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Star of Stage and Screen.

The International Dominance of US Television Material

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1. Contents

2. Introduction

Many of the studies done on international television flows have conjured up speculations on the (allegedly devastating) effects of imported programming material on indigenous cultures, especially in the Third World, but as well in the more affluent Western cultures. The scope of many of these studies has been justified through the overwhelming position of programs [1] on the television programming world market which originate in the United States [VARIS 1985]. Thus, it comes as no surprise that the effects of US programs have been a frequent subject of scholarly scrutiny [2]. The path-breaking studies into international television flows by VARIS [& NORDENSTRENG 1973, 1984, 1985] and PRAGNELL [1985] are heavily quoted to sustain a wide range of more or less related issues, sometimes, as SEPSTRUP [1989B] observes, without thoroughly checking the validity of the data for the subject under study. Depending on the standpoint of the authors, more or less consideration is given to claims which charge the United States with *media imperialism*, *cultural imperialism*, or *communication imperialism* [3]. HAMELINK [1983] or SCHILLER, for example, contend that the US hold sway not only over the economies of other nations but over their cultures as well [4], sometimes suspecting an outright »conspiracy« aimed in subjugating the remainder of the world [5].

Although a conceptual clarification of the *imperialism* terms lies beyond the scope of this study, it may be observed that both affirmation and rejection of the *imperialism paradigm* derive from different argumentative angles: from an economic or a cultural approach. The crucial question being at hand here is whether television programs are seen as a *commodity* or regarded as *cultural expressions*. This conflict is inevitably inherent to the nature of films and series, as well as literature or music, which constitute *cultural artifacts* but are also *marketable commodities*. Even within the economic approach, reasoning depends on whether a »free« market of information is seen as fostering the *free flow of information* or, by economic rules, furthering the *hegemony* of cartels and, thus, the extinction or suppression of smaller competitors.

It comes as no surprise, then, that discussants in the recent debate on European television quotas invoked concepts of free market ideals or cultural sovereignty to defend their particular views [6]. It is also not astounding that each adversary in the ongoing battle derides his opponent to invoke "higher

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[1] The title of this study is not intended to anticipate any conclusions; I choose *"Dominance"* for a headline because it is more poignant than other constructions. Further, the term is widely used in considerations of the share of US television material on the world market; so my imperative was to examine the level of dominance. I leave it to linguists to examine whether the term might actually be used as a substitute for *"the very high share of..."*

[2] ANTOLA/ROGERS 1984, KANG/MORGAN 1988, KEKSHIN 1989, OLIVIERA 1986, PINGREE/HAWKINS 1981 or the various works of TAN & Colleagues are but a few examples to examine the actual impact of US television on foreign audiences. *"Relatively frequent"* means that - among studies done on the effects of imported programming - the interest in the effects of US programming material is paramount.

[3] The quarrel for conceptual definitions of those terms was certainly not the smallest issue in the debate. For a discussion of the debate see for example ALTHEIDE 1984, FAIR 1989, HOSKINS/MIRUS 1988, CANTOR/CANTOR 1986, BOYD 1988. Still valid and valuable are also Jeremy TUNSTAL'S [1977: 38-63] considerations

[4] see for example in CANTOR/CANTOR 1985 or HOSKINS/MIRUS 1988.

[5] these claims are discussed in HOSKINS/MIRUS 1988 or SEPSTRUP 1989B.

[6] For the issue of European quotas see for example GIFFARD 1990, BJORK 1990 or LOCKSLEY 1988.

ideals" in pursuit of "plain lower motives": To the American movie and film industry, European concerns for cultural matters are bogus reasons intended to give European producers an "unfair" economic advantage [7]. European as well as Canadian media politicians, on the other hand, contend that the quotas are aimed to protect domestic cultures and to uphold the public service rationale of their media systems. Without quotas, they argue, domestic productions would fall prey to cheaply available American material, since incentives to produce, acquire and air expensive indigenous material would be low [SEPSTRUP 1989b]. It is feared that, given no restrictions, US television programs would continue to prosper and thereby suffocate indigenous productions.

Given the high level of concern with US television material exports, as well as the doomed outlooks, this paper attempts to examine the *level* of US dominance and to evaluate *why* the US programming material is so dominant on the world's television tubes.

[7] See the article of Jack Valenti, president of the *Motion Picture Association of America* (MPAA), in the *Los Angeles Times*, 14. Dec. 1990, p. B7 (*"Doors Shut to Our Export Supreme*"). Valenti contends that in regard to Europe's attempt to violate GATT rules of open markets "*[t]he great tragic imbalance is that the United States stands almost alone in the world in protesting this travesty on fair trade*" This standpoint is also a characteristic one for the American view that American movies are appreciated because of their quality and not because of hegemonic mechanisms, since, essentially, the free market would guarantee access for anyone, not only American producers. Advocates of this standpoint tend to oversee that the roots of hegemony might lie deeper.

3. The Dominance of US TV Programming Material

3.1. Facts and Figures of the US Dominance on the International Television Programming Market

Almost every country in the world relies - to a varying extent - on imported programs to fill the broadcasting schedules [see table 1]; in most of the countries, the United States' TV production provides the bulk of it;

Table 1:
Estimates of imported television in selected countries, 1986
(as percentage of total programming)

Below 10 %					
USA	2	Japan	6	China	8
India	8	USSR	8		
Between 11 and 30%					
Indonesia	12	Philippines	12	Republic of Korea	12
Pakistan	16	France	17	United Kingdom	17
Italy	18	Fed.Rep. Germany	20	Australia	21
Cuba	24	Czechoslovakia	24	Netherlands	25
Hungary	26	Bulgaria	27	Viet Nam	28
Belgium	29	Yugoslavia	29	Ethiopia	30
German Dem.Rep.	30	Norway	30		
Between 31% and 50 %					
Canada	32	Syria	33	Venezuela	33
Mexico	34	Egypt	35	Sweden	35
Finland	37	Kenia	37	Spain	37
Uganda	38	Brazil	39	Greece	39
Portugal	39	Turkey	39	Argentina	40
Nigeria	40	Sri Lanka	40	Denmark	43
Austria	43	Chile	44	Democratic Yemen	47
Malaysia	48	Coite D'Ivoire	49		
Over 50%					
Senegal	51	Algeria	55	Singapur	55
Tunisia	55	Ireland	57	Mauritius	60
Cyprus	60	Zimbabwe	61	United Arab Emirates	65
Ecuador	66	Iceland	66	Brunei	70
Peru	70	Zaire	70	New Zealand	73

Data from: WORLD COMMUNICATION [1989:148]

As is obvious from table 1, there is no uniform dependence on imported material. However, a pattern may be detected: the reliance on imported material is especially high in many smaller and Third World countries. Apparently, there is a correlation between dependence on imported programming, total time of broadcast hours and the economic capability to domestically produce the necessary programming. VARIS [1984, 1985] found that the United States are without question the dominant factor in international television flows. In 1983 the US share of *imported programs* was 77 percent for Latin America, 44 percent for Western Europe, 32 percent for the Arab region and 47 percent for Africa [VARIS 1984]. The Eastern Bloc was the only region where the US was not the dominant exporter - in view of the drastic liberalization in Eastern Europe since VARIS's study was conducted this is very likely going to change [8].

Since US programs account for the paramount share of available and marketable programs in the world, SCHEMENT ET AL. [1984] concluded that an international marketplace for television programs hardly exists. Some regional markets emerged during the 80s, for example in Latin American television [ANTOLA/ROGERS 1984], most notably Brazil. But this trend has not yet reached the smaller Latin American states which are still dominated by US programs [WERT/STEVENSON 1988].

SEPSTRUP [1989a] has criticized the widespread use of VARIS's data; he maintains that using figures of the US share of *imported programs* instead of percentages of *general supply*, which he gives at 12 % for US share in West Europe, has exaggerated the perception of the general role of US television, at least in connection with West Europe. But even accounting for that, VARIS's data gives proof of the "*superabundance*" [SCHEMENT et al. 1984] of American television programming material which *dominates* the international television market. Whether it actually *dominates* particular television markets needs to be determined on a case by case basis. VARIS [1984] had contended that entertainment material is prevailing in the flow of television programming. Another UNESCO study [LARSEN 1990] took a closer look at the international flow of television *fiction*. LARSEN states: *"The production of television fiction drama is a crucial cultural activity, and research demonstrates that indigenous productions are usually more popular in a domestic market than the globally successful distributed products. However, when importing foreign products, American programmes invariably dominate. It is strongly recommended, therefore, that governments and other cultural agencies give support to domestic productions"* [LARSEN 1990: 9]. LARSEN's concern might stem from the fact that the dominance of US programming material seems yet to be more complete when looking at the entertainment format (see table 2)

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8 The authors of the "*An Evening with World TV"* study, for example, regretted that the timing of their study which examined the world's programming on October 18, 1989, hadn't been better since no one expects that the Eastern European programs be longer representative.

Table 2:
Percentage of Fiction Programming

Country	*Domestic Share* 1980	*US Share* 1980	*Domestic Share* 1984	*US Share* 1984
Denmark	13	35	-	-
United Kingdom	57	40	47	44
Yugoslavia	-	-	29	36
Canada	22	55	22	62
Chile	3	56	8	46
Colombia	32	54	27	49
Malaysia	10	72	17	70
Thailand	27	47	20	55
Bangladesh	15	85	25	75
Congo	13	35	14	32

Source: LARSEN [1990], various tables

In all surveyed countries but the United Kingdom, US material quantitatively even outdid domestic material. The UK figure comes as no surprise since the United Kingdom is the Number 2 force behind the United States on the global television programming market. But even in this position, the UK depends to some 50 percent on imported material. The United States, in turn, remains a *virgo intacto* [TRACEY 1985a] in regard to foreign television and imports only a minimal amount of its programming; the prime-time figure of 13 percent for 1984, 10 percent of it from the United Kingdom, accumulated mainly through PBS broadcasting. During the two sample weeks, CBS and ABC did completely without imported material, while one foreign feature film on NBC accounted for 5 percent of its fiction programming. It is no doubt that, given the audience ratings, the actual impact of imports in the United States would even be lower than the raw figure suggests [LARSEN 1990] [9].

Trade statistics also convey an impression of the dominance of US entertainment material. While UK films and television material earned some 78 million Pounds in 1982 [SCHLESINGER 1986], and Danish television fiction export income was a meager $ 174,000 [LARSEN 1990], the top seven US studios alone had a combined foreign revenue of 1.35 billion Dollars in 1989 [10]. In a time when the term "*trade surplus*" is a seldomly heard word in the United States, the US visual entertainment industry, one of the USA's "*glittering trade jewels*", returned some $ 3 billion in 1990, ranking second only to aircraft [11]. Michael Solomon, president of Warner Brothers, projected that the US income from sales to European cable and satellite stations alone will reach $ 10.5 billion in 1995 [12]. The most recent UNESCO statistics on the origin of import in long films also strongly suggest that the United States, although ranking only second in film production to India, holds a dominant position on the international

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9 the sample included only the three big networks and PBS. HBO, a cable network, is also a major US client of the UK programming industry besides PBS [SCHLESINGER 1986].

10 *"Hollywood Takes More Cues from Overseas", New York Times*, 7 March 90, p. D1

11 See *"Doors Shut to Our Export Supreme", Los Angeles Times*, 14. Dec. 1990, p. B7 and "*Buddy, Can You Spare a Reel?", The Economist*, 19 Aug. 89, pp. 56f.

12 "*What Do Europeans Want?", Christian Science Monitor*, 17 Jan. 90.

film market. Not only that almost every country in the world imports US theatrical releases: More often than not US films provide the absolute majority of theatrical releases in those countries [13].

RENAUD/LITMAN [1985], however, claim that the days of little or no competition have ended for US companies. Competitors from Brazil, Mexico, the United Kingdom, Italy, Australia, and Japan have gone into telefilm markets. But most of the forceful mechanisms that served to give the US an edge over competitors are still valid.

3.2. Problems and woes of the US Dominance

The paramount position of the United States television programming has lead to many concerns about its effects. In his contemplation of the *"An evening with world TV"* study, Michael TRACEY wondered what the TV public in Zimbabwe makes of *"Hooperman"* or the audience in Turkey of the *"Cosby Show"*. *"If we could answer those questions, then not only would we understand the way in which viewing habits are being formed, but also something of the evolution of sociology of the globe"* [14]. HAMELINK [1983] contends that, due to the penetration with American TV, the autonomous cultural systems in many areas of the Third World are very much in question. He fears a cultural *synchronization* that will eradicate diversity and replace it with a single global - American - culture.

KATZ/LIEBES [1984, 1990] pondered the question what a foreign audience makes of US programs. To them, most scholars are trying to assess what the media are *capable* of doing and have abandoned to study what they are *actually* doing [KATZ/LIEBES 1990]. On example of Dallas, they found that different cultural audiences make different use of one and the same series. While the value of *"kinship"* was a universal one in decoding the series, foreign audiences tended to compare domestic values with those shown on TV, whereas US audiences might take a closer look on behind-the-scenes-knowledge [*"Pam is being written out of the story"*]. OLIVIERA [1986] found exposure to American television to be correlated with preference for US products in Central America. GRANZBERG [1982] asserted that television programs have an effect on personal aspirations, violence levels and cultural identity of Alongkian Indians. KEKSHIN [1989] maintained that frequent viewers of specific American programs among Singapore students were more likely to emphasize American values. TAN and colleagues [1987, 1987, 1988] identified American television as a source of stereotypes about Americans. They found that frequent viewers of US programs on the Philippines were more likely to rate *"pleasure"* as an important value [TAN, TAN, TAN 1987]. But TAN [1990] also suggested that US television might have an impact on the acceptance of democratic values in foreign audiences.

Cultural considerations were also ostensible when Canada or the EEC nations considered implementing quotas on American TV material. The concern did not seem to be so much with the overall impact of foreign programming, but more that the bulk of the programming comes from one single non-European country - the United States. It was easily feared that an *Americanization* of the picture tube would take place. Jack Lang, probably the most notorious exponent of the European Union's strive for quotas, called in 1982 for a crusade "*against financial and intellectual imperialism that no longer*

[13] See "9.2. Long films: number of films imported, by countries", in: *UNESCO Statistical Yearbook*, UNESCO: Paris 1989, pp. 9-9 - 9-12.

[14] "An Evening With World TV. Wednesday, October 18, 1989", *InterMedia*, 18(2): p.14; emphasis added.

grabs territory, or rarely, but grabs consciousness, ways of thinking, ways of living" [15]. But the rationale for the quota is threefold, not only culturally, but also politically and economically motivated [16].

With the emergence of more commercial stations in Europe, the need for programming is rapidly growing. Within two years, the European broadcast hours are supposed to double [17]. *Prognos* estimated broadcast hours in Western Europe for 1992 at 423,400 and for 2000 at 623,420, with a US-import ratio of 21 percent [KESSLER/SCHRAPE 1990]. It is feared that especially private broadcasters will rather rely on cheaply imported US fare than pay for expensive domestic productions; many new stations in Europe already fill their broadcast schedules with 15-year old American programs instead of new domestic ones [18]. Indeed, the private channels telecast more entertainment, but their drive to acquire domestic fare is rather a weak one in wake of the corresponding programming costs [SEPSTRUP 1989a]. SEPSTRUP [1989a] claims that the domestic share of programming material on terrestrial private commercial channels in 13 West European countries in 1986 was 43 percent as compared to 75 percent with the non-commercial public channels. US import for the commercecasters was given at 47 percent while the pubcasters only accounted for a 10 percent US share. Moreover, US imports are concentrated predominantly in prime-time [SEPSTRUP 1989a]. Interested in advertising revenues and profit maximization, commercial stations preferably rely on the *"US model"* and acquire cheap programming material from the US. **Table 3** gives an example over the flow of TV programs distributed among selected European private and public channels.

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[15] cited after TRACEY 1985B

[16] for the issue see for example GIFFARD 1990, BJORK 1990. HOFFMANN-RIEM 1987.

[17] *"What Do Europeans Want?"*

[18] "*For Europe, Us Spells TV*

Table 3:

Television flow in selected Western European countries, 1987 (Percentage Distribution of all programming between imported and domestic programs)

Percentage of total television	W.Germany				Italy			United Kingdom			France	
Programming from	**ZDF**	**ARD**	**SAT1**	**RTL Plus**	**RAI 1**	**RAI 2**	**RE-TE 4**	**BBC1**	**BBC2**	**ITV**	**TF1**	**Ca-nal+**
Domestic (Prime Time: 18.30-22.30)	**80 (90)**	**82 (76)**	**24 (22)**	**71 (56)**	**72 (81)**	**52 (54)**	**30 (36)**	**78 (93)**	**86 (74)**	**74 (84)**	**82 (77)**	**53 (72)**
Australia			2					3	1	3	1	
Brazil												4
China												1
France	3	2	9	2	1	3	5		2	1		
W.Germany												1
Italy	4	1	6	11								4
Netherlands	1											
Spain	1			1					1			
Sweden	1											
Switzerland						1						
United Kingdom	2		2		2	3	10				1	
United States	**5**	**13**	**57**	**15**	**15**	**35**	**55**	**19**	**8**	**22**	**17**	**37**
Others	3	2				6						

Source: World Communication, Table 5.9

4. Reasons for the US Dominance

In their attempt to isolate the factors of the US dominance, HOSKINS/MIRUS [1990] attributed a unique blend of cultural and commercial factors in the development of American television responsible for that dominance. The reasons reach as far back as to the development of the medium television. The US export of programming skyrocketed from a mere $ 20 million revenue, mainly from sales to the UK and Latin America, in the 1950s to a billion dollar business in the eighties. The origins of international syndication trace even further back. Beginning in the 1920s, the oversea's theatrical distribution of US feature films regularly accounted for half of Hollywood's revenues [RENAUD/LITMAN 1985]. In the absence of international competition, the dream machinery of Hollywood got a headstart, exerting a *hegemonic* influence over popular culture world-wide. This lead to eventually accustoming movie watchers all over the world with US fare [CANTOR/CANTOR 1986] [19].

This historical process was due to the fact that the United States headed the development in film and broadcasting, not so much in terms of innovation or invention, but in regard to a rapid transmission into a commercially usable media. From the beginning on, the nature of the broadcast system and later

[19] Although the relationship between the film industry and the television companies was at first a hostile one, the film and television programming export activities nowadays are highly interwoven and hardly discernible.

the television system - ABC, CBS, NBC being daughter companies of the old radio networks - was a commercial one, leaving the State in the role of an airwave-traffic regulator [20]. Since it started tentatively in 1931, US television financed itself through advertising. This was a major reason why it became rapidly necessary to attract audiences large enough to appeal to prospective advertising clients. While European pubcasters offer programs to audiences, their US colleagues' business consists essentially of selling audiences to advertisers.

4.1. Commercial Culture

The US television programming industry emerged in a competitive commercial environment, historically a reason why its members may have been more assertive in pursuing mass attractive programming. The public broadcasters on the other side of the Atlantic were not subject to the same kind of market pressure. Hence, the United States television environment early on had to be seen in economic terms; the need to succeed in the ratings - this a typical American invention - in order to attract and keep sponsors lead to a steady flow of new, ever-changing glossy programming material [HOSKINS/MIRUS 1988]. In 1970, the three networks were forced out of competition in the programming industry by the FCC; television programming is now provided entirely by a competitive, sophisticated supply industry. TV programming in the US is seen as another commodity and marketed according to the same economic rules which also apply to other mass products [21]. This US point of view may also have sharpened the awareness of the prospect of marketing the programming material abroad for additional profit. As a result of this commercial culture, the emphasis is on investment, profitability, quality and securing a market lead; *"[t]he public interest is not at the top of this list"* [22]. The strive for survival in the harsh US market strengthened the competitive skills in the international market as well. As early as 1945, the major motion companies established a strong distribution foothold, the *Motion Picture Export Association* (MPEA); the networks tried to set up their own export organization in 1960, the *Television Program Export Association* (TPEA), which was a rather short-lived story. The US film and television programming export business was additionally stimulated through the *Webb-Pomerene Act* of 1918 which exempted the companies dealing abroad from stiffer anti-trust rules at home. The act was an early effort of the US government to stimulate international expansion of US businesses and allowed the industry to press more aggressive expansion strategies when dealing with foreign markets than would have been tolerated on the domestic market.

4.2. US market situation

But it was not only the headstart which made US material so successful early in the history of the programming industry: the United States was and still is the biggest national television market in the world, with a large share of the world's TV sets, a large population, a common language, which moreover is spoken in some other industrialized markets, high per capita income and a ballooning advertising market. An often overlooked factor in the strength of the US market is also the local orientation of the

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20 The discussion in how much the Federal Communications Commission (FCC) was and still is a political regulation gadget instead of an airwave traffic regulator - a matter constantly debated since the late 20s - cannot be handled within the scope of this paper.

21 It should be noted, however, that television programming is a *prototype* rather than a manufactured mass product, but as a prototype appeals to a mass market.

22 "*The Risks in Going Global", New York Times,* 31 Dec. 89.

TV stations which is responsible for the creation of the biggest TV advertising market in the world by far. Whereas in most European markets advertising accounts of small and mid-size businesses hardly go into television advertising, the local TV stations in the US offer themselves as advertising carriers for local businesses, hence diversifying the media mix that must be employed to reach prospective customers. The blur on the advertising market also necessitates a heavier rotation of spots than is custom in Europe. Both reasons account partially for the total amount of advertising expenditures in the United States. TV advertisers alone spend $ 14.3 billion in 1982 compared to $ 3.8 billion in Europe [HOSKINS/MIRUS 1988] [23]. Feeding to this huge domestic market, thus, sustains substantial production costs of programming and makes it easier to recover the costs in the United States' market alone. In addition to selling a program for first run, costs may also be recovered over a subsequent syndication. This characteristic feature of the US domestic television market also necessitates that a program be tested before a long running series be produced. For syndication, a stock of at least 65 episodes or three seasons of a series is considered necessary. The decision to go into such a long run can only be guaranteed if the program can be supposed to appeal to a large audience. If a series is successful, US producers more than European producers tend to exploit the trend and keep on churning up new episodes as long as the fire's still burning.

The result of the financial capabilities in connection with a thorough professional *"product evaluation"* is that the market can sustain a high quantity of high quality productions. All of the United States' competitors in television programming, in turn, operate in much smaller home markets, if not in terms of population, so in terms of economy. Corresponding to that they have to deal with smaller advertising bases which curbs their ability to produce a substantial share of indigenous high production quality programming.

4.3. International Market Situation

The "international market" of television programs is generally seen as a *myth* i.e. as hardly existent [SCHEMENT et. al. 1984]. It's the huge US market which makes up approximately half of the world market [24]. To do truly business in an *international market*, foreign programs would need to crack the US market. Given the prospective revenues of 50% of the world market, the US, foreign producers could also consider recovering substantial production costs. Hence the budget for good quality programming would be higher. But this sought after market, as LARSEN's [1990] and VARIS's [1985] data suggests, is almost a closed one for international competitors. They have to do with the disperse half of the international market only. Thus it is somewhat exclusively the US companies which have access to both halves of the international market. The international market, as an abstract term, comprises maybe 15 Western markets, including the United States, which economically matter. Data from *Variety* suggests that the Top 10 export markets for US majors are, in this order, Japan, Canada,

[23] Since the diversification of the European media markets is under progress, we might expect a similar ballooning of European advertizing in the near future.

[24] RENAUD/LITMAN 1985. It may be noted that during the Eighties the European market, which is, however, still fragmented, gained importance, thus the reason why US producers heavily opposed and condemned Euro quotas [see RENAUD/LITMAN 1985 and "*Euro TV Boom Seen As A Steady Thing*" or "*When Foreign Markets Rave, Studios Jump*"]

France, W.Germany, U.K./Ireland, Spain, Italy, Australia, Sweden, Brazil [25]. 77.3 percent of the US export revenues in 1989 - a figure that amounts to $ 530 million - come from these countries.

The number of countries in this list where English is a major language is apparent. English has been established as the *lingua franca* of the picture tube. Due to colonial heritage, English language fare may also be easily sold into a number of Third World markets where English still is official language. In any case, the US producers are the biggest contenders in an international market, including their own, and also do business in a majority of countries whereas their rivals mostly break into regional markets only. American companies also have a secure grip on the international distribution markets, the most important being the *Marche International des Programmes de Television* (MIP) in Cannes and the *National Annual Television Programme Exhibition* (NATPE) at various locations throughout the USA. MIP is seen as a key market for smaller countries, whereas NATPE is the largest television programming fair [SCHLESINGER 1986]. The group of people who is responsible for film exports/imports is, as CANTOR/CANTOR [1989] observe in their survey on film exporters and importers, a small group of individuals who specialize in this market. They reject the idea of a hegemonic influence and contend that the buyers have more power than is generally asserted. The underlying problem of these fairs is not so much a deliberate hegemony but a factual one: in order to reduce scouting costs buyers only attend the - American dominated - fairs rather than searching for material offside the "road". As a result, LARSEN (1990) demands that the broadcast stations should employ more people to also scout smaller markets. In this way, part of the American dominance could also be attributed to the hassle-free easiness of getting a year's supply of programs at one of the two big fairs and, hence, to the buyers' laziness or misery. Another effect is that US producers generally offer blocks of material or large stocks of series - coming from the need to produce at least 65 parts for syndication - which reduces scouting costs for buyers. Buyers also tend to treasure US material because it is thoroughly tested in the domestic market. The most successful series of the US market over the last decade have inevitably also found their way on the world's picture tubes [26].

4.4. Cultural Discount

As an attempt to explain the dominance of US TV, HOSKINS/MIRUS (1988) introduced the concept of a cultural discount. *Cultural discount* essentially means that in order to sell a series or a program on a foreign market the prize has to be discounted depending on the cultural distance or proximity between the originating and the target country [27]. HOSKINS/MIRUS [1988] matched *Variety* data for

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[25] "*Top 15 Export Markets for U.S. Majors in '89"*, *Variety*, 13 June 1990, p. 10. The frontiers between television and film programming export seem blurred, MPEA's members, AFMA-members, and smaller indies, all in all some 160 companies, handle the paramount share of both.

[26] see for example "An Evening With World TV" and "*For Europe, US May Spell TV"*.

[27] Suppose that the United States and the Federal Republic of Germany (FRG) produce a high production quality program at the same price. While the US with its huge domestic market stands for a 1,000,000 $ revenue, the FRG theoretically yields a third of that. Since the US and the FRG are culturally distant, either has to discount its program in order to bring it to the other's market, the cultural discount being hypothetically 40 percent.

US	$ 1000000 (US * 1) + $ 300000 (FRG * 0.6) =	$ 1180000
FRG	$ 300000 (FRG*1) + $ 1000000 (US * 0.6) =	$ 900000

The net gain the US gets from its advantage on the home market thus being 280,000 $ over the FRG [HOSKINS/MIRUS 1988]. It is, hence, easier for the US to produce a $ 1,000,000 quality program than it would be for Germany.

maximum prizes paid for US programming in different countries with GNP per capita, the number of TV sets in that country (market size), an indicator variable indicating competitive bidding (yes/no) and a dummy variable assessing the cultural discount (English/Non-English). 71 percent of the variations in prices could be explained in that way. Thus, they conclude that the cultural discount alone is sufficient enough to explain why the country with the largest market, the US, dominates international trade. In reality, it can be supposed that the cultural discount for US products tends to be smaller: through the historical acquaintance with US films and TV programs, the cultural distance in non-US markets has diminished. US audiences, in turn, are unusually unfamiliar with foreign material, a factor that increases the cultural discount for prospective foreign programming sellers.

4.5. Pricing

According to *Variety*, prices for TV movies hover between 700 $ to 900 $ for Jamaican stations and 145,000 to 160,000 $ their Canadian counterparts need to remit [28]. The price of US material depends on:

1. cultural proximity to the US (which makes the English speaking countries the highest payers for US fare)
2. the size of the market
3. whether there is a competitive bidding in the country.

In any case, these prices cannot be matched by indigenous productions. LARSEN [1990] gives an example for Denmark: In this Scandinavian country, the average price per hour for domestic programs in 1984 was 260,000 Dkr ($ 35,500); for imported programs, one hour averaged $ 4,400. This is one eighth of the price for a domestic production. The *net cost* of going "in-house" instead of purchasing a license for an American drama for a Canadian broadcaster is given at 481,364 Canadian Dollars [LARSEN 1990: 40].

The same holds true for prices for US theatrical films. A 12 million Dollar plus US production is licensed for 30,000 to 60,000 US Dollars in Belgium, for 400,000 to 1,000,000 US Dollars in Germany, and for 850,000 to 2.5 Million Dollars in the United Kingdom [29]. But even the most expensive license for an American film in the United Kingdom is way below the actual cost of producing it. **Table 4** shows a comparison of production costs with acquisition costs in England:

Table 4:
Comparison of Production Costs with Acquisition Costs

Easton Films (Thames TV Subsidiary) Production Costs	
Minder (series IV)	£200,000/episode, average cost/hr
Widows (series II)	£291,000/episode, average cost/hr
Sweeney 1984 (telefilm)	£400,000/1.5 hours
Average Acquisition Cost of Film Features and Series	
Quincy	1 hr £ 4,500
Scarecrow and Mrs King	1 hr £ 5,000

[28] "Global TV Programming Prices", in *Variety*, April 15, 1991, p. M-107.

[29] See "Global Price Guide for U.S. Theatrical Films", in *Variety*, Febr. 25, 1991, p. A-65.

Hotel	1 hr £ 5,000
Kojak	1 hr £ 3,000

Source: Thames Television Ltd, Draft Budget for the Year to 31 March 1985, cit. in: SCHLESINGER [1986:273]

The low pricing of programs is attributable to the fact that films and TV programming material are either

a) a joint consumption property
b) sold in countries as single entities.

After having been produced, additional copies cause only marginal incremental costs; everything beyond that can be seen as either an extension of profit or a recovery of costs. In cases of smaller, especially Third World countries, when licensing yields only revenues in amount of a few hundred dollars an hour, the material is rather "*bicycled*" than copied. Typically, this is also the case if the material needs dubbing. CANTOR/ CANTOR [1986] claim that no US producer tries to make a direct deal with francophone African countries; these licensing contracts run over France.

Pricing is an especially important factor in the international market. Since the United States programming material does not depend on foreign revenues *to the same extent like European would do,* the producers are able to establish a comparatively low price for high quality productions and can outdump the competition even with poorer quality material [30].

4.6. Foreign Appreciation of US Fare

There can be no doubt about the strong economic and financial reasons why broadcasters from all over the world buy US television programming. Outside the US, no single national TV market is large enough to sustain the production costs for schedules relying solely on domestic material, at least not in full-fledged TV systems [31]. But, still, the question remains why foreign producers do not try to replicate the US strategy [32]. Two reasons were given before: first, the US is an almost closed market for foreign productions, and second, US television is cheap but of high production quality. A third reason is that international TV audiences are, mostly since decades, *primed* through a continuous high flow of film and series *Made in USA* and accustomed to US plots, sceneries, and actors. Very early in the history of TV programming, the US producers established a universal format which is easily recognized by vastly heterogeneous audiences. Indian, Brazilian, even German or French fare does not have this universal flair. The US culture itself may be distant and strange to some of the audiences, whether in Malaysia or Guinea, or in Iceland or Hungary; but the US culture is probably the *most*

[30] In case of Germany most film sales are done over the Kirch Group which dominates the import/export market of the country since 35 years. There seems to be an interesting tendency of the private stations to acquire highly attractive box-office hits in packages with poor quality material. This would suggest that, in negotiating with film dealers, commercial stations have an edge over pubcasters because their quality standard is considerably lower. Hence they can agree on packages which would be rejected by public stations since the low quality programming does not fit into their schedules.

[31] The regional European market taken as a whole might be the only one which could come close to this prerequisite, but due to the fragmentation of the European market, this proves only a theoretical consideration.

[32] Although *"Stars of Stage and Screen"* reports that foreigners buy the companies instead which are responsible for the American lead, most notably hinting at Sony's acquisition of CBS.

familiar stranger to a majority of the population on the globe [33]. US material as well as US settings are highly represented in most countries.

It has been noted that domestic audiences generally like domestic series best [LARSEN 1990], but in any case, Valenti maintained, they like US fare second [34]. It has been speculated why this is the case. Familiarity with US settings, values, and actors is certainly one case in point. Another factor might be that entertainment program is especially valued as diversion; KATZ/LIEBES [1990] contend that the cultural distance of US programming to indigenous audiences reduces the audiences' preoccupation with the question of reality. Moreover, action and suspense series, as well as some soaps, do especially well with foreign audiences [35] while sitcoms are lagging behind. While sitcoms require not only careful translation but also cultural/humorous adaptation in order for their wit to be transmittable to a foreign audience, action series and movies do not require too much cultural adaptation and pre-information.

BOYD [1988] writes: "*[...] in the Third World and in some industrialized states, the desire to see American material seems almost insatiable."* [BOYD 1988: 157]. He suggests that as much as 85 percent of videotapes in the Arab Gulf, 75 percent in Egypt, 60 percent in Argentina and 90 percent in Singapore are pirated videotapes. *Rambo* is doing well in Syria, otherwise not quite a US client. Shows and series from American broadcast stations are taped on a regular basis and flown into the third world [36]. But the US fare is not well liked everywhere. In connection with DBS, some countries have uttered concerns. India, the *New York Times* reported on June 11, 91, considers editing and filtering DBS material, a hapless attempt... [37]

4.7. US Contempt of Foreign Fare

As popular as US TV and movies are abroad, as insular and intolerant are US viewers of foreign programming. It might be that historically they have been exposed to very little. RENAUD/LITMAN [1985] contend that US audiences are accustomed to 30 years of domestic programming and will not accept subtitling or dubbing of foreign language shows. Europeans maintain that, if sufficiently exposed to quality dubbing, the American public would drop its objections to the lip-sync process [38]. Jack Lang, French minister of culture, defended European quotas by accusing the US broadcasters: *"You don't have a quota of 50 percent or 75 percent, but one of close to 100 percent working against our movies. You simply keep us out of the market"* [39]. If leaning towards foreign movies, Americans prefer English language fare from the UK or Australia but still grapple with accents. It is no wonder, then, that the most successful foreign movie to crack the US market in decades was an Australian

[33] An example for *mental maps* of foreign television audiences can be seen in CHAPMAN 1987.

[34] *"Doors Shut to Our Export Supreme*", *Los Angeles Times*, 14. Dec. 1990, p. B7.

[35] *Dallas* flopped in Japan, but, generally, the success rate of US television with foreign audiences is relatively high.

[36] The *New York Times* of June 12, 91 reported that the US major companies imposed an embargo on the Soviet Union since copyright infringements and commercial showings of videotapes would be overboarding in the USSR.

[37] *"India Prepares To Monitor Satellite Broadcasts", New York Time*, 11 June 91, A5.

[38] see "*Foreign Films Face Apathetic Audiences"* (1991)

[39] ibid.

movie, "*Crocodile Dundee"*, with a story line set partially in New York City. The fate of many a foreign box office hit has rather been to be remade for the US market than to be run in the original version. The French "*Three Men and A Baby*" or "*Three Fugitives*", for example, have been remade with American Box Office names like Tom Selleck or Nick Nolte. The US imports of films, *Variety* headlined in 1990, are "*a long way down from the '60s"* [40].

The *audience maximization rationale* of the networks prevents that non-domestic material is shown on commercial TV. The broadcasters fear that foreign fare might be too inaccessible, hence jeopardizing advertising revenues. PBS, however, had a share of 44 percent UK material alone in two of LARSEN's [1990] sample weeks; but PBS usually doesn' t show up in the Nielsen ratings.

5. Outlook

With the rising importance of the European markets in allocation decisions in the movie and TV programming industry in the United States, it seems likely that the isolation of the US market will give way to an increasing number of coproductions. Coproductions are, in wake of the US's need to circumvent European quotas and Europe's need to get a foot into the American market, very likely the big issue of the future [41]. The story lines of course need to be more international and the casting has to reflect American as well as European preferences. The quota issue in Europe is likely to fade in the wake of these developments. It is, however doubtful, whether the quota issue can be maintained over a longer period at all. The first question is whether as many non-US programs can be supplied to make ends meet, means to fill the increasing time slots. Many of the desired effects of quotas depend on a tight regulation of definitions what European content is, when it has to be broadcast etc., so that the attempt of deregulation in Europe could be turning out into the opposite. But quota foes - especially in the realms of the private broadcasters - will find ways to circumvent quotas, and be it by producing ultra-cheap quota stuff which will be telecast from 2 a.m. to 6 a.m., leaving enough room for US fare in prime time etc.

It seems, however, that the emerging international television programming setting does nothing more than replace a US dominance with a certainly strongly US flavored North Atlantic dominance in international television flows. And the remainder of the world will keep on acclimatizing to our culture.

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[40] *Variety*, 2 Febr. 1990, p. 56.

[41] see RENAUD/LITMAN 1985,or "*When Foreign Markets Rave, Studios Jump"*, *New York Times*, 7 March 90, p.d1]

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