry: Consultants must have the sovereign right

Jyllands-Posten 6/6-03, Danish film: Renovation of the film funding
Letter sent to the Parliaments Culture Committee (Folketingets Kulturudvalg) from former film consultant Mikael Olsen, November 21, 2002 (Kulturudvalget – almindelig del – bilag 96/film – offentligt)

Websites: www.dfi.dk

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«Professional» in a lay sense of the term, connoting a high degree of competence, trustworthiness, reliability, accountability and systematic procedures.

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These groups or agencies prefer to see the other groups as «partners» rather than in patron-client terms. There is a value in this delineation as it indicates where various resources lie, who petitions whom for access to resources and how «clients» seek to impact and monitor the petitioning and distribution process.

A collective case study is an instrumental case study extended to several cases (Stake, 2000:437).

Extreme or deviant case is suited to obtain information on unusual cases, which can be especially problematic or good in a more closely defined sense (Flyvbjerg, 2004).

Ten years later, in 2012, the DFI employs approximately 135 people and spends a total of DKK 467,1 million (63 million Euro) allocating DKK 345,1 million (46 million Euro) – almost 74% of the total spending – on film projects and DDK 122 million (16,4 million Euro) on operating costs (Facts & Figures, 2012. DFI homepage: www.dfi.dk).

In 2011, the «60/40 Scheme» was superseded by the new «Market Scheme».

Weber’s model of bureaucracy is based on: a) a fixed division of labor among participants, b) a hierarchy of offices, c) a set of general rules that govern performance, d) a separation of personal from official property and rights, e) selection of personnel on the basis of technical qualifications, and f) employment viewed as a career by participants.

For a perspective on aesthetic evaluation see Jacques Maquet (1986) The Aesthetic Experience, and for a perspective on academic judgement see Michele Lamont (2009) How Professors Think.

The term «cousin economy» is a direct translation from Danish and connotes nepotism or cronyism. The implication is that actors have a close relationship (the «cousin» aspect) and exchange economic favors and keep transactions between themselves, while excluding others. The cousin economy stands in contrast to a market or merit economy.

DFI operates on four-year contracts. Previous contract terms have been, 2003–2006; 2007–2010; and 2011–2014.