

## **1 “Less Than We Think”**

In the tiny streets of the Kitaguchi area of Nishinomiya, Japan, thousands of commuters flow in and out of the train station. You and I stand in the station entrance, hungry and looking for a place to eat. Huge neon signs cover the buildings, walls of language we don't understand. It is overwhelming and bewildering. But we do recognize the logos of McDonald's, KFC, Burger King, 7-Eleven, and Mister Donut. A bit relieved, we walk toward the Burger King, passing two boys wearing Oakland Athletics caps. It's more familiar now. There's even a girl in a Cleveland Browns T-shirt giving away free samples of tissue.

Inside the Burger King we find a menu in English and Japanese, napkins (a rarity here), and clean bathrooms. The counter clerk speaks a little English. This bit of familiarity, especially the fast-food logos, tempts us to conclude that Japan is being “Americanized.”

### ***What Are We Talking about When We Talk about Globalization?***

Much analysis of globalization depends on these instants of recognition. What is recognized in an ocean of difference is the culturally familiar. From journalist Thomas L. Friedman to scholar Fredric Jameson, those concerned about globalization have experienced these moments. Alert to the ambiguity of signs in other contexts, they leap to form patterns when they see familiar logos or television programs or computers while abroad. Most commentary on globalization depends so much on the overdetermination of these moments that it misses how completely foreign the foreign remains. These analyses are more revealing of a nostal-

gia for "authenticity" and what anthropologist Pierre Bourdieu calls the *habitus*, or customary culture, of the critic.

Consider the full realm of linguistic information outside of this Japanese train station. About two hundred signs are visible, perhaps seventy of them identifying places to eat. There are even signs in Korean and Chinese, and one in Tagalog. In the three scripts of Japanese there are signs for sushi shops, noodle shops, bars, dumpling stands, *okonomiaki* and *yakitori* restaurants, and *ramen* counters in a nearby department store and in the train station. There are canteens for railroad employees and taxi drivers, even restaurants *without signs*, identifiable by smell, word of mouth, or the cooking utensils left out to dry. Within four hundred yards, of the more than seventy places to eat or drink, we recognize the logos of only five.

In the Burger King, the only other customers are a mother and daughter at a table and a businessman waiting for takeout. The delivery boy packs two orders on his motorcycle. Business is not exactly booming. Looking at the menu, we see burgers with *teriyaki*, *wasabi*, or *shichimi* flavorings—pretty innovative for an American company, right? Actually, Burger King, though it began in the United States, is not "American"; it is owned by Diageo of Great Britain. Nor is there much American about it in the culinary sense, because some form of fried beef exists in most cultures—witness the *shabu-shabu* franchise around the corner, and down the block a Moos Burger, a Japanese hamburger chain.

The other "American" logos in view are similarly slippery. The logo of 7-Eleven connotes familiarity, but it is now a Japanese company. The Ito-Yokado Corporation saved 7-Eleven from bankruptcy in the 1970s and now it owns them all, even the one in your neighborhood. Down the street is 7-Eleven's main rival, Lawson's, which has a familiar green and blue logo that may look American but is also Japanese. Likewise the Mister Donut. It sells some donuts, which cost one to two dollars each, but many more breakfasts of *miso* and rice porridge. No cops on coffee breaks there: Mister Donut's customers are "office ladies" in search of a quick, genteel breakfast or lunch. Its promotional giveaways are umbrellas and tote bags.

At least the McDonald's is American, right? No, not really. Ever since it began to sell burgers on Tokyo's Ginza in 1971, McDonald's has been a joint venture with legendary Japanese businessman Den Fujita. In 2001 McDonald's spun off the Japanese subsidiary to Fujita and other investors for about \$1 billion. All the McDonald's in Japan are now Japanese owned.

Not that this would surprise millions of Japanese children and teenagers, who have always thought of it as a Japanese company.

What do logos reveal about globalization? Not much. They connote familiarity, make us believe that we will find a consistency in the products sold under them. If they fulfill their "selling promise," logos can be worth millions, sometimes more than the physical assets of the companies that own them. But other logos vanish overnight—remember Kresge and Sohio? Nor were logos invented in the United States; they've been around at least since Julius Caesar's face identified Roman coins.

Rather than instant identity, foreign logos can be the source of cultural confusion. When Merrill Lynch opened neighborhood offices in Japan, its red bull logo persuaded many that it was a Korean barbecue shop. It lost \$600 million and closed the offices three years later. The California software firm Niku, which generates 40 percent of its sales abroad, could not understand why its products weren't selling in Japan. Someone pointed out that *niku* means "flesh" or "meat" in Japanese. Kind of creepy, a software program called "flesh." But *niku* means "one who does good" in Farsi, protested company founder Farzad Dibachi. He has since changed his products' names: "We need a name that isn't a food group in an important geography." At the same time, Japanese logos confuse foreigners: Would we buy a sports drink named "Pocari Sweat," a coffee creamer called "Creap," chocolates "Colon" and "Negro," or the soft drink "Calpis"? The arbitrariness of logos was illustrated by a *New York Times* reporter in Iraq who found a restaurant called "Italiano," which served no Italian food but did have a dish called "Kentucky." Neither the owner nor patrons could say what "Kentucky" meant, but they swore by the dish.

Logos are less meaningful than we suppose. True, companies spend millions creating them, and logos do help McDonald's and Nike to sell goods, but there are large companies, like Procter & Gamble, whose logos we cannot easily conjure up. A logo works only if we connect it to a "use-habit" in daily life, where it becomes "naturalized" as part of our environment. And this competition for our use-habit attention (and our money) is basically local and rooted in cultural specificity. When we enter a British Petroleum or Royal Dutch Shell gas station in the United States, we are not Anglified or Dutchified. We are buying convenient, dependable gas, and maybe a car wash or quart of milk. Price, reliability, and service top our criteria. Every successful logo, domestic or foreign, has hacked out a long and arduous path to such "reception" by users. Think of the trail Toyota trod in the United States to raise the public estimate of its cars

from "cheap" to "quality." A foreign logo in the United States, like Au Bon Pain in a Manhattan subway station, gets us to supply an appropriate context for it only after we have made a place for French bread in our lives. In arguments about globalization, however, U.S. logos are taken as evidence of cultural imperialism. We all *see* Visa, McDonald's, KFC, Coke, and Wal-Mart. Mickey Mouse grins at us in France and Japan. Bruce Willis frowns from billboards and posters. *CSI: Miami* and *Everybody Loves Raymond* appear on the hotel's cable channel. The taxi drivers and hotel employees speak a little English. All this seems part of a creeping "Americanization."

#### THE MANUFACTURE OF LOGOS

Our semiconscious supposition is that the kids we passed wearing Oakland Athletics and Cleveland Browns gear understand, if only partially, the logos: the boys know the Athletics play baseball, the girl that the Browns play football. But when we stop and ask them, we find that they don't. The girl doesn't know what Cleveland is, period. I've been asking logo wearers about their apparel for seven years, in dozens of countries. People everywhere admit to wearing logos for their cachet, for their novelty, just as New Yorkers in 1999 wore baseball caps with Japanese characters on them, just as U.S. basketball players Allan Iverson and Marcus Camby tattooed their bodies with *kanji*.

Logos, T-shirts, and tattoos are reminders that many of the signs that circulate among us are empty. In France in 2002, many trendy shirts were emblazoned with Arabic script. When I asked about the meaning, the wearers were all clueless. In the "Arab market" of Avignon, I asked a Frenchman selling these shirts to translate one. He confessed that he didn't know *exactement*, but he bought his stock from an Italian in Nice, who got them from a Lebanese supplier, who manufactured them in Turkey. "It is *his* name," said my informant of his supplier, "like Richard or Perreau."

This anecdote opens a window on the production of "logowear," which will take us beyond the "cachet" of the street. Sewn in Turkey or Pakistan or Vietnam or Mexico, logowear now appears on the streets of those countries as frequently as in the developed world. Why? Because production contracts shift between small factories, sometimes monthly, leaving managers with excess stocks and little allegiance. Seconds and blemished goods cannot be shipped. Pilferage is a fact of life, and without job-site control by the logo owner, knockoffs are possible and practical, especially using cheaper materials. Enforcement of copyright laws is practically

nonexistent. The police arrive if Gucci handbags or Hermes scarves are counterfeited, but only when those firms make a stink.

#### A STROLL DOWN PUENTE DE ALVARADO

Mexico City is a typical birthplace of and graveyard for logowear. On Puente de Alvarado in 1997, street vendors were selling knockoffs of NBA and English soccer jerseys, Nike and Adidas caps, Levi's and Jordache jeans, not to mention watches, shoes, and handbags. The prices were rock bottom. Though Mexicans wore fewer logos than Americans, there were "American logos" all around Mexico City, many taken incongruously out of their American status contexts. In one hour, I saw a grown man wearing a Bugs Bunny T-shirt, a teenager in the sweltering subway wearing a Penguins hockey T-shirt, and an emaciated, five-foot-tall gum vendor wearing a Shaquille O'Neil T-shirt. Another young man sported a DEVO T-shirt, Chicago Bulls sweatpants, and a Raiders football cap.

Some of this logowear was the residue of *maquiladoras*, clothing plants on the U.S. border. These were irregulars, odd lots, and discontinued styles: the old Oakland Raiders colors or Michael Jordan as number 43 or the 1994 World Cup. On Puente de Alvarado the 1997 prices ranged from four to eight dollars for a pair of "American" logo denim jeans, to two to five dollars for a logo T-shirt. For most buyers, these were simply garments; if they could have afforded more, they would have bought new T-shirts touting Mexican singing sensation Ana Barbera or soccer star Hugo Sanchez.

Rather than being driven by "Americanization," however, such logowear exists in the context of the Mexican clothing status system, which begins with shoes—do you have any? If you do, you're already one step up the status ladder, because many Mexicans do not. Barefoot *indigenos* ride the subway and walk the streets. At the top of the ladder are middle- and upper-class university students in the San Angel neighborhood of the enormous Autonomous National University of Mexico (U.N.A.M.). In 1997 a version of Euro-Yuppie attire was ascendant there, depending heavily on sweaters, sports coats, ties, pleated pants, and leather shoes. It was all deliberately logo free—not difficult to understand when the *maquiladoras* are churning it out. Argyles, plaids, and patterns were popular. From U.N.A.M. and the eateries and copy shops around the Copilco Metro, such styles may then spread through San Angel to Coyoacan. If they appeared in the McDonald's at Centro Coyoacan, or at the McDonald's in the Zona Rosa, then a trend was afoot. But the chances of argyle making it that far were slim.

The Mexico City fashion system keeps foreign logowear at the mid to lower levels. On Puente de Alvarado we could find "Jurassic Park" shorts or "Deutschland" World Cup T-shirts. The vendors sold these alongside used American clothes—*ropa usada*—smuggled into Mexico for resale. It has to be smuggled because importing used clothing to Mexico is illegal; it takes jobs away from Mexicans. This is contraband from the North.

This trade is worth a footnote, because it illustrates just how different something as basic as a T-shirt can be from culture to culture. The *ropa usada* trade centers along the Texas-Mexico border (the *maquiladora* zone), particularly Brownsville, where nearly two dozen U.S. entrepreneurs specialize in it. The King of Used Clothes is sixty-eight-year-old Jim Johnson, who oversees the purchase, sorting, and resale of tons of clothing rejected by Goodwill Industries, the Salvation Army, and St. Vincent de Paul. Johnson buys tractor-trailer-loads of old shirts, pants, and dresses for pennies on the pound. "I call it recycling," says Johnson, winking at Mexican law.<sup>1</sup> He bought his first *ropa usada* store in 1964 for \$400. He understands the local context of clothing: he sends cotton outfits to Kenya and Nigeria, vintage clothes to Japan and Italy, polyester to India and Pakistan, rags to oil field crews. His operation fills a 170,000-square-foot warehouse, employs 350 people, and processes more than fifty tons of used clothes a day. "You'd think we'd run out of clothes," he says. "But we never do."

The going rate for clothes not selected for the specialized markets was around \$1.25 a pound in 1996. A typical buyer plunked down a \$300 deposit for the right to open one of the fresh bales, each of which sold unopened for \$1,000. The buyer can pick out the treasures, up to 250 pounds, before rummagers called *chiveros* attack the carcass of the bale. To carry the goods to Mexico, the buyer and *chiveros* each pay \$25 to a *pasador*—a runner—who will carry the goods over the international bridge. Then the buyer will bribe his or her way through four other government checkpoints, paying about \$150 before getting to Puente de Alvarado. Ironically, a portion of what the smugglers bring back was made in Mexico. Mexican labor was paid to make these items, which were exported to the United States and sold at retail. Then the items come back to Mexico used and are resold at a fraction of original cost. Clothing would cost more in Mexico, obviously, if there were neither *maquiladoras* nor clothing smugglers. The antismuggling laws were designed to get Mexicans to buy retail and to protect *maquiladora* jobs.

Logowear is also common on Puente de Alvarado because of counterfeiting. Ever since Levi Strauss lost the "Great Jeans Battle" around 1990,

Mexico has become adept at cloning clothing. Levi's was a patriotically "American" company, with eleven factories in four states and 31 percent of the American market in denim. Then Gap, Guess, Calvin Klein, VF Corporation (maker of Lee and Wrangler), and even J. C. Penney and Sears (with Arizona and Canyon River Blues, respectively) created an annual model change in jeans that the button-fly patriarch disdained. Foreign companies such as Diesel (Italy) chipped away at Levi's upscale market with \$99 jeans. Many of the rival jeans were made in Mexican factories, so it's hardly surprising that the craft of jeans making became widespread. Counterfeit clothes moved north more easily than drugs. The trained eye can recognize them in stores in Los Angeles, Houston, Dallas, Denver, or Chicago, but the differences may be minute, as inconspicuous as the stitching patterns inside pockets. Even buyers for major chains have been fooled about the provenance of \$200 jeans. Logos, who can keep up with them? Is "Diesel" an Italian, Mexican, or American logo? Does the logo *mean* anything?

Critics think so. One writes that "this form of globalization is actually Americanization, because the United States is by far the biggest producer of pop culture goods."<sup>2</sup> But does the fact that logos are in English (even if owned by Italians) really mean that the circulation of logowear is Americanization? Pop culture goods supersede one another rapidly and signify different things in different cultures. When they attain any meaning at all, they are simply placeholders for novelty, status, or consumption, which are all *local* significations arising from local circumstances.

When I returned to the train station at Kitaguchi, Japan, in 2003, I found the constellation of logos was the same size, except that Wendy's and Mister Donut were gone. KFC and McDonald's had survived, but a huge new department store and apartment building overshadowed the neighborhood. Its ground floor was a warren of eating places, and not a single logo was American.

### *Is English Conquering the World?*

Outside the Nishinomiya train station, there was a big sign for the NOVA English school, and down the block a Smith's English school was scheduled to open. English is officially the second language of Japan. Scholarship and research everywhere are published in English, and the Internet seems to be all English. Is English dominating the globe? Many critics claim so. As Burton Bollac writes, "Not even Latin, the European scholarly language for almost two millennia, or Greek in the ancient world

before it, had the same reach. For the first time, a new language, English—a bastard mixture of old French dialects and the tongues of several Germanic tribes living in what is now England—is becoming the lingua franca of business, popular culture, and higher education across the globe.”<sup>3</sup>

As in the case of logos, there is less here than meets the eye. Yes, English is becoming the lingua franca of business and research, for reasons that will become clear. But English is not becoming the language of pop culture or daily life outside traditionally English-speaking areas. In fact, the percentage of the world population that speaks English as a native tongue is declining. Even the percentage of Americans who speak English as a native language is declining.

Critics of globalization tell us differently. When the World Conference on Linguistic Rights met in Barcelona in 1996, it concluded that, like McDonald's and Starbucks, English was “colonizing” the world. Most of the attendees were, not surprisingly, native speakers of English, French, or Spanish who study or lobby for “endangered languages”—people with professional interests in, say, Maori, Taino, or Apache. Like Duke University's Fredric Jameson, they believe that languages are “all equal” and should “freely produce [their] own culture according to [their needs].”<sup>4</sup> What was needed, as Romance-language scholar Walter Mignolo put it, was action against the “hegemonic power of colonial languages” such as English.<sup>5</sup>

Mignolo argued that languages from Apache to Wolof, even Ukrainian and Portuguese, are being “marginalized” and may soon become “extinct.” This argument may be familiar to readers of *Time* and *National Geographic*, for the word “extinct” implies an analogy to Darwinian evolution, and we are supposed to infer that a great number of languages, like great diversity of fauna and flora, is healthy. But paleolinguists tell us that only eight thousand years ago all of our ancestors spoke one murky language called proto-Indo-European. Languages began to diversify around 6000 BCE (before the common era) following the great human migrations. Some languages soon died out, and whole language families, such as Hittite in Turkey and Tokharian in Central Asia, disappeared four thousand years ago. But languages are constantly appearing and disappearing. Only six hundred years after Chaucer wrote, no one speaks Old English, but millions of people speak Bahasa Indonesian, which did not exist in Chaucer's day. As Madelaine Drohan and Alan Freeman point out, smaller languages have been overwhelmed by Mandarin, Spanish, Arabic, and Russian as much as by English. The best



chance for saving some of them, or prolonging their lives, turns out to be U.S.-generated computer software.

#### ENGLISH AS LINGUA FRANCA

It is easy to forget that Latin, Spanish, and French were true colonial languages long before the spread of English. Rather than being adopted by trading partners voluntarily, these languages were often imposed by brute force, by slave owners, Jesuits, and centurions. Nevertheless they proved useful in uniting and modernizing vast impoverished areas. But two thousand years later Latin has disappeared as a daily language, and Greek as a colonial one. Spanish remains the language of some former colonies, but has almost disappeared from the Philippines. French is declining throughout former French colonies.

As Drohan and Freeman and Joshua A. Fishman point out, English has achieved dominance only where Anglophone settlers were the majority. Despite a century of colonization, India returned to indigenous languages within fifty years of independence, even though as influential a leader as Nehru argued that English should be continued, to enfranchise all groups through a common tongue. Samuel Huntington noted in *The Clash of Civilizations* that in India "there were 18 million English speakers in 1983 out of a population of 733 million and 20 million in 1991 out of a population of 867 million . . . relatively stable at about 2–4 percent."<sup>6</sup> It is the various forms of Hindi that unite India today, a telling demonstration of the failure of English as a "colonial" language.

In the rest of the former British Empire, the results are similar: in Pakistan, English has been replaced by Urdu; in central Africa, by Swahili; in Hong Kong, by Cantonese. This is true of other "colonial" languages. In North Africa, Arabic has largely replaced French. In the former Soviet Union, a dozen languages have replaced Russian. "The percentage of the world's population speaking the five major Western languages (English, French, German, Portuguese, Spanish) declined from 24.1 percent in 1958 to 20.8 percent in 1992," notes Huntington.<sup>7</sup>

A statistical overview of languages contains other surprises. More than 40 percent of the world is still illiterate, and most of the illiterate population lives in areas where multiple, small languages are spoken. That these are generally the world's most impoverished areas should give pause to those who employ the evolution analogy. The ideals of increasing literacy and decreasing poverty seem to be incompatible with preserving small languages, especially when they have no written forms.

TABLE 1

*Total Number of Native- and Second-Language Speakers  
(in millions), 1980 and 1990*

Language	Total speakers in		Rate of Growth
	1980	1990	
Mandarin	690	844	+22
English	380	437	+15
Russian	259	291	+12
Spanish	238	331	+39
Hindi	230	338	+47
Arabic	142	192	+35
Portuguese	141	171	+21
Bengali	140	181	+29
German	120	118	-9
Japanese	115	124	+8
Malay-Indonesian	106	138	+30
French	100	119	+19

SOURCE: *World Almanac*.

That the dominant languages of the world are shifting we can see by tracking the numbers of people speaking them. Table 1 begins with the languages ordered by total number of native- and second-language speakers in 1980 and shows that by 1990 three languages—Hindi, Arabic, and Spanish—were growing much faster than other languages. Table 2 reorders the languages' rank for 1990 with the changes to 1999, the latest year for which information was available, and the rate of growth. Counting speakers of languages is tricky because of dialects. In China alone in 1999, there were about 220 million speakers of Cantonese, Wu, Hakka, and Min, among other dialects. To account for 75 percent of the world's population, we would have to raise the number of languages to twenty-five. To count 95 percent of world population would require one hundred languages. In other words, 20 percent of the world population speaks seventy-five smaller languages. And as Fishman points out, "never before in history have there been as many standardized languages as there are today: roughly 1,200. Many smaller languages, even those with far fewer than one million speakers, have benefited from state-sponsored or voluntary preservation movements."<sup>8</sup>

Now let's look at the right-most column in table 2, which I labeled "Native Speakers." The languages with the most native speakers were:

TABLE 2

*Total Number of Native- and Second-Language Speakers  
(in millions), 1990 and 1999*

Language	Total Speakers in		Rate of Growth	Native Speakers
	1990	1999		
Mandarin	844	1,075	+27	885
English	437	514	+17	347
Hindi	338	496	+47	375
Spanish	331	425	+28	358
Russian	291	275	-6	165
Arabic	192	256	+33	211
Bengali	181	215	+19	210
Portuguese	171	194	+13	178
Malay-Indonesian	138	176	+28	58
Japanese	124	126	+3	125
French	119	129	+8	77
German	118	128	+8	100

SOURCE: *World Almanac*.

1. Mandarin, 885 million
2. Hindi, 375 million
3. Spanish, 358 million
4. English, 347 million

English had the slowest growth rate of these languages. Spanish, Hindi, Arabic, and Bengali are all growing far faster, and if we simply extrapolated from their growth rates, they could be expected to surpass English around 2040. But the populations of Bengali and Hindi speakers are so constrained by geographic limits and resources that this is not likely. Arabic and Spanish speakers, on the other hand, face no such limits. But "Arabic speakers" is misleading, because while the speakers share a written language, spoken dialects of Arabic are often mutually incomprehensible.

By comparing the "1999" and "Native Speakers" columns in table 2, however, we can get a sense of which languages function extensively outside their home ports. And we can also see that English is not the world's most widely spoken second language.

1. Mandarin, 190 million
2. English, 166 million

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3. Hindi, 121 million
4. Malay-Indonesian, 118 million
5. Russian, 110 million
6. Spanish, 67 million
7. French, 52 million

Mandarin is required in government, business, or education in China, where 200 million people speak some other language. But it is also a lingua franca throughout Asia, with strong speaker enclaves in Singapore, Indonesia, Malaysia, Japan, and even India. Hindi is the lingua franca of India. Malay-Indonesian unites speakers of two hundred local languages, some substantial in themselves (Javanese has 64 million speakers), who live on an archipelago of seven thousand islands. Russian is still spoken widely through the former Soviet Union and its satellites.

We need to cross-reference these figures with the number of nations in which a language is spoken by native- and second-language users. Let's revisit in table 3 the list of native speakers, adding second-language speakers, and the number of countries the language is spoken in, for the year 2000. Seen in this light, English is something less than a juggernaut. As far as its reach goes, it is the first language of at least some speakers in 104 countries, followed by French, spoken in 53 countries, and Spanish, spoken in 43. This makes these significant diasporic languages. In contrast Bengali was spoken in only 9 countries, Hindi in 17 nations.

TABLE 3

*Total Number of Native- and Second-Language Speakers (in millions), and Number of Countries in Which Each Language Is Spoken, 2000*

Language	Native	Second	Total	Countries
Mandarin	885	190	1,075	16
Hindi	375	121	496	17
Spanish	358	67	425	43
English	347	166	513	104
Russian	165	110	275	30
Arabic	211	45	256	ca. 30–40
Bengali	210	5	215	9
Portuguese	178	16	194	33
Japanese	125	1	126	26
French	77	52	129	53
Malay-Indonesian	58	118	176	ca. 17–30

SOURCE: *World Almanac*.

But *which* countries a language is spoken in is important. Mandarin, the world's leading language, is spoken in two dozen countries, including the United States. There are far more first-language Chinese speakers (1.6 million in 2000) in the United States than there are English speakers in China. More than 167 million people in 30 countries speak Russian. And just off this list are 80 million Korean speakers who live in 31 mostly developed nations. More than 60 million people in 35 countries speak Turkish, many in Germany. The presence of Japanese in 26 countries is not due to its minuscule 1 million second-language speakers, but to Japanese posted overseas by their companies. These languages and those in table 3 will be important in the future, as the world moves toward what Fishman has called regional languages: "Popular writers, itinerant merchants, bazaar marketers, literacy advocates, relief workers, film makers, and missionaries all tend to bank on regional lingua franca whenever there is an opportunity to reach larger, even if less affluent, populations. In many developing areas, regional languages facilitate agricultural, industrial, and commercial expansion across local cultural and governmental boundaries. They also foster literary and formal adult or even elementary education in highly multilingual areas."<sup>9</sup>

The trend of these statistics is in line with what Huntington showed using statistics from 1958 to 1992. Extending the analysis to 1999, we see that the percentage of the world's population who are *native speakers* of English actually declined from 9.8 to 7.6 percent. The percentage of native speakers of the world's leading language, Mandarin, also declined slightly, from 15.6 to 15.2 percent. But there are still twice as many Mandarin speakers as English speakers, and in real terms the number of Mandarin speakers more than doubled, from 444 million in 1958 to 907 million in 1992 (or 1,075 million in 1999). The language groups that have increased dramatically as a *percentage* of the world population are Arabic and Bengali, which each accounted for 2.7 percent of the world's speakers in 1958, but rose to 3.5 percent and 3.2 percent, respectively, in 1992. Hindi speakers rose from 5.2 to 6.4 percent, and Spanish speakers from 5.0 to 6.1 percent. English as a first language has fallen from its mid-century position of second place to fourth as the millennium ended.

Even in its most populous port, the United States, the percentage of the population described as native speakers of English has declined. According to initial reports of the 2000 U.S. census, 17.3 million Americans identified themselves as *primarily speakers of Spanish*, and that was probably underreported. Hispanic-Americans were 12.8 percent of the population in 2003, up from 9 percent in 1990. Initial analysis showed an addi-

tional 4.5 million residents whose primary language was Asian or Pacific, 3 million Arabic speakers, 2 million American Indian language speakers, 1.8 million Korean speakers, 1.5 million Czech speakers, 1.4 million speakers of Philippine languages such as Tagalog, 900,000 Italian speakers, and 800,000 Japanese speakers. Other English-speaking nations, especially Great Britain, also have large populations for whom English is a second language. This is one reason the list of native-language speakers shows English in fourth place.

In 2004 the U.S. Census Bureau revised these figures upward. The number of foreign-born U.S. residents and their children rose to 56 million in 2002, as 20 percent of the U.S. population spoke a language other than English at home. More than 28 million Americans use Spanish as their primary language (though half of them reported speaking English "very well"). By 2004 the largest group of Internet-using Spanish speakers in the world resided in the United States, which is why Yahoo, MSN, eBay, and Google introduced Spanish versions. There were parts of California, New Mexico, Texas, Florida, and New York City where Spanish was the main language. Not surprisingly, this globalization of the United States has been accompanied by a decline in English-language newspaper readership, which had long been a culturally unifying force. From 1993 to 1997 alone, U.S. English readership fell 5.2 percent. By 2000 there were 50 percent more newspaper readers in Japan than in the United States. For a "colonial" language, English seemed to have a weak and fading grip on its main base.

The claim that English is a "colonial" language seems far-fetched, especially in light of these trends. The real subject of the argument is the world's lingua franca, which Huntington defined as any language widely used as a means of communication among speakers of other languages. The original lingua franca was a polyglot of Italian and Provençal, with bits of Spanish, French, Greek, Arabic, and Turkish, and was spoken by merchants and traders to facilitate commerce in eastern Mediterranean ports in the 1600s and 1700s. Where it is spoken today outside Anglophone countries, English tends to be the lingua franca of business, education, science, and diplomacy. But it is not spoken on the dock, like the original lingua franca. What bothers academics is the use of English in their specialties. Mignolo intimates that valuable contributions might come from authors writing in the Quechua, Mayan, or Seri Indian languages. But, as Fishman notes, the argument for "languages such as Breton serves a strong symbolic function as a clear marker of 'authenticity.'"<sup>10</sup> Somehow, professors imagine, use of these languages is more

authentic. Using English as a lingua franca does not allow them *le mot juste*, even though it allows communication across cultures.

But communication is the point of what we might call *Engla franca*. And its limit. When an Indian factory owner and a Taiwanese financier negotiate a contract in English, or when German engineers and Spanish technicians discuss an Airbus design in English, they use an *Engla franca*, but their discussions hardly carry the weight of Anglo-American civilization. They are not speaking from a colonized mind-set. As their lingua franca, English is simply a tool, like the spreadsheets they use, like the equations they consult.

Native speakers everywhere are impressed by the ostensible difficulties of their languages. English is not simple, but it is not that difficult to learn. Its teaching has been very effectively systematized in ESL (English as a Second Language) and TESOL (Teachers of English to Speakers of Other Languages) programs, as well as a British system, that are in place worldwide. In fact, only French has such an extensive and tested pedagogy for nonnative speakers. English also has the advantage of business familiarity: the trading civilization of Great Britain made English terms of business, such as pounds, tons, tare weight, and FOB (free on board), into the common parlance of shipping, negotiation, and contracts. Popular music, film, and television have given some words a similar currency, though less and less as these media become more and more local. Just as the original lingua franca was not the language that merchants of Marseilles and Beirut spoke in the bar or at home to their families, however, the speakers in my examples don't speak *Engla franca* outside of work.

This partial, regional use, and its utilitarian end have fostered local English dialects. Thus the Englishes spoken in India, Nigeria, or Singapore are often mutually incomprehensible. In the latter, efforts of the authoritarian government to diminish "Singlish" in favor of pure English have failed, and Singlish is being promoted by radio, television, and rap music.

Even in international communication, a kind of pidgin *Engla franca* must be used. This is a grammatically simplified, idiom-and-metaphor-free subset of ESL English, which Americans are sometimes at a loss to understand. Max Watson, director of an MBA program at Ohio's Baldwin-Wallace College, witnessed an American Airlines flight attendant who could not understand an Indonesian passenger speaking this idiom, until a nearby Japanese woman rephrased the requests in American English. "English is the international language of business," says Watson, but "it

is no longer the U.S. version that everybody strives to speak."<sup>11</sup> The English that Americans speak is too idiomatic and contextual; "right" has several meanings in American, but in ESL it is only a direction. "English that flows off the tongue throws non-native speakers for a loop," says Gary Yingling, director of Asian Operations at Rockwell Automation, using two idioms he avoids overseas.<sup>12</sup> ESL *Engla franca* simplifies tenses, drops adjectives, and omits a/an distinctions. "Time is money in the business world," says Chris Folino, a Hong Kong business consultant: "Using only English nouns and verbs is often the clearest way to be understood."<sup>13</sup>

Another critique of English frets over its words entering foreign languages. The French are vigilant that "French fries" not replace *pommes frites* and have invented *logiciel* to replace "computer chip." In Brazil, some politicians wanted to authorize their Academy of Letters to legislate like the *Academie Française*, but they were taken aback to learn that many of the 400,000 official words of Brazilian Portuguese, such as *azeite* (olive oil) and *futebol* (soccer) were imported (Arabic, British English). They were most concerned about words like "upgrade" and "happy hour," for which there were no Portuguese equivalents. Government language watchdogs have not worked very well anyway.

Countries without government guardians of linguistic purity often seem to critics to be wide open to linguistic subjugation, but they forget that there is usually a counterbalancing local linguistic chauvinism. The Japanese consider their language to be so difficult that no foreigner can ever speak it correctly. When sound film appeared in Japan, the populace did not trust the semblance of foreigners speaking Japanese (dubbing), so highly paid *benshi* stood in front and explained the action, just as they had during the silent-film era. The *benshi* also broke up theaters and beat uncooperative theater owners—local linguistic chauvinism takes many forms.

#### LANGUAGE MISCEGENATION

Today the Japanese use English imports such as "boyfriend" (*boyfrendou*), "taxi" (*takushi*), and "door" (*doa*). They also borrow English for problems they cannot quite own up to: *homuresu hito* (homeless people), *reipu* (rape), *doraggu* (drugs), *hakku* (computer hacking), and *sekuhara* (sexual harassment). But English is hardly taking over Japan, despite the impression of visitors. Many words that visitors think they hear are false friends, such as *konsento* (a light socket) and *jokki* (a mug). Historically Japanese has drawn on many cultures, especially Chinese, but also Portuguese (*pan* is Japanese for bread, *braja* for bra), Dutch (*retteru* is the



word for letter), and German (*arbeits* is a part-time job). But these imports are the slightest of surface ornamentation on deeply nativist language practices.

English speakers don't seem to realize that their language also is a mix of imported words, including Japanese. Americans use *tycoon*, *typhoon*, *honcho*, *karaoke*, *kamikaze*, *tsunami*, and *sushi* as if they were native words. *Hentai* and *anime* are in the vocabularies of most college students. The fifty thousand U.S. Marines stationed in Okinawa have been bringing back Japanese words for more than fifty years. The sources of American English go far beyond Japanese, however. The language includes *mattress* and *algebra* (Arabic); *yogurt*, *tulip*, and *jackal* (Turkish); *bazaar* and *caravan* (Persian); *shampoo*, *dungarees*, and *pajamas* (Hindi); *lemming* and *ski* (Norwegian); *hamburger*, *snorkel*, and *waltz* (German); *kayak* and *igloo* (Eskimo); *mosquito*, *siesta*, and *lasso* (Spanish); *ballerina*, *soprano*, and *casino* (Italian); and *cuisine*, *boutique*, and *chauffeur* (French). Americans have "naturalized" these words by hearing and then using them. There are many nations whose language cultures are just as heterogeneous, and some (Malaysia, Indonesia, the Netherlands) that have borrowed even more widely.

The limited impact of *Engla franca* is evident if we return to Nishinomiya, venture down the street, and look into that NOVA English School. The first thing a visitor notes is that students entering and leaving are not speaking English. Inside in classrooms we hear rote lessons in lowest-common-denominator English: "Where is —?" "How much —?" and "When is —?" As Will Ferguson pointed out, this instruction leads only to the English equivalents of Japanese cultural positivism: "Let's all live happy life together." He cites a Japanese pharmaceutical company whose advertising department, evidently graduates of such a school, came up with the ad slogan "Let's All Enjoy Tampon Life!"

Schools like NOVA are typical of overseas commercial English instruction. They have four kinds of students. First, there are Japanese who want to avoid being fleeced on vacation: they learn "How much is the room?" "Is there a bus to Disneyland?" "Where is the Japanese restaurant?" The second kind of student has to deal with foreigners in Japan: "The station is two blocks ahead." "Do you know Japanese bathing custom?" "Can you eat *natto*?" The third kind studies English as a hobby (the Japanese are formidable hobbyists). Finally, the largest group is students, credentialing themselves as they slog down the path to a job. The instructors are young, underpaid, mostly amateur teachers from the United States, Australia, and Britain, who concentrate on Japanese interests, from Dora-

mon to David Beckham. Few of the students will ever use their English outside the classroom, because Japan—to relieve citizens of stress and to get foreigners into the flow—has signposted in English most places that *gaijin* want to go. To state the obvious, students at NOVA do not read the Declaration of Independence or Lincoln's Gettysburg Address in English classes. Neither do students in university courses. When I taught at a respected Japanese university, my graduate students in American literature had not read *The Great Gatsby*. But they told me it was a "very Japanese book," because a Japanese writer, Haruki Murakami, referred to it often in his novels. No Japanese on the street could understand President George W. Bush speaking. In sum, the English taught abroad is not only free of the American and British value systems but commonly skewed to local interests.

### *The Ubiquitous American Film*

On Academy Awards night, millions of people around the world watch to see which films and actors will win Oscars. Some will carry away from the gala an impression that film is "American"—or so the producers hope. But the venerable Oscar has a big crack. As the *New York Times* detailed in 2004, Hollywood films aren't "American" anymore: they have international casts, are filmed abroad, and don't reflect American values. "People used to go to American movies and want to be American," wrote editor Lynn Hirschberg; "Now you go to a movie and you can't even tell what an American is."<sup>14</sup>

To understand what has changed, we need to look at markets. The world's second largest film market is Japan, so let me return to the commuter train station in Nishinomiya again. Even though 100,000 people pass daily through here, there are no theaters in this upscale neighborhood. Japan's cultures of film, from production to attendance, are local and very different.

In the newspaper, we can find half a dozen "Hollywood films" playing in Kobe or Osaka, each thirty minutes away by train, but an equal number of Japanese films, and a few Chinese. There were only 2,585 screens in Japan in 2002, most owned by the Toho and Shochiku chains. People attended a film only 1.3 times a year, the lowest rate in the industrialized world. By contrast, Americans attended an average of 5.3 films per capita that year. So how can this be the world's second richest market? The answer is that tickets cost eighteen dollars and up, and the only bargains are Tuesday matinees for women at fifteen dollars. And video rental

stores—there are two outside the station—do a phenomenal business, with hundreds of Hollywood titles for rent. Rentals are over 70 percent of the market in Japan.

Let's begin with the obvious—film is one of the leading U.S. exports. Just as France exports wine and Thailand rice, the United States produces a high-quality, inexpensive commodity. No one gets excited about the amount of Australian wine consumed or number of Hong Kong kung fu films shown in the United States. Despite its highbrow pretensions, film is basically entertainment. But critics of globalization exclaim that film is much more than that: it is a pillar of local language and culture, almost essential to self-expression. Even though the biases of academic critics seem to speak louder in this protest than that of the "subaltern" audience, let's explore this argument. What is actually playing on screens in Osaka? Do the films of Steven Spielberg stifle the cultural expression of the Japanese? Is there a local film industry? Is it being thwarted by "Hollywood"? As we will see, "Hollywood" is internationally owned and operated, spending money and returning profits all over the globe, and one result of cinema's globalization has been a dramatic increase in regional film making, in local languages, with Japan's Ghibli studio a major beneficiary.

Film has been a global product since the early 1900s, when the French controlled the world market. Back then, as Kristin Thompson has shown in *Exporting Entertainment*, Pathé Frères dominated the U.S. market, where it released 50 to 70 percent of all new films. Financed by Jean Neyret and the Crédit Lyonnais bank, Pathé produced a film a day in 1906, dwarfing the combined output of all U.S. competition. It set up industrial, assembly-line production facilities in Paris and nearby Joinville, permanently employing directors and actors. By 1908, as David Puttnam writes in *Movies and Money*, Pathé's domination of world cinema was complete.

He was selling twice as many films in the United States as all the American companies put together. Subsidiaries were producing films as far afield as Rome and Moscow, the latter accounting for half the movies in Russia by 1910. Pathé himself was a figure of such national prominence that when the actor Harold Lloyd wrote to him he simply addressed his letter to "Monsieur Charles Pathé, France." The second most powerful film company was Gaumont, also French and backed by the predecessor of Credit Commercial de France.<sup>15</sup>

In the early era, only French film makers had the backing of their nation's banks. U.S. film makers were so busy suing each other over patent and license infringements that U.S. banks would not loan them a shoeshine. But the U.S. market was changing in a way that would reorganize the industry: nickelodeons were becoming popular with the masses of immigrants in the cities. Nickelodeons screened twelve to eighteen programs a day, seven days a week. It made sense for them to have fixed places for exhibition and to *rent* films, so U.S. exhibitors who had been traveling around began to settle down, to attract a mass audience, and to improve the *logistics* of the business. As urban audiences grew, U.S. distributors bootlegged everyone's films, and exhibitors began to prosper.

In 1908, in the wake of suits by Thomas Edison and a succession of licensing deals by distributors, two quasi cartels arose, one mostly American (the Motion Picture Patents Company, or MPPC), the other mostly foreign (the Sales Corporation). They established uniform licensing fees, admissions, and import quotas. Edison invited Pathé to join his coalition, which allowed the MPPC to quash other foreign competition. Some American films were already being exported, with Britain as their largest market. Thompson notes that London alone had three hundred movie theaters in 1911. The MPPC started buying up film exchanges. This focus on distribution proved important: the 70 percent of the U.S. market that foreign firms had controlled in 1908 fell to 35 percent by 1910. In retrospect, as Puttnam points out, there were two keys to the American success in world film: U.S. firms dominated their home market, and they controlled distribution.

Film has a special economics. More than any other product of its day, the cost of a film—actors, equipment, sets—went into making a single item, the first print. The second and subsequent prints were comparatively cheap, anticipating the economics of many modern media products. The income they made was pure profit. Once clear, the economics of film distribution caused a revolution in the business, and by the end of 1912 American film companies accounted for 80 percent of new releases in their home market, as Puttnam notes, which they never ceased to dominate. Vitagraph, the third largest U.S. company, went a step farther, producing more prints at its Paris plant by 1912 than at its U.S. plant. Already it saw the perfect use for the "second print"—foreign distribution.

#### THE HISTORY OF U.S. FILM EXPORTS

World War I was the best thing that could have happened to U.S. film. It disrupted the powerful French, German, and Italian film industries, but

left U.S. producers and the large Anglo-American audience relatively unscathed. The United States began producing narrative-driven film spectacles such as D. W. Griffith's *The Birth of a Nation* (1915), which drove up production costs 1,000 percent between 1910 and 1920. Stars such as Douglas Fairbanks and Mary Pickford pioneered on and off screen lifestyles that emphasized personal freedom and consumption. By 1920 three times as many Americans per capita went to the movies every week as did citizens of any other country. Only 7 percent of Frenchmen saw a film a week. As John Izod argues, the huge U.S. audience, the high cost of film making, and the "aura" of American freedom and wealth gave U.S. film makers an edge.

After the war many European countries owed large debts to the United States, and importing film helped their repayments. American bankers, who had opened offices abroad to handle reparations and reconstruction, now looked more favorably on loans to an industry patronized by their wives and children. Given the low cost of the "second print," American firms could sell in this market at prices lower than even healthy European producers could have met.

The war also made New York City into the center of film shipping. America's late entry into the war meant that U.S. ships served Latin American, Asian, and even European markets without peril. By 1919 U.S. distributors had systems of finance and distribution in place that gave them worldwide scope. According to John Izod, exports of U.S. film rose from 36 million feet in 1915 to 235 million feet by 1925, while imports of foreign films to the United States declined from 16 million feet in 1913 to only 7 million feet in 1925.

#### TECHNICAL INNOVATIONS, LICENSING BATTLES, QUOTAS

A high level of technical innovation has spurred the export of many U.S. leisure goods. The introduction of sound film in 1927 was signal in this regard. Movie making became so expensive that the number of U.S. films made fell by 30 percent between 1927 and 1930, and most foreign film makers were not willing to take similar risks. At first, attendance at sound films soared, and exports rose dramatically. Louis B. Mayer in 1928 naively declared that sound film would lead to the universal use of English. But the novelty soon wore off, and Thompson notes that foreign audiences began to lose interest. It became clear that, instead of universal use of English, sound film created a language barrier and indicated the need for language markets. Only the largest—English, French, German, and Spanish—had economies of scale. In the rest there were addi-

tional costs for dubbing the second print or for subtitling services. Both of these added to second-print costs, though not enough to level the playing field for foreign producers. The U.S. producers temporarily captured 95 percent of the British, 75 percent of the French, and 68 percent of the Italian markets, according to Thomas Guback. Seen in this light, the introduction of sound film foretold the current situation: the dominance of Hollywood film is old news.

The advent of the Technicolor musical with *The Gold Diggers of Broadway* (1930) upped the technological ante again and led U.S. producers into the music business. Studios competed fiercely for viewers during the Depression, trumping each other with such innovations as crime films, sound effects, and deep-focus lenses. Foreign film makers could match neither the technique nor the spectacle—their national audiences flocked to the big-budget American imports. In markets as disparate as Japan, India, and China, 90 percent of the films shown in the 1920s were American.

Why couldn't European film makers compete? They faced their own blizzard of lawsuits over patents, some three hundred in Germany alone. French companies, which held few patents, concentrated on production and on building chains of sound-equipped theaters. Finally a Pan-European conference solved the patent dispute and set up a cartel known as Film Europe. One by one, European nations set up quotas on the number of imported U.S. films, as Thompson details. But the "quota wars" were ultimately for naught. U.S. firms opened foreign subsidiaries; Paramount and MGM went so far as to loan Germany's UFA group money to survive, gaining a guaranteed outlet in the joint subsidiary Parufamet.

Hollywood also began product differentiation. MGM had brilliant, plush interiors and a high-key lighting style. Warner became known for urban realism and low production costs. Disney pioneered cartoons. U.S. bankers reviewed all of their production plans. A. P. Giannini, eventual head of Bank of America, used funds from San Francisco's Italian community to invest in films, and Deutsche Bank, Crédit Lyonnais, and Crédit Commercial of France invested in Hollywood; in fact, since 1930 European banks have continuously invested in and profited from Hollywood film.

## WORLD WAR II

During World War II, U.S. film was shut out of Europe. By 1940, Izod writes, it was distributed only in Switzerland, Sweden, and Portugal. But the moviegoing American audience and exports to Latin America and Asia saved it. The U.S. government also persuaded Hollywood to begin

shipping newsreels to these markets to counter Axis propaganda, and by 1943 the cooperation turned into pro-American war films. After the war, film exports were part of aid to some countries under the Marshall Plan. Although there were censorship mechanisms, and a desire to propagandize for "the American way" in some quarters of U.S. government, actual distribution was too diverse to control. There was a hunger for Hollywood film in markets that had become addicted, such as Reinhold Wagnleitner describes in Austria in *Coca-Colonization and the Cold War* (1994). The studios finagled until they could export what they wanted. Rather than propagandize, they cleansed their films of material offensive to foreign audiences and added foreign scenes. They inundated France and Germany, offering films so cheaply that local producers could not compete. Europeans fell back on quotas, but again quotas failed. Not only did foreign audiences want the U.S. product, but the U.S. studios again set up foreign production companies, which took advantage of cheaper locations and labor to become "multinationals" before the word was invented.

#### THE MODERN ERA

Before World War II eight out of ten U.S. films recouped their production costs at home. After the war only one in ten could do so. By the mid-1950s some 40 percent of ticket revenue for U.S. film was already coming from overseas, a figure that increased to 53 percent by the early 1960s. Izod gives figures showing that Europeans were the source of 80 percent of the new revenue, with Japan joining them after its occupation. So film producers began to look for international appeal: if a foreign scene was possible, they added it. But the biggest change was "runaway production." In order to meet foreign quotas and limits on repatriation of profit, U.S. producers began shooting some films overseas. In 1949 U.S. studios produced only 19 films abroad, but by 1969 that number reached 183 films. Beginning in the 1950s, Puttnam points out, U.S. producers also sold films to television, while European film makers boycotted this market. France proved the market most resistant to American film imports. Attendance in France was far lower than in other European countries, and French exhibitors refused to build theaters in small towns, because it was not a "sure" investment and because the Catholic Church objected. Thus in 1960 French films still accounted for more than 50 percent of French box office receipts, and the government was pouring one-half billion francs a year into French film. "Despite this unprecedented level of aid," writes Puttnam, "the fastest growing French genre of the 1960s, in numerical terms, was not Nouvelle Vague films, but pornography, and that story was

repeated across the rest of Europe." The top grossing film of 1974 in France was the soft-core *Emmanuelle*. During the 1970s, Puttnam adds, "pornographic films accounted for an average of 50 percent of all French productions."<sup>16</sup>

Meanwhile Americans were building "platforms," such as *The Godfather* (Paramount, 1972, 1974, 1990) and *Star Wars* (Twentieth Century Fox, 1977, 1980, 1983, 1999, 2002, and 2005). From these, they launched sequels and products like toys and books. Videotape rentals were another American innovation of the 1970s that became a major source of profit. *Star Wars* earned \$100 million in videotape rentals, and other films that failed in theaters made a profit in rental stores. By 1995, John W. Cones writes, rentals had "outpaced theatrical revenues [box office] both in the foreign and domestic market for several years." In that year, he notes, film executive Richard Childs said that "domestic gross sales of all home videos are about twice that of box-office gross."<sup>17</sup>

Foreign presales were another innovation. Dino De Laurentis, a small-time producer in the south of Italy, who should have been devastated by World War II, managed to produce the hits *Bitter Rice* (1950) and *La Strada* (1951). Ben Wasser writes that De Laurentis used his collaborations with Federico Fellini and Carlo Ponti to presell their films in the United States. In 1972 he came to Hollywood, where he produced several films in the following manner: he obtained an Italian government production subvention; he presold North American rights for about 50 percent of needed funding; he presold world distribution rights; and, finally, he sold off the whole project bit by bit to investors as he actually filmed it. As one Walter Reade studio executive exclaimed, "Dino is the only producer who thinks of the United States as just another territory."<sup>18</sup>

Soon Americans were following Dino's formula, and by 1973 their overseas sales reached \$415 million, exceeding their domestic sales. De Laurentis's next innovation was to get preproduction funding from his overseas distributors, a process that was expedited by Frans Afman of the Slavenburg Bank of Rotterdam. Based on the distributors' written guarantees, Afman and the bank advanced production money to De Laurentis for filming, usually mass-market fare. But unexpectedly one of their films, called *Death Wish* and starring Charles Bronson, turned out to be an enormous hit. Not only did De Laurentis look like a genius, but his finance method became the standard for Hollywood.

Crédit Lyonnais, by 1982 a French-government-owned bank, claimed to be the number one bank in film finance in the 1980s. It had deals with Carolco, Cannon, Castle Rock, Cinergi, De Laurentis, Empire, Epic, Hem-



dale, Largo, Morgan Creek, Nelson Entertainment, New World, Sovereign, and Trans World Entertainment. During the socialist Mitterand era, this government bank backed an A-list of "Hollywood" hits: *Dances with Wolves*, *Crimes of the Heart*, *Blue Velvet*, *Salvador*, *Platoon*, *Hoosiers*, *A Room with a View*, *Superman I*, and *Superman II*. "This French bank can be credited with helping the proliferation of new studios in the early eighties," writes Wasser, "by [its] willingness to underwrite global pre-sales."<sup>19</sup> Today the French complain about unfair competition, but in the 1980s they also owned and operated MGM, even appointing the entertainment division executives.

There are other examples of foreign control in Hollywood. In the 1990s Sony took over Columbia, then Matsushita bought MCA/Universal. Sony was particularly aggressive, battling with the much smaller MGM and claiming rights to James Bond and Spiderman to which it had no clear title. By October 2002 Sony was the world's leading film producer and distributor in revenues (\$1.4 billion) and market share (19.4%).<sup>20</sup> Then Australian Rupert Murdoch purchased Fox, expanding his global entertainment empire. Other foreign players are France's Canal+, Germany's Cappella, and Japan's Largo Corporation. Universal was purchased by Seagram's (Canada), then by Vivendi (France). Vivendi's Canal+ promoted Universal's *The Hulk* on its twenty cable channels in sixteen countries. By late 2002, three of the top five Hollywood distributors were foreign. They controlled 41 percent of the world market: Sony 19.4 percent, Twentieth Century Fox 11.8 percent, and Universal 9.8 percent. Then in 2004 General Electric bought 80 percent of Universal. It became hard to keep track.

The typical "Hollywood" blockbuster in this era was something like Fox's *X-Men* (2000), based on a comic book. It starred an Australian (Hugh Jackman), a couple of Brits (Ian McKellen, Patrick Stewart), and some exotic Americans (Halle Berry, Rebecca Romijn-Stamos). It was filmed in Canada. Seven production companies were involved, four of them American. There were eleven distributors, nine of them subsidiaries of Australia's Fox empire that dealt with the French, Spanish, Japanese, German, Italian, and Portuguese markets. Fifteen U.S. special-effects companies were employed, but they outsourced work to Taiwan, Spain, Mexico, and the Philippines.

Due to the tax laws, quotas, and repatriation rules that affected *X-Men*, Fox could afford to import *Bend It Like Beckham* (2002). This soccer film was produced by five British, one American, and four German firms. Indian-British director Gurinder Chadha had no hits when Fox put her

film on 555 American screens. By May 2003 her \$6 million film had grossed more than \$100 million, not counting resales, video rentals, or the DVDs (available in three languages) and audiotapes of the music (available at Amazon.com) by various Sikh and Punjabi artists, who also received royalties.

#### CINEMA IS LOCAL

Given its proximity, Mexico would seem vulnerable to colonization by Hollywood film. It shares a two-thousand-mile border with the United States, lies within reach of American television and radio transmitters, and has millions of citizens who visit the United States. But moviegoing is different in Mexico, for Mexicans choose films within their own cultural matrix.

Back in the nickelodeon era, the United States supplied 50 percent of Mexico's viewing. In the era of silent film, U.S. consuls reported, Mexicans preferred French films and a few U.S. westerns. During World War I the disruption of shipping made delivery of French films undependable. But Thompson writes that

due to the civil war there, both economic problems and the difficulty of shipping kept American firms away. By early 1916 Mexico's currency had dropped off to less than one-fifth of its pre-war strength in relation to the American dollar. . . . After the USA went into World War I, the American government placed very strict limitations on exports of films to Mexico and it was not until 1919 that conditions settled down enough to make it a viable market.<sup>21</sup>

After the war, U.S. propaganda films (*Ford Factory*, *Ford Tractor*) failed as badly in Mexico as elsewhere. Mexico, which had supplied actors and locations for hundreds of cowboy movies, provided a discerning audience. Strife-weary viewers wanted Charlie Chaplin, Norma Talmadge, Mary Pickford, and Douglas Fairbanks.

In 1921, the Mexican market was finally becoming stable enough to be attractive to American firms, which began opening offices in Mexico City. But early in 1922, the government there placed a ban on films coming from any company that made movies portraying Mexicans in an offensive way—a ban that applied even if the offending films were not themselves sent into Mexico. Some American companies promised to

comply with the Mexican demands. By the summer of the next year, an American official in Yucatan reported American films "by far the most popular." Import figures for the first five months of 1925 show the American market share at a level comparable to those in South American markets.<sup>22</sup>

Bending to local taste, Hollywood began to capture the Mexican market. The advent of sound increased U.S. dominance, as Mexico became the location for Spanish-language versions of American films, with Mexican actors playing major roles. While this eventually proved limiting (Spanish speakers in other markets took offense at the Mexican accent), Mexicans appreciated it, and many Mexican actors became bilingual. When the Spanish-language units folded, actresses such as Dolores del Río went straight to Hollywood. By 1930 the United States had a 98 percent share of the Mexican film market. This stayed constant until the beginning of World War II, writes Thompson, when it dipped to 90 percent. But today the number of Hollywood films shown in Mexico is much lower. Here's why.

#### A TRIP TO THE MEXICAN CINEMA

The consumption of film follows local habits. Unlike France, almost no Mexican town is too small for a cinema, though the films may be saccharine or blow-'em ups, but multiplexes are becoming common, especially outside of urban centers. Screening rooms tend to be large, even in new theaters, rather than the boutique models of the United States and Europe. First-run cinemas are often grand affairs, with marble floors and grand staircases leading to the balcony seating. The *cine* page of the Sunday edition of Mexico City's *Reforma* listed 187 cinemas in 1995, of which about 80 were in fourteen multiplexes of four or more screens.

Crowds at the movies are more reserved than in the United States. There is less talking, and none at all during showings. There are more viewers over age twenty-five and more couples than in the United States. Except for *niños fresas* in their neighborhood theaters, groups of teenagers are not common. Attire is dressier than in the United States—no shorts, sandals, halter tops, or muscle shirts. High heels and ties are common. Patrons seem to consume twice as much popcorn, called *palmas* or *palmettos*, and soft drinks and candy as in the United States. Few trash receptacles exist, but theaters are well cleaned between showings. The most unusual feature of Mexican cinema is the "intermission." Halfway

through each film, without warning, the film cuts to a commercial for Snickers or Coke or *palomas*, exhorting the audience to charge down to the snack bar.

The ingredients of film success are different too. Let's take a week of May 1995 as a snapshot. For a city of 15 million people, there is relatively little variety—just twenty-eight films are playing in Mexico City. As the week begins, nineteen are American made (68%), but as the week ends only fourteen are U.S. made (50%). Two of the "American" films are co-productions with other countries, such as *Prêt-à-Porter* (United States–France). Mexico itself accounts for five films as the week begins and six as it ends, with a Mexican-Spanish-Cuban coproduction raising the number to seven. Spain and France have two films each as the week starts, one each as it ends, while Russia and Poland each contribute one film during the period.

The American-made films are showing on 105 screens as the week starts but on only 90 screens as it ends. Mexican films are shown on only 19 screens on Monday but on 23 screens the next Sunday, the result of three new films (*Callejón*, *Guerrero*, and *Me Tengo*) that each add one or two screens. Meanwhile second-run imports, such as the U.S.-made *Mujercitas* (*Little Women*, 1994) move around the city to run alongside bigger hits such as *Epidemia* (*Outbreak*, United States, 1995) and the Spanish *Kika* (1993). Other nations account for 32 screens. About 20 cinemas are not accounted for, at some point in the week. Possibly these are rerun houses, in the midst of changing titles, or undergoing renovations. Overall it appears that the United States is the source of 75 percent of films on first-run screens.

The films playing on the most screens as the week begins are *Epidemia* with twenty-five and *Street Fighter: La Ultima Batalla* (United States, 1994) with twenty-six. When the week ends, *Epidemia* has spread to thirty-one cinemas, while *Street Fighter* retreats to twenty-four cinemas. The biggest changes over the week will be the opening of *Los Caprichos de la Moda* (*Prêt-à-Porter*, France–United States, 1994) in twenty-two cinemas, along with Jackie Chan's *Un Loco en Hong Kong* (*Shuang long hui*, Hong Kong, 1992) and *La Noche del Demonio* (*Tales from the Crypt: Demon Night*, United States, 1995), playing in twelve and twenty-two locations, respectively. The four Mexican films are playing in a number of first-run houses, as is *Kika*, a Spanish comedy by Pedro Almodóvar (fifteen screens).

These films represent an array of bets made by distributors and chains on the roulette table of spectatorship. Some films seem sure hits, such as

*Street Fighter*, since there is always an audience for violent action films. Some, such as *Prêt-à-Porter* (which will bomb), represent star power and contractual obligations. Others are the biggest hits of the previous year in the United States: *Pulp Fiction*, *Forrest Gump*, and *Dumb and Dumber* (they also bomb).

The Mexican films have mixed success. The screwball marriage comedy *Me Tengo que Casar* (dir. Manuel García Muñoz, 1995) draws bigger audiences than the ambitious *El Callejón de los Milagros*, which is a paradigm of the "international" film that government film boards love. Audiences like the *telenovela* romantic formula of *Me Tengo*, while *El Callejón* has unclear messages about homosexuality, marijuana, and migration to the United States. Whereas the first is funny and familiar, there's a sense to the second that a government committee decided what issues would be addressed and how deep the examination could go. More popular than either film is *Fresa y Chocolate* (*Strawberries and Chocolate*, Cuba-Mexico-Spain, 1993), which shows at only one theater but to very big crowds.

The big successes among U.S. films are *Epidemia* (*Outbreak*), up from twenty-five to thirty-one cinemas at week's end, and *Rapa Nui*, a Kevin Costner-produced epic that failed miserably in the United States. *Street Fighter* is also doing a good business. It is ostensibly an American film, but reading the credits we find a runaway production. This Jean-Claude van Damme sequel is cofinanced by the United States and Japan and filmed in Australia and Canada. Investors got their return: it grossed \$33 million in the United States and \$70 million worldwide by 2003. None of these "American" films got good reviews in the Mexican press.

But Mexicans don't follow critical reviews, to judge from the ratings in *Reforma*. It gave *Todas las Mañanas del Mundo* (*Tout les Matins du Monde*) four stars, its highest rating, and *Tiempos Violentos* (*Pulp Fiction*) three and a half, yet each played on only a single screen and drew sparse audiences. *El Callejón del los Milagros* and *Fresa y Chocolate* rated three stars (good) but played on only nine screens. A much bigger hit with the public and in terms of screens was *Epidemia*, which rated two stars ("ordinary"). Mexican exhibitors don't quote reviews or reviewers in their ads, but word of mouth seems to spread very fast.

Judging the ingredients of success or failure in a film is difficult in a foreign country. The mechanics of subtitling or dubbing are important. Like any audience, Mexicans like to hear their language spoken, in their own accent. Subtitles are a chore to read, and in a nation where the literacy rate is low, many moviegoers don't read quickly. *Rapa Nui* had huge subtitles that sometimes occupied up to one-quarter of the screen and

blocked the action, but they were very clear and stayed on screen for a long time. On the other hand, *Prêt-à-Porter* had the discrete, white, bottom of the screen subtitles that Western audiences expect of an art film; they were long, sometimes pointless, often badly translated, and did not stay up long. Cultural factors play an important role in the reception of dialogue. Imagine trying to write subtitles for *Pulp Fiction*, which gained its cachet in the United States by skillful parody of the vacuous dialogue in pulp detective novels. Of the twenty-three flavors of "fuck" in Mexican Spanish, which best replicates John Travolta's favorite word? Even if the film had been "translatable," it probably would have failed because it depended so heavily on the American pulp novel tradition, with which Mexicans are only vaguely familiar.

Dialogue and subtitling were also limiting factors for *Forrest Gump* and *Dumb and Dumber*. The mental peculiarities of Forrest Gump, and the peculiar flatness of Tom Hanks's voice as he communicated them, do not come across in subtitles. Just as no American could tell by his accent that a Spanish speaker was mentally handicapped, or be amused by the culturally corrective power of this shortcoming, no Mexican could be expected to pick up on the same qualities in an American actor. The *loco* vacuity of *Dumb and Dumber* is similarly dependent on tonal qualities in the actors' delivery. Both films depended on nuances of verbal expression and the audience knowing what was inappropriate or maladroit, which could be appreciated only by native or near-native speakers.

*Epidemia* and *Rapa Nui*, in contrast, did not depend on dialogue. Both were chock-full of action and plot. Much of this was "action" in the most clichéd Hollywood sense—helicopters and tanks, love plots, special effects—but the narrative was always clear. In *Epidemia* Dustin Hoffman and Rene Russo are "federal doctors" (*medicos federales* in the subtitles) who fight to save an entire town that may be wiped out by a deadly virus. Even though the hamlet on the Oregon coast with its cream-complexioned residents looked as foreign as Mars to most Mexicans, the object of the plot was immediately clear. Viruses such as the deadly ebola are not merely the stuff of film in Mexico. Typhoid fever, hepatitis A, and dengue are a reality in the Chiapas, Oaxaca, Campeche, and Veracruz departments. No one in the audience found it ironic that during the "intermission" two government public service announcements instructed patrons on proper hand washing and sanitation measures to combat cholera and malaria.

A movie about disease afflicting those richer, seemingly omnipotent neighbors to the north is intrinsically interesting. "Try to stay calm!"

warns the film's advertising. If the plot joins a deadly disease with questions about the intent of a monolithic, militarized government (the PRI still ruled Mexico in 1995), then differences in race, class, residence, and language can be put aside. The core issue was compelling in Mexico, and there were enough action, special effects, and romantic interest to carry the audience. *Epidemia* did a good business.

So did *Rapa Nui*, a film pummeled by critics and the box office in the United States. The film depicts a Stone Age tribe, organized by competing clans, living on an ecologically limited Easter Island kind of locale. The clans deplete their resources to raise stone heads to the god they believe will come to their rescue. Mexican audiences appeared powerfully affected by two aspects of the film. The enslavement of the clans by the priestly caste to raise the useless monuments drew comments of recognition all around the theater. Although it's not easy to say who Mexicans saw as the priestly caste (Aztec priests? the PRI? the church? the United States?), they expressed a sense of being pitted against each other by occupation, by region, and by ethnic group (Europeans vs. *mestizos* vs. *indigenos*). Most working-class Mexicans think this unfortunate. They would like to make common cause against this "priestly caste."

Like the Easter Islanders, Mexicans live surrounded by huge stone artifacts raised to appease the gods. From the Templo Mayor under Mexico City's main square to the Toltec Pyramids of the Sun and Moon at nearby Teotihuacan, they see monuments whose cost in human sweat and blood can only be estimated. The ecological price of this monument building is only too clear, for Mexico suffers the same irrational deforestation depicted in the film. Citizens are aware of their ecological crisis, and they were on the edges of their seats awaiting the resolution of this film, which unfortunately showed Jason Scott Lee sailing off to a land over the horizon where the mysterious technology of iron exists. For Mexicans this translates to yet one more version of flight from home to the Great American Paradise, but *Rapa Nui* played to full houses.

On the other hand *Los Capriccios de la Moda* (*Prêt-à-Porter*, France-United States 1994) played to fifteen people the night I saw it, in a first-run cinema with marble floors, a chandeliered balcony, and three-dollar (expensive) tickets. Five people left in the first forty minutes. Paris? The fashion world? Robert Altman says it is shallow and empty and nepotistic—isn't that obvious? The audience liked the low comic scenes of the parallel romances between Sophia Loren and Marcello Mastroianni, and Tim Robbins and Julia Roberts. The critique of the "fashion system" they found utterly pointless. By the end of the first week, the newspaper ads

were changed to read "31 film stars, 9 sensual couples, 14 naked super-models, 1 musical hit."<sup>23</sup> And one big loss.

The Mexican share of the Mexican market could be bigger, because the government subsidizes film production and Mexico has scads of good directors. In the 1940s and 1950s Mexico cranked out melodramas and comedies for all of Latin America. The problem is that the government wants to fund only European-looking films, to find the Carlos Sauras and Pedro Almodóvars of Latin America, rather than to play to traditional Mexican market strengths or to export to the Latin market. As Emilio García Riera said, "the Mexican filmmakers are excellent, but the industry has produced only trivia."<sup>24</sup>

*Callejón de los Milagros* (dir. Jorge Fons, 1995; *Miracle Alley* in English) is an example. Based on Egyptian Nobel laureate Naguib Mafouz's novel, coproduced with Spain and Cuba, responsible in its view of social issues, and featuring Mexico's best young "serious" actors (Salma Hayek's first international role), *Callejón* managed to clear all the committee hurdles. It received eighteen nominations for the Ariel (Mexico's Oscar), but to Mexican audiences the film still smacked of *cinema de lágrimas* (the tear-jerker), a genre that Mexican TV studios churn out better. This genre has been a training ground for many film makers, but when one adds to it *Rashomon*-like multiple viewpoints, the struggle to come to terms with sexuality, and artificially lit sets, the result has no genuinely local character. As one critic wrote, "This film is just one banal art-house cliché after another."<sup>25</sup> And it exported poorly, unlike the later hits *Amores Perros* and *Y Tu Mama También*.

#### WHO MAKES MONEY IN FILM?

It is commonly assumed that "studios" receive the lion's share of Hollywood film's profit. This is half true. "Studios" today are simply investors who may do very well on one film, while losing heavily on three or four. Despite starring Harrison Ford and Brad Pitt, *The Devil's Own* (1997) lost \$40 million. The actors made big money, but the investors lost their shirts.

Unlike actors, investors take big risks. The first investors were outsiders, often *arriviste* entrepreneurs, nickelodeon kings like the Warner brothers of Pittsburgh. Then venture capital firms, such as Kuhn, Loeb and Goldman, Sachs, who had credit with East Coast banks, became investors as theaters were set up. When the business became stable, the banks themselves followed, including foreign ones like Crédit Lyonnais, as did investment houses. These three layers of film finance are still common. Thousands of "outsiders" hope to strike it rich, converting Texas or



Saudi oil money into Hollywood gold. With their money from Brunei or Colombia or Russia, they back "Hollywood" films. The risk is high, but these people also invest in racehorses and oil wells. Their lawyers and accountants have created tax shelters that allow them to begin to write off their investments before a film is even finished.

With the first investors' money, the producers draw in more established sources—banks—on the basis of their previous hits. Retirement funds, for example, may participate in a film at this point. Many of them invest not only in studios such as Disney, Sony, and Time Warner, but in distribution and in exhibition, because Regal, Loews, Cinemark, and AMC are good stocks. These exhibitors indirectly finance film by advancing funds or signing prepaid contracts for screenings. Then, as John Cones shows in *The Feature Film Distribution Deal*, comes the linchpin, the distribution deal. Everything runs through the "distribution deal"—book rights, advertising, "anticipated expenses," "below-the-line fringes," "over-reported travel expenses," "exhibitor expenses," and so on. There are a dozen different kinds of "interest expenses" on the monies loaned to the film-in-the-making, and there are lucrative resale markets in television, syndication, overseas exhibition, and videotape or DVD. Distribution is where money is made and is what people fight about.

Entering the actual film distribution business today would be like opening a gas station to compete with Exxon. Ever since they drove the exchanges out of business in the 1920s, distributors have controlled the film business. They have worn down, evaded, and defeated quotas. The big distributors are names that we know—Fox, Buena Vista, Sony, Disney, Warners, Universal Paramount, Columbia—and some less famous: Canal+ (France), Eros International (India), and Canyon Cinema (independent). Distribution is a business that profits even more than before from economies of scale and logistics, because exhibitors depend on the unquestioned, punctual delivery (and pickup) of films, so that having a system in place in every large city is crucial. Distributors are almost invisible, and they may run their operations from Chicago or Hong Kong. They are the paradigm of logistical expertise, the subject of chapter 3. They make more films available to more viewers in more countries, more cheaply, than anyone dreamed possible in 1900.

But the film business is still local in an important aspect: exhibition. And the United States is the most important exhibition locale, because Americans are still the most moviegoing people on Earth, seeing five times as many films per capita a year as the French. When bargain nights and passes are figured in, U.S. prices are the lowest in the developed

world. But in most accounts of Hollywood's "hegemony," the local economics of exhibition go unexamined.

To understand how much film money remains at the local level, let's look at Cleveland, Ohio. It has thirty-four movie venues, most of them multiplexes, with 380 screens. The Regal chain accounts for over 100 screens, followed by Cinemark (45), but local entrepreneurs own the third (Cleveland Cinemas, 39 screens) and fourth largest groups (Atlas, 32 screens). They are followed by AMC (21), Loews (20), and Magic Johnson (12). There are also niche markets, ranging from drive-ins and second-run movies to art house and Omnimax. It is impossible to say how profitable the average film is in Cleveland, but probably 60 percent of the average \$7.50 ticket in 2003 stayed in Cleveland. It paid the theater's mortgage, electricity, personnel, and advertising. The theater and its employees also paid a variety of local taxes. The owner's profits were also taxed locally and perhaps reinvested locally. Most cinemas were hubs for restaurants and bars, or for shops in malls, which depended on them to generate an "evening out." These enterprises in turn paid rents, employees, and taxes.

Considered in this economic matrix, the amount of profit exported to the "studios" is relatively small. In most nations the situation is similar. Walking the streets of Paris, we see the Gaumont and Pathé chains. The Pathé theaters may be showing *The Hulk*—after all, Vivendi produced it—but they are paying French employees, mortgages, and taxes, and they are buying French newspaper and television advertising and French concession supplies. On the Avenue des Gobelins near Place d'Italie, where I usually stay, three French-owned multiplexes generate the "evening out" for more than fifty restaurants and bars, all French owned.

If we travel back to Nishinomiya again, filmgoing is also local and different from Mexico, France, or the United States. We have to take a train into Osaka to see a movie. The filmgoers there are young, urban, affluent, and willing to stand in line for hours to see a first-run film. Women and teenagers dominate; the couples are on dates or in groups. "In the United States, it's not unusual for a married couple to go to the movies or a show after work," says a Toho chain executive, but "in Japan if a man told his friends he was going home early to take his wife to the movies, they'd say he's weird."<sup>26</sup> There is no elder audience in Japan, nor parking. Theaters are smack downtown, close to restaurants and bars and the train stations. Filmgoing is expensive, often planned several days in advance. Attending the film is, like everything in Japan, an exercise in punctuality, courtesy, cleanliness, and appropriate group response. Tick-

ets are for assigned, numbered seats. *Spirited Away* (Chihiro, Miyazaki, 2001) was more than a movie in Japan: it reaffirmed a cultural vision of these qualities. New in Japan is the multiplex, which exists only on the outskirts or in rural areas, where land is cheaper. Chain operators Toho and Shichiku eschew multiple screens, preferring to dribble the hits out one at a time and milk the market.

While India makes the most films in the world (1,200 in 2002) and the United States is second (543), Japan is a surprising third (293). It makes more movies than France and China combined. Some of these, such as the masterpieces of Hayao Miyazaki, are distributed worldwide. Others, including the highly profitable *anime*, are distributed only in Asia. Then there are samurai, *yakuza* (gangster), and romance films that are culturally specific Japanese genres, which hardly export at all. All of these make far more money in videotape and DVD rentals in Japan than they do in screenings, because the Japanese watch a huge amount of film at home.

If we enter one of the two rental shops by the Kitaguchi station, we see a bustling business, even at midday. There are thousands of titles, updated daily. And there are still multiple copies of *Titanic* (1998) available. "*Titanic* played very well in America," writes Lynn Hirschberg, "but in Japan they loved it, loved it, loved it. It eventually made \$900 million in movie rentals worldwide." The mechanism of this phenomenon was identified by James Ulmer, who operates a website that ranks the cachet of actors with audiences: Japanese women adored Leonardo DiCaprio. They went to *Titanic* on bargain day with their girlfriends, then dragged their boyfriends on Saturday night, then rented the film (often several times), and finally bought it. According to Ulmer, they have also driven the careers of Brad Pitt, George Clooney, Hugh Jackman, and Orlando Bloom, as well as many Japanese stars.<sup>27</sup> Even as we are standing in the rental shop, a woman in an "office lady" uniform picks *Titanic* off the shelf and takes it to the desk, a look of remembered satisfaction on her face.

#### SUBTITLING AND DUBBING

The local economics of film extend to subtitling and dubbing. The lucrative Japanese, German, French, and Italian markets demand dubbing, which is the most expensive way to adapt a film. Scripts have to be translated (by a local translation company). Local actors have to be hired, at union rates, and rehearsed. There are even dubbing directors. Local studios are rented, and local recording engineers employed at union rates. The new dialogue is then remixed with the original sound effects and music, also in local facilities. Today there are film-dubbing industries in

the eleven largest non-English-language markets, plus Italian, Polish, Greek, and Serbo-Croatian. If Hollywood films were not imported, these jobs would not exist. A 1998 strike by unionized dubbers in Italy, where eighty dubbing companies employ more than a thousand dubbers, shut down the nation's theaters, some television broadcasts, and some commercials. Italian dubbers have their own Oscar (called the "David"), and some, like Ferruccio Amendola (the voice of Robert De Niro, Sylvester Stallone, and Dustin Hoffman) receive royalties and appearance fees. "Italians aren't used to seeing movies in the original version," says Richard Borg of United International Pictures, "They just won't go."<sup>28</sup>

Subtitling is less expensive but hardly free. It is used in two types of market. One consists of educated, urban moviegoers in France, Germany, or the United States; the other markets such as the Cebúano audience of the Philippines or the Hausa audience of Nigeria. For the first group, interested in the artistic integrity of the original, subtitling has to be more accurate and deft than dubbing. Literary translators are employed. Adding subtitles to these films is more difficult than it appears, because dark backgrounds are not always available at the bottom of the screen at the right moment. Subtitles also make more sense than dubbing for the Cebúano or Hausa audience, because exhibitors would lose money showing a dubbed version to an audience numbering only in the thousands. Subtitling is another part of the ticket price that stays at the local level.

#### RUNAWAY PRODUCTION

The local economics of "Hollywood film" are most evident in the vast sums spent on "runaway production." A \$50 million budget film, shot in Morocco, spends about \$25 million in that country. De Laurentis pioneered this method and was so successful that Twentieth Century Fox and United Artists soon followed suit, making the Sergio Leone "spaghetti westerns," Fellini's *Satyricon*, and Bertolucci's *Last Tango in Paris* abroad. Most of this work was done at Rome's Cinecittà studios. Next, United Artists went to France, where it funded films by François Truffaut, Claude Lelouch, Louis Malle, Phillipe de Broca, and others. In Sweden it financed four films by Ingmar Bergman. In Great Britain United Artists funded the Beatles' *A Hard Day's Night* and the original James Bond series. Runaway production reached extraordinary levels in the 1980s and 1990s. *Schindler's List* was made on location in and around Cracow, Poland, where Steven Spielberg spent millions on local actors, cameramen, technicians, carpenters, translators, food, lodging, vehicles, costumes, and various rentals. Today some citizens of Cracow still earn a living giving "*Schind-*

ler's List tours," and the bleak former ghetto featured in the film has been transformed into a trendy nightlife area.

There is another advantage to runaway production. Many countries have laws limiting how much of the exhibition profit of a foreign film can be repatriated. The cultural politics of these laws would fill a book. In the short term, they seem to protect niche culture industries, but over the long haul they are ineffective against major cultural commodities, such as blockbusters. Major gaps in such laws allow runaway production and films produced by local subsidiaries of international studios (so they are not "imported" and their profits can pay for their costs). The consequence of such laws is that it now makes particular economic sense to film in lower-cost countries where the film will also show well, especially Australia, Great Britain, or Canada. In the case of *Schindler's List*, producers did not have to dream up ways of translating their zlotys into dollars; their Polish profits didn't begin to equal their Polish expenses, so as a money-losing "Polish" film company they qualified for a government subvention. By 2005 "Hollywood" films such as *The Matrix* series, *The Bourne Supremacy*, *Ocean's Twelve*, and *Troy* were routinely shot entirely overseas.

As a result of these changes, Hollywood's overseas box office receipts exceeded its domestic receipts for the first time in 1994. The globalization of capital, a result of deregulation of financial markets, encouraged foreigners to buy into "Hollywood," which became globally owned. "What appeared most surprising," writes Puttnam,

was that companies from France . . . should be at the head of those lining up to invest in Hollywood . . . The management of conglomerates in the French film industry, as well as elsewhere, no longer felt obliged to defend those established values of high culture so long espoused by their intellectual compatriots. Whatever their underlying rationale may have been, companies like Canal+ and Chargeurs had no compunction about investing in Hollywood while at the same time the majority of French producers and policymakers were engaged in a strenuous battle to prevent American movies from flowing unimpeded onto Europe's cinema and television screens.<sup>29</sup>

Indeed, French intellectuals led the 1993 GATT battle over Europe's need for a "cultural exception" to free-trade laws in film and television. And they won—"a victory for art and artists over the commercialization of culture," said former French Minister of Culture Jack Lang.<sup>30</sup> In addition

to the ticket surcharge, the French poured up to \$400 million a year into government subventions for their own films.

But the enemy had vanished. By 2000 Hollywood was largely a place where deals were done, where studios, as Warner Brothers vice president Richard Fox said, were just "distributors, banks, and owners of intellectual copyrights, contracting out creative and production activities to others."<sup>31</sup> The profits landed in bank accounts in Riyadh or Vienna or Chicago, but the U.S. audience no longer determined what was made. In Japan, *Spirited Away* by Miyazaki drew an audience of 20 million and earned 30 trillion yen. That surpassed by 15 percent the record held by *Titanic* (1998), which had drawn an audience of 16.8 million and made 26 trillion yen. Local preferences ruled the Japanese market, and Japanese investors began to commercialize the export of *anime* to the United States. In France in 2001, "French films accounted for almost 50% of the total French box office."<sup>32</sup> Russians produced half of the films shown in Russia in 2002, and seventy-five films in 2003, as ticket sales increased tenfold over 1999, and as Russia's \$175 million box office approached France's \$185 million box office. Films were being made on budgets of \$15,000 in Nigeria's "Nollywood," dominating that nation's \$45 million home market. By 2003 Nigeria produced four hundred films a year, which were widely influential in other African nations and earned \$45 million abroad. In late 2003 the number one film in Malaysia was not from the United States but from South Korea, which produced 50 percent of the films shown on its own screens in 2003, with ticket sales up five times over 1996. It earned \$15 million on film exports. Film had become a world business in which the United States was just another competitor. "It is now less a matter of Hollywood corrupting the world than of the world corrupting Hollywood," wrote the *Economist* in 1998. "The more Hollywood becomes preoccupied by the global market, the more it produces generic blockbusters made to play as well in Pisa as in Peoria. Such films are driven by special effects that can be appreciated by people with a minimal grasp of English rather than by dialogue and plot. They eschew fine-grained cultural observation for generic subjects that anybody can identify with, regardless of national origins. There is nothing particularly American about boats crashing into icebergs or asteroids that threaten to obliterate human life."<sup>33</sup>