

# Harnessing Hollywood in China in the 1930s and 1990s: A Comparative Perspective

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## Abstract

This article is a comparative study of two Chinese governments' reactions towards Hollywood in the 1930s and 1990s. Through a comparison of the two states' censorship and economics policies, this article reveals that the film policies on Hollywood in the 1990s can be seen as a continuity if not consolidation, of those in the 1930s. This article concludes that China in the 1930s and 1990s were in the process of transition and Hollywood played a significant role in these transition periods.

**Keywords:** *film regulation, Hollywood films in China, Chinese film policy*

## 1. Introduction

China was in transition in both the 1930s and 1990s, seeking to build a new and modern state. Modernisation has been a common responsibility for China's governments and intellectuals from the Opium War of 1840 until now. Yet such building was not a linear process as often interrupted by decades of wars and years of riots and political campaigns. In 1928, the Guomindang(GMD) had ended decades of splits and riots, set up a national regime in Nanjing, and shifted the focus to state building. With regard to the film industry, Nanjing government had a better appreciation that film is not only an entertainment, but also an educational instrument, as well as propaganda tool. Based on this understanding, Nanjing government took consistent steps to regulate movies.<sup>[1]</sup> During this period, the Chinese film industry flourished into what was later described as a "golden age" along with the prosperity of Hollywood in China.<sup>[2]</sup> Unfortunately, the blossom of film industry was halted by the outbreak of the Sino-Japanese War in 1937. In comparison, the 1990s was also a transition period for China's state building, sharing the same intention of achieving modernity with the GMD in 1930s China. Film, as an important propaganda and education means, has been highly emphasised in the eye of the Chinese Communist Party (CCP), while its entertaining function was minimised for decades from the 1950s to late 1980s. The film industry was structured by initiating the Soviet pattern since the 1950s. Under this model, "the distribution of production resources and quotas, film licensing, film distribution and exhibition, and film export were all planned annually according to the Party's propaganda target".<sup>[3]</sup> The radical restructuring of the Chinese film industry started from 1994, the same year that China allowed the importing of Hollywood movies on a revenue-sharing basis. The target for restructuring was to establish a mature modern business operation and institution, and

not surprisingly, Hollywood became the model. Film institutions established by industry including film star system and theatre chain systems re-emerged again in 1990s film market after four decades of planned economy, following the arrangement of government, rather than market.

The transition periods in the 1930s and the 1990s are also the time when Chinese society was engaged in globalisation process. Globalisation is identified as "the intensification of worldwide social relations" and stands as a long-term process.<sup>[4]</sup> In the 1930s, Shanghai stood as the "Paris of the East" and was a dominant commercial, industrial, and financial metropolis of China. It was also the "centre of China's domestic film industry, the hub of American film distribution activities, and the home to the largest concentration of motion picture theatres".<sup>[5]</sup> By the 1990s, China had integrated itself into the global economy and Chinese cinema is of no exception to this process.

During the two periods of transition and globalisation, Hollywood exerted significant influence on Chinese society including economics, culture, and politics. Hollywood movies not only dominated the Chinese film market in the 1930s and in most of the 1990s (1994-2002), but also posed as the model for domestic film innovation. In addition, Hollywood deeply influenced film culture and consuming culture in China.<sup>[6]</sup> Furthermore, Hollywood's vast economic and cultural influence would inevitably impact on China's state building process. The Chinese state had to consider Hollywood's impact and adjust its relationship with it, particularly in a globalisation period.

It is certain that Hollywood has served as the dominant economic globalising force in terms of motion pictures since the World War I. Scholars argue that economic globalisation would lead to the collapse of nation-state, or at least weaken the power of nation-state.<sup>[7]</sup> Therefore, in regard to the Sino-Hollywood relationship, many questions can be posed regarding the impact of Hollywood on the Chinese state such as: Will Hollywood weaken the state power of China in film industry? How has the Chinese state responded to Hollywood in both transition periods?

What similarities and differences between the reactions of the two states, the GMD and the CCP, towards Hollywood? What are the underlying reasons for the similarities and differences between the two rival states in Chinese history?

Whether Hollywood can weaken or strengthen state power in the globalisation era depends on how a given regime responds to Hollywood.<sup>[8]</sup> Both Chinese states, the GMD and the CCP, consciously responded to Hollywood and intended to use Hollywood to achieve national transition into modernity. Through a series of regulatory measures, both states hoped to consolidate their legitimacy through controlling Hollywood's content to satisfy the regime's political and cultural agendas, creating impetus for the film industry to modernise by learning from Hollywood's advanced operational institutions and technology.

The two Chinese states' responses to Hollywood include two paramount sectors, one being economic regulations, and the other censorship. The hypothesis of the study is that parallels exist between the two periods with respect to the two regimes' responses to Hollywood due to cultural, political, as well as social factors, although this may be denied by both regimes. The study also suggests that the vertical regulations, particularly import quotas and monopoly distribution, underpin the myth of China's success in disciplining Hollywood.

## **2. COMPARING ECONOMIC POLICIES TO HOLLYWOOD**

The most important differences of the two regimes come from the economic policies or film industrial regulations. The GMD mainly maintained a relatively neutral position in a free movie market alongside the trend of injecting political intervention. On the contrary, the CCP adopted an interventionism policy and showed a gradual liberalization. Despite of the adversary positions of these two regimes in Chinese history, parallels exist in the 1930s and 1990s in light of the regulatory system towards Hollywood.

### **2.1. GMD's relative neutral position**

In the 1930s, the Nanjing regime (1927-1949) adopted a mainly neutral and non-interventionist economic policy towards the film market business. Firstly, state-owned capital rarely existed and mainly served an educational and other non-commercial function. Secondly, few subsidising policies for domestic film or restriction policies for Hollywood products were issued and implemented in the 1930s. The most important issue is that the GMD failed to implement any quota system for imports. As Xiao Zhiwei observed, almost all Hollywood productions were imported into China during the 1930s.<sup>[9]</sup> Thirdly, the few regulatory institutions that did exist within the film industry had not been mature but rather provided ample space for the film industry's resisting and evading regulation.

However, the GMD showed interest in establishing an omnidirectional regulatory structure. For instance, one film official claimed in 1935 that the blueprint of state-owned production studios was to merge the private studios and eventually to nationalize all studios.<sup>[10]</sup> However, this ambitious bubble was soon thrust partly due to the strong private and free market in the 1930s and partly due to the outbreak of the Sino-Japanese War in 1937. This legacy, however, was inherited by the CCP, who fulfilled the ambition with success in the 1950s through a duplication of the former Soviet Union model.

### **2.2. CCP's interventionism position**

Compared with the GMD, the CCP sought active interventionism on film regulations. With intention to transform from a planned economy to a market one in the 1990s, the CCP strived to reinforce a series of institutional reforms to accommodate the market economy. Nevertheless, administrative intervention still serves as a barrier to film marketing.

China started to embrace an open-door policy and a market economy in the late 1970s following the failure of the Soviet Union pattern. By the early 1980s, the CCP leadership had realised that the Soviet Union's planned economy risked national bankruptcy due to its low efficiency. Hence, the Party had to "overhaul the planned economic system and embrace the market economy to achieve rapid economic growth".<sup>[8]</sup> In terms of film industry, radical reform did not start until the early 1990s due to film's ideological function. The crucial reform is the reintroduction of Hollywood to China's public screens after almost four decades. In 1993, when the Chinese film industry was facing a "dire crisis", the state claimed to import ten revenue-sharing foreign films a year, those that represent "world cultural achievements and contemporary film art and technologies"; in practice, most of the foreign films are Hollywood.<sup>[11]</sup> Consequently, the reintroduction of Hollywood had become "a seemingly indispensable pillar to buttress the very survival of the Chinese film industry".<sup>[12]</sup>

Concurrently, the Party introduced a series of institutional reforms in film production, distribution, and exhibition sectors. Key central documents issued in 1993 and 1994 are seen as the start of restructuring of the Chinese film industry.<sup>[11]</sup> Not surprisingly, Hollywood stands as the model for each sector. Gradually, the film authority allowed private capital to move into production, distribution, and exhibition areas. Film studios and investors abroad were encouraged to invest and co-produce films within China. Revenue sharing systems have been applied in domestic film business. The theatre-chain system has emerged as well at the beginning of twenty-first century.

Despite these liberalising measures, one can still see the CCP's interventionist approach towards the film industry. On the one hand, the authorities established market barriers to Hollywood and foreign direct investment. For instance, the quota system permitted only 10 to 20 foreign

movies per year to be released on a revenue-sharing basis. Foreign capital was restricted to no more than 50 percent in the distribution and exhibition sectors. The essential restriction is that the import and distribution of Hollywood products are monopolised by the state-owned China Film Group. Therefore, the government can easily institute a blackout period on screening Hollywood films, even on a whim. On the other hand, the film authorities sought to favour domestic films, particularly subsidizing the so-called “main melody” movies. In addition, the state-owned studios and theatres enjoyed a special favourable treatment.

### 2.3. Reasons analysis

The historical conditions and political cultures of the two regimes resulted in some similar and some different policies in 1930s and 1990s China. The GMD’s regulatory system emerged in a context of a free film market in 1930s China which was hard to control. Prior to the GMD takeover in 1928, it was hard to identify an effective film regulation in China. By the time when Nanjing government took steps to control motion pictures, the Chinese film industry had developed into an almost free and open market. In a fully commercialised market, film corporations would not welcome regulations, unless the regulations brought profits or the corporations had no choice. The profit-seeking film industry would naturally seek to avoid regulation through the available loopholes. It was possible for resistance and evasion to occur because of the GMD’s imperfect institutions and the existence of enclaves, including settlements and concessions in Chinese territory. For instance, GMD’s film regulators found it hard to enforce their policies in Shanghai’s International Settlements and French Concession. Self-identified authorities in settlements and concessions had no desire to see the GMD authority usurp their municipal rights over the settlements, since they had their own film regulatory institutions.<sup>[5]</sup>

In comparison, the CCP’s regulatory reform in the 1990s was based on an omnidirectional centralized system structure. Soviet film experts helped the CCP nationalize the Chinese film industry in 1953 and the Soviet-style command economy model remained in the dominant status from the mid-1950s to the late 1980s. Under such a system, the production, distribution, and exhibition sectors were planned annually, based on the party’s targets. The key vertical structure remained in the 1990s and contributed to effective punishment of the film industry when facing disobedience.

Apart from the historical conditions, the different political cultures may explain the disparity on regulatory policy. It is even likely that the GMD intended to maintain a relatively free market mode despite the intention of building a national state-owned studio. Controversially, in the concept of the CCP, the motion picture functions the education and propaganda instrument, and it would not easily give up the film’s propaganda function and maintain a totally free and open market, despite of a deregulation trend.

### 3. COMPARING APPROACHES TO THE CENSORSHIP OF HOLLYWOOD

Censorship plays an essential role in disciplining Hollywood in 1930s and 1990s China. This study analyses the similarities of the censorship apparatus and interests in the CCP and GMD, as well as explains the different results of censorship. This study proposes that the same party-state regime and different historical conditions contributed to the parallels and disparities of the censorship systems between the CCP and the GMD.

A close look at the censorship systems of the GMD and CCP will reveal numerous similarities. Firstly, censorship in both the 1930s and 1990s share similar intentions-integrating Hollywood into the passionate drive to build a modern Chinese culture. As Xiao Zhiwei suggests, the GMD treated censorship as “an instrument for ideological uniformity and state-building in film culture”.<sup>[1]</sup> It is the same with the CCP’s censorship system. In a similar transition period, the CCP in the 1990s had to maintain its cultural authority and reconstruct the national ideology, particularly when the Communist ideology had collapsed in the post-Tiananmen period.

Secondly, the characteristics of the censorship apparatus have many similarities under the two regimes. Both censorship committees are centralised official organizations, compared with the autonomy and independent committees in New Zealand and United States.<sup>[13]</sup> In addition, there is a lack of fair process in the two censorship systems. In GMD’s notion, censorship was listed under administrative rather than legal agendas.<sup>[1]</sup> The censorship committee had exclusive power to control film content and no other appeals could challenge its authority. It is the same with the CCP in the 1990s, where there is a lack of check and balance apparatus in the Communist system structure. Although Hollywood corporations complained much about this autocratic process, it has not changed substantially. The above-mentioned similarities might be attributed to the same one party-state system and the paternalistic politics whose philosophy is rooted in Confucian tradition and influenced by Soviet Union.

Thirdly, parallels occur in the censorship interests as well. Besides some common issues including sex and violence, both authorities share an interest in censoring attempts to “humiliate China” (*hu rua*, 辱華). This issue is highly linked to nationalism, a complicated notion in modern China. Two kinds of nationalism emerged in modern China. First is original nationalism, which arose in reaction to the invasion of foreign imperialism since the first Opium War period. In such nationalism the Chinese would share a common vision of a “strong, prosperous and unified country”.<sup>[5]</sup> Second, there is “patriotic nationalism”, generated and fuelled by the CCP regime requesting the “loyalty and devotion to the Chinese Communist Party”.<sup>[14]</sup> Through mixing the nation, state, regime, and the Party, the patriotic nationalism intended to evoke the identity of the current regime ruled by the CCP in accord with identifying China as a nation and civilisation. In other words, it classifies the criticism on the CCP regime into

“anti-China” or “humiliating China”, through identifying the People’s Republic equals to China. Basically speaking, Chinese in the 1930s and the 1990s shared the same original nationalism, while 1990s China fuelled the unique patriotic nationalism.

Although they share similarities on censorship interests and apparatus, the two censorship systems have different consequences at the point of implementation. The GMD failed to closely control Hollywood’s content in the 1930’s due to the existence of enclaves and faults in institution design. By contrast, the CCP was likely to succeed in censoring Hollywood in the 1990’s due to a strong regime and its severe punishments on disobedience. Despite the flood of pirated versions on the black-market, no Hollywood movies could be screened in China’s theatres in the 1990s without approval from the authorities. Additionally, economic policies in the film industry contributed to different censorship consequences.

#### 4. CONCLUSION

As military enemies in modern China, GMD and CCP refused to confess the similarities between each other. This article, however, finds that both governments attempted to survive and strengthen the regime’s legitimacy through controlling Hollywood content and disciplining its activities to satisfy their political, economic, and cultural agendas. Yet different historical conditions and governmental culture generate radically different results. This article proposes that both governments shared commonalities of censorship, including the censorship system and censorship interests, though they applied different economic regulations to Hollywood. GMD took a relative neutral position, the CCP adopted the policy of state intervention. Different political and economic policies lead to different industries in the 1930s and 1990s.

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