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TRANSFORMINGFUTURES

## **GLOBAL HOLLYWOOD 2010**

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Almost two years ago, I left New York for Los Angeles. I did so for a number of reasons, both hedonistic and professional. One desire was to get closer to the beast, to understand it better. Hence my renting on the street in Venice where Julia Roberts lives. We haven't spotted one another yet, but her people have spoken to my people, and we both know the other one is out there, somewhere.

Of course, at some level, I didn't *need* to move west to understand Hollywood. We're *all* experts at understanding Hollywood. We have to be, given its presence on most cinema and television screens. Each year, a sixth of the world's population watches each telecast of the Academy Awards and more movie tickets are sold than there are people on the planet, while film-going is not even popular by contrast with the computer games and television that are mostly conceived, made, and owned—with the latter perhaps the key word—by the California-based studios and sub-contractors that we call Hollywood. It symbolises an invitation to replication and domination, an invitation both desired and disavowed. The money made in Hollywood continues to be astronomical, transcending even the aerospace industry as the nation's largest export.

But isn't Hollywood in crisis? On the one hand, it is held responsible for the poor esteem in which the United States is held across the world. Although the Motion Picture Association maintained in the wake of September 11 2001 that 'Going to the movies is the American remedy for anxieties of daily life,' many in the US attributed that attack and subsequent critiques of their country to Hollywood. Novelist Don DeLillo suggested that the problem lay in 'the power of American culture to penetrate every wall, home, life and mind.' The Council on Foreign Relations argued that anti-Americanism is partly fuelled by 'the broad sweep of American culture. Hollywood movies, television, advertising.' Woody Allen thought it was 'Too bad the terrorists of the 11<sup>th</sup> of September learned life in Hollywood movies.' The European Audiovisual Laboratory warned that regardless of cultural messages, Hollywood is partly responsible for anti-US sentiment, because of its key role in an international economy that either excludes or dominates most of the world. A recent survey of the industry by Standard & Poors referred to it as an 'expanding global empire.' And Newt Gingrich, principal architect of the Republican Party's electoral successes of the 1990s, said Hollywood, not US foreign policy, had landed the country in turmoil. He is one of many calling for a new public diplomacy (the polite term for propaganda and cultural policy, concepts that the US government eschews). This public diplomacy will, in Gingrich's words, 'put the world in touch with real Americans, not celluloid Americans.'

And even as Hollywood is blamed for the image of the United States, it is also subject to domestic criticism for being politically progressive, for stereotyping corporations as villains, for commodifying sex and romance, for rejecting leading ladies aged over 30, for exploiting child audiences, for peddling hidden advertising via product placement, for hyper-violence, for being open to multiple styles of sexuality, for stereotyping people of colour, for being irreligious, and for not worshipping sufficiently at the foot of the almighty suburban family.

The industry is in trouble politically for its signs and narratives. And it is in trouble economically, as it confronts structural adjustments of a kind that are changing all the culture industries. With the digitalisation of screen texts (and I'm including here cinema, television, and games) and associated shifts in the division of labour—the place where value is produced and exchanged—the way Hollywood makes money is under severe threat. I'll return to that theme shortly. First, let's deal with the anti-Americanism charge.

During the 1980s, through the height of the Second Cold War and then a series of grisly interventions in Latin America, the US was unpopular around the world because of its foreign policy. There was a change under Bill Clinton (though not in most of the Middle East). This was due to rhetoric and style as much as substance. Under George Bush Minor, anti-Americanism has spread rapidly and profoundly. Again and again, US foreign policy in the Middle East features in the data as *the* source of anti-Americanism. Studies of public opinion in the Middle East reveal that Hollywood is the one source of positive feeling in the region engendered by this tumultuous nation. Ironically, Saudi Arabia, a state allied with the US, is much more opposed to US popular culture than Morocco or Jordan. Yet the Saudis receive almost no US films or TV drama for public screening. And right across the region, young people who experience Hollywood are more positive about the US than their elders. Their reactions to US entertainment are effectively unrelated to what really makes people angry: Washington's policies on Iraq and Palestine.

And so to my second front, Hollywood's economic crisis. I suggest the industry faces three immediate threats:

1. people have essentially stopped frequenting cinemas, and no longer watch television in ways that advertisers can easily exploit

2. revisiting an expression the MPA and the US government disavow because they recognise its romantic, Robin-Hood connotations, cultural piracy is endemic around the world; and
3. the capacity to create and distribute high-resolution screen text is cheaper and easier than ever before

I'll now make the strong case for a crisis, then revisit each topic with a counter-argument.

1. THE AUDIENCE. Multiplexes, the phenomenon that helped reintroduce the event film and the date movie and rescued film-going from the VCR, cannot do so again, because the US exhibition industry is in bankruptcy following overproduction, and cannot afford digitalisation. In addition, Hollywood's revenue from DVD purchase is decreasing. On the TV side, ratings are down as never before, and the share available to the nine, soon to be eight, national broadcast networks (ABC, NBC, CBS, PBS, Fox, the WB, UPN, Univision, and Telemundo) is minuscule by contrast with the past. The proliferation of national genre-based cable stations that attract commercials related to their niche and large national advertisers, and the technological freeing of audiences to schedule consumption when and where they wish, mean that corraling viewers is no longer possible. As part of this new consumer sovereignty, drama, a staple of network TV, exports, and Hollywood in general, seems doomed. A combination of spectator narcissism and vindictiveness (AKA reality television) blended with corporate cost-cutting (AKA reality television) has ripped the heart out of quality television's very body. In short, people aren't going to cinemas to watch films, and they aren't staying home to watch fiction.
2. CULTURAL PIRACY. Everyone knows the wickedness or inventiveness—choose your epithet—of First-World college students and Third World bazaar store-holders armed with digital technology and liberating text from its owners. Securing copyright, charging rent, running distribution, choking off new market entrants—all the standard monopoly-capital norms of Hollywood are compromised by these tricksters. Copying content has never been easier. The MPA finds new ways each week to fantasize about the revenue that has been lost to teenagers in US dorms and merchants in Chinese malls.

3. EASE OF ENTRY. Screen texts must no longer be subjected to Hollywood scrutiny, because they can be made and circulated with talent, a Mac, and broadband. If you shoot it, they will not even *have* to come—just download. Studios, distributors, exhibitors, and networks have lost the power to obstruct innovation and new entry to the industry. The consumer has become a producer.

That all sounds like a death knell. But let's turn to the counter-arguments.

1. AUDIENCES. US theatrical attendance is down very significantly, but that's a long-term, if not entirely consistent, trend. Films are at the semiotic apex of screen production—they have the greatest symbolic power and aesthetic legitimacy—but for some time now they have basically been commercials rather than ends in themselves. I'll return to that in a moment. And while it is true that TV is much more divided than previously, it remains crucial. During the 2004 US Presidential election, for example, 78% of US citizens followed the campaign on television (the respective figure for the 2000 contest was 70% using television). And TV is becoming a commercial in the same way as cinema. Someone I know expects that the TV dramas he produces—for USA and ABC Family—will make money not through syndication, but downloads—his series with ABC Family is currently downloaded 50,000 times a week for podcasting.
2. CULTURAL PIRACY is endemic around the world. But piracy generates a familiarity with screen texts amongst previously untouched viewers. This awareness comes more cheaply than the vast cost of publicity, and encourages pre-production payment via product placement, which aids the industry to amortise costs early in the process and counter the new freedom of viewers to manipulate time, space, and text. This will also increasingly be a source of advertising revenue.
3. EASE OF ENTRY. We know from the success of Hollywood that marketing is all-important. The proportion of money now spent on promotion is massive, because the real income is made not from the box office, but from merchandising and sales to other media. So-called blue-sky hits that boast special-effects magic, leading stars, and audience research can only be supported by these other sources of revenue, both for their own success and the overall survival of the system. The studios have already adjusted to the new ease of entry to the industry: they only make about a quarter of all

major theatrical releases each year in the US, and that number will simply decrease or remain steady.

So what *will* Hollywood look like in 2010? The 2001 recession hit the culture industries hard, not least because Republican Party financiers transferred money away from Silicon Valley/Alley and Hollywood, and towards manufacturing and defence as punishments and rewards for these industries' respective attitudes during the 2000 election and subsequent *coup*. Wall Street investors fled the cultural sector, because 66 per cent of its campaign contributions had gone to Al Gore Minor. Energy, tobacco and military contractors, 80 per cent of whose campaign contributions had gone to George Bush Minor, suddenly received unparalleled transfers of confidence. This dramatic shift aligned finance capital with the new Administration—a victory for oil, cigarettes, and guns over celluloid, CDs, and wires. The former saw their market value rise by an average of 80 per cent in a year, while the latter declined by 12 to 80 per cent. Then the post-September 11 re-militarization of everyday life saw Hollywood and the Silicon Valley and Alley sites show their loyalty—to Wall Street and the Presidency alike.

Hollywood has a long history of working with Washington—hence the expression 'Washwood'; it has a long history of working with Silicon Valley high-technology projects brokered by the military industries—hence the expression 'Siliwood'; and it has a long history of responding to technological change by adding new developments to its oligopoly. There is every reason to think the same will happen with the digital fallout, albeit with massive stress, and many, many people suffering as a consequence. Hollywood 2010 will look different from Hollywood right now, but it will still be Hollywood.