

# The Internationalization of Television

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Traditionally, television has been analysed as a national domestic medium. However, technological, political and regulatory developments in the last two decades have introduced a complexity of new forces which are transforming the medium into an international one. Such forces as supra-national regulatory activity, the international trade in television and the development of transfrontier television are creating new alliances and practices among politicians, broadcasters and media organizations and are bringing about the transformation of the medium. This paper sets out both to identify and document the process of internationalization.<sup>1</sup>

Broadcasting systems across the world have developed historically as national domestic affairs. Cultural, legal and political considerations lent support to these patterns of development although, in reality, many systems may have been significantly dependent on imported content and/or foreign practices (see Sepstrup, 1988; Boyd-Barrett, 1977; Golding, 1977). Even dependency, however, has done little to undermine the belief that national systems of broadcasting should be run as domestic services. The absence of broadcasting transmission technologies which could satisfactorily cross frontiers further reinforced a pattern of independent media systems coexisting in a variety of relationships with each other: some as dependent systems, others as core exporting centres and still others as systems 'modelled' on the systems of more powerful media countries (Kivikuru, 1988: 13).

However, contemporary technological advances (e.g. cable and satellite broadcasting), economic pressures (e.g. rising costs of television productions) and policies of liberalization have all contributed to the pressure for change (see Negrine, 1988; Dyson and Humphreys, 1988; Collins et al., 1987; Locksley, 1988). When taken together, these changes are, in effect, laying the foundations

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for the transformation of television into an international medium. It is not that the national and domestic levels will cease to be of importance, or that cultural and linguistic differences will cease to matter, but that the shifts currently taking place within the industry at a global level are fundamentally altering the nature of that industry.

Our concern with the process of internationalization differs somewhat from most discussions of the international dimensions of mass communications. These usually focus upon a set of themes which highlight the degree to which media systems become subject to, and dependent upon, the media of more powerful countries. The ensuing one-way flow of communication traffic, the use of foreign media practices and the copying of structures then raise significant questions about the ability of the dependent countries to maintain their cultures and subcultures in the face of an onslaught from foreign (mainly Anglo-American) media content (see, for example, Boyd-Barrett, 1977; Golding, 1977; Hamelink, 1983; Nordenstreng and Schiller, 1979; Varis, 1984; Sepstrup, 1988).

Although these issues are both important and pertinent to our study, we wish to argue that the process of internationalization described here goes beyond discussions of flows and dependency, 'synchronization' (Hamelink, 1983) and 'modelling' (Kivikuru, 1988). This article addresses the contemporary technological, regulatory and political changes which are impacting on the nature and structure of the television industry at the global level and it seeks to describe the complex influences which come to bear upon the process of internationalization. As with previous discussions, the outcomes of this process are crucial, though we would wish to argue that they are likely to be complex, not 'deterministic' (Kivikuru, 1988:9), and will lead to a variety of relationships at different levels and between many, including new, media players.

A good illustration of the sorts of changes which feature at the heart of our discussion is the way in which the advent of transfrontier television has forced states to act together (or at least try to) so as to guarantee common and acceptable standards and rules. By these very acts nation-states give up a degree of their autonomy and control over their own broadcasting systems in anticipation of, or in exchange for, international regulation. As Dyson and Humphreys (1988:148) argued: 'regulation has shifted from being a purely domestic political process of realising

enduring principles of public service broadcasting policy to becoming a process of statecraft. This transition reflects the new complex international dimension of broadcasting regulations'.

Such regulatory activity is only one example of a changing media environment. The process of internationalization can, and has, taken place at many different levels: at an organizational level (i.e. the creation of international channels: transnational ownership of systems); at the content level (i.e. the trade in television; the practice of coproductions); at a funding level (i.e. the importance of advertising revenue internationally; the movement of capital across frontiers); at the regulatory level (i.e. the involvement of supra-national bodies such as the European Community or the International Telecommunications Union); at the reception level (international audiences can simultaneously watch identical services) and so on. All these changes highlight the influences on the process of internationalization and they are explored more fully below.

### **The Internationalization of Television: An Overview**

Regulatory activity at a supra-national level is perhaps the most visible sign of the internationalization of television, a process which is made up of a growing number of international trading and organizational links between formerly disparate bodies and broadcasting organizations. This gives rise to important operational alliances across national/political boundaries which have consequences on the nature and operations of national domestic broadcasting systems. In effect, the process of internationalization leads to the creation of systems of television which have much in common — they share the same programmes, standards, regulations and even owners. Four main factors feature prominently in our conceptualization of the process of internationalization and each illustrates the ways in which television is increasingly acquiring an international character.

1. Technological developments now make it easier for broadcasters to reach large audiences across frontiers simultaneously (i.e. with the same programmes).

2. The internationalization of television is also a part of a much wider process whereby capital and investment funds flow easily across frontiers. International funds now move fairly freely into both programme making and infrastructural developments. A related consideration is the flow of advertising revenue into newly

liberalized broadcasting systems. These flows have underwritten moves to standardize advertising content across several nations so as to benefit from a global approach to marketing and sales. A global marketing approach requires, in turn, a global medium.

3. Another indicator of the internationalization of television is the frequency of international meetings between television producers, executives and regulators. There have been intensive negotiations about broadcasting issues among numbers of such bodies as the European Community (EC), the Council of Europe (CoE), the International Telecommunications Union (ITU) and even the newly formed European Association of Commercial Television (ACT). There have also been international negotiations over the creation of common *technical* standards such as MAC and High Definition TV (HDTV). Such negotiations are designed to facilitate the trade in software and hardware, although they also reveal the struggle for industrial leadership of the world's (electronic) manufacturing sector.

4. Finally, and perhaps the most obvious feature of the internationalization of television, is the increased trade in television programmes. With more programmes being shared, exchanged and/or broadcast across frontiers, the more likely it is that the television fare of different countries begins to look alike. One obvious danger here is that this might 'over time erode the culture, values and proper pride' (Pragnell, 1985:5) in the traditions of individual (including European) countries.

To these four factors, one can add two others which are specifically European. First, the countries of Europe, through their supra-national bodies (the EC and CoE) are encouraging political and cultural unity; second, these very same bodies are also attempting to create an economically integrated region (the European Single Market). Both of these characteristics of European restructuring create an appropriate environment for an internationalization in programming, in regulatory activity, in productions and in investments.

Outside Europe, one can identify developments which further contribute to the internationalization of the medium. Japanese, Australian and US media interests are forming alliances — very often with Europe — at various levels of the industry. Japanese media companies have recently invested heavily in facilities in the USA (Sony and CBS) and in Britain (e.g. in cable television systems; Fuji Sankei in the Virgin company); Australian com-

panies have long been involved in media enterprises across the world via their nationals (e.g. Bond, Holmes à Court) and ex-nationals (Murdoch), and they are now increasing their exports of programmes as well as their coproductions with overseas broadcasters; finally, US companies are involved at all levels of production, investment and 'diplomacy' (for example, over the EC Directive, 1989).

There are, however, significant *counter-tendencies* to the process of internationalization. First, cultural and linguistic factors continue to create obstacles to a fully fledged international television system. Transfrontier broadcasting systems across Europe have, for example, abandoned the concept of pan-European broadcasting and have realigned themselves along cultural and linguistic lines. Paradoxically, this realignment still allows for broadcasting across several different countries (e.g. Germanophone services to Germany, East and West, Austria, Switzerland and Poland). Second, individual nation-states continue to regulate their broadcasting systems as if they were primarily national concerns; though even here there is, very often, an acknowledgement of the infringement of national borders by satellite broadcasters. The key issue, then, is whether these counter-tendencies will be powerful enough to limit the impact of all the other forces which are bringing about the internationalization of television. We return to this towards the end of this paper.

### **The Internationalization of Television: The Process Described**

#### *The 'New' Media and the Role of Supra-national Agencies*

The new means of video signal distribution have had an impact on regulations, structures and viewership. They have altered the balance of forces between the traditional media institutions and the new media players — who have entered the industry on the backs of the new media — and created a need for a new settlement between them. Yet it is curious that these effects far exceed any real progress made by the 'new' media. Although there are indications that the growth of cable television is speeding up, particularly in the Federal Republic of Germany (as was), the overall figure for cable subscription in Europe represents a fraction of the total homes universe. In Britain and France cable subscriptions are notoriously low, with less than 20 percent of eligible homes subscribing. Similarly satellite dishes are poorly spread across the continent. The fact of low rates of growth — but

growth nonetheless — needs to be seen alongside a more significant factor, namely, the changing patterns of viewing within cable and satellite households. In its review of the 1989 PETAR (Pan-European Television Audience Research), *New Media Markets* (1989:11) pointed out that:

Europe's advertising-supported cable and satellite channels now account for 20% of viewing time in those households which can receive them. Their share has increased by about a quarter since last year [1988], when they accounted for 16% of viewing time. . .

And a number of these satellite-delivered channels, such as CNN, MTV, Sat 1 and Super Channel, have an *international* character.

The 'new' media also created considerable pressure to liberalize broadcasting structures. For the advocates of change, the 'new' technologies required not only structural change but also a liberal regulatory framework in order to guarantee commercial success. Restrictions of any kind which imposed non-commercial criteria on operational decisions were seen as detrimental to the natural development of commercial television. It was also taken as axiomatic that only a liberal regulatory environment would create the conditions for a significant growth in advertising revenue for the 'new' (and 'old') media. To benefit fully from the commercial and advertising opportunities which the 'new' media create, it is essential to have a common regulatory framework across several countries (as in Europe), otherwise, individual nation-states can easily spoil the plans of the 'new' media players by imposing domestic rules which have restrictive consequences on international players. This is particularly true of rules about advertising on television (see also below) and it partly explains the involvement of both the European Commission and Council of Europe (see, for example, the Green Paper on the establishment of the Common Market for broadcasting, especially by satellite and cable, Commission of the European Communities, 1984) and their desire to generate Europe-wide legislation.

The objectives of the Directive on broadcasting — with respect to advertising content on television, copyright, young people and television — thus emphasize the need for a common approach to common problems. Admittedly, many of these concerns, for example, in relation to HDTV and the MAC standard, were fired by European *industrial* considerations and the need to retain a competitive edge over either or both the Japanese and the US

media industries; but they, nevertheless, also mirrored a set of objectives which took as their starting point a vision of Europe as an integrated commercial market of 320 million people. (European cultural integration is an important though perhaps secondary consideration, given that its advocates appeared to exaggerate the degree to which Europeans were culturally homogeneous; see Schlesinger, 1987; Collins, 1988.)

In these circumstances, coordinated action between nations is likely to produce better outcomes than individual actions. As unfettered national action (e.g. over transfrontier broadcasting) is largely obsolete, the political and economic independence of nation-states needs to give way to an interdependence between states. However, since much of the hard bargaining that has taken place at the EC level has been directly related to individual states attempting to protect and extend their own self-interest, one finds contradictory pressures and forces at work which can pull nations together but can also push them apart. This form of bargaining suggests that the concept of 'intergovernmentalism' in which still sovereign states continue to bargain over major issues such as broadcasting, may provide a better description of contemporary events. This helps explain why the Convention of the Council of Europe was favoured over the Directive of the Commission — the former did not bind states to actions and quotas in the way in which the latter did. This also holds for the approval of the final version of the Directive which was so worded that it committed states *politically and morally* but left them considerable control over their domestic broadcasting affairs.

This apparent 'resurgence' of the state in broadcasting affairs has also been helped by the liberalization of broadcasting in Europe. Because this liberalization has taken place mainly in respect of the terrestrial frequencies, individual states have been able to exercise enormous control over a wide range of domestic developments. In this respect, broadcasting policies appear to have become re-nationalized, not Europeanized or internationalized, although even re-nationalization does not take place in isolation and each state now tries to balance internal conflicts and pressures with external ones (i.e. the 'process of statecraft' in Dyson and Humphreys's terms). This would also be true of the discussions during World Administrative Radio Conferences (WARCs) over the allocation of DBS orbital slots (see Williamson, 1988; Kavanaugh, 1986).

*Changes in Structures and Processes*

If the 'new' media created possibilities for change, with entrepreneurs taking advantage of these possibilities, commercial decisions further reinforced the tendencies towards internationalization. It is at the level of structural changes in ownership of enterprises and alliances between media groupings that one becomes aware of the shifting terrain. The most obvious sign of this is undoubtedly the growing number of forays on the part of media entrepreneurs into countries other than those of their domicile: Silvio Berlusconi has moved into France and Spain, Rupert Murdoch straddles three continents, Robert Maxwell has entered France and Spain (and Eastern Europe as well). Such 'larger than life' characters are by no means unique in their desire to foster and exploit new linkages; media corporations have also fostered new linkages either as a defensive gesture or as a means of ensuring that their consolidated strengths permit them to work in newer and different market sectors. The end result — and it must be remembered that we are describing an active process — will most probably lead to the creation of larger and fewer dominant media groups.

The motives behind these groupings are self-evident. Mergers and acquisitions give corporations greater control over specific sectors and this can benefit corporations in several ways: costs of sales and transactions can be reduced; an integrated corporation can sell products to 'itself' and it can also take advantage of opportunities to publicize itself across its many media as Rupert Murdoch has done by heavily advertising his satellite television channels in his own newspapers. Another rationale for mergers and acquisitions is that single medium activity is becoming increasingly unattractive and risky as competition between media for advertising revenue becomes more intense. The larger the empire, the more limited the competition for revenues and audiences. As Locksley (1988:11) observed:

the economic dynamics of the information industries are encouraging enterprises in the sector to become vertically integrated, to expand horizontally, thereby raising levels of concentration, and to become involved in adjacent markets. . . . The information industries are becoming ever more concentrated and populated by multimedia- multi-connected conglomerates.

A recent report by the consultancy Booz Allen and Hamilton on mergers and acquisitions in Europe since 1988 calculated that

'nearly half' of the 130 transactions examined involved the process of integration, either 'upstream' or 'downstream', so demonstrating the desire to exert control over large parts of the trade in television (Booz Allen and Hamilton, 1989:11). A commonly quoted example is TVS, a UK commercial television franchise, which purchased the US production company MTM in order to increase its supply of, and control over, programmes. The report also identified two other kinds of transactions: 'strategic acquisitions by non-media external investors' and 'geographical diversification . . . in second or third country markets' (Booz Allen and Hamilton, 1989:11). Examples again illustrate the process of internationalization; French and American companies, utilities and telcos respectively, have large stakes in British cable television.

However, the process of internationalization is uneven since, as the consultancy notes, 'one third by value (£0.8 billion) of the mergers and acquisitions activity in the survey represent transatlantic deals, while only 10% represent genuine pan-European ventures' (Booz Allen and Hamilton, 1989:16). This is perhaps not surprising given the pivotal role of the US media industries at the international level and the wealth and size of its media market. Nevertheless, and despite the absence of many pan-European mergers and much acquisitions activity — due in part to the private ownership of numerous European media organizations — there is an important and obvious trend towards the establishment of common cross-holdings across different countries. A good example is a limited alliance between CLT/RTL, Bertelsmann, Havas and Canal Plus. It is comprised of shareholdings between, and in, numerous intermediaries. Equally complex are the links between the Kirch and Springer groups and those between the Maxwell and Berlusconi groups.

The trend towards concentration of power — an outcome of the so-called 'Darwinian forces' sweeping through the industry — must also be seen within the context of the general restructuring of European industry in preparation for the Single Market and international competition. The previously weak European electronics industry, for example, has been completely transformed by restructuring and has become increasingly reliant on joint ventures. Similarly, in television, the competitiveness of the American and Japanese industries has made Europeans consider the creation or development of a consolidated private audiovisual sector — even if it is dominated by a handful of major players — to compete on

Europe's behalf. There is then a dilemma of how to tackle the problem of media concentration: on the one hand there is pressure to restructure the audiovisual sector in order to create consolidated groupings but, on the other hand, there is concern about concentration and, at a national level, continued activity to control the processes of concentration. With internationalization, this dilemma will become even harder to resolve.

#### *Towards Global Advertising?*

The appeal of transfrontier broadcasting for advertisers lies in the opportunities it offers them to reach a unified, single market, in one easy sweep. Well established companies with internationally available products — Coca-Cola, Pepsi, Kodak, American Express — would then, in theory, only need to produce one advertising campaign which could be replayed with minor linguistic variations across continents. The savings in advertising production and media buying costs would be immense. But such views simplify a complex state of affairs. Cultural and linguistic differences can make it difficult for one single advertisement to be equally meaningful in different contexts and organizationally multinationals still tend to delegate considerable responsibility to national units.

There are other problems: sometimes identical products trade under different names in different countries and different rules govern the quantity and content of advertising on television in different countries and across Europe (see Tydeman and Kelm, 1986:59; Green, 1989:91–2). Such restrictions work against the idea of global or even pan-European advertising campaigns and the prospects for 'television without frontiers' dim rapidly. The wide diversity of rules have in the past forced transfrontier broadcasters to 'content themselves with the "lowest common denominator"', adopting some of the strictest rules in the countries with the most significant reach' (*Cable and Satellite Europe*, 1988:24) simply in order to carry on broadcasting across nations without violating too many rules. Although these rules confirm the power of national governments over (unwanted) transfrontier broadcasters, it is arguable whether such sovereignty will remain intact in the face of continuing EC efforts to harmonize advertising rules across Europe.

By and large, however, television advertisements are still produced for specific domestic national settings, but there are indications that some products are becoming internationalized in

television marketing and sales terms. This can partly be accounted for by structural changes among advertising agencies — conglomeration, diversification, etc. — and the prospect of the 1992 Single European Market. Cultural and geographic differences are therefore being outweighed by structural changes within the global economy and within the advertising industry as a whole. One can observe this at two levels. On the one hand, advertising agencies are becoming more international and some multinational companies (e.g. Philips, Coca-Cola) are pressing for internationally orchestrated campaigns (*Campaign*, 1989a, 1989b); on the other hand, some products are now being designed for international markets.

In spite of these changes, there are still several obstacles to greater internationalization of product advertising. First, the structures of multinationals and their advertising needs may need to change. Today, as in previous decades, there are few 'truly multi-national accounts of any size' and even the larger advertisers are running 'local operations in each country, often with local production and relative autonomy in the advertising and marketing operations' (Masson and Thorburn, 1975:104). According to Toby Syfret (1989:56) of the advertising agency J.W. Thompson, only 200 or so advertisers (i.e. product companies) were represented by the same advertising agency in three or more countries of Western Europe. The 'general rule is that international advertisers aiming at transnational campaigns will employ one or more international agency networks'. It is very possible that the processes of conglomeration in the world of the advertising agency will make it easier to internationalize product marketing, but these structural changes will have to go hand-in-hand with centralized decision-making within multinationals, a common product and product name and common advertising regulations across countries.

Second, different products require different sorts of marketing strategies. Consumer durables and high-tech products are of a different order to confectionery and foodstuffs and so require significantly different approaches. Equally, these different products are the end result of different types of industrial organizations. Consumer durables often trade under internationally recognizable labels where a common marketing strategy is possible. For example, Sky Television's advertisers during March 1989 — during its European phase — included Nissan, Maxell, NEC and BASF (*Campaign*, 1989c:2). By contrast, foodstuffs have traditionally

been seen as nationally specific and not the sort of thing which can be traded internationally; but with the conglomeration in the food market — Jacobs Suchard, Nestlé (now with Rowntree), Cadbury (now with Poulain) and so on — there are now greater opportunities for cross-overs. As Suchard's international marketing manager recently observed: 'In simple terms we viewed Europe as a single market and geared up for it. The UK was just a region — one with great potential and one without our most successful brand, Milka' (quoted in *Marketing Week*, 1989:52).

There are obvious advantages in conceiving of Europe (or more grandly, the world) as a single market and exporting products across borders, though the fundamental question may be not whether product and advertising standardization is or is not feasible, but whether it 'should be used or not. The desirability of use is concerned with reaching customers effectively and profitably and the degree of use desirability is likely to vary by product, firm and country' (Onkvisit and Shaw, 1987:50). Under present conditions, and while advertising rates on the new media are low, it probably does pay an advertiser to advertise on internationally available television channels as well as on domestic ones; but once advertising rates on such channels begin to increase, more careful calculations will have to be made about the efficiency and desirability of using transfrontier media as opposed to terrestrial and national channels.

#### *Internationalization and the Production and Availability of Programmes*

The standardization of programmes and the degree to which programmes become shared between nations are two other indicators of internationalization. As we have argued, structural changes have led to the creation of international services. There are whole channels of broadcast television, such as CNN, MTV, Super Channel, TV 5 and EuroSport, which are aimed at several nations at the same time. Most of these channels are either 'thematic' in character or 'generalist' without a commitment to a balanced diet of programmes, and they seek to reach a large multinational audience either segmented by interests (sport, news, children's programming) or by age (music, children's), or by a combination of both. Equally important is the fact that such channels are continually searching for a *lingua franca* or common

language to reach a multinational audience without having to resort to traditional dubbing or subtitle techniques.

Their schedules also reflect the reliance on programmes which are imported or made for international consumption. As for the former, it is now clear that the expansion of channels across Europe has benefited American producers. In spite of the view, and much supporting evidence, that 'equal quality domestic product will always triumph over foreign product', the fact remains that the internationalization of television, supported by liberalization policies, has given broadcasting organizations a greater incentive to buy the cheaper US programming rather than to engage in production. The experience of Italian television and TF1 after privatization confirm this (*Broadcast*, 1989a). Consultancy estimates further emphasize the continuing strength of US exports. A '\$600 million harvest in foreign television revenue this year [1989] almost 92% above the 1985 level' was recently projected by Paul Kagan Associates (quoted in *The Guardian*, 1988:19) and *Television Business International* noted that, between 1983 and 1988, US sales to Europe rose from \$212 to \$675 million. In 1988 it estimated revenue growth to \$844 million (*Television Business International* 1989). There are also claims from industry analysts that the US studios will cash in on European television expansion. By the end of 1988, Columbia Pix Entertainment had seen 'its foreign television revenues more than double, from \$95 million to just over \$200 million' (Wiley, 1989).

There is a similar trend in the area of film production, itself a staple of television. The Booz Allen and Hamilton study pointed out that the modest growth in feature film production in Europe strongly contrasted with the expansion in US production, which went up from 300 films made in 1985 to some 600 by 1988-9. In the same period, French production showed a decline (from about 150 to 130) and British film production a levelling off (about 90 down to 80), hardly enough to meet the increased demand for television content across Europe, *even if* there were no language and linguistic cultural barriers and all these productions travelled easily across the continent. Little wonder then that the US industry is comparatively buoyant. According to R. Simon (of Goldman Sachs), the 'major [US] domestic distributors have been generating an increasing percentage of their overall revenues from foreign markets . . . foreign markets represented 30% of revenues in 1980

and 38% in 1988, with all the gain occurring in the last 3 years'. Worldwide revenues for US studio products were also expected to 'increase by 8.5% in 1989; domestic US revenues will increase by under 2% and foreign revenues by 20%' (quoted in *Screen Finance* 1989a).

One way of stemming the flow of US feature films and/or overcoming the need to pay increased prices is to produce domestically. This becomes a logical option given the popularity of indigenous productions *and* the ever rising costs of imports; but, in reality, the inability of such productions to break into the US market reduces the economic argument for involvement in feature films. They accrue only modest returns at home and even more modest ones abroad! As one EC Commissioner (di Meana, 1988) explained: 'the US industry was the only one to have penetrated all the world markets; although its 1987 cinema production was 360 compared with almost 600 films in Europe, most US productions were shown on every continent'. By contrast, some 80 percent of European film and television productions do not leave their country of origin.

Another alternative to importing programmes is to co-produce. Although such deals are primarily designed to enable programme makers to share the costs of productions, there are signs that they may not only be increasing in frequency but that such deals may also be affecting the content and nature of the final product. The BBC head of drama recently claimed that part of his brief was to develop co-production deals: 'he [Mark Shivas] understands that the economics of television require more co-production and video deals' (quoted in *The Times*, 1989). A view shared by one of the BBC's best known drama producers Kenith Trodd):

In response to financial pressures you do find yourself trying to internationalise some of the subjects which interest you. . . . But what is important is to have a base line of projects which do not require serious co-production finance. Providing you have that, then you can go out and get involved in those international ventures . . . . The important thing is not to be obliged *only* to co-produce. (quoted in *Broadcast*, 1989b)

There are countless examples of Anglo-American deals, British-European, British-Australian and European deals. There are also indications that the rate of deals is accelerating and that the deals are involving different sorts of partnerships between strong media

players, e.g. RAI1, ABC and Disney; RAI1 and Canal Plus and HBO and TVS. Booz Allen and Hamilton estimated that co-productions were increasing by 30–40 percent per annum. As they pointed out, their

own survey of 50 recent coproductions, representing 275 hours of programming and a cost of £200 million indicates a high and growing level of inter-European activity compared with reports from the previous year. . . . The main reason for growth in international coproduction is the need for larger and larger production funds to keep pace with the cost of inflation in the industry.

As programme producers and broadcasters recognise the threat of fading production opportunities in Europe and equally the benefits of cross border economies of scale, they are beginning to cooperate to spread the high cost of television film and drama. (Booz Allen and Hamilton, 1989:37–8)

A larger budget also creates the potential for a breakthrough into the world market. For Télé-Images the benefits of joint ventures with English-language partners lie in allowing ‘producers to make French programmes with the sort of North American pacing that pulls up ratings in France and can be sold abroad’ (*Screen Finance*, 1989b:7). Yet this statement belies the contradiction which it seeks to resolve, for French programmes clearly cease to be ‘French’ if they adopt ‘North American pacing’ and production values.

The pressures leading to the internationalization of programmes are clearly the outcome of a complexity of factors. Increased costs of production, the potential exploitation of new markets, the opening up of international markets, the growth of interlocking alliances between once separate media organizations, the reality of programming across frontiers and the need to maximize revenue from programming sales all contribute to a shifting scene. But in all these ways — through more imports, more co-productions, more productions with international sales potential, etc. — the products shown on our television screens cease to be distinct domestic products. Admittedly, not all programmes will be affected by these sorts of pressure; certain categories of programmes such as news and current affairs and even some domestic drama, are never likely to ‘travel’ and will continue to be made primarily for a domestic audience. The real issue is the proportion of other programming — dramas, entertainment series, etc. — which will either be imported or, at the other extreme, crafted for the international marketplace.

**Obstacles, and Counter-tendencies**

Earlier, we suggested that there were counter-tendencies to the process of internationalization, as described in this article. These included the continuing power of nation-states to regulate broadcasting systems, the absence of much pan-European television trade, the absence of global advertising practices and the continuing importance of language and culture as barriers to imports and co-productions. While one can foresee most of these barriers falling as the trends towards international interdependence continues, the last one listed is probably the most significant obstacle to the internationalization of television. Or is it?

A key indicator of the internationalization of television is an increase in the trade in television and, by extension, an increase in the amount of US programmes traded overseas. Research on the trade in television confirms a consistent US dominance. But such data do not make reference to the patterns of television consumption. According to Michael Tracey (1985, 1987), if one does not look at consumption patterns one fails to understand the nature of viewer preferences and the *popularity* of domestically produced content. Even in countries where one would expect the impact of the new media and the threat of US programming to be most evident, the situation is otherwise. In a study carried out by Bekkers for the Netherlands Broadcasting Foundation Audience Research Department, it was found that 'whatever is made in the Netherlands is always very popular; Dutch products draw more viewers than similar products from abroad' (quoted in Tracey, 1987:82). In a similar vein, a summary of the top ten programmes in Holland, Italy, New Zealand, Ireland, France and Greece during November 1988, found only one US series (*Lace*) in the top ten in a non-English speaking country (in Greece): Ireland carried *Falcon Crest* (ranked at 4 and 5, although seven other positions were occupied by a British soap); and New Zealand carried one US and several British programmes. Non-English speaking countries feature US-produced material but these were feature films, such as *Rambo 2* and *Indiana Jones* (*Broadcast*, 1989c). Even *Dallas* could not make a consistent appearance at the top of the ratings (Silj, 1987:203).

Other research also confirms the importance of *domestic* terrestrial channels *in spite of* an increase in the number of available channels, including transfrontier ones. Detailed data from the 1988-9 PETAR research show that in most European

countries domestic channels take up most of the public's viewing time. In West Germany, for instance, cable households spend 61 percent of their time with the domestic channels and a further 34 percent with the German satellite services. The rest, a mere 5 percent, is taken up by the foreign language services. Similar evidence has been obtained for Belgium, Austria and Switzerland. Countries in Northern Europe display a different pattern. In the Netherlands foreign language (satellite) services available via cable take up 16 percent of total viewing in cable homes. In Sweden, the figure creeps up to 30 percent (see *New Media Markets*, 1989:11). It is only when all the viewing of all the cable and satellite channels is *aggregated* that it becomes significant. So the attraction of English language/US output via satellite services would appear to be fairly small.

These patterns of viewing and the declared preferences of viewers have given heart to many commentators who have used them as evidence to argue that while US/English material, particularly fiction, is hugely popular across the world, it should not be treated automatically as a threat; domestic productions are strong contenders for a nation's favourite programmes, and domestic channels still command, and will continue to command, the allegiance of their audiences. Language and culture will continue to be important obstacles to a full internationalization of content and both 'have been grossly underestimated by those who have sought to establish pan-European markets' (Tracey, 1987:82; see also Kivikuru, 1988, on the importance of language).

But a closer examination of these figures and patterns of consumption reveals three important qualifications to any optimistic prognostications concerning the place of foreign Anglo-American content on television channels. First, one should not underestimate the popularity and importance of such content and the threat that it can pose to national services. Preben Sepstrup's (1988:50) analysis of Danish television output and consumption led him to conclude that the viewers' 'freedom to choose' was used 'to increase the share of US television in fiction consumption, compared to supply, at the expense of other European countries' and domestically produced 'drama'. This is a view which finds wide support from Weibull and Severinsson's (1988:94-5) work in Sweden where 'on the average, the channels from abroad account for more than one third of the viewing time'. Although the picture is somewhat complicated by the inclusion of Danish television in

Weibull's category of 'foreign television', the fact remains that foreign television, and in particular English language international television services (Sky, Music Box), was very popular among the surveyed audience.

Second, although PETAR's data did show that CNN's share of viewing across Europe had remained static, despite an enormous growth in the number of households that can receive it, and that 'the other English-language channels have continued to decline — most notably in the Scandinavian countries, where they are suffering because of the competition from Scansat's TV3' (*New Media Markets*, 1989:11–12), it overlooks the content of domestic language satellite services such as TV3 and Sat-1. Reports suggest that some 40 percent of TV3's output comes from the USA, 30 percent from the UK and 10 percent from France (*Cable and Satellite Europe*, 1989:18). Even the popularity of Sat-1 and RTL Plus in the ever expanding West German cable universe is not unrelated to US programming since both these services rely fairly extensively on US imports (see Humphreys, 1988).

While it is very possible that the power of language and culture will create obstacles for those who wish to establish *single* language pan-European services, these factors could still create space for the development of transfrontier broadcasting and internationalization, as we have defined it. In 'terms of the economic viability of single-language television, the potential audience for German, French, English and Italian language channels is reinforcing the historical dominance of those tongues on the Continent' (Evans et al., 1989:68–9). A crude, if realistic, breakdown of linguistic markets in Europe suggests that the German market (as a whole) plus other peripheral areas has a total of 91 million people. French is the first language for some 64 million; English for 60 million and Italian for 57 million. It is possible to elaborate further on this by pushing back the real boundaries of each of these markets. Thus, the Anglo-Saxon market could include Holland and some of the Scandinavian countries, and so on. It follows, then, that rather than pursuing *single* language *pan-European* services, satellite television can create services of an international character which cross political boundaries but which serve single language markets — the German, the English, etc. Thematic channels such as Eurosport and MTV do not depend on language comprehension per se and so avoid many of these problems.

If anything, the conflicting data indicate a series of patterns

which can be reduced to the notion of the creation of a new competitive media environment and the consequent fragmentation of the audience: a splintered audience and availability of foreign services are both likely to leave the terrestrial domestic broadcasters in a less secure position than in years gone by. Competition from whatever source is likely to be fierce; competition from services dominated by US/English content will be even fiercer. In other words, although the present pattern of consumption suggests a high degree of attachment to domestic productions, the attraction of foreign (Anglo-American) fiction cannot be underestimated and it is likely to have an important effect on the television of the future.

It is possible for national domestic (public service) broadcasters to compete successfully against the new media players by pursuing their original remits and producing the sorts of domestic programmes which attract audiences. It is not, however, a strategy which is independent of other external economic and political circumstances. A public service broadcasting organization squeezed for public funds and facing severe competition is less likely to act 'bravely' than one which is secure both financially and politically. Unless the traditional players are granted a secure future, both in regulatory and financial terms, they may be sucked into an increasingly competitive milieu which will affect their abilities to meet the challenges and the pressures of internationalization.

### **Internationalization: A Conclusion**

We have argued that the internationalization of television is part and parcel of a developing process unfolding in a very complex way. It is a process which takes in the general deregulation of communications systems and the emergence of neo-liberal ideologies advocating the restructuring and modernization of the economy. But, as we have also pointed out, the process of internationalization owes a great deal to the advent of 'new' technologies such as cable and satellite television which have intensified the pressures or the demand for a more common and unified approach to a whole series of issues, particularly the issue of transfrontier broadcasting. Additional to these developments has been the entry of new media players into a previously settled system, both private and public. Finally, the need for large-scale investment as well as the internationalization of economic systems

have, in turn, brought about the internationalization of television.

The complexity of this process has posed a severe problem for those states which have attempted to retain their own sovereignty in the face of a growing number of international influences, some desirable many others not. Ideally, a state ought to be able to decide its own future, but, as we have argued, this may become difficult in the age of internationalization. Nevertheless, although states have lost much control over their cultural affairs, they can still play a significant part in adapting international forces and pressures to domestic needs and requirements. Where deregulation of terrestrial television is most apparent, we have seen the state increasing its role as a determinant of change.

How will the process of internationalization be experienced in the future? Firstly, the internationalization of television will lead to a redefinition of the relationship between local, national and international television. These categories will not themselves change but the pressures operating on these categories will force a reassessment of their separation. The pressures will also lead to a questioning of the separation itself. We are not suggesting that there will be no local television, no national television but only international television — such a suggestion would be ludicrous and patently false — but with television channels in fierce competition with each other for advertising and viewers, for funds and talent, there will be pressure to take advantage of economies of scale rather than to invest in 'uneconomic' ventures. We therefore envisage a continuation of the present separation of programmes but, at the same time, a growing collaboration between different organizations. The pressure to compete internationally and *to survive* internationally will play a major part in determining the mix of genres and the nature of the collaboration between organizations.

Secondly, the nature of that collaboration cannot be pre-determined. Although the Anglo-American axis has been very powerful in the past, it is possible that other 'subcentres for pattern-building might exist anywhere so long as they are connected with transnational corporations' (Kivikuru, 1988:15). These patterns may favour the 'American way of life' as Kivikuru (1988:15) claims, but it is very possible that newer influences, such as the needs of the Germanophone television marketplace, will also have to be dealt with as their power becomes apparent

internationally. Similarly, although the introduction of new technologies has undoubtedly created 'new interdependence relations' between countries — with the USA again playing an important role in all these relationships — it may be too simplistic to suggest that 'most decisions concerning options are made by the core' (in the singular) (Smith, 1980:117, quoted in Kivikuru, 1988:19).

Finally, the symbiosis between the media as 'politics, business and technology' will persist (Tunstall, 1978), although one can add two other factors, 'diplomacy' and 'industrial policy', to provide a greater measure of detail: 'diplomacy' because negotiations between states and between states and regional organizations, such as the EC, have become part of the modern media; 'industrial policy' because broadcasting and media matters, more generally, are often dealt with as matters of industrial policy. In short, the internationalization of television is a mosaic made up of many parts: politics, technology, business, diplomacy and industrial policy.

Europe will continue to offer the best place for examining these processes. Not only are the regulatory changes most developed across that continent but the recent upheavals in Eastern Europe are themselves extending the boundaries of the 'Europeanization of the media'. Already there is talk of common German language channels, of uniting different systems. It must also not be forgotten that the media in these recently liberated countries will need programmes for their own services and it may be natural (and economically wise) to turn to the West for programmes. In opening up their markets, they will be exposed to inward investment and this will itself open up the way for further trade in television and in other commodities. Less developed countries may also experience the same sorts of pressures to open up their markets to newly restructured public service broadcasters as well as more commercial broadcasters.

The internationalization of television is, therefore, a process of change which grants dominant status to business and technological change, and it pulls together divergent systems of broadcasting; it operates alongside, and gains from, the advent of global competition and global deregulation, the creation of international money markets, the international transfer of capital and the growing interdependence of economies.

**Note**

1. For a more detailed analysis of the process described here, see Negrine and Papathanassopoulos (1990).

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