New Zealand Hobbit premiere used to drive "international competitiveness" agenda

John Braddock
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The Hobbit: An Unexpected Journey, the first of a three-film adaptation of J.R.R. Tolkien's fantasy novel had its world premiere in Wellington, New Zealand on November 28. Prime Minister John Key seized on the associated media hype to underscore the ruling elite's demand for "international competitiveness" and justify deeper attacks on wages and working conditions in the film industry and, by implication, more broadly.

In an interview with Radio NZ, Peter Jackson, the film's director, said there was "a very real danger" that *The Hobbit* might have been made outside New Zealand. Jackson noted there was "no room for sentimentality" when studios decided where big budget films were made. "If New Zealand wants to be in the business of making films," he declared, "it has to be aware of what other countries and US states are offering."

Two years ago, after hosting Warner Brothers executives in a visit to Wellington, Key announced that tax rebates and subsidies for *The Hobbit* would be generously increased, bringing the total to around $US109 million—a major contribution toward the project's $500 million production costs. Under a similar deal, the previous Labour Party government provided $150 million for Jackson's *Lord of the Rings* trilogy.

The millions handed over to Warner Brothers and other wealthy film producers contrasts starkly with the treatment meted out to ordinary people. The National Party government is following its counterparts around the world in imposing austerity measures to make the working class pay for the global economic crisis—including via cuts to health, education and the public service, an increase in the consumption tax, and cuts to jobs and pay—on the basis that there is "no money."

The government also passed a law in 2010, under "parliamentary urgency," making every worker in the film industry an "independent contractor" by default. This stripped actors, technicians, make-up artists and anyone else "engaged in film production work" of the limited legal protections available to employees, including sick leave, holiday pay, workplace accident insurance and protection against unjustified dismissal.

Film workers now have no legal right to enter into collective contract negotiations or take industrial action over wages and conditions. Key told the *New Zealand Herald* at the time that "these movies would not be made in New Zealand" without the law change. Jackson, who is ranked 20th on the *National Business Review's* "Rich List," with a personal fortune of $NZ500 million, spearheaded a reactionary and nationalist campaign, insisting that the government accede to Warner Brothers' demands, while demonising actors who sought to protect their conditions. According to NZ Actors Equity, actors are among the country's lowest paid workers, receiving an average wage of just $NZ28,500 ($US22,670) per year.

In his speech opening *The Hobbit* premiere, Key thanked the public for supposedly "supporting" the employment law change. In fact, it was a layer of privileged, pro-business media pundits who whipped up support for the move, and the trade unions that ensured it was imposed unopposed. An international boycott called by the US Screen Actors Guild, Canadian Actors Equity and British Actors Equity had already collapsed by the time the law was pushed through. The unions had withdrawn a "do not work" notice and dropped their demand for a collective agreement. Actors Equity and the NZ Council of Trade Unions issued unconditional assurances that they would not allow any industrial action during filming.

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Jackson told Radio NZ that Warner Brothers had sent location scouts around England and Scotland, and had *The Hobbit* script broken down into each scene, with proposed location photos, "to convince us that we could easily just go over there and shoot the film" if costs increased in New Zealand.

According to Jackson, the movie studios factor in every cost item, ranging from the exchange rate to financial incentives offered by governments. "If they've got Ireland or Yugoslavia who can make it cheaper that's where they will go," he declared. In other words, there is a relentless "race to the bottom" to cut costs, tax liabilities, employment rights, and wages and conditions across national boundaries.

Jackson himself has been a key player in the global drive to reduce production costs and boost profits. His decade-old *Lord of the Rings* trilogy—which grossed some $NZ3.6 billion worldwide—was made more cheaply in New Zealand than in any comparable country because of the low wages and poor conditions that prevail in the local film industry. The NZ Film Commission pointed to the "deregulated" labour force as the reason it was 30 percent cheaper to make films in New Zealand than in Canada, which was then attracting most of the $10 billion "runaway" film industry from the US—productions diverted to other locations where costs undercut those prevailing in Hollywood.

As far as the New Zealand establishment is concerned, a great deal rests on *The Hobbit* repeating the global success of *Lord of the Rings*. Much of the government's tourism budget has been turned over to promoting New Zealand as "Middle Earth," aiming to attract thousands of overseas visitors to the film's locations. Companies such as Air NZ are making extensive branding use of the theme. The country's tourism industry is second only to dairy exports in terms of foreign exchange earnings, and accounts for nearly 10 percent of the gross domestic product.

There are indications, however, that the hype around Jackson's productions is beginning to fade. The premiere's red-carpet occasion in Wellington drew about 20,000 fans, well short of the 100,000 that the fawning media had predicted. Times have changed. With the deepening social disaster and eruption of class struggles from Egypt to the US, Europe and elsewhere, a triple movie fantasy encouraging a wholesale retreat from the realities of contemporary life, in favour of a bucolic, romanticised past, could well fail to appeal to the population at large.

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