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## EU and the Global Hollywood

The EU has long attempted to combat Hollywood's "American cultural imperialism". But it is difficult to label Hollywood in national-cultural terms. Hollywood and its cultural industry has been a globalized arena with practitioners and investors from most corners of the world for many years.

Once more the European Union (EU) sets out to battle what is vaguely called "American cultural imperialism". Between 2007 and 2013, the EU will disburse 755 million euro to support the European audiovisual sector channelled through the programme known as MEDIA 2007. Its target is to "strengthen the audiovisual sector in Europe and let the movie production reflect European cultural identity and heritage".<sup>1</sup>

If this campaign against Americanization is implemented without some profound adjustments, it will at best have limited success. The main reason is that EU policies regard American movies as synonymous to Hollywood and Hollywood as purely American.

But is that a problem? Yes, essentially because Hollywood is a global industry of movie producing networks that disobey most nationalizing criteria. At the end of the 1990s Japanese and European media conglomerates moved foreign financing for Hollywood movies to 70 percent.<sup>2</sup>

One of the key reasons for this development is that the culture industry of today generates huge sums of capital. With the development of a more or less similar production structure as in other businesses leading the economic globalisation, Hollywood has become an open invitation to diverse investors — even those usually situated far from the entertainment industry.

The globalisation of Hollywood, although, is as old as Hollywood itself. The French production company Path Freres, founded by the Path brothers in the late nineteenth century and financed by the investor Jean Neyret and the French bank Crdit Lyonnais, dominated the US market for a long time, releasing between 50 and 70 percent of all new movies. In 1908, for instance, the company was selling twice as many movies in the U.S. as all the American companies put together.<sup>3</sup>

After World War II, this development became more methodical. The Hollywood majors increased their number of movies made abroad from 19 in 1949 to 183 in 1969.<sup>4</sup> In 1966 the American government even blocked a takeover attempt from Banque de Paris et de Pays-Bas for Columbia Pictures.<sup>5</sup> It did not prevent Crdit Lyonnais, however — until 1982 a government-owned bank — from becoming one of the leading sources in financing several

Hollywood blockbusters, amongst others *Platoon* (1986).<sup>6</sup>

1989 represents a watershed. Sony bought Columbia Pictures, making *Newsweek* magazine place the Statue of Liberty dressed in a kimono (guided by the headline "Japan Invades Hollywood") on one of their covers.<sup>7</sup> The following year, Japanese company Matsushita Electric Industries Co. took over MCA which included Universal Studios. Two years later, Credit Lyonnais acquired MGM/United Artists, before Canadian company Seagram Co. Ltd. purchased 80 percent of MCA, including Universal, while Matsushita kept the last twenty percent. In 2000, the French company Vivendi bought Seagram, still including Universal, before the merger between the American NBC and French-American Vivendi Universal Entertainment created NBC Universal in 2004, where the American company General Electric owns 80 percent of the shares. In 2005, a consortium led by Sony acquired MGM/United Artists.<sup>8</sup>

Meanwhile, together with the financial globalisation of Hollywood, more and more of the actual production was being outsourced from the US. In 1998, for instance, 139 of 308 so-called "Hollywood movies" were shot abroad and characterized by American authorities as "runaway productions". In simple terms, this means that the relocation of Hollywood productions was of such an extent that it was considered troublesome for the American economy.<sup>9</sup> Adding the fact that these productions involved a large share of local labour — in *The Bourne Identity* (2002), shot in the Czech Republic, where the share was 80 percent, which is quite normal<sup>10</sup> — it becomes increasingly difficult to identify these Hollywood productions as anything but transnational.

This is just the tip of the iceberg. Besides the mere production of the movies we find similar networks within the chains of distribution and marketing. A brief example might be Canal Plus. As Europe's largest pay-TV service, it is airing 400 movies per year, 300 of which are first-run. Despite the attempts from the French government — who also have ownership interests in Canal Plus together with Vivendi — on reversing what they perceive as American cultural imperialism, they allow Canal Plus to buy their way into the investment company Carolco and subsequently finance movies like *Basic Instinct* (1992).<sup>11</sup>

It is also important to point out that this is not just a matter of powerful Hollywood conglomerates chasing new markets. In many ways this is an agreed development. Ben Goldsmith and Tom O'Regan write in *The Film Studio: Film Production in the Global Economy* that the global production industry is dependent on the friendliness of governments in order to sustain and develop the local infrastructure of film studios.

Italian film and television production facility Cinecitt on the outskirts of Rome is a good example. Among big-budget movies shot here are *Hudson Hawk* (1991), *Cliffhanger* (1993), *Daylight* (1996) and *Mission Impossible III* (2005). Cinecitt Holding SpA, the largest shareholder in Cinecitt Studios SpA (17.5 percent), is owned by the Italian government, the movie production company Movieauro Srl., Vittorio Cecchi Gori (the owner of Italy's largest distribution and production company), and the Italian bank Efibanca.<sup>12</sup>

Moreover, we must not forget the artistic dimensions of a globalizing Hollywood. In the book *The Director's Cut: Picturing Hollywood in the 21st Century* American psychologist Stephan Littger has interviewed 21 "Hollywood directors". Since eight of them are non-Americans, EU's categorization of Hollywood in pure national-American terms even here

appears out of focus.

Wolfgang Petersen, the German director responsible for epic dramas like *Troy* and *Poseidon*, says to Littger that "when you leave your country for Hollywood, they say 'Now he's a lost soul and it's all very American'. I think that's all complete bullshit. Simply look at my movies or movies of other European directors who work here: they bring their heritage and their upbringing all with them".<sup>13</sup> Alejandro González Iñárritu, the Mexican director of *21 Grams* and *Babel*, has a different take on the nationality question: "You know, I just make movies. Just that. Not Mexican movies, not Japanese movies, just movies. I hate when people want to nationalize art. It's like saying to someone who is French and is a painter, 'Do you paint French?'"<sup>14</sup>

The very idea of nationalizing movies is in general confronted by a rising number of problems. As for Norwegian film we can illustrate this from various angles. When *Factotum*, directed by Bent Hamer, was to be shown at the movie festival in Cannes in 2005, it was labelled as a German production in the festival programme, as a Norwegian movie by the Norwegian press, and as an American independent movie in the U.S.<sup>15</sup> In connection with *The Danish Poet*, the winner of an Oscar for Best Short Animation in 2007 — by the way co-produced by Norwegian Mikrofilm AS and National Film Board of Canada — an intriguing question surfaced: "When will we have the chance to see the first Norwegian Oscar winner since *Kon-Tiki*?"<sup>16</sup>

Famous actress Liv Ullmann, who is the narrator of *The Danish Poet*, commented that neither *The Danish Poet* nor *Kon-Tiki* in fact were "Norwegian" movies. Jan Erik Holst at the Norwegian Film Institute argued the opposite of Ullmann, and claimed there were two ways of defining a movie's nationality: by looking at the producer or the director, in addition to the financier. Yet, this does not necessarily simplify things at all. If we are to follow Holst's definitions, a blockbuster like *King Kong* (2005) becomes a New Zealand–American–French movie.<sup>17</sup> And by visiting the web page of the Norwegian Film Institute, we discover that *The Danish Poet* is listed as a Norwegian–Canadian movie.<sup>18</sup>

More trouble occurs elsewhere. European Audiovisual Observatory, a non-profit public service institution within the legal framework of the Council of Europe working to gather relevant information on the audiovisual sector in Europe, demonstrate in a report with the intriguing title "Making and Distribution of Movies in Europe: The Problem of Nationality" substantial variation in definitions of nationality within Europe.<sup>19</sup>

In other words; as long as EU continues to equalize the boundaries between nation-states and cultures, their cultural policy stays highly inflexible. To legally maximize a share of external financing (that is, non-European) as a premise for support from i.e. the fund named Eurimages, is an infertile strategy. Especially when the Hollywood majors are given the opportunity to have their projects financed by European investors — and even get public funding as well, as Luc Besson did with *The Fifth Element* (1997).

Consequently, the EU should refocus its cultural policy to match the global realities of present-day Hollywood productions. In a study asked for by the European Council, sociology professor Tony Bennett suggested that the cultural visions of EU had to make a cosmopolitan turn.<sup>20</sup> Bennett's argument for this was that EU's cultural outlook was based on a conservative idea of a pan-European cultural heritage where large parts of contemporary cultural

diversity in Europe were excluded. Hence it was necessary to raise the question of whether this vision of "Europeanness" was to be preserved or redefined.

Seen in light of EU's so far modestly successful anti-Hollywood strategies, I believe that the latter alternative emerge as the most progressive one. Instead of conserving the idea of culture as something being tied to the nation-state, EU has the opportunity to mould a cosmopolitan cultural policy. Other studies following Bennett's tracks support this conclusion.<sup>21</sup> The efforts of tackling Hollywood cannot rest on a polarization between EU and the US, but must be understood as a matter of dealing with the relations linking different kinds of transnational networks — economic, political and cultural.

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- <sup>1</sup> Kim Bredesen: "6 milliarder til film", *Le Monde diplomatique*, March 1, 2007. Available at [Le Monde diplomatique](#)
- <sup>2</sup> Toby Miller et al., *Global Hollywood 2*, British Film Institute, London, 2005, p. 196
- <sup>3</sup> David Puttnam, *Movies and Money*, Alfred A. Knopf, New York, 1998, p. 282
- <sup>4</sup> William H. Marling, *How "American" is Globalisation?* John Hopkins University Press, Baltimore, ML, 2006, p. 23
- <sup>5</sup> Miller et al., 2005, p. 92
- <sup>6</sup> Marling, 2006, p. 25
- <sup>7</sup> *Newsweek*, October 9, 1989
- <sup>8</sup> William M. Kunz, *Culture Conglomerates*, Rowman & Littlefield, Lanham, MD, 2007, p. 31
- <sup>9</sup> ITA (International Trade Association), *The Migration of U.S. Movie and Television Production Impact of 'Runaways' on Workers and Small Business in the U.S. Movie Industry*, 2001. Available at [www.ita.doc.gov/media/migration11901.pdf](http://www.ita.doc.gov/media/migration11901.pdf)
- <sup>10</sup> Ben Goldsmith & Tom O'Regan, *The Movie Studio. Movie Production in the Global Economy*, Rowman & Littlefield, Lanham, MD, 2007, p. 130
- <sup>11</sup> Miller et al., 2005, pp. 198–204
- <sup>12</sup> Goldsmith & O'Regan, 2005, p. 121
- <sup>13</sup> Stephan Littger, *The Director's Cut: Picturing Hollywood in the 21st Century*, Continuum Press, New York, 2006, p. 41
- <sup>14</sup> Littger, 2006, pp. 190–91
- <sup>15</sup> Kjetil Lismoen, "Herreklubben i Cannes", *Morgenbladet*, May 6, 2005
- <sup>16</sup> Men nr fr vi se Oscar-vinneren?", *Dagbladet*, February 26, 2007. ("But when do we get to see the Oscar winner?") The next day the same newspaper wrote on their online edition: "Se klipp fra den norske Oscar-vinneren". ("Watch clips from the Norwegian Oscar winner".)
- <sup>17</sup> The director is the New Zealander Peter Jackson, while the movie is produced by the American-French company NBC Universal.
- <sup>18</sup> See [www.nfi.no](http://www.nfi.no)
- <sup>19</sup> Michel Gyory, *Making and Distributing Movies in Europe: The Problem of Nationality*, European Audiovisual Observatory, Strasbourg, 2000. Available at [www.obs.coe](http://www.obs.coe)
- <sup>20</sup> Tony Bennett, *Differing Diversities: Cultural Policy and Cultural Diversity*, COE Publishing, Strasbourg, 2001
- <sup>21</sup> See for instance Andrea Ellmeier & Bla Rsky, *Differing Diversities: Eastern European Perspectives*, COE Publishing, Strasbourg, 2006

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