

## Editorial

VOL. 148 (OCTOBER 2024) BY EDITORS

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In recent years, Central and Eastern European countries have significantly increased their military expenditures. For instance, Poland's defense spending [rose](#) to 3.8% of its GDP in 2023, marking Europe's largest proportional increase between 2022 and 2023.

Despite this surge in military spending, Central and Eastern European countries have continued to expand their cultural budgets in recent years. In Lithuania, public cultural expenditure grew from EUR 397.4 million in [2016](#) to EUR 822.6 million in [2022](#), increasing from [1% to 1.2% of GDP](#) over the same period. Similarly, Czechia's [total spending on culture](#) reached CZK 327 billion in 2022, continuing an upward trend since 2013. In Poland, too, government spending on cultural services grew by EUR 325 million from [2021 to 2022](#).

However, the reactivation of the European Union's Stability and Growth Pact (SGP) in 2024 has reintroduced fiscal constraints that may pressure these countries to reassess their budget allocations. The [SGP requires](#) member states to maintain budget deficits below 3% of GDP and public debt below 60% of GDP. Given the substantial increases in defense spending, adhering to these fiscal rules could motivate reductions in other areas, including cultural funding. The International Monetary Fund (IMF) has already [advised](#) countries like Poland, which is currently running a deficit over 5%, to exercise caution in further fiscal loosening.

Historically, budget cuts to cultural funding have often sparked backlashes and a political transformation of the creative landscape. In Thatcher's Britain, the sharp reduction of state support for the arts in the 1980s led to widespread protests and a reevaluation of the relationship between art and the state. Artists who had fought hard for public support in the postwar decades found themselves grappling with new realities of austerity. Many saw the cuts not as an economic necessity but as an ideological assault on creativity itself, a dismantling of the social framework that had made public art accessible.

Cinema during this period became a site of defiance and reinvention. Directors such as Ken Loach and Mike Leigh turned to narratives that exposed the hardships wrought by Thatcher's economic policies. Loach's films like *Looks and Smiles* (1981) and *Riff-Raff* (1991) offered raw portrayals of working-class Britain, focusing on characters trying to

maintain their dignity against a backdrop of unemployment, poverty, and social inequality. These films were made on tight budgets with amateur actors and shot on location.

Film historian Lester Friedman, [writing](#) about the impact of Thatcher's policies, remarked, "They responded to what they saw as her right-wing destruction of the British system by creating great art." With state-backed cultural institutions gutted, filmmakers sought alternative funding through co-production, television channels like Channel 4 (which itself faced pressures under Thatcher's deregulation ethos), and private investors. The financial strain led to films that were more confrontational in their themes. The storytelling also grew sharper in its critique of the state. Films like Mike Leigh's *Naked* (1993) presented characters whose disillusionment reflected the political alienation many felt under Thatcher's rule.

If cultural budgets in Central and Eastern Europe contract, similar patterns could emerge. Artists and filmmakers, untethered from state expectations, might produce more critical and politically confrontational works. Thatcher's Britain shows that while budget cuts provoke hardship, they can also inspire counter-cultural currents and reconnect audiences with a sense of shared purpose. In light of the elitist tendencies of European film culture, from an aesthetic standpoint this may not be such a bad development.

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For this month's issue, Isabel Jacobs reports from the Trieste Film Festival with a review of Sergei Loznitsa's [The Invasion](#), which was compiled from dozens of short films shot after Russia's full-scale invasion of Ukraine. In our Interviews section, you will find an [interview with Loznitsa](#) in which he addresses the origin of the project, its personal importance for him, and his complicated relationship with parts of the institutionalized film community in Ukraine. Antonis Lagarias discusses [Flotacija](#) by our friend and contributor Zoe Aiano and her co-director Alesandra Tatić, in which environmental destruction is explored through an unlikely and humorous angle, and Felix Kalmenson's playful, cinematographic exploration of isolation and solitude in [Gamodi](#). Finally, Jack Page was at the Thessaloniki Documentary Festival, where he saw Martin Trabalík's [What About Petey?](#), a heartfelt documentary about the daily struggles of a teenager with autism and his father.

We hope you enjoy our reads.

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Editors