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GLOBALISATION OF THE MEDIA INDUSTRY AND POSSIBLE THREATS TO CULTURAL DIVERSITY

Final Study

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Table of Contents

EXECUTIVE SUMMARY

The objective of this report is to assess if the new circumstances produced by globalisation in the media industry represent a threat for cultural diversity and, if this is the case, to determine the areas affected and evaluate the consequences for the content distributed by the media. This work also advises on the measures which should be adopted by the European institutions in order to reduce the risks and benefit effectively from the advantages of a globalized society.

As is to be expected from a contribution made from the university arena, the research has gathered updated information which has allowed us to present a thorough analysis of the issue and an evaluation of the risks and opportunities of the situation reflected on by experts. It concludes with a description of the tendencies which appear to dominate the international market of the media in general and the audiovisual in particular and advice on the measures considered necessary to promote or implement.

♦ **Cultural diversity in the global context**

- Globalisation is a phenomenon generated simultaneously by the application of new technologies, which overcome barriers of time and space, and the generalisation of the principles of free trade in a market of world dimensions. In itself, this phenomenon does not necessarily imply the homogenisation of contents which threatens cultural diversity.
- However, it has a negative effect on the media industry through two main conditioning factors:
  - the promotion of the concentration of companies as a means to reach the necessary competitiveness in the international market;
  - the elaboration of contents which satisfy general interests to the detriment of more particular tastes, placing commercial success before a quality product.
- These risks are revealed by the predominance of North American companies and capital in the market and the global spread of their products. In the intra-European area that imbalance is translated into the competitive advantage held by the countries with a greater production and investment capacity over those whose resources are limited, whose geographical area is small or who speak a minority language.

♦ **Opportunity to adopt measures in defence of cultural diversity**

- The political-social context itself, which plainly requires recognition on the part of cultural minorities, recommends the adoption of measures favouring and facilitating the expression of the different social groups through the media.
- The rapid expansion of the new technologies, especially the digitalization of the audiovisual media and Internet, offers opportunities for production, distribution, access and participation of the media products which must be urgently exploited.
- The present situation of the process of European integration, with the prospects of the expansion of the number of its members and the widening of the competencies of the Union, seems an especially opportune moment to bring together the measures which promote diversity, a real characteristic of the European culture, with the necessary strengthening of identity.

- **Concentration and fragmentation of the media industry in the European Union**

- From the point of view of concentration and competitiveness, the communication market in Europe poses three types of basic problems:
  the situation of domination of the leading companies in pay television, the music industry and film distribution: in these areas, the main companies obtain high market quotas in the greater part of the Community countries. In contrast, in other sectors, such as the daily press, radio or open television, audience leadership is always in the hands of the companies of their own country, with the exception of the French-speaking area of Belgium. The economic press, magazines and the publishing industry are found to be in an intermediate position as far as the existence of large companies with a dominant position on a European scale are concerned;
  - the dominant presence of North American capital in some sectors: such is the case in advertising (through the European subsidiaries of the large multinationals), film distribution (concentrated in companies which are the property of the great "majors" of Hollywood), pay television (if we consider that a large part of Vivendi's capital is in the hands of pension funds in the United States, and that Rupert Murdoch, the principal owner of the second largest operator – BSkyB-, has North American citizenship) and the music industry;
  - the excessive fragmentation in several markets which hinders competitiveness of European companies at a worldwide level. The small average size of the European companies produces a decisive disadvantage, for example, in the production of audiovisual works;
  - the audiovisual sector is subject to particular ground rules, which limit the full development of a market of free competition. In the first place, the tendency to vertical concentration, which is leading many television networks to create their own production companies or buy others, increases the risk of a lack of pluralism in content. This tendency also means that the broadcasting companies consolidate an excessively dominant position with regard to the production companies, limiting the international exploitation of the broadcasting rights of the programmes.

- **Cultural diversity in the audiovisual area**

- The figures on the trade balance of the audiovisual sector show that in the programme planning of European general television stations as a whole – which until now capture the highest audiences -, there is a significant presence of North American programmes, which implies a risk that these cultural values become dominant. However, both the figures on the percentage of fiction programmes and the study on the type of cultural values that are present in the highest audience spaces, reveal that nationally produced programmes manage to draw a greater number of viewers. This fact implies that, although the North American presence is important, and has even significantly increased in latter years, the national production of each country is mostly found at prime time and its cultural values, therefore, reach more people.
- Of the study of the cultural values present in the highest audience programmes between 1995 and 2000 it can be seen that the impact of globalisation on the cultural diversity of the television programmes with the highest audience is not very significant, since the programmes produced in their own country and broadcast

in their own language predominate. The highest audience programmes fundamentally uphold national cultural values from each country (as opposed to the North American values or those of third parties). The genres with programmes with the highest audiences analysed are sports (32.5%), fiction series (16%), feature films (8.92%), news (7.5%) and music (5.11%). In the main, sports, fiction series and news promote national cultural values.

- The study of a selection of cultural programmes has allowed us to describe some successful formulas: *Imprint,* (RTE 1, Ireland); *Walking with Dinosaurs,* (BBC 1, Great Britain), *Un livre, un jour,* (FR3, France), *Horizontes da Memória,* (RTP 2, Portugal), *Superquark,* (RAI 1, Italy), *La España salvaje,* (TVE 1, Spain) and *Soirées thématiques,* (ARTE, France-Germany). The analysis of these cultural programmes helps with the identification of various criteria for quality: the adoption of innovatory approaches in the treatment of cultural subjects, the communicative ability of the presenters and the high production values. These characteristics favour the programmes' lasting popularity, as well as critical success.
- The cultural programmes which represent successful formulas highlight the key role played by public television in the distribution of specifically cultural high quality contents. Public television maintains an uneasy balance between the functions of providing entertainment and providing culture in the whole of its programme planning. The characteristics of quality of the cultural programmes pointed out previously could be used as a reference for the promotion of programming of this type in European television.

♦ Evaluation of the measures adopted by the European Union

- In this area, the European Union is faced with the phenomenon of globalisation with the aim of achieving two apparently contradictory objectives:
  - to strengthen European production in order to increase its presence in the international market and thus be able to compete with North American products which also penetrate the domestic market;
  - to guarantee cultural diversity, which is one of the characteristics which best defines the European identity, backing the production of those nations with a low capacity and helping them to become profitable.
- Both aims are found in the legislative texts although not in the same way. Even though the considerations place the same importance on the two aims, the practical measures show that the objective of reaching international competitiveness is given priority over the defence of cultural diversity. The evaluation of the impact of the Media Programmes on the European Union shows that most of the aid has been awarded to the countries with the largest audiovisual industry in Europe (United Kingdom, Germany, France, Italy and Spain) in detriment to those which have a smaller production capacity.
- This fact also demonstrates that Community legislation attaches greater importance to the views of the Commission rather than to those of Parliament. The documents which contain the considerations prior to the approval of the Media-Training Programme and the Media-Plus indicate that the Commission gives priority to the strengthening of the industrial fabric of the countries with the aim of promoting the development of competitive companies. The European Parliament, without disregarding that first objective, makes greater insistence on the importance of the protection, aid and encouragement of the industry in the markets of countries with less production capacity as a means of guaranteeing cultural diversity.

- The risks of fragmentation and concentration of the market are identified and the measures suggested by the Community institutions seem, in general terms, to be opportune and sufficient. For example, the quotas on independent audiovisual production are a reasonable measure for the prevention of an excessive vertical integration of the industry and to encourage the development of independent production in Europe.
- However, it would be useful to put forward the following aspects:
  - Establish a way which prevents the search for international competitiveness negatively affecting cultural diversity. As was advised in the European Conference of the Audiovisual Sector in Birmingham, the system could involve sharing out competencies between the European institutions, which would promote the industrial and structural objectives, and the national authorities would concentrate on the cultural objectives.
  - Increase aid to audiovisual production in new technologies, where it seems that, according to the results of Media II, the countries with a reduced production and investment capacity have fewer possibilities for development.
  - Continue the effort to contribute to the training of professionals in the sector, both in creative and business aspects. Training plans must consider as a priority the elements of production and commercialisation of the European contents in international markets.
  - Assume a wider concept of cultural diversity. To consider cultural diversity in terms of language or to relate it to the production or capacity of the national industries seems to be restricted. Although it is a practical criterion for resource distribution, it diminishes the richness and variety of the cultural manifestations.
  - Broaden the actions in defence of diversity in regional and local geographical areas. Although it is not the Union's competence to intervene at these levels, it would be useful to establish incentives for the member countries' governments to take action in this direction. In these areas, diversity is expressed with greater richness and it does not seem consistent to limit the defence of diversity to some national borders overcome by the effects of globalisation.
  - Promote the creation of national organisms, or their consolidation in those countries where they already exist, in order to promote the broadcasting of quality programmes. These organisms should carry out a follow up of contents of television programmes in their respective areas of competence, in order to determine up to what point programme scheduling follows the criteria for quality and distribution of cultural values previously established. At the same time, the functioning of TV viewers' organisations should be encouraged, since they can fulfil an important function in the formation of public opinion and in the denunciation of irregularities committed by programmers.

♦ Special mission of public television

Public television represents the perfect instrument for promoting cultural diversity and identity and for serving as a reference point for private production.

- In this sense, the national legislation of each Member State should promote the broadcasting of quality programmes with solid cultural values, although they are not profitable in the short term. Legislative measures could include conditions for the funding of programmes with public money, limitations on time and income from advertising and the direct promotion of a certain type of contents. It is important to consider the effect of attraction that public television can exercise on private television.

- In this way, it can influence audience tastes and demands so that companies obtain profitability in the mid and long term, with programmes of a greater cultural value; in this way, the current tendency towards the increasingly marked predominance of programmes with little cultural value or with non-European values will be counteracted.
- A new legislative framework must be formed which, taking into account the new situation of the markets, guarantees sufficient and lasting funding. In several European countries, the public television companies continue acting as distorting factors for competition in the markets. They must hold a relevant position in their national markets to favour cultural diversity if they act with the coherence and logic of a public service which distinguishes itself from the programme planning of commercial networks.
- Lastly, the possibility of indirect action on the production of private television should not be forgotten. In this sense, national legislation should influence programme planning, for example, by foreseeing the possibility of criteria for quality in the contents in the awarding of licences. Some organisms such as those established in the United Kingdom (*Independent Television Commission*) and France (*Conseil Superieur de L'Audiovisuel*) seem to work, as they do not only keep watch over the fulfilment of the conditions in which the licences were granted but also enjoy the power to sanction.

- **Impact of the new technologies**

- Despite the fact that, in the mid term, traditional media will probably continue to have the greatest incidence in the spreading of cultural values, the digitalization of the media opens up perspectives for the distribution of contents which will mean an increase in the cultural diversity of the media. However, there is a tendency towards the implantation of pay media which could mean that access to the contents is restricted for a great part of the society, who do not have sufficient resources. This tendency must be counteracted especially by the public ownership media.
- The digitalization and convergence of the media offer new possibilities for increasing cultural diversity, such as the number of channels, the user's direct access to the contents, the greater possibility for subtitling or dubbing and the new routes for the distribution of contents.
- The Internet is an especially appropriate medium for the transmission of cultural contents, including that for even the smallest minority, given that it notably increases the possibilities for choice for the public and offers immediate access. The Internet can facilitate the presence in society of universities, cultural associations and other organisations of diverse nature, which develop interesting cultural activities.
- In the area of multimedia contents (Internet, DVD and videogames), as well as the digital television channels, the present situation of dependency of European markets with respect to North American and Japanese production, is a serious risk for the restriction of cultural diversity in Europe. In order to confront this situation, the European audiovisual sector must be involved as a priority in the development of contents for this medium, especially of those which include interactive applications based on connection to the Internet.

- European leadership in the area of digital television offers favourable ground for the development of home-grown cultural contents which enjoy public preference. This situation can also encourage the development of multimedia contents related to the most successful television programmes.

POLICY OPTIONS

♦ ***Globalisation of media industry***

Concentration operations: the continuation of a policy favouring the consolidation of big European communication companies – like the recent merger of Vivendi and Universal or the alliance between Pearson, Ufa and CLT -, provided that this does not produce dominant positions in the market.
Control over mergers and takeovers: maintain the "single authority" system in the review of these operations (the Commission of the European Union or each country's government).
Vertical integration of the audiovisual industry: it is important the Commission continue its endeavours to prevent the distribution control systems from interfering with the contents producers' access to the public. The "must carry" rules of the cable operators and regulation on compatible decodifiers are good examples of this policy.
Consideration of the "Community dimension" of mergers and takeovers: the threshold of minimum turnover could be lowered to € 2000 million, so as to broaden the Commission's capacity to ban concentration operations. This measure would require a revision of Council Regulation 4064/89, of 21 December, on Control of concentrations.
Cinema film distribution : suggest to the Member States that they revise the efficiency of existing protective measures for trade in the area of cinema films in order to avoid North American predominance. For example:
- prevent block sales of films,
- prevent control of cinemas by large production companies.

Transparency in communications markets: legislation would be worthwhile in this area in order to facilitate free trade. This decision is one of the three proposed in the Green Paper on concentration and information pluralism published by the Commission in 1992.

♦ ***Audiovisual sector and cultural diversity***

Aid distribution to the sector: adjust the criteria related to the market response to products (automatic aid, support of commercially viable projects, etc.), with other priority criteria:
- high quality cultural products,
- proposal of innovative approaches and formats,
- successful combination of culture and entertainment.

Position of national production: put forward the aim of concentrating national production at prime time on the networks so that one country's production can successfully compete in other timetable bands for television in other countries. To achieve this, pacts, agreements and co-productions between companies from different European countries must continue to be encouraged, especially efforts to involve companies from countries with low production capacity.
Presence in other markets: aid in the carrying out of co-productions of European companies with North American companies in order to facilitate the production of contents which can compete in that market.
Independent production companies: encourage the broadcasting of programmes made by independent production companies in order to mitigate the effects of vertical

concentration and achieve a wider range of values in programme planning. To achieve this:

- establish quotas for independent production where they do not exist,
- revise the efficiency of those which are in effect in some countries.

Quality programme scheduling : establish some objective criteria for quality, one of which should be the promotion of one's own culture. The said criteria should be taken into account – as happens in some countries – when concessions to broadcasting companies are awarded or renewed.

Public television: the public sector of television should undergo modification and should include, among other issues, the following measures:

- definition of "public service" contents,
- decision on the sources for public funding
- imposition of advertising limits, always more severe than those referring to private channels

♦ ***Impact of the new technologies***

Multimedia communication: contents of national or regional interest should be promoted and produced with a level of quality comparable to that of the most competitive products. Governments should offer aid to small multimedia companies in order to produce quality prototypes which develop home-produced contents.

Countries with a limited production capacity: encourage companies to develop global strategies, to favour production and distribution of contents for the different platforms (digital television, Internet, DVD, mobile telephones, etc.) This action is especially relevant in countries such as Ireland, Greece, Austria or Portugal, where the media are subject to a growing influence of contents not only from the United States but also from neighbouring countries. The combination of attractive contents, packaging and distribution in many platforms will give a competitive advantage to European companies, when they are supported by successful contents for television.

Training and meetings of professionals in the sector: promote the presence of cultural contents in the media through:

- training networks of screenwriters and producers of multimedia works of a cultural nature to encourage production and promote creative talent in each country;
- organisation of professional meetings and festivals which bring together authors of audiovisual works with cultural content, especially those that successfully combine cultural values and entertainment.

Public media: the function carried out by some radio and television bodies – especially the promotion of cultural production and the influence of quality standards – should be boosted by online services. The public media of each country should provide on the Internet a wide range of programmes and information which includes the cultural expression relevant to small communities.

Cultural bodies: The presence of contents produced by different cultural bodies (associations, universities, local and regional bodies, etc.) should be encouraged thereby facilitating:

- the technical training of its communicators,
- access to the necessary technological media.

♦ *Future courses for action*

- Analyse what could be the most appropriate legal framework for the Internet, and for other new ways of distributing and commercialising audiovisual contents, as well as studying the way of adequately protecting author rights in the new media.
- Explore the situation of competition and cultural diversity in the regional setting. It is not enough to protect the diversity of European countries without taking into account the regional differences present in the Member States.
- Examine the impact on the media of the minority groups present in Europe such as religious, ethnic and linguistic minorities.

Chapter 1 - INTRODUCTION

The defence of cultural diversity in the European Community must be a central aim in the action which the Union has proposed to develop at the start of the twenty-first century. Some significant facts of the contemporary political and social context corroborate the importance of taking that course in the measures adopted:

- The claims of different nationalist movements (in Spain, Belgium, United Kingdom) demonstrate the need to make the process of European integration compatible with upholding the cultural idiosyncrasies of the different social groups.
- That requirement will become greater with the incorporation of the new states from Central and Eastern Europe, many of which have a long history of conflicts of this nature.
- On the other hand, the recent Nice Summit (December, 2000) has demonstrated the inevitable difference in the power of decision existing between the Member States. It is essential to avoid that this situation, reflected in all areas of Community policy, could give rise to the risk – or perceived risk– of a cultural hegemony of some States over others.
- Lastly, European cultural heritage, which must be consolidated, defended and made present in the international arena, has as an inherent and defining characteristic which is precisely that very diversity which partakes of a common origin.

Cultural diversity is expressed through a multitude of forms. In the information society one of the main channels is through the public media. In them, the different social groups find a voice and a way of relating to other individuals of the same environment or those alien to it. Especially throughout the nineties the European Union, aware of this reality, has stressed the importance of preserving those forms, guaranteeing their access and presence to the media in general and the audiovisual in particular.

This interest of the European Community survives in an international context dominated by the laws and principles of a globalized market which have a very significant effect on the audiovisual industry and the new media and are apparently incompatible with the interests of the defence of cultural minorities.

At the same time, however, with the possibilities opened up by the new technologies, globalisation means that it is made easier for linguistic and social communities, which had hitherto been unknown, to be present in the international information flux and thus to ensure their public manifestation, external recognition and their survival in time.

The objective of this work lies in evaluating the new circumstances generated by the globalisation in the mass media industry and the extent to which they present a threat to cultural diversity; in which areas and with what consequences can it be considered such a threat and which measures should be adopted by the European institutions to counter it.

The limits of the area of research have been fixed according to the following criteria:

- Analysis material. The study has focused on those media which have a greater social impact, either because of the scope of their audience and consumption – audiovisual media, especially television -, or because of the new possibilities of production, distribution and participation offered by digital television, DVD and the Internet.
- Level of analysis. The extra-European area and intra-European area are combined; in the former, the relationship of competition between the United States and Europe is looked at, and in the latter, the relationship between countries with greater production and investment capacity in the audiovisual industry and those with lesser capacity is considered.
- Approaches. A study of the impact of the globalisation of the media industry on cultural diversity requires the simultaneous examination of the **ownership** of the media and the commercial strategies and objectives; of the type of products and **contents** transmitted; and the **channels** by which they are distributed.

With these postulates the following issues will be dealt with:

- In chapter II, the theoretical framework is established and the concepts implied in the study from the scientific area of public communication and the particular approach adopted by the European Union are defined.
- In chapter III, a review of the legislation carried out by the European Union from 1989 regarding the audiovisual industry is made and the measures adopted for the guarantee of diversity are highlighted and evaluated.
- In chapter IV, a study is made of the tendencies of concentration affecting the media industry in Europe and an overview is given of the challenges which globalisation presents to the whole of the mass media, print and audiovisual.
- In chapter V, the research focuses on television contents and evaluates the presence of cultural diversity in the programmes with highest audiences and the quality of avowedly cultural audiovisual programmes.
- In chapter VI, a valuation is given of the possibilities offered by the new technologies relating to the promotion of national cultural values and the access of linguistic minorities.
- The Executive Summary brings together the conclusions of greatest interest, which are expressed in concrete terms as policy options to guide the European Union in its future action.

Chapter 2 – CONCEPTUAL FRAMEWORK OF REFERENCE

2.1 Globalisation: essential characteristic of the context of action

The **globalisation** phenomenon does not have a precise definition. Even though some of its causes can be determined and an assessment of its possible consequences can be ventured, its ongoing evolution and the lack of historical perspective means that a precise statement is difficult to make. In any case, with the aim of demarcating the theoretical framework on which this work has its basis, a selection of the main characteristics describing globalisation has been made, highlighting those which have a special effect on cultural diversity[1].

It refers to a global-wide phenomenon, originating in the development of new technologies which tend towards the elimination of the traditional coordinates of time and space. Parallel to the technological revolution, an inter-dependent economy has evolved whose field of action is a marketplace of worldwide proportions. In this new space, competition has given rise to a tendency towards both the horizontal and vertical concentration of companies, whilst also reducing the limits and controls of political power.

With reference to contents, globalisation implies worldwide distribution but not necessarily homogenization. The reviled **cultural imperialism** is produced when there is only one actor dominating all areas – technology, production and market, but globalisation in itself not only does not hinder a diversity of forms but, in a certain sense, facilitates it. The concentration of ownership can pose a threat to pluralism and cultural diversity but, at the same time, the new technologies appear to open up possibilities, at least potential ones, for a freer and more independent management of communication.

Globalisation, therefore, poses risks and offers advantages. The main **risks** detected in the area being dealt with are the following:

- Presence in the international marketplace requires the creation of large media groups fostering the horizontal and vertical concentration of companies and putting at risk the distribution of plural contents.
- The United States holds a dominant position in the world and European markets, forcing the defence of European products against North American ones to be given priority, in detriment to the effort to guarantee cultural diversity.
- The fragmentation of the European market means that international competitiveness is not dealt with: the increase in the channels of distribution

[1]For this, the chief scientific output dealing with the subject has been taken into account, among others: Sinclair; J., *Televisión: comunicación global y regionalización*, Gedisa, Barcelona, 2000; Beck, Ulrich, *Was is Globalisierung?,* Suhrkamp Verlag, 1997; Castels, M., *La era de la información*, Alianza Editorial, Madrid, 1998; Robertson, R., *Globalisation*, SAGE, 1992 ; Mattelart, A., *La comunicación-mundo*, Fundesco, Madrid, 1993. With regard to its specific impact on the media industry: Ginneken, *Understanding Global News*, SAGE, London, 1998; Boyd-Barret, and Rantanen, *The Globalisation of News*, SAGE, London, 1998; Mohammadi A. , *International Communication and Globalisation*, SAGE, London, 1997; Mowlana, H., *Global Communication in Transition. The End of Diversity?*, SAGE, London, 1996.

reduces companies' financing capacity, the works' profitability and the capacity for investment in future productions.

- A relocation of investment is required: investment in physical distribution must be reduced and more needs to be channelled into advertising and marketing.
- In dealing with the above risks there is the danger of concentrating resources on programmes with high audience ratings such as live sports events, in detriment to new production.
- With regard to contents, the continued presence of North-American products has created habits and tastes in the audience which leads to some purely European products not being well received, forcing them to overcome a certain cultural barrier.

From the point of view of international legislation, the clause of cultural exception which allows for the intervention of the Community in the promotion of cultural products will no longer be in force, according to the General Agreement on Trade in Services (GATS), in the year 2005.

The **advantages** of globalisation would stem from the possibilities offered by the new technologies which are especially interesting where cultural diversity is concerned. The new technologies allow,

- Increased supply of information.
- Easier inter-group communication.
- Greater margin of choice of contents for the audience.
- Users are enabled to have a direct contribution in content output.

That is to say, if we only appraise their potential effects, it can be stated that they grant more opportunities for any citizen or group to have access to, choose, generate and distribute contents.

In this setting, the European Union faces the globalisation phenomenon with the aim of achieving two apparently contradictory objectives:

a) Strengthening European production with the aim of increasing its presence in the international marketplace and thus competing with the North-American products which also invade its domestic market;
b) Guaranteeing cultural diversity, which is one of the characteristics which best defines the European identity, providing support for the production of those nations with less capacity and helping it to become profitable.

The first objective requires the existence of strong communication groups which act on an equal basis as the North American groups, with the latest technology, with the know-how of exploiting it, with distribution channels and with money-making products. This effort compels the promotion of the setting up of large media groups, which appears to imply certain risks for plurality and the cultural diversity of contents.

The second objective – the defence of the cultural diversity of the Member States of the European Union – requires the adoption of support measures for those countries with low production capacity in order to, at least, facilitate the presence of their cultural expression in the internal market of the European Union. The beneficiaries are small companies, independent producers, whose products do not usually meet the necessary conditions to compete in an international market.

The following study will attempt to demarcate up to what point it is possible to combine these two actions and in what conditions they can be effective, always in relation to the defence of cultural diversity which is the chief object of this work.

2.2 Concept of culture and cultural diversity

As stated by Guy Rocher, **culture** is "the group linked by more or less formalized ways of thinking, feeling and acting which, learnt and shared by a plurality of persons, serve in both an objective and symbolic way, to constitute those persons in a particular and distinct collective"[2].

- Culture singularizes human groups and merges identities together, but, at the same time, it places these groups in relation to the rest of society. The public nature of culture is expressed in manifestations such as the arts, customs, the social system, language or religion.
- Also in the context of the European Community, culture is a factor for unification and relation, since it is defined as "an essential element of European integration and it contributes both to the affirmation and vitality of the European model of society and to the projection of the European Community on the world stage" [3].
- With this approach, the Treaty of the Union (art. 151) shows its concern to find a balance between economic and cultural aspects, so that they mutually complement and reinforce each other.

> Culture in the European Union is fundamentally characterised by the coexistence of values common to its members with others particular to each region. As Eliot sensed, "for the health of Europe's culture two conditions are required: that the culture of each country be unique, and that the different cultures recognize their mutual relationship, so that each one be sensitive to the influence of the others"[4]

The European Union recognizes and promotes, together with a same cultural tradition, the development of different identities as an element inherent to the European Community; without renouncing the aspiration of creating a common socio-political space, regional actors are encouraged to contribute their own identities, giving rise to a great richness in languages and cultures.

Cultural diversity is recognized externally and internally, both by the prevailing institutions of civil society and by the awareness of the group itself as different to the whole in some expressions. The preservation of this diversity is one of the challenges confronting the European Union faced with the homogenizing risk of a globalized world, where uniform cultural patterns are present.

However, the concept of cultural diversity does not appear to be properly defined. Even though language is a diversifying element of special importance, a unanimous appraisal

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[2] ROCHER, Guy (1990) *Introducción a la sociología general*, Herder, Barcelona, pages 111 – 112.

[3] CULTURE 2000 programme. Decision no. 508/2000/EC of the European Parliament and Council. 14/II/2000. These statements are also found in the Commission's Proposal (DO C 211 of 7.7.1998) and in the Committee of the Regions Report (DO C 51 of 22.2.1999).

[4] Eliot, T.S. (1952) *Notas para la definición de la cultura*, Emecé Editores, Buenos Aires, p. 181.

of other elements which distinguish one culture from another is not to be found. [5]. In accordance with the objectives of this report, some criteria will be adopted in order to measure cultural diversity, exclusively devised for the observation of the area of audiovisual media.

2.3 Cultural incidence of the media: specific action of the audiovisual media

The media have become the chief transmitters of culture [6]. The traditional showcases of culture – museums, theatres, art galleries or libraries – have handed over part of their functions to the cinema screens, television or computers; media where culture has greater distribution and scope, since the images reach broader, more heterogeneous and widespread audiences.

The cultural function of the audiovisual industry is not only developed by the broadcasting of eminently cultural issues; news programmes, fiction series and films, video games or game programmes, for example, also display cultural manifestations that reinforce identities, show diversity in social situations and distinguish the ways of thinking and feeling of the social groups included in a community.

The analysis carried out takes into account that the media have at least two different ways of transmitting culture. On the one hand, a programme scheduling with manifestly cultural contents. On the other hand, in any audiovisual content the transmission of cultural identities and values is implicit.

The audiovisual sector is, therefore, one more source of cultural creativity. This aspect is recognized in the Treaty of the Union, when the audiovisual sector is seen as closely linked to other cultural activities, such as literature or art. The express mention of audiovisual production in art.151.2. is significant: it underlines how the audiovisual sector is a cultural manifestation, distancing itself from a purely commercial approach[7].

The preservation of the audiovisual sector's cultural perspective is of the greatest importance both for safeguarding the "general interest" within a context of a competitive market and for including the sector within the framework of "cultural exception" [8].

The leading role which will be played by cinema, television and multimedia communication in spreading cultural values in the next decades is undeniable, especially in the context of the international market [9]. Audiovisual productions, and their different display outlets, seem to be the media contents with greatest reach and scope.
For this reason, this work centres its analysis on this market which in 1998 was calculated at 64.6 billions of euros and employed around 485.000 people [10].

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[5] See Drijvers, Jan (1992). "Community broadcasting: a manifesto for the media policy of small European countries". *Media, Culture and Society*, 14, pp. 193-201. See Findhal, O. (1989) "Language in the Age of Television", European Journal of Communication, 4(2), pp. 133-159

[6] Jakubowicz, Karol (1990) "Media and culture in the information society", Gazette 45, pp. 71-88. See Marchetti, P. (1997) La Production d'oevres audiovisuelles dan l'Union européene, Economica, Paris.

[7] The audiovisual sector understood as part of the European Community cultural policy, where the European Union's competencies are scarce, only support measures are possible.

[8] See Communication on the new transatlantic market. COM(98)125, letter i) from point 10 of section D.

[9] See "Principles and Guidelines of European Community policy in the audiovisual sector in the digital era". COM (1999) 657end, 12.1999.

[10] European Audiovisual Observatory.

- Film distribution in cinemas involves a market of € 4.2 billions. Cinema, an industry aimed at entertainment and with also an influence on culture, offers values underlying diversity: production in different languages, with different approaches and world views. The number of films produced in Europe has increased (while in 1995 around 460 were produced, in 1999 the estimated figure was put at 630), however, they still show the characteristic of a fragmented market [11].
- Regarding the incidence of television, it should be highlighted that currently in 98% of homes in the European Union there is a television set and that the average viewing time is around three hours a day [12]. The massive television audience, which includes all social and cultural strata, and the capacity of different formats for television to integrate cultural values allows for a more inclusive assessment for the purposes of this work. The role of television goes beyond that of a mere transmitter of contents since it contributes to the reinforcement of cultural ties and belonging to a social group.
- The emergence of the multimedia communications sector has brought about a new development in audiovisual products and although, for the moment, consumption is not high, they are perceived as the immediate future of communications. At the end of the year 2000, 420 million people were estimated to have access to Internet worldwide, with a quarterly growth of 14.1%. Digital television throws up more decisive data since it is forecast that by the end of 2001, 30 million homes will have access to interactive digital television services and of these, 62% will be European households, as opposed to 18% North-American, 10% from Asia and Oceania and 1% Latin American[13]. As a consequence, the new technologies will be an essential factor for achieving competitive audiovisual products in the global market whilst, at the same time, offering a host of possibilities for production, distribution and conservation of the cultural heritage.

At the present time, television continues to be the medium that draws the largest audiences, with the greatest volume of business and with a consumption time much higher than the rest of the media (the average European watches three hours of television a day whilst the average viewing time in cinemas is four hours per annum[14]).

2.4 Categories which permit the evaluation of cultural diversity in media contents

The production and distribution of audiovisual contents which reflect European cultural diversity poses significant challenges in a globalized world. A concept of cultural diversity is required in order to guarantee:

- More contents in the media which give a fair representation of the cultural variety of Europe;
- The harmonization of the needs of communication companies with public interest; the distribution of contents in the media in all the languages spoken by the social groups of the European Union;

[11] European Audiovisual Observatory.
[12] See Screen Digest (1999), “Digital TV fails to boost total viewing”:
[13] See Strategy Analytics, “Interactive Digital Television: Worldwide Market Forecasts”, 2001.
[14] European Audiovisual Observatory, 2000.

- The development of news and fiction products by authors who belong to cultural minorities;
- Access from any place in the European Union to the cultural contents desired.

With this aim, criteria have been adopted which seek to measure the presence of cultural diversity in the audiovisual sector. For the "“MEDIA” programmes established by the European Union this diversity is measured according to the following criteria:

- Countries with a low audiovisual production capacity [15].
- Small geographical and linguistic areas.
- Defence of multilinguism (dubbing, subtitling and multilingual production).

These elements are of help for knowing the diversity of the audiovisual **industry**, but are insufficient for distinguishing in what measure a programme defends cultural values or not.

“The preservation of the cultural diversity of Europe means, among other things, promoting the production and distribution of quality audiovisual contents which reflect the different cultural and linguistic identities”[16]. Therefore, in those audiovisual contents we can determine whether a product is dominated by its own cultural values or by alien ones. From here arises the need to establish some precise criteria of measurement for the **contents**, and not only for the productive capacity of a country.

In accordance with the categories used by the European Broadcasting Union (EBU) and the EBU Statistics Group in their statistical analysis system of the production of public television broadcasting in Europe and in the coding used by the project *Eurofiction*, of the European Audiovisual Observatory, the cultural indicators chosen are:

- “National identity”, determined by the nationality of the production company of the programme, the nationality of the main character and the place where the action takes place.
- The language it is broadcast in and the original language of production.

In the analysis carried out, these indicators have been complemented by others compiled by this study (see Coding Schedule. Appendix 5).

Exploiting the possibilities offered by the new technologies for the defence of diversity, as has been stated in the 1997 Green Paper on Convergence, is also a key factor in the study of the relationship between cultural diversity and globalisation in the European Community[17].

[15] This low production capacity, according to the BIPE report, does not correspond to the size of the said countries but rather to the geographic or linguistic isolation of their market. See Report of the Commission on the results obtained in the framework of the Media II Programme (period 1996-2000), COM (1999) 91 end.
[16] “Principles and guidelines of European Community policy in the audiovisual sector in the digital era”, COM (1999) 657 end, 12. 1999, p. 8.
[17] See Green Paper on Convergence in the telecommunications, media and information technology sectors, and their consequences for regulation. Towards an approach to the information society. 3.12.1997. In this Green Paper the advantages of the new technologies are highlighted for the

Chapter 3 – EVALUATION OF THE ACTION OF THE EUROPEAN UNION. CHALLENGES POSED BY THE PRESENT SITUATION

3.1 Theoretical basis of European cultural policy

Cultural diversity, considered as one of the essential characteristics defining the greater unity which is Europe, is present in the **Treaty of the Union**[18]. This issue is found in the section on "Culture", and makes reference to diversity always within unity: "The Community will contribute to the flourishing of the cultures of the Member States, within the respect for their *national and regional diversity*, emphasising at the same time the *common cultural heritage*"[19]. In undertaking the development of the cultures of the Member States, the defence of cultural diversity is understood as part of the European idiosyncrasy and, therefore, is placed within one of the first and basic objectives of this Treaty which is the affirmation of the identity of the Union. And this commitment is assumed not only on the level of principles but also in actions, with the undertaking to take into account "cultural aspects in their action (...) in particular with the aim of respecting and promoting the diversity of its cultures [20]. Nevertheless, it must be recalled that the European Union acts under the principle of subsidiarity: it involves itself only when the States do not act [21]. Moreover, in the aspects found in article 151 the need for unanimity in its pronouncements is established.

With the "**Culture 2000**" programme, cultural diversity is taken on as a specific objective: the development of specific provisions of article 151 is proposed "particularly with a view to respect and promote the diversity of cultures". The programme has been approved for the period comprising January 1, 2000 to December 31, 2004, coinciding with the last dates of the application of the General Agreement on the Trade in Services (GATS). The first of its objectives is precisely "the promotion of cultural dialogue and mutual knowledge of the culture and history of the European peoples" and further on it also specifies the intention of "emphasising the importance of cultural diversity and the development of new forms of cultural expression", as well as "taking into account the role played by culture in socio-economic development".

Finally, it should be noted that the Treaties' cultural objectives must be understood in the light of the aspiration to create a single market in which conditions are guaranteed for the freedom of movement of commodities, goods and persons. In this context, the audiovisual sector is also regulated as an integral part of the market, so that both free competition and socio-economic development are guaranteed.

3.2 Selection of legislative measures directly related to the defence of cultural diversity in the audiovisual sector

The European audiovisual industry must deal with two main challenges: competitiveness in the international market and the defence of its cultural identity. This

achievement of this aim, signalling that the effect of the convergence in the media produced by them is fundamental for greater choice and cultural diversity.

[18] Treaty of the European Union. Section XII (former IX) art. 151 (former 128)

[19] Treaty of the European Union. Section XII, art. 151.1.

[20] Treaty of the European Union. Section XII, art. 151.4.

[21] Art.5 Founding Treaty of the European Community.

situation explains the action undertaken by the European Union from the end of the 1980s to boost its own European audiovisual industry, coordinating and reinforcing national efforts with supplementary aid. The Union's activity, as has already been pointed out, is made concrete in the definition of a **regulatory framework** and in the establishment of **measures to promote** and boost the sector, specifically in the areas of distribution and commercialization.

In the area of regulation, the European Union has differentiated the legislation of technology to that of contents – which are regulated according to their characteristics and not according to the medium by which they are transmitted. Its action is based on the principles of proportionality and transparency.

Paying attention to these criteria, from the Guideline of Television without Frontiers of 1989 to the present, it can be affirmed that Community legislation regarding the audiovisual sector has progressed in the defence of cultural diversity.

Indeed, the **Guideline of Television without Frontiers**, by its establishment of the quota system with its proposal to reserve 10% of time or programme scheduling for "European productions", became the first support measure for the European industry [22]. The review of this guideline carried out in 1997 contains some observations on what is considered as "European work" and refers to the need for the quota system to be reserved for independent European production, so indirectly it is referring to cultural diversity[23].

In that same year, the **Green Paper on Convergence in the telecommunications sectors**[24] states that, thanks to the possibilities of convergence allowed by the new technologies, a door is opened for users to enjoy greater choice thus the display case of cultural diversity is also widened. Consultations carried out on this Green Paper point in the same direction when they propose the preservation of cultural diversity in audiovisual production, with the aim of "helping people in our pluralist societies to reach opinions and decisions"[25].

However, it is with the **Report of the High Level Group for Audiovisual Policy**, headed by the Commissioner Marcelino Oreja, that the Union's concern is made clearly manifest[26]. The report takes as its starting point a cultural concept of the audiovisual media which goes beyond a merely economic perspective, so that "the balance between the heat of market forces and the safeguarding of the general interest can be assured". This report confirms the European demand for a national product and, in this way, the preservation of cultural and linguistic diversity is presented as a challenge (a mission which is commended to the public authorities, keeping in mind the context offered by "cultural exception") and points to distribution as a priority (imitating the North-American industry in this aspect). A series of proposals is drawn up based on the

[22] Guideline of Television without Frontiers 89/552/EC, OJ L 298/23 of 17.10.89.
[23] Review of the Guideline of Television without Frontiers 97/36/EC, OJ L 202/60 of 30.7.97.
[24] "Green Paper on the Convergence of telecommunications sectors, media and information technologies, and their consequences for regulation. Towards an approach to the information society" COM 97/623 end.
[25] Parliament Guideline 22 October 1998.
[26] "The Digital Age: European Audiovisual Policy". Report from the High Level Group for Audiovisual Policy, 1998.

criteria of proportionality and transparency: attract investment to the sector, create a network of teaching institutions, hold an award ceremony, reinforce the Media programme and facilitate agreements between private broadcasters and public authorities. Emphasis is also placed on the quality of contents with the promotion of creativity and exchange between countries.

Following the **Birmingham Conference** (6 – 8 April, 1998), the summit's conclusions and the recommendations of the Report of the High Level Group will be included, to a certain point, in the document "Audiovisual Policy. Next Stages", in which the need for balancing competition and cultural diversity through the Community aid programmes is maintained, specifically through the type of aid provided by Media II[27]. In this way, it is proposed:

- In order to improve competition, to set up measures to improve distribution with automatic aid systems linked to commercial success.
- For the defence of cultural diversity: "the Community needs to continue to take into account the specific needs of countries with a low audiovisual production capacity or situated in limited geographical or linguistic zones": The system, then, operates a "positive discrimination" aimed at compensating small States that have a low production capacity.

A new text summarising all these documents appeared in 1999, **Principles and guidelines of the Community policy in the audiovisual sector in the digital era**, set up as the chief legal framework for action for the audiovisual sector in the context of the application of the new technologies. With this document some support mechanisms specifically designed for the protection of cultural and linguistic diversity were set up including: the new Media Plus programme, the e-Europe initiative, the exchange programmes between member countries and those that help provide citizens with free access to information (EPG, API, etc).

Also worthy of mention is the Council's position regarding this issue, reflected in the Conclusions on the role of Self-regulation in view of the development of the new services of the Media[28]. These conclusions reflect the Council's decided resolution to encourage debate on the self-regulation of different companies and sectors, with the aim of guaranteeing greater pluralism and strengthening the diverse cultural identities.

At the same time as the defence of cultural diversity in the Community heritage has been undergoing a process of self-definition, one of the factors which has a direct influence on this area within the audiovisual sector has come under regulation: the **concentration of companies**.

After analysing the problems of a lack of pluralism, the Commission put forward three possible solutions: approval of specific legislation in order to harmonize national legislations referring to concentration of information: to limit itself to the establishment of special requirements for transparency in the sector; finally, not to legislate. For the moment, the option chosen has been the last one, so that concentration operations are studied in each country, and are only analysed

[27] "Audiovisual Policy: next stages": Communication of the Commission of the European Parliament and the Council of Ministers. 1998.
[28] Conclusions of the Council on the role of Self-regulation in view of the development of new services of the Media (1999/C283/02)

by the Commission – in accordance with the general legislation on free competition – if they have a "Community dimension"[29].

Also, a **Guideline of the Economic and Social Committee** suggests various proposals to guarantee pluralism in the media including: one of the criteria for regulation be the audience levels reached by the media owned by one company, the Commission coordinate the activity of the national regulatory organisms, the possibility be considered of also applying the previously mentioned regulation for audiovisual media to digital broadcasting services, "editorial statutes" be encouraged in order to avoid the excessive influence of proprietors and shareholders, etc [30].

With regard to support actions, Community policy has always been and continues to be subsidiary and complementary respecting national legislation and involvement. The **MEDIA** support programmes for the audiovisual industry have reflected, alongside the evolution in regulations, the growing interest in preserving European cultural diversity. This was seen in the **MEDIA I** programme (1991-1995) and was reinforced in **MEDIA II** (1995-2000). The latter reforms the organisation of the programme and re-defines the action plan dividing it into two areas: Development and Distribution [31] and Training[32]. The Programme complements action taken by the Member States, giving aid to pre-production and commercialisation and those non national European works, whilst national aid is invested in the production process and national works.

In the aspects relating to distribution, the aim of the Programme is to boost transnational circulation in the European market, encouraging producers to create for an audience which is not exclusively national and encouraging distributors to give priority to European works. The defence of cultural diversity is approached from the protection of countries with scant audiovisual production or with small geographical and linguistic areas, and on the same level as small or medium sized businesses. Special attention is paid to the defence of multilinguisim (dubbing, subtitling and multilingual production) and it proposes to encourage distributors to invest in promotion and distribution costs appropriate for European films. In the part of the Programme regarding training, emphasis is placed on having control of economic and commercial management and the use of the new technologies in the stages of the conception, development, production and distribution of programmes.

3.3 Programmes currently in force: state of the question and plan of future action

The third edition of the MEDIA programme, divided into two areas as MEDIA-Training (20001-2005) and MEDIA Plus-Development, Distribution and Promotion (2001-2005) continues to be the Community's instrument for financial assistance for the European audiovisual industry[33]. They have ten years of experience, from when MEDIA I was

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[29] Pluralism and concentration of media in the internal market. COM (92) 480. Council Ruling 4064/89, of 21 December, on Control of concentration of companies. This Ruling has been modified by the Council Ruling 13/10//79, establishing a new threshold for the total business volume of companies involved so that takeovers or mergers have a Community dimension.

[30] Economic and Social Committee Guideline on the subject "Pluralism and concentration in the media" (2000/C 140/07). Approved in Brussels 29.III.2000

[31] Approved in July 1995 by Council Decision, 395DO563

[32] Approved in December 1995 by Council Decision, 395DO564

[33] On the basis of subsidiarity, supporting and complementing the audiovisual policies of the Member States and other participants in MEDIA.

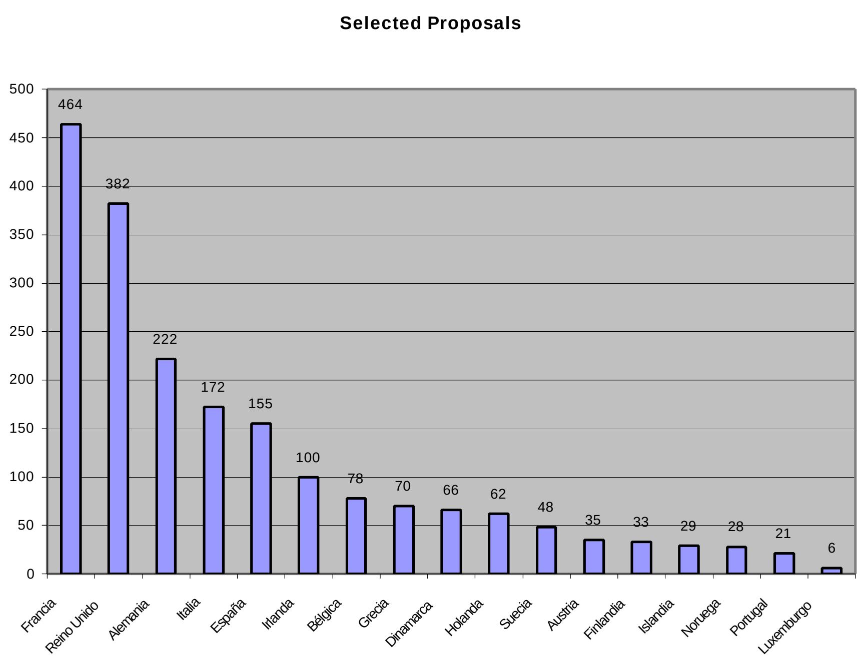
created, and with the positive outlooks which the results of MEDIA II have produced [34]. The report provided by the office of MEDIA Desk Spain, highlights the effort carried out with the following information [35]:

- 5.347 professionals from the whole of Europe have benefited from the courses sponsored by MEDIA Training.
- A total of 72 million euros have been invested in MEDIA II-Development assigned to 1.971 proposals selected from the 11.524 projects presented.
- In MEDIA II-Distribution the figure is over 155 million euros.

However, the results are still a long way from achieving the proposed objectives. As will be seen in the following chapters, the commercial imbalance between the U.S. and Europe is still highly unfavourable for the old continent. A sustained growth of the national production has been achieved, but the distribution of North-American products has also increased parallel to this (in 1999, 55% more than in the five previous years).

On the other hand, the evaluation of the distribution of these resources shows that cultural diversity, as it has been previously defined, is not entirely guaranteed either: those who mainly benefit are precisely those countries which have the greatest production capacity: France, Germany, United Kingdom, Italy and Spain. The data justifying this statement are the following:

Table 1 *Media II Development*



[34] What stands out is the multiplying effect in terms of investment in the sector (1 ecu generated 5.75) and the number of European professionals who benefited from the Programme (between 30 and 50%): Media II evaluation. Mid-Term evaluation. BIPE, Final Report. November, 1998; Commission report on the results obtained in the framework of the MEDIA II Programme (period 1996-1998), COM (1999) 91 end.

[35] Report compiled by MEDIA Desk Spain, Madrid 2001.

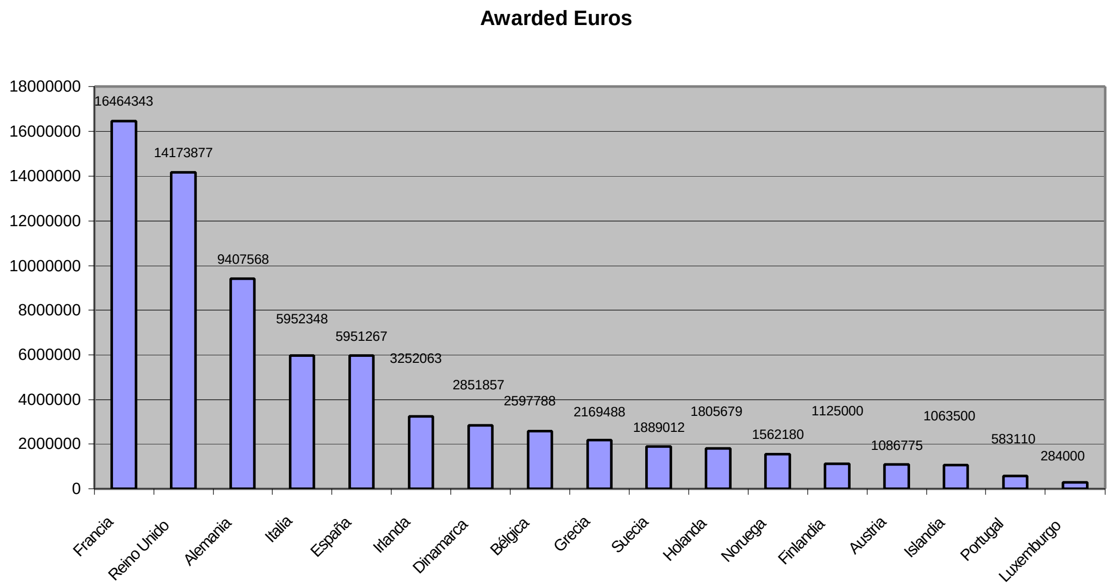
Source: Media Desk Spain, January 2001

- Of all the proposals selected by MEDIA **Development** (1.971 proposals), 1395 belonged to these five nations, that is to say 70.7% [36] (Table 1); and of the total of euros awarded, 71.9% was earmarked to finance those projects (Table 2).

- Of the 2595 proposals supported in **Distribution** for the different media and genres, 1.446 were for the five countries mentioned, which means 55.7% of the total aid [37]. Valued in euros awarded, this group obtained 72.2% for cinema ("selective" scheme) and 62% of the total for cinema ("automatic" scheme), using cinema as the representative medium.

Table 2

Media II Development



Source: Media Desk Spain, January 2001

Some members of the Commission confirmed the tendency outlined stating that the main objective of the MEDIA programme is to increase the competitiveness of European industry, with this principle conditioning the selection criteria of the projects[38].

However, this conduct does not prove to be at all discriminatory, at least for two reasons: in the first place because, although not a priority, the production in countries with a low capacity has increased; secondly, because the established criterion has the acquiescence of all of the Member

[36] The proposals presented by the five countries with greater production capacity made up 72.9% of the total.

[37] In the specific case of Distribution of TV broadcasting, it is a conspicuous fact that France obtained financing for 155 projects, whilst the country following it, Germany, only obtained it for 43, Belgium for 28 and the remaining 123 were shared between the other 12.

[38] Interview with Costa Daskalakis, Deputy Head; MEDIA Unit, Brussels, 6/XII/00; Interview with Jesús Hernández, MEDIA Desk Spain, Madrid (Spain).

States (the measure requires unanimity), who agree in considering that the priority goal of the Programme is to improve the competitiveness of European products in the global market [39].

Outside analyses to the European Union also agree in recommending the continuation of measures which could put at risk the defence of cultural diversity. Both the conclusions of the Birmingham Conference (1998) and the High Level Group with regard to distribution, counsel the continuation of the "automatic support" system (linked to commercial success) rather than the selective one as a condition for increasing competitiveness.

Nevertheless, with a more careful analysis of the results in the projects sponsored by MEDIA II in Distribution for programmes carried out with new technologies, it can be observed that in Video & Multimedia, countries considered to have a low production capacity are placed first: Holland (27 out of 221) and Sweden (23 out of 221) hold first and fifth place in the number of proposals selected, followed by Finland (18 out of 221) which holds the sixth place. This information shows a positive tendency since it is to be expected that production with new technologies will increase over the next years and from this area a corrective factor will be introduced helping to redress the balance.

In fact, the recently approved MEDIA programmes (MEDIA Training and MEDIA Plus, 2001 – 2005) consolidate that course with the promotion of the new technologies and understanding that they represent an opportunity for countries or groups which still have a low production and investment capacity: because they are not substitutes and represent a real market expansion, because they produce a sizeable growth in the demand for content and because they generate the creation of groups of digital networks, the development of Internet, etc.

The MEDIA Plus programme establishes specific measures in development, distribution and promotion aimed at correcting the imbalance between countries with high and low production and investment capacity. So, financial aid is assigned to the development of production projects which are presented by independent companies, especially small and medium sized companies, aimed at the European and international market; it establishes a grant scheme to finance projects in minority languages and extends up to 60% (50% being the limit for the rest) the percentage of total expenditure that can be covered by Community loans. MEDIA Training also defines these same objectives for the professionals of countries and regions with scant audiovisual production and/or from limited linguistic or geographic areas, encouraging exchanges and associations.

Both show a special interest in establishing networks which allow joint action and the exchange of experiences between all the member countries.

Although the legislative text reflects a sensitivity for the defence of diversity, the two programmes include the suggestions on the funding systems carried out throughout the application of the previous MEDIA in order to strengthen the competitiveness of the European products. In this way, they continue to reward commercial success reinforcing

[39] As part of the information obtained for this study a questionnaire was carried out on the managers of the MEDIA Desks in the whole of Spain. See copy of the questionnaire in the documentation at the end of the report (Appendix 4).

the "automatic" system rather that the "selective" one, and packets of projects rather than individual initiatives.

3.4 Public Television as an instrument for the defence of cultural diversity

The European audiovisual sector finds its main legal and action framework in national policies. The European Union urges the governments of the Member States to adopt objectives favourable for European production as a whole, backing up these measures with incentive programmes and subsidiary funding. The Member States implement their policy in the audiovisual area mainly through the public media. Traditionally, these media have been considered as ideal instruments for guaranteeing the public interest, independence, educational and cultural values, transmitted through quality programmes, and the promotion of national cohesion. However, the definition of the public audiovisual sector is currently being called into question [40].

The growth of the financial capacity of the largest commercial televisions, the competition for audience ratings, the almost unlimited offer which the new technologies supply and the subsequent challenge of globalisation pose many questions for the future of public television, which seems to be condemned to enter into battle for audiences if it wishes to survive the cut and thrust of the market. The redefinition of the role of the public media in this context is presently the subject of heated debate, a debate which is centred chiefly on aspects such as what their purpose is, how they are funded and their governing bodies.

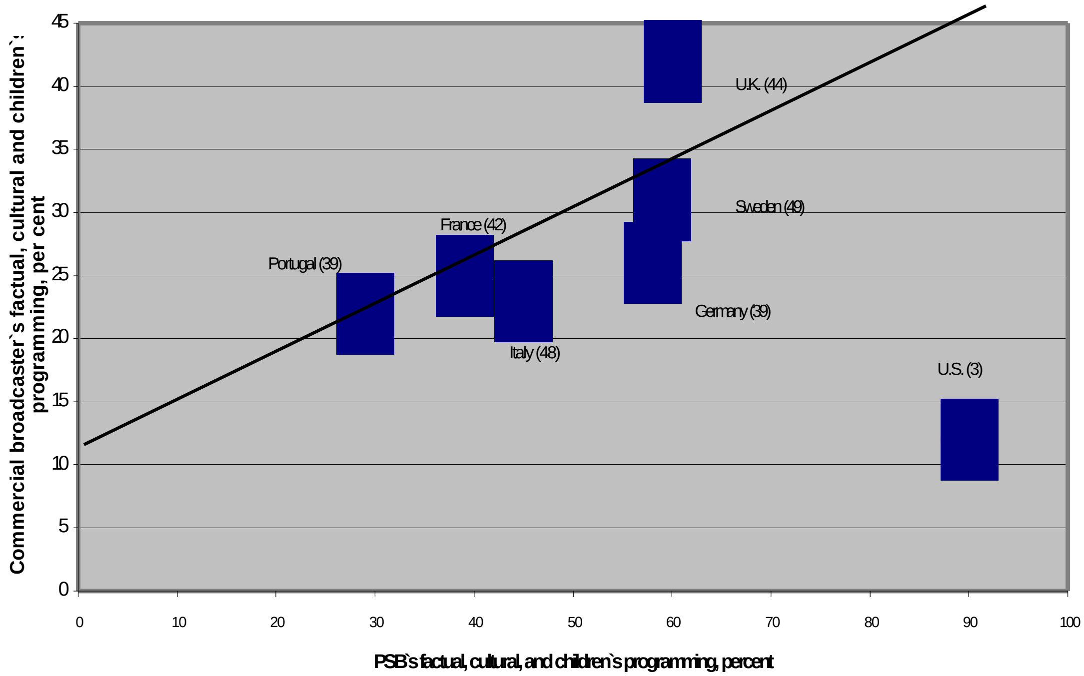
However, the horizon of the public sector in the European Union is many-sided with contrasting situations. It is important to point out that, compared to commercial television, public television audiences are on the increase in countries such as France, Germany, Italy or the United Kingdom. For example, in Germany in 1993 the share of public channels was the same as that of the private ones. Five years later, in 1998, the public networks maintained a 16% higher share than the private ones. In the United Kingdom, this difference reaches a figure of 29% for the BBC. The opposite example is found in Spain, although the Spanish case is a particular one owing to the dual funding of the public organisation[41].

One of the main functions of the public media which maintain high audience levels is to lead the way for commercial channels in offering **quality programme scheduling** (Table 3). For example, the quality of nature documentaries produced by the BBC determined the appearance of programmes of this type such as "Survival" (ITV) or "Equinox" (Channel 4). An opposite phenomenon can also occur: public television can programme contents with a low cultural level with the aim of competing with the more popular commercial channels.

[40] See Wessburg, Arne "Public Service Broadcasting", World Communication and Information Report 1999/2000. Unesco, pp. 83-92.

[41] Screen Digest, September 1999.

Table 3



Source: European Broadcasting Union; Television Business International; Annual Reports; press-clippings; McKinsey analysis

It must be considered that minority programmes can find their most appropriate vehicle in the **thematic channels** of the new digital platforms. Nevertheless, digital television is far from having the leadership capacity of the public television stations to take part in promoting quality programmes and boosting cultural diversity, such as is attributed to it by the Council of Europe: "public service broadcasting as an essential factor in pluralistic communication accessible to everyone and hence as a central factor of social cohesion in the information society. This guideline is also valid for the production of new digital and multimedia services"[42].

In this way, it can be interpreted that the survival of the public sector will be largely determined by its capacity for working with the new technologies, its strategic agreements with commercial companies and with production companies producing new contents.

Having analysed the main concepts required for a discussion for globalisation and cultural diversity in the media context, and having reviewed the chief courses of action undertaken in the European Community framework, we shall now proceed to the specific study of the areas concerning the aim of the research: tendencies and conduct of the media industry in a global market, programme scheduling and contents of the medium with the highest audiences and perspectives opened up by the new technologies.

[42] Council of Europe 1994. Fourth European Conference on Mass Media Policy: the Media in a Democratic Society. Prague, political declaration, resolutions and statement MCM(94)20.

Chapter 4 – GLOBALISATION, COMPETITIVENESS AND CONCENTRATION IN THE EUROPEAN MEDIA INDUSTRY

The legal framework and the aid systems for the audiovisual industry have contributed to the composition of the scene of the media in Europe; but other technological, historical, cultural and commercial factors have also shaped this sector.

In the first section a brief description is given of the characteristics of the communications market in Europe and of its principal competitor: the United States. This is followed (section 2), by an analysis of the causes which have contributed to the growing concentration of communication groups in the world. There is then a study (section 3) of the commercial balance between Europe and the United States in the audiovisual area, with the aim of quantifying the supremacy of the North American industry over the European. Finally (section 4), an analysis is made of the presence of foreign capital in the leading companies of the main communication sectors in 14 European countries.

The sectors of the communication market studied in the fourth section are:

- General news daily press (circulation)
- Economic newspapers (circulation)
- Magazines (circulation)
- Publishing houses (turnover)
- Radio (audience rating)
- Open television (audience rating)
- Pay television (number of subscribers)
- Cinema film distribution (box office sales)
- Music industry (turnover)
- Advertising agencies (turnover)
- Internet (number of web pages visited)

In each country it has been endeavoured to use the most reliable sources and, wherever possible, to use public or official sources: for example, trade registers, reports provided by ministries or commissions designated by parliaments, etc. In any case, in the statistics tables the different criteria for analysis are pointed out (for example, in some countries the market quota of a television channel refers to the population above four years old, and in other countries it will refer to persons over six).

In this report it has been considered that the growth of the size of the companies does not necessarily imply less **pluralism**: this depends on the real choice available between different offers within the same market. For this reason, it has been used as a basic measure of the degree of concentration the percentage of market controlled by the leading companies, and not their size (which can be quantified by turnover, asset values, market capitalisation, number of employees, etc.).

Currently there exists a debate as to whether the **shareholder control** of a communication company influences, in practice, the contents. The growing commercialisation of the media means that it is unlikely that proprietors will not get involved– to a greater or lesser extent – in the editorial line of newspapers, magazines, radio stations, television channels, etc. Therefore, it has been considered that shareholder control of a communication company implies, at least, a risk of editorial control.

In order to take control of a company, ownership of a majority share is not needed. According to 1989 merger´s regulation, control is defined as the capacity to exert a "dominant influence" in a company (art. 3.3). That kind of an influence might be implemented through a majority share or using a minority share, which may give a right to manage the company, have veto power in relevant decisions, hold several sites in the company board or appoint chief executives.

Using these hypotheses as a starting point, it seems apposite to act in the following way (See Appendix 6):

- Measure the presence of foreign capital - above all, of companies from the United States – in the whole of the audiovisual industry of the EU;
- Identify as a globalisation factor – which implies a risk for cultural diversity- the presence of foreign capital in leading communication companies in the European States.

4.1 The media in Europe and the United States

When analysing the communication industry in Europe and the United States it is important to distinguish two clearly differentiated sectors:

- The print media, which make up the most traditional economic environment, where Europe does not lag behind the United States;
- The audiovisual and interactive media, which make up the newest sector, with greater expectations for growth and where for decades the North-American industry has held a position of leadership, which is being consolidated.

The print media industry is mainly made up of daily newspapers, magazines and books. In the area of **newspapers** the consumption in the United States (58 million copies sold) is notably less than in the European Union, where over 90 million copies are sold a day[43]. The degree of penetration (sales per inhabitant) is similiar, but the penetration of newspapers in some European countries – like Great Britain, Sweden or Finland – is twice the penetration of the North American press. From the point of view of prestige and international reference points, the *New York Times*, the *Washington Post* and the *Wall Street Journal* are as worthy of mention as are *The Times, Le Monde*, the *Frankfurter Allgemeine Zeitung* or *The Financial Times*.
In the case of **magazines**, the level of innovation and consumption of the United States is greater than some European countries but not others. The presence of titles from companies from France, Germany and Holland in the United States is more frequent than the importation of North American magazines into Europe through sales of the original version such as– *Time, Newsweek, Business Week, Fortune* or *Forbes*, for example - or the transfer of the use of the title, a strategy chosen by *National Geographic, Cosmopolitan* or *Vogue.*

[43] ANPA (2001), *Facts about Newspapers*, Washington.

The ratio of **book** sales per inhabitant is greater in the United States than in Europe. However, the acquisition of Random House (one of the biggest publishers in the United States) by Bertelsmann in 1998 has transformed the German company into the most important publishing house of books in the English language in the world.

In contrast to the balanced situation characterising the print media sector in Europe and the United States, in cinema and television production and the distribution of audiovisual products and the Internet, the North American companies are frequently in the leading position. The ease with which the most popular audiovisual products cross national borders and achieve a global consumption, the fragmentation of the European market, the size of the production and distribution companies of the United States and the level of its technological development are the main reasons for the commercial imbalance between the United States and Europe in the audiovisual area.

Up until the nineties, fiction production for television in Europe has been dominated by contents created by North American companies; the large general channels usually included in their programme scheduling for maximum viewing times North American films and television series such as *The Bill Crosby Show, Dallas, Dynasty, Falcon Crest* or *Friends*.

Until a few years ago, the European public television stations dominated their respective national markets and hindered the negotiating power of the independent production companies in Europe. Lacking in size and not holding the broadcasting rights to their programmes, the production companies could not compete with the companies from the United States. The **liberalization of the European audiovisual sector** and the new information technologies have encouraged the appearance of channels competing for the acquisition of programmes able to attract large audiences [44]; this phenomenon has brought about the emergence and development of independent production companies in Europe: now they can negotiate broadcasting conditions and, in some cases, keep the rights to their products in order to sell them after a certain time and to try to export them to other markets.

As a consequence of this process – which is still in its initial stage -, national programmes take up the largest part of the programme scheduling of the European networks at maximum viewing times. Fiction products for television made in the United States are almost always left for other times in the day or for the thematic channels [45].

The technological innovations of the last decade have also permitted the appearance of thematic channels distributed by cable, satellite or by hertzian waves. In this way, the television companies from the United States have introduced into European homes their most international models; news and finance (*CNN, MSNBC* and *Bloomberg*), music (*MTV*), documentaries (*Discovery* and *National Geographic*) and cartoons (*Cartoon* and *Disney*).

[44] See ARTHUR ANDERSON (1998), *The impact of digital television on the supply of programmes*, report for the European Broadcasting Union.
[45] See BLAKE, Adian B. (1999), et al., *Keeping Baywatch at Bay,* in *McKinsey Quarterly,* No. 4, 18-27.

These "niche" channels, although not reaching huge audiences, can have an influence on the mentality, values and culture of European citizens. On the other hand, the presence of European programmes or channels in the United States is almost marginal.

In the communications field, the most relevant effect of technological innovation in the last years has been the appearance and development of **Internet**. In this area, too, the United States finds itself as the clear leader, both in the number of people who have access to the Net (60% against 20% of Europeans) and in the access providers, surfing systems and portal providers[46].

Table 4

Share of total admissisons by country of origin of films

Films from	*USA*	*Europe*	*France*	*Germany*	*Italy*	*Spain*	*UK*	*Hong Kong*	*Japan*
USA	**92,1%**	3,6%	0,3%	0,1%	0,7%		2,5%	0,3%	neg.
Europe	70,0%	**19,7%**	5,0%	1,8%	3,4%	1,8%	6,3%	0,1%	0,1%
Belgium	78,3%	9,3%	4,3%	0,3%	0,4%	neg.	1,8%		0,1%
Denmark	45,3%	37,8%					5,3%		
France	56,8%	24,9%	**19,2%**	0,1%	0,6%	0,1%	3,9%	neg.	0,4%
Germany	76,5%	15,6%	0,2%	**8,9%**	1,2%		4,9%	0,4%	
Italy	62,1%	29,3%	1,5%	neg.	**21,1%**	neg.	6,0%	neg.	neg.
Spain	72,1%	19,0%	1,1%		4,0%	**10,3%**	3,4%		
Netherlands	78,2%	13,6%	0,6%	0,3%	0,1%	0,2%	7,9%	0,3%	neg.
Sweden	43,0%	51,4%					12,0%		
UK	80,8%	13,5%	0,3%	0,1%	0,6%	neg.	12,5%	0,1%	neg.
Norway	65,6%	27,3%			2,3%		8,2%		
Switzerland	69,8%	14,0%			2,4%		10,0%		

neg. = negligible, not zero but less than 0,05%
Source: Screen Digest IV 2000

In any case, the greatest imbalance between Europe and the United States is found in the **cinema industry**. The number and the average budget of films produced each year, the "international" stamp of the actors and actresses who work for the Hollywood production companies, the market quota reached by North American productions in Europe, and the control exercised by the large distributors allow us to state that – as reflected in Table 4 – the European cinema sector is colonized by companies from the United States.

The United States also holds a position of leadership in the **advertising industry**, to the point that a communication company can not consider itself truly global if it does not have an important presence in that market. The report *World Advertising Trends 2001* provides some interesting figures: in 1990, advertising spending in the United States and Canada reached a quota of 43.5% of the world market; the European percentage was set at 32.6% and that of Asia/Pacific at 21.2%.

Ten years later, the figures showed a similiar picture: the market quotas of USA/Canada, Europe and Asia/Pacific were of 43.7%, 29.8% and 19.2% respectively; the rest of the countries slightly increased their market quota during the decade at the expense of Europe and Asia/Pacific, whilst North America consolidated its leadership[47].

[46] See e Marketer (I.2001).
[47] European Advertising & Media Forecast (IV.2001), Vol 15, no. 2, 5.

A large part of the North American media's competitive advantage in the audiovisual area and Internet originates in their supremacy in the advertising industry and the level of technological development. But the size of the country's companies also plays a key role. In the following section we shall analyse company concentration which has been the tendency of the European and North American audiovisual industry, especially since 1990.

4.2 Globalisation and concentration in the communications sector

In the last decade of the twentieth century, the total value of company mergers and takeovers on a worldwide scale tripled, reaching the figure of 3.5 trillion dollars in the year 2000. Of this amount, nearly 40% were of the "technology, communications and telecommunications companies" sector [48]. Many of these concentration operations have been financed by overvalued shares in the securities markets; in the last months, the stock-market crises have produced a slowing down in the mergers and takeovers "fever" of the last few years[49].

Despite this, from 1990 when regulation on mergers and takeovers came into effect, the concentration operations of "European Community dimension" continued to grow: from the 12 cases studied in that year the figure had reached 345 by 2000 [50]. In the communications media area, the two emblematic concentration operations of that year were carried out by America Online, which took control of Time Warner, and Vivendi which acquired Universal.

The novelty of this **wave of mergers and takeovers** lies in both the magnitude and their geographical scope; large companies increasingly obtain their earnings outside their national markets: by means of subsidiary companies, establishing agreements with local partners or through concentration operations they have penetrated other countries. The communications sector has been one of the main "spearheads" of these strategies of international expansion.

As has already been described in the introduction, a number of diverse legal, technological and commercial factors are driving the globalisation of markets forward:

In the first place, the legal barriers between countries are disappearing, owing both to the development of supranational political and economic communities and to international agreements on free trade.
In the second place, the new technologies – especially Internet and satellite transmissions- present a challenge to national limits; also, technological convergence favours agreements and pacts between communications media, computer technology and telecommunications companies.
Finally, managers of the most profitable companies opt for different forms of competing, so that their presence in new markets allows them to take advantage of business opportunities, increase the value of their brands and lead them to benefit from the new synergies and scale economies.

[48] Thomson Financial Securities Data, I.2001.
[49] *The great merger wave breaks* in *The Economist*, 27.I.2001.
[50] See http://europa.eu.int/comm/competition/mergers/cases/stats.html

To a certain extent, these factors generating changes in the markets are related to certain milestones which took place around 1990: the fall of the Berlin wall (which affected the political climate), the birth of the World Trade Organisation (economic area) and the development of Internet (technological area).

In that same period, the directors of the largest communications companies reaffirmed their decision **to compete on a global scale**. By means of mergers, takeovers, pacts and launching new products, the most dynamic and innovative seek scale economies, international presence, diversification of risk, generation of synergies and business opportunities in less mature markets[51].

Globalisation implies that the organisations which are the biggest, quickest off the mark and most efficient will dominate the international stage. Those corporations are usually found in large, highly competitive markets with high consumption levels and with a long tradition of respect for the free market.

In the communications field we should reflect on:
What is the degree of globalisation or participation of foreign capital in the ownership of the main companies of each country;
To what extent does economic dominance – in sectors such as daily press, magazines, radio, television, advertising, film distribution, the publishing sector or the music industry imply a risk of cultural dominance.

4.3 “Domination” in the global communications market: Europe and the United States

In order to analyse the first of these two issues – the growing globalisation of the communications industry and its effects on the European market, we will study the **commercial balance** of audiovisual production between the EU and the United States (which is the chief importer and exporter from Europe in this sector). We will not look at exports and imports Europe-USA in other areas of communications such as the radio industry or print media because of their relative unimportance.

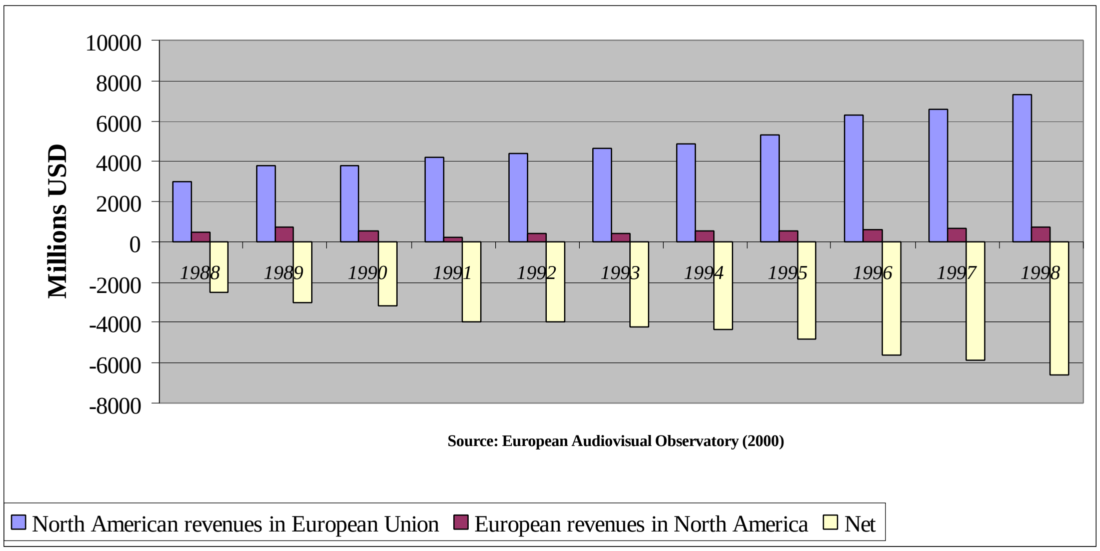
Having examined commercial relations between Europe and the US, the difficulties faced by each one of the European countries in the defence of their own cultural identities will be identified. In that context, the most important problems will be pinpointed: sectors particularly subject to the presence of foreign capital and additional risks of cultural dominance faced by smaller countries.

The European Audiovisual Observatory provides comprehensive data on the audiovisual industries in the US and the EU up to 1998. As reflected in Table 5, during the decade previous to that year, the EU commercial deficit compared to the US multiplied by 3.3 until reaching a relation of 1 to 10 in favour of US audiovisual companies.

[51] See Woodhull, Nancy J. and Robert W. Snyder (eds.) (1998), *Media Mergers*, Transaction Publishers, New Brunswick (NJ).

Table 5

Estimates of the trade in audiovisual programmes between the European Union and North America / 1988-1998



In the **audiovisual area**, the European commercial deficit, in contrast to the US, reached a record figure of 6.607 million dollars in 1998. (Table 6). This amount refers to the exportation and importation of audiovisual programmes –especially feature films and television series- and excludes earnings generated by North American channels distributed by cable and satellite television platforms.

Table 6

Estimates of the trade in audiovisual programmes between the European Union and North America / 1993-1998

Millions USD

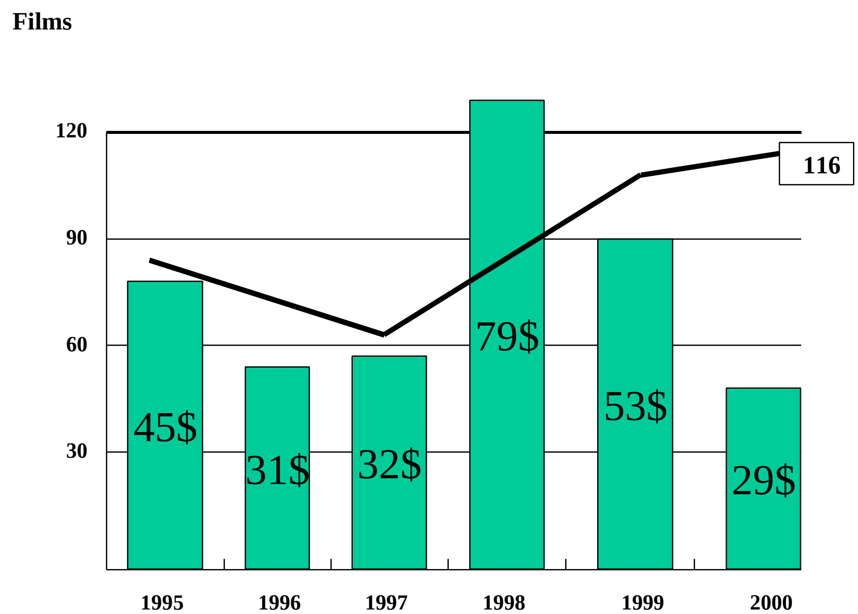
Sales of US companies in the European Union market (broadcasters not included)	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**	**1998/97**
MPA - Theatrical rental	990	1.001	1.001	1.155	1.188	1.405	18%
AFMA - Theatrical sales	217	198	177	237	306	329	8%
MPA - TV rental	1.400	1.508	1.655	2.202	2.319	2.611	13%
AFMA - TV sales	325	313	407	443	473	576	22%
MPA - Video rental	1.500	1.713	1.930	2.026	2.030	2.034	0%
AFMA - Video sales	210	153	162	198	242	358	48%
TOTAL	**4.642**	**4.886**	**5.331**	**6.262**	**6.558**	**7.313**	**12%**
Estimates of European revenues in North America							
Total GB revenues	343	452	425	498	536	550	3%
Film company revenue	270	348	343	422	343	350	2%
TV company revenue	73	105	83	77	193	200	4%
Total revenue for non-British companies	86	113	92	115	132	156	18%
revenue for French films	8	14	10	10	32	~	~
revenue for French TV-producers	~	75	46	84	73	113	54%
revenue for German film distributors	7	7	16	1	8	13	68%
other European revenues **e**	71	18	20	20	20	30	-
TOTAL	429	565	517	613	668	706	6%
Difference in revenue European Union/ North-America							
Deficit	**-4.213**	**-4.320**	**-4.814**	**-5.649**	**-5.890**	**-6.607**	**12%**

Source: European Audiovisual Observatory (2000)

The trade balance is highly unfavourable for the European sector of audiovisual production; but, also, over several decades the imbalance has tended to become worse: in the sixties, European films in a foreign language took 5% of box office earnings in the US[52]. The present figure is around 0.5%. In the year 2000, total revenue for films in a foreign language was only 29 million dollars (174.293.51 euros); although it was a year with the most new films[53], it reached its lowest figure since 1995 (Table 7).

Table 7

U.S. Box Office of Foreign-Language Films Released Stateside



Source: ACNielsen, EDI and Variety

These such negative figures for the European industry are generated even with the protection and promotion systems of the audiovisual production which are carried out both in the European Community sphere as well as in the Member States, which

[52] Dale, Martin (1992), *Europa, Europa. Developing the European Film Industry,* Académie Carat-Media Business School, Paris.
[53] *Speaking in Tounges* in *Variety*, 19-25.II.2001.

establish screen quotas, aid for film production and distribution and other support mechanisms for the audiovisual industry of each country.

Also in those years, a good number of European directors, screen writers and actors – and some producers- gained notable success in the United States. Therefore, it does not appear that the lack of competitiveness of the European audiovisual industry has anything to do with a supposed lack of talent and creativity of professionals in the sector.

Europe is the main destination for the **exportations** of the audiovisual companies in the US: as shown in Table 8, 57% of revenue obtained by these companies abroad comes from the EU. The growing importance of the European market for North American companies explains that the most ambitious productions are conceived and made bearing in mind not just the domestic market but also the EU. Studio management and the biggest production companies therefore give priority to products which have greater possibilities of adapting to the tastes of European citizens.

Table 8

Foreign revenues of the US audiovisual programme industry / 1998

Millions USD	Theatrical	Home Video	Television	Total
Western Europe	1810	2406	3234	7450
Eastern and Central Europe	88	70	219	376
Latin America	337	276	370	983
Asia Pacific	717	896	581	2194
Canada	193	473	275	941
Others	352	245	393	990
Total	**3.496**	**4.366**	**5.071**	**12.933**

Source: European Audiovisual Observatory (2000)

In Europe, one of the main problems for counteracting the power of the North American audiovisual industry stems from **market fragmentation**. Few films and television programmes obtain high revenues in European countries different to where they have been produced.

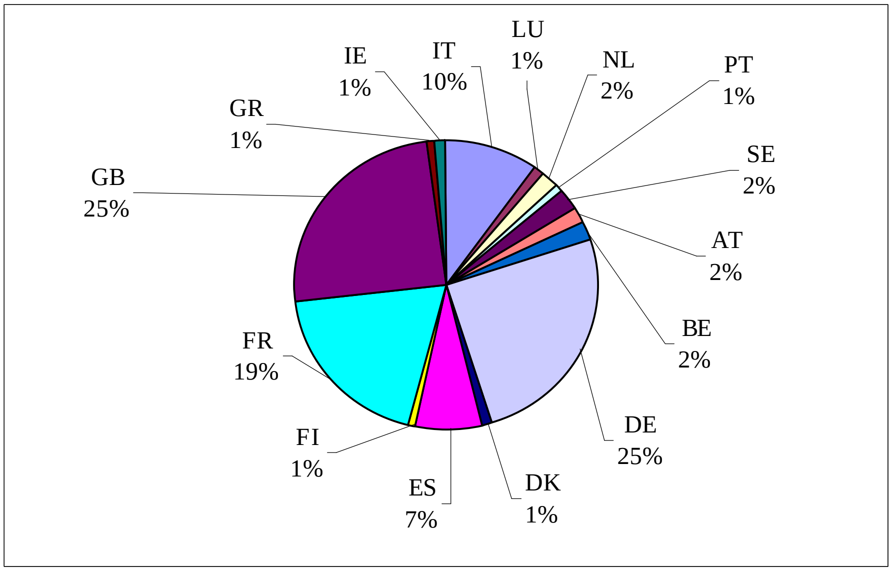
In any case, the picture is far from uniform in the EU. A first differential factor refers to linguistic issues: it is easier for Great Britain to export to the United States and Spanish productions are increasing in number in television channels in Latin America. In contrast, languages from other countries are barely spoken outside their national borders.
Size is the second key element conditioning the competitive capacity of the audiovisual industry of each country. Germany and Great Britain make up 50% of the European audiovisual market. If we add to these three more countries –France, Italy and Spain-, the figure rises to 86%. None of the other ten countries of the EU exceeds the 2% of the European audiovisual market (Table 9). As will be subsequently pointed out, these

differences of size explain – in part the presence of foreign European capital in the audiovisual companies of the EU.

Table 9

Size of the audiovisual markets of the European Union / 1997-1998

In million EURO



Source: European Audiovisual Observatory (2000)

4.4 The communications industry in the Member States: presence of foreign capital in the leading companies of each sector

In the nineties, the European expansion of the communications groups has been closely related to audiovisual liberalisation, the weakening of international legal barriers and the high levels of consumption and advertising investment. These particular variables make up a special picture for the media in Europe, where the interests of more consolidated sectors – press, radio and television- interact with younger sectors new technologies, pay television and new modes of entertainment-, creating a climate of global strategies with large investments of foreign capital. The activity of the European communications groups in other member countries is one of the most significant variables to be able to understand the structure of the communications market.

With the aim of approximating the study to the object of the report, the sectors of the communications industry analysed fulfil a constant rule: their direct contact with the public. The **end user media** are the first line of culture that citizens come up against[54]: newspapers covering general news, economic magazines, magazines, publishers, radio, non-pay television, pay television, film distribution, music industry and advertising

[54] Tables 7-17 have been compiled using information provided by national analysts (See Appendix 1), who have used the most reliable sources in their respective markets.

agencies. The analysis has also made a special study, which has proved highly revealing, of the consumption of web sites on the Internet.

Excluded from the quantitative analysis, therefore, are the communications companies which supply content to other media and not directly to the public, such as news agencies and audiovisual production companies. Neither do we study some interesting models such as cultural journals owing to the impossibility of obtaining reliable data on circulation, ownership and degree of market concentration in the greater part of the Member States of the EU.

To sum up, the focus of this report is to try and identify the possible **risks** which the European communications industry may have to deal with. It has been found that in the traditional sectors – that is, press, radio and television- there does not exist a problem of a predominant presence of foreign capital, excepting those countries of smaller size which share a language with a neighbouring country. However, these appraisals are transformed when attention is turned to the entertainment industry and the new technologies.

With the opening up of Europe's television markets, the audiovisual industry underwent a profound transformation: many small countries –unable to cope with such a vast market- were absorbed by others of greater size; the national channels sought foreign partners for the creation of scale economies and business synergies, in areas such as technological innovation or advertising circulation. At present, a ferment has been stirred up which is even more susceptible to change. For example, the granting of new licences for land or satellite television, the privatisation of telecommunications, the creation of new windows of distribution of audiovisual and musical contents or the interactive offer are processes which are revolutionising the companies' strategic spaces.

Heavy capital investment, technological confidence supplied by qualified and experienced personnel, an offer of attractive and exclusive contents, corporate communication on a global scale and versatile advertising distribution networks are now what is required. That is, a **high risk environment** without the possibilities of profit in the short term where few national companies risk their line of natural business, and see as inevitable the alliance with groups from other countries who risk their capital and have more experience in the new media sector [55]. The latter would be the case of the French multinational Vivendi Universal or the digital platform of News Corporation, BskyB. The new technologies, satellite television, the music industry and the cinema industry are where most of foreign capital investment is found as shown in the tables 7 – 17 - giving rise to the supposed threat to cultural diversity. These latter sectors are the most subject to economic, technological and cultural globalisation.

Four levels of the presence of foreign capital may be distinguished. In the first line are the most extended markets, with heavy investment in advertising and a high media consumption, such as Germany, the United Kingdom, Italy, France and Spain. The best companies in these markets invest part of their capital in countries where they share language, culture or proximity. These are followed by countries with smaller markets such as Holland, Sweden and Denmark. Swedish and Danish investments have expanded in the Scandinavian area and the Dutch in the Netherlands area. In third place

[55] *The world film and television market,* in IDATE NEWS, No. 175, 15.03.2001, http://www.idate.fr/maj/qdn/an-01/if175-20010315/index_a.html

are found the up and coming markets but, because they share a common language, receive a lot of capital investment from a neighbouring country, such as the case of Ireland with England, French-speaking Belgium with France and Flemish-speaking Belgium with Holland, Austria and Switzerland with Germany or –in a certain sense- Finland and Norway with Sweden. In last place, countries with a less developed media structure, such as Portugal, are promising markets for the international expansion of large European communications groups. The countries belonging to the last two groups have greater difficulties in preserving their respective cultural identities.

From the business point of view, in the countries of the first group –Germany, United Kingdom, France, Spain and Italy- the native companies that led the sectors of press, radio and television have reinforced their natural position. In the nineties, the big newspaper publishers diversified their assets towards the audiovisual market; that strategy was facilitated by the granting of new private channels for land television. The competitive advantage of these media –based on experience, time and the intangible values of brand name- brought about the formation of a media structure of oligopolies at a national level. The governments reinforced their anti-monopoly laws and the groups saw themselves forced to strengthen their international expansion.

In the sector of **daily newspapers** (Table 10) national publishers predominate in the leading positions of every country. In some cases this is a mature market, dominated by family concerns which have diversified their business and have managed to hinder the entry of new competitors. The leading company with the least market quota of the sector in Europe, Prisa, has nearly 16% of the total market in general news in Spain. The leading company which dominates with the greatest margin is found in French-speaking Belgium: Rossel & Cie, with 52 percent of the total linguistic space, is controlled moreover by the French publisher, Socpresse, with 40 percent of its capital. The daily newspaper market of French-speaking Belgium is one of the five cases of the presence of foreign capital in leading companies in the sector. The most clamorous case is that of News International, flagship of the Australian-North American magnate, Rupert Murdoch, which dominates the British market with its unusual combination of opposites *The Times-The Sun.*

Table 10

Leaders of the daily press

Country	Company	Market quota (%)	Foreign capital (%)-Origen
Germany	Axel Springer	23.6	0
Austria	Mediaprint	50.2	50 (WAZ) AL
Belgium (Fl)	V.U.M.	42.2	0
Belgium(Fr)	Rossel & Cie	52	40 (Socpresse) – FR
Denmark	Berlingske	24	87.9 – NO
Spain	Prisa	15.7	0
France	Groupe Amaury	29.3	0
Finland	Sanoma Corp.	25	0
Holland	Wegenger	32	0
Norway	Schibsted	34	9
Portugal	Portugal Telecom.	45.3	75 (Stock exchange)
Sweden	Bonnier	26	0
United Kingdom	News International	35.6	100 (News Corp.) – USA

Ireland	Indep. Newspapers	47.5	0
Italy	RCS Editori	19.5	0

Source: School of Public Communication. University of Navarra

The **economic press** sector has grown up in the environment of an internationalized economy (Table 11). Its evolution and structure depend on world economic events, which have to be covered urgently and precisely. Perhaps because the great engines of the world economy are from the Anglo-Saxon sphere, it is usually said that the economy speaks English. In this sector, Pearson (UK) and Dow Jones (US) are the undisputed leaders. *The Wall Street Journal* and *The Financial Times* represent the summit of all the economic news sector, characterised by a high level of concentration. In Europe, the leader with the least market quota reaches almost 50 percent. Knowledge of the business, brand prestige, financial capacity and the need for reliable and exclusive sources raises the number of international agreements with privileged partners, such as the previously mentioned Pearson and Dow Jones. It can be stated that this sector, within that of the traditional media, is one of the most influenced by globlalization.

Table 11

Leaders in the economic press

Country	**Company**	**Market quota(%)**	**Foreign capital (%)-Origin**
Germany	Handelsblatt	72.6	22 (Dow Jones) – USA
Austria	Wirtschaftsblatt	100	0
Belgium(Fl)	Tijd Nv	100	0
Belgium (Fr)	Editeco	100	5.6 (Socpresse, via Rossel) – FR
Denmark	Erhverus Bladet	66.4	0
Spain	Recoletos	60	71 (Pearson) – UK
France	Les Echos	58.8	100 (Pearson) – UK
Finland	Alma Media	82	23
Holland	Sijthoff	100	0
Norway	Dagens Neringsliv	78	0
Portugal	Media Capital	100	37.1 (HTMF)+ 22.9 (Bavaria)*
Sweden	Bonnier	-	0
United Kingdom	Financial Times	87	0
Ireland	Sunday Bs. Post	n. a.	100 (Trinity) – USA
Italy	Il Sole 24 Ore	100	0

* HTMF: USA. Bavaria: Colombia.

Source: School of Public Communication. University of Navarra

A similiar phenomenon occurs in the **magazines** sector, where Bertelsmann (Germany) and Hachette (France) are the European market leaders (Table 12). In these sectors a necessity has become a strength: the creation of synergies in contents, advertising and technology with other foreign groups, in order to optimize resources and diversify risks. Always in need of attractive contents, high quality technical material and international contacts in culture, cinema, sports and society, the magazines usually belong to international networks which exploit them in different markets. Germany, France and Holland own distribution networks of magazines with an international presence. Hachette Filpacchi (France), G+J Bauer (Germany), VNU (Netherlands) and RCS (Italy) are some of the strongest companies.

The magazine market has received heavy foreign capital investment because of the rapid expansion of demand in specialized sectors. For the companies, growth brings them the advantages of scale economies. They print the same titles in different countries and save costs on marketing, content creation or research and development. The geographical areas with close cultural ties also encourage the creation of extended editorial distribution networks, such as VNU for the Netherlands or Bonnier for the Scandinavian area.

Table 12

Leaders in magazines

Country	**Company**	**Quota(%)**	Foreign capital (%)-Origen
Germany	Bauer	22.2	0
Austria	Die ganze Woche	20.7	0
Belgium (Fl)	Mediaxis (VNU)	48.2*	100 (Stock exchange)*
Belgium (Fr)	Test - Achats	n. a.	0
Denmark	Familie Journalem	13.8	0
Spain	Hachette Filipacchi	16.7	
France	Hachette Filipacchi	20	33 (Stock exchange)
Finland	Yhtyneet Kuvalehdet	29	0
Holland	VNU	56	78
Norway	Se & Hor	15.2	100 – DK
Portugal	Impresa (ACJ)	n. a.	36.4 (Stock exchange)
Sweden	Carl Aller	29	100
United Kingdom	IPC Magazines	n. a.	
Ireland	RTE	n. a.	0
Italy	Mondadori	34.7	0

* Only weekly editions are considered. VNU's capital is invested in the stock exchange: 30% UK, 16% HO, 18% US, 12% BE, 7% GR, 11% Others.

Source: School of Public Communication. University of Navarra

In order to follow the trail of the flow of foreign capital it is essential to make a comparison with the **publishing industry** (Table 13). The majority of the large publishing companies are a result of the vertical integration between press, editorial production and distribution. Bertelsmann in Germany, Havas in France, Sanoma in Finland, Mondadori in Italy or Bonnier in Sweden play the role of newspaper publishers that use their business for the production of other publications. The predominance of Bertelsmann goes beyond German borders to reach as far as the United Kingdom and Portugal, also as leader in the publishing market and always as one of the best in the magazine market.

Table 13

Leaders in the book industry

Country	**Company**	**Market quota (%)**	**Foreign capital (%)-Origen**
Germany	Bertelsmann	11.5	0
Austria	Uster. Bundesverlag		
Belgium (Fl)	Wolters – Kluwer	n. a. *	100 (Holland)
Belgium (Fr)	**		
Denmark	Pyldendal	n. a.	0
Spain	Planeta	n. a.	
France	Havas (VUP)	30	0
Finland	WSOY / Sanoma	45	0
Holland	Wolters – Kluwer	10	65
Norway	Aschehoug	27	0
Portugal	Bertelsmann	n. a.	100
Sweden	Bonnier	n.a.	0
United Kingdom	Random House	8.6	100 (Bertelsmann) – GR
Ireland	Gill & Macmillam	n. a.	49 (Macmillan) – UK
Italy	Mondadori		0

* 5.782.414.115. This figure represents all the activities of Wolters Kluwers, not only its publishing business. Figures from 1999
** There are no significant figures for this market in Belgium (FR)

Source: School of Public Communication. University of Navarra

In Europe, leadership in **radio** and television is held, almost without exception, by the public channels. The particular nature of these companies means that foreign capital is not allowed to be present in its body of shareholders. As a result, the leaders in both sectors (Tables 14 and 15) are those which receive the least foreign capital in the whole industry. In radio, of the seventeen markets studied, twelve are dominated by a public company. Only the Contact Group (French-speaking Belgium) allows the entry of foreign capital to RTL, which belongs to Bertelsmann. In the **television** sector in Europe, thirteen of the countries studied have a public television channel as leader. None of the leader companies receives foreign capital, with the exception of Impresa in Portugal with a third of its capital in the stock exchange.

Table 14

Leaders in radio

Country	Company	Market quota(%)	% of foreign capital
Germany	ARD	50.7	0 – public
Austria	ORF	80	0 – public
Belgium (Fl)	VRT	83.8	0 – public
Belgium (Fr)	Group Contact	24.5	35 (RTL Group) – AL
Denmark	DR	66	0 – public
Spain	SER	41	0
France	NRJ	30.1	0
Finland	YLE	60	0 – public
Holland	NOS	49	0 – public
Norway	NRK	58	0 – public
Portugal	Radio Renascença	26.9	0
Sweden	SR	55	0 – public
United Kingdom	BBC	51.4	0 – public
Ireland	RTE	49	0 – public
Italy	RAI	16.8	0 – public

Source: School of Public Communication. University of Navarra

Table 15

Leaders in television

Country	Company	Market quota (%)	% of foreign capital
Germany	ARD	27	0 – public
Austria	ORF	56	0 – public
Belgium (Fl)	VMM	34.5	0
Belgium (Fr)	RTBF	25	0 – public
Denmark	TV2	36.4	0 – public
Spain	RTVE	32.4	0 – public
France	France Télévision	43	0 – public
Finland	YLE	43	0 – public
Holland	NOS	39	0 – public
Norway	NRK	30	0 – public
Portugal	Impresa	47.9	36.4 (Stock exchange)
Sweden	SVT	44	0 – public
United Kingdom	BBC	38.5	0 – public
Ireland	RTE	48	0 – public
Italy	RAI	46.1	0 – public

Source: School of Public Communication. University of Navarra

In contrast, in the pay television European market it is extremely interesting to note how the new companies which require a developed technology and large injections of capital end up being controlled by very large foreign companies (Table 16). The supremacy of groups such a Vivendi Universal (France) and British Sky Broadcasting (U.S.A –U.K.) is notable. **These two companies** have satellite distribution channels and thanks to strategic movements – such as pacts and mergers – have achieved contents which are high in demand.

Vivendi, through Channel +, controls the Belgian, Spanish, French, Finnish, Dutch, Norwegian and Italian markets. Whilst BskyB (British Sky Broadcasting) is leader in Germany and Austria through Premiere World – associated with the German company Kirch Group – and directly in the United Kingdom and Ireland. News Corporation controls most of BskyB's capital and Universal has found the perfect partner in Vivendi for distributing its fiction contents through its different platforms. What appeared to be the landing of a European company in the U.S. could become a new channel for distributing contents made in America.

Financial capacity, content exclusivity and scale economies are the main bulwarks of these large companies. The structure of the ownership of pay television in Europe reflects the problems of compatibility between a strong internal market – able to compete with the Americans and Japanese – and an optimum environment for cultural diversity in the area of high quality audiovisual contents.

Table 16

Leaders in pay television

Country	Company	Market quota (%)	Foreign capital (%)-Origen
Germany	Premiere World	n. a.	30.2 (22% de BskyB) – UK
Austria	Premiere World	100	100 (22% de BskyB) – UK
Belgium (Fl)	Canal Plus Belgium	100*	100 (Canal +) – FR
Belgium (Fr)	Canal +	100	100 (Canal +) – FR
Denmark	n. a.	n.a.	n.a.
Spain	Sogecable	84	20 (Canal +) – FR
France	Canal +	78.5	0
Finland	Canal +	n. a.	100 (Canal +) – FR
Holland	Canal +	90**	100 (Canal +) – FR
Norway	Canal +	n. a.	100 (Canal +) – FR
Portugal	SporTV	n. a.	33.3 (Portugal Telecom.)
Sweden	MTG	n. a.	0
United Kingdom	BSkyB	52.2	38 (News Corp.) – AUS
Ireland	BSkyB	n.a.	100 (BSkyB) – UK
Italy	Tele +	70	100 (Canal +) – FR

*140,000 Subscribers

** In 2000, Canal + had 3000.000 subscribers. Other offers for pay through cable were still at an initial stage with very few subscribers.

Source: School of Public Communication. University of Navarra

The music industry and the cinema film industry are paradigms of the United States' supremacy in European entertainment. Buenavista, Warner Bros., United International Pictures and Fox Films control the European cinema distribution market. (Table 17) with notable margins of difference. Batch distribution, the consortiums amongst the large *majors*, the huge size of the Hollywood industry and the absence of a strong business fabric in Europe means that there is no effective competition from European cinema.

Table 17

Leaders in cinema film distribution (selected countries)

Country	Company	Quota(%)	Foreign capital (%)-Origen
Germany	UIP	21.7	100 (UIP) – USA
Spain	Buenavista	16.4	100 (Buenavista) – USA
France	Gaumont Buenavista	18.8	50 (Buenavista) – USA
Sweden	Fox Films	27	100 (Fox) – USA
Ireland	U.I.P	25	100 (UIP) – USA

* Figures from 1999

Source: School of Public Communication. University of Navarra

The presence of foreign capital in the leaders of each country in the European music industry is also highly significant. Warner, Sony and Universal – which Polygram also directs– are the big distributors and they control a good slice of the market (Table 18). The German company Bertelsmann Music Group (BMG) occupies first place in its national market and an important position in the rest of the countries. These last few months have been witness to a surge of approaches and offers amongst the music distribution companies; nobody wishes to lose their place in the network and the technological companies expect to sign agreements with owner companies for broadcasting rights.

Table 18

Leaders in the music industry (selected countries)

Country	Company	Quota (%)	Foreign capital (%)-Origen
Germany	BMG	n. a.	0
Belgium (Fl)	Universal	25.6*	100 (Vivendi Universal) – FR
Spain	Universal		100 (Vivendi Universal) – FR
France	Universal	35	100 (Vivendi Universal) – FR
Finland	Warner Music	14	100 (Warner) – USA
Holland	Universal	27	100 (Vivendi Universal) – FR
Norway	Polygram	21	100 (Vivendi Universal) – FR
Portugal	Universal	21.8	100 (Vivendi Universal) – FR
Sweden	Sony Music	20	100 (Sony) – JP
United Kingdom	Universal	24**	100 (Vivendi Universal) – FR

*Figures from 1999

** Quota on albums sold

Source: School of Public Communication. University of Navarra

The concentration of the advertising market began in the nineteen sixties and has become more accentuated in the last decade. The world corporations dominate the market; the need for a global strategy – proper to the nature of the advertising business – underlines even more its concentration. (Table 19). Buying advertising space in the communications media increasingly entails a strategy which places agencies from different countries in connection with transnational media groups. Both processes mean that small companies are absorbed by larger ones, so that the global advertising stage is dominated by a dozen of macro-corporations such as Ogilvy and Matter, Saaatchi & Saatchi, McCann or Grey Advertising.

Table 19

Leaders in advertising (selected countries)

Country	Company	Quota (%)	Foreign capital (%)-Origen
Germany	BBDO	17.4	100 (BBDO) – US
Belgium	O&M Group	*	100 (Ogilvy) – US
Denmark	Grey Com.	n. a.	100 (Grey) – US
Spain	Mc Cann Erickson	n. a.	100 - US
France	Havas Advertising	25	80 (Bolsa, 44 de Snyder y Putnan)
Finland	Sek & Grey	11	22 (Grey Com.) – US
Holland	BBDO Netherlands	**	100 (BBDO) – US
Norway	n.a.	n.a.	n.a.
Portugal	Mc Cann Erickson	7.1	100 - US
Sweden	n.a.	n.a.	n.a.
United Kingdom	Abbott Mead Vickers		100 (BBDO) – Omnicom – US
Ireland	Mc Connells	***	0
Italy	Armando Testa	****	0

* 1,146 million BEF (98)
** 93.1 million of Dutch
***55 million pounds
****$97.8 million

Source: School of Public Communication. University of Navarra

As regards the **Internet**, Microsoft (MSN) and Yahoo have clearly reached a position of leadership. Despite the difficulties in unifying criteria for measuring audiences in the Internet, the presence of these enormous North American companies in all European countries is well known. In a few countries, however, the telephone company operators – which are also Internet service providers – have bought national portals which were very popular among users. In this way, the portal is re-launched by investments made by the parent company, interested in creating added value. The cases of Spain (Telefónica-Terra), France (France Telecom-Wanadoo), Great Britain (BT-Arrakis), Italy (Telecom Italia-Seat Pagine Gialle) and Germany (Deutsch Telekom-T-Online) represent examples of native companies creating a small hurdle for the entry of the North American multinationals (Table 20).

The analysts of Internet consumption have not been able to reach an agreement on the creation of some standards for the research of this new medium. In general, the chief players of Internet consumption are the following:

- Internet service providers.
- Portals for entertainment and general information.
- Services: electronic commerce, auctions and banking facilities.
- Conventional media – press, radio and television – with an online edition.
- Music or cinema entertainment (by sales or subscription).

Finally, the offer available on the Internet can be grouped into four general fields:

- Information.
- Entertainment.
- Electronic commerce.
- Communication services (chat, e-mail, newsgroup, video conferencing).

The internet service providers (ISP) usually integrate several of the offers above mentioned from their own Internet portal. According to the monthly reports of the most highly rated measurement companies for Internet, the chief positions of the ranking classification of each country are generally held by portals for general information, services and entertainment. Generally, the users also visit online versions of leading conventional media when they require quality general information, but they do not hold important positions in the ranking classification of Internet consumption.

Table 20*

Leaders in Internet (selected countries)

Country	Company	Quota (%)	Foreign capital (%)-Origen
Germany	T-Online	49.3	0
Belgium (Fl)	Skynet (Belgacom)	21	49 (various)
Denmark	Jubii	56.4	Lycos – ES
Spain	Terra	66.6	0
France	Wanadoo	63.3	0
Finland	Sonera	58.3	34 (various)
Holland	Ilse (VNU)		78 (various)
Norway	SOL	n. a.	0
Portugal	Portugal Telecom	37	75 (various)
United Kingdom	Yahoo	42.1	100 (Yahoo) – USA
Ireland	Yahoo	55.2	100 (Yahoo) – USA
Italy	Seat Pagine Gialle	58.4	0

*** Sources: Nielsen NetRatings y Jupiter MMXI, on consumption of Internet in April 2001.**

Europe's situation, then, is heterogeneous as far as the possible influence of some countries in the communications industry on other State Members is concerned. In general, the small countries and the less mature sectors are more at risk of outside domination – and, therefore, of a loss of cultural identity – than the larger countries and the more traditional media sectors.

The legal frameworks vary considerably from one border to another and the same applies to national preferences. Each market has its particular nuances, a result of different priorities and factors and a general approach is needed to be able to decipher all the variables. It seems appropriate that the European Union should attempt to unify, to a certain extent, the legal framework in order to consolidate a more homogeneous structure, facilitating action and re-vitalizing the business network of the communications groups of the European Union.

Chapter 5 – CULTURAL DIVERSITY IN EUROPEAN AUDIOVISUAL PRODUCTION

Having studied the concentration of ownership in the communications media, we will now proceed with an analysis of a series of cultural values present in European television programmes. As has been pointed out previously, the study carried out in this section will be restricted to television, because it is the medium with the highest audiences, the greatest consumption time per individual and the greatest investment in Europe.

Despite a slight overall descent in audiences in the last few years, television continues to be the dominant communication medium in the greater part of Europe, with an average consumption per inhabitant of over three hours a day [56]. As a consequence, its capacity to transmit cultural values to society is greater than any other audiovisual medium, such as cinema or multimedia programmes.

In the face of the enormous difficulty which would imply an exhaustive analysis of the programme contents of the European channels, this study will focus on two areas of analysis:

♦ The first section attempts to determine up to what point the contents of programmes with the highest audience ratings run the risk of being the carriers of homogenising cultural values (both North American and other European countries) or do they transmit national cultural values of their own country. With this objective, two working methods have been followed:

> - The information obtained in other published studies is collected in order to attempt to present those facts which may indicate what type of cultural values are transmitted via this medium.
>
> - This information is completed by our own study which analyses the type of cultural values in the programmes with the highest audience ratings in the European television stations over the periods of 1995-96, 1997-98 and 1999-2000. It is practically impossible to measure the real effect of television programmes on the culture of a country. However, it is clear that these programmes are one of the main ways for the penetration and consolidation of cultural values in society.

♦ The second section is centred on the treatment of culture in television. Examples are presented of specifically cultural programmes, which have achieved general recognition in several European countries, and in some cases, amount to "successful formulas". The objective of this part of the study consists in identifying, by means of a qualitative analysis, some criteria for quality which can be used as a frame of reference for the distribution of culture through television.

[56] See Screen Digest (1999), *Digital TV fails to boost total viewing,* London.

5.1 Analysis of cultural values transmitted in high audience programmes

Up till now, general television has maintained its hegemony as a medium of consumption of information and entertainment. However, the progressive increase in the offer, boosted by the appearance of digital platforms, means that in the foreseeable future there will a decrease in audience levels for traditional television. Meanwhile, the current situation suggests that the study of the contents of the general networks, with the object of knowing the type of cultural values they transmit, could be of great interest.

5.1.1. Fiction programme scheduling in Europe according to its provenance

The statistical data available do not allow us to determine with certainty up to what point television stations from each European country transmit their own national cultural values, those from other European or from North American countries. There is no evidence, for example, of what percentage of the programme scheduling corresponds, in each country, to nationally produced or imported programmes. However, as has been pointed out, in the whole of the audiovisual sector the trade balance between Europe and the United States shows a clear imbalance, which allows us to assume that there is a flow of North American values towards Europe.

One of the most important programme scheduling areas, as far as the transmission of cultural values is concerned, is undoubtedly that of fiction. In this field, the available data suggest that the **importations of North American programmes** into Europe have significantly increased in latter years. In 1999 the number of North American programmes shown in Europe was 194.494, about 55% more than five years earlier [57].

Table 21

Percentage of national production hours of the total of hours of fiction broadcast (1998)

United Kingdom	89%
Germany	69%
France	47%
Spain	50%
Italy	17%

Source: Eurofiction

However, the situation varies from some countries to others, according to the Eurofiction report.
One week of monitoring carried out for this study in 1998 revealed that of the total of fiction programmes broadcast in some countries, such as the United Kingdom or Germany, the greater part were national productions whilst in other countries, such as Italy, there was a high percentage of imports (Table 21) [58].

Of the **imported hours of fiction,** the greater part are North American productions, which rose from 69.8% of the total in 1974 to 71.7% in 1998. Therefore, it may be concluded that there is a high degree of penetration of North American programmes which, moreover, has been maintained over the last quarter of a century.

[57] See Pinewood Studios (2000), *Essential Television Statistics*, London.
[58] See European Audiovisual Observatory (2000), *Eurofiction. Television Fiction in Europe,* Strasbourg.

These figures could lead us to think that there is a huge presence of North American cultural values in the programme scheduling of European networks. However, the same study confirms that North American fiction has progressively occupied less space in prime time. This fact is due to the consolidated success of national fiction in national programme scheduling, the presence of high audience live broadcasts of sporting events and the increase in the cost of the rights to North American feature films.

In latter years national fiction has made significant progress in the prime time of the European networks. In 1998, 48% of these programmes were broadcast at this time (13% more than the year before). The strength of **national production** has allowed for a steady moderate growth in the whole of fiction production of the main European production countries. Within this general tendency, which is constant, there have been ups and downs. Thus, the combined growth in 1999 was 1.9%, noticeably less than in previous years (16% in 1996 and 7.7% in 1998). It is also significant that only 6% of the total volume of fiction produced in 1999 were co-productions between entities of several European countries [59].

Sustained growth has permitted a certain consolidation of the European audiovisual sector as a whole, especially in some countries. Some companies have even made timid incursions into the international markets. Some European production companies' involvement in the development of entertainment programme formats is worthy of note (Celador, Endemol, Pearson and Action Time), and have managed to introduce themselves into the North American market, reversing the traditional direction of the commercial flow of formats from North America to Europe. The incipient European presence in the North American market does not imply, however, the transmission of European values, since all television stations carry out a process of adaptation of the format to the characteristics of their own culture.

5.1.2. Study of cultural values in the highest audience programmes

This study seeks to find out which are the public preferences in each country in order to analyse, in accordance with the said preferences, a series of indicators of cultural values transmitted in the programmes. If a programme has a high audience rating, it is assumed that it satisfies the viewers' interests and needs, thus constituting a criterion to determine the level of response obtained by a television channel [60]. Thus, it is also assumed that programmes with the highest number of viewers will make a significant contribution to the spreading of cultural values within society.

Taking into account the limitations of this study, we have opted to make a selection of the 20 programmes with highest audience ratings in each country of the European Union, during the television seasons – from September to August – 1995-96, 1997-98 and 1999-2000[61].

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[59] See European Audiovisual Observatory (2000), *Eurofiction. Television Fiction in Europe*, Strasbourg.

[60] See Mitchell, J. and Blumber, J.G. (eds.) (1994) *Television and the Viewer Interest. Explorations in the Responsiveness of European Broadcasters*, John Libey, London.

[61] Luxembourg is not included because it is generally considered as a very particular market in the area of television consumption owing to its small size (425.000 inhabitants). However, significant data on the television market of Luxembourg have been collected which complement this study. In those countries where audience information is published by the calandar year, the programmes selected are those most watched in the years 1996, 1998 and 2000.

In preparing this study we have borne in mind the categories used by the European Broadcasting Union (EBU) in its statistical analysis system of the production of public television in Europe from 1981. The categories of the EBU Statistics Group (1999) include nine major categories. This classification has been broadened in order to contain within the section of "light entertainment" the genres of quiz and musical programmes, permitting a more precise identification of the contents of these programmes. We have also used part of the coding employed by the *Eurofiction* project of the European Audiovisual Observatory, mentioned above. This coding, which is not merely quantitative, includes a series of **cultural indicators** that have been adopted. We find included the nationality of the main character, the place where the action takes place, the original language of the production and the language it is broadcast in.

Taking into account these categories used in the studies mentioned and with the aim of evaluating the type of cultural values present in each one of the programmes, an **analysis schedule** was designed made up of four sections (see Appendix 5):

-Broadcast: It brings together a series of significant statistical data, such as the programme's title, the duration, day and broadcasting channel, audience share, total audience (viewers) and the language it is broadcast in.

-Genre: A broad division was adopted, with fourteen categories, which allows the unequivocal identification of the genre of the programme.

-Production: The production company's name, nationality and language used are specified.

-Cultural indicators: Included is a brief description of programme content, the nationality of the main character and/or presenter, the place where the action is set and the type of cultural values promoted: national, North American, other European countries or others. For this, the following definition of culture is provided: "the ways of thinking, feeling and acting which are shared by a number of people and help to constitute those people into a particular and distinct group".

In every country, the information has been gathered by a **delegate researcher**, who corresponds to the profile of university lecturer or expert consultant in television programme scheduling (see Appendix 1).

In those sections where a certain margin of subjectivity is present, such as that of the predominant cultural values in a programme, in general the evaluation carried out by each delegate has been respected. In some cases, however, this evaluation has been modified in order to use the same criterion in all the countries. This is the case, for example, of sports broadcasts, which some of the researchers considered as lacking in cultural values, while for others they were an expression of national or international values, according to the type of event dealt with. On this occasion, replies have been unified in accordance with the second criterion, since we consider that this type of event is indeed a cultural manifestation, because it helps to distinguish the social group that partakes of it.

Table 22

Predominant cultural values in the highest audience programmes in Europe (1995-2000)

National	79.04%
European	10.00%
North American	5.95%
Others	5.00%

Source: School of Public Communication. University of Navarra. Total of programmes analysed: 840.

The results of this analysis enable us to conclude that the impact of globalisation on the cultural diversity of the television programmes with high audience ratings is not very great .

As may be observed in Table 22, the programmes with high audience ratings, fundamentally uphold the national values of each country. This is also corroborated by the data on the language of production of the programmes (Table 23), which is, for the most part, the national language, and can be considered as the most important component of a concrete culture, since it literally defines the world view of its linguistic community. The study also attempts to determine, in accordance with the programme content, if national cultural values, North American, or of other European countries or of any other type are promoted. This category of analysis takes into account the subject dealt with, the place of production and the characters who take part, with reference to the definition of culture mentioned earlier.

Table 23

Language used in the broadcast ing of the highest audience programmes in Europe (1995-2000)

		UK	FR	GE	SW	FIN	BE	NE	IT	GR	SP	IR	DE	AU	PO	Total	%
1995/96	Original	20	14	20	16	19	16	17	17	19	18	20	19	20	20	255	91
	Subtitled	0	0	0	3	0	1	3	0	1	0	0	1	0	0	9	3.21
	Dubbed	0	6	0	1	1	3	0	3	0	2	0	0	0	0	16	5.71
1997/98	Original	20	17	19	19	18	17	20	20	17	20	20	20	20	20	267	95.35
	Subtitled	0	0	0	0	1	0	0	0	3	0	0	0	0	0	4	0.1
	Dubbed	0	3	1	1	1	3	0	0	0	0	0	0	0	0	9	3.21
1999/2000	Original	20	18	20	19	20*	17	20	20	19	20	20	20	20	20	273	97.5
	Subtitled	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0
	Dubbed	0	2	0	1	0	3	0	0	0	0	0	0	0	0	6	2.14
Total	Original	60	49	59	54	57	50	57	57	55	58	60	59	60	60	795	94.6
	Subtitled	0	0	0	3	1	1	3	0	5	0	0	1	0	0	14	1.66
	Dubbed	0	11	1	3	2	9	0	3	0	2	0	0	0	0	31	3.69

Source: School of Public Communication. University of Navarra. Total programmes analysed: 840
***Figures for Finland are from 1999.**

National cultural values predominate in the programmes of each country. Indeed, in 79.04% of the programmes analysed cultural values appear, in the most part, from the country itself from where the programme is broadcast as opposed to only 10.00% of programmes with values from other European countries and 5.95% with predominantly North American values. In this section a significant evolution has not been observed between some years and others.

Denmark is the country which has the most programmes with national values in high audience programmes, since these predominate in 59 of the 60 analysed. On the contrary, in the case of Belgium, national values predominate in only 29 of the 60 programmes, against 10 with North American values and 21 from other European countries (see Table 24).

Table 24

Types of cultural values dominant in the 20 highest audience programmes on the European television stations (1995-2000)

			UK	FR	GE	SW	FIN	BE	NE	IT	GR	SP	IR	DE	AU	PO	Total	%
Cultural values promoted	1995/96	National	16	13	19	14	17	11	19	15	18	17	16	19	13	14	221	
		Europe	1	0	0	4	1	6	1	2	1	0	2	1	7	2	28	
		U.S.	1	6	0	1	0	3	0	3	1	5	2	0	0	0	19	
		Other	2	1	1	1	2	0	0	0	0	1	0	0	0	4	12	
	1997/98	National	15	15	10	15	17	11	16	17	17	20	10	20	14	9	206	
		Other Europe	1	0	4	1	11	5	4	1	0	0	3	0	6	5	31	
		U.S	1	3	0	1	1	4	0	0	3	0	7	0	0	0	20	
		Other	3	2	6	3	1	0	0	2	0	0	0	0	0	6	23	
	1999/2000	National	18	17	13	16	20	7	15	19	19	20	14	20	16	18	232	
		Other Europe	0	0	6	2	0	10	3	1	0	0	1	0	4	1	28	
		U.S.	0	2	0		0	0	3	0	0	1	0	5	0	0	11	
		Other	2	1	1	2	0	0	2	0	0	0	0	0	0	1	9	
	Total	National	49	45	42	45	54	29	55	51	54	57	40	59	43	41	664	79.048
		Other Europe	2	0	10	7	2	21	5	4	1	0	6	1	17	8	84	10
		U.S.	2	11	0	2	1	10	0	3	5	2	14	0	0	0	50	5.9524
		Other	7	4	8	6	3	0	0	2	0	1	0	0	0	11	42	5

Source: School of Public Communication. University of Navarra. Total programmes analysed: 840

These statistics regarding predominant cultural values, which are based on criteria which leave a certain margin of subjectivity, are confirmed by those relating to the nationality of the main character or presenter.

In 88.9% of the programmes analysed the **main character** or presenter belongs to the broadcasting country, whilst only 5.00% are of European nationality and 5.11% are of North American nationality (Table 25).

Table 25

Nationality of the main character or presenter in the 20 highest audience programmes on European television stations (1995-2000)

			UK	FR	GE	SW	FIN	BE	NE	IT	GR	SP	IR	DE	AU	PO	Total	%
Nationality Main Character	1995/96	National	19	14	20	18	18	16	19	12	18	18	15	19	18	16	240	
		Europe	0	0	0	2	2	1	1	5	1	0	4	1	2	0	19	
		U.S.	1	6	0	0	0	3	0	3	1	2	1	0	0	0	17	
		Other	0	0	0	0	0	0	0	0	0	0	0	0	0	4	4	
	1997/98	National	18	17	19	19	17	17	18	18	17	20	12	20	17	15	15	
		Other Europe	1	0	1	1	2	1	2	0	1	0	2	0	3	0	0	
		U.S	1	3	0	0	1	2	0	0	2	0	6	0	0	0	0	
		Other	0	1	0	0	0	0	0	2	0	0	0	0	0	5	5	
	1999/2000	National	20	18	20	19	20	17	19	15	19	20	13	20	20	18	258	
		Other Europe	0	0	0	1	0	1	1	3	0	0	3	0	0	1	10	
		U.S.	0	2	0	0	0	3	0	0	1	0	4	0	0	0	10	
		Other	0	0	0	0	0	0	0	2	0	0	0	0	0	1	3	
	Total	National	57	48	59	56	55	49	56	45	54	58	40	59	55	49	740	88.09
		Other Europe	1	0	1	4	4	3	4	8	2	0	9	1	5	1	43	5.11
		U.S.	2	11	0	0	1	8	0	3	4	2	11	0	0	0	42	5
		Other	0	1	0	0	0	0	0	4	0	0	0	0	0	10	15	1.78

Source: School of Public Communication. University of Navarra. Total programmes analysed: 840

The data on **the place where the action is set** reveal that in 65.83% of the cases this is in the country of origen, as opposed to 25.47% of the programmes where the action takes place in another country and 8.69% where the action is set jointly in the home country and another. The significant difference between the national percentages between this category and the previous ones must be explained by taking into account that in some programmes, such as news or documentaries, both the cultural values and the main character or presenter are from the home country, although the action takes place in another country or in several countries at the same time.

In the great majority of the programmes (94.6) the language of the original production is the same as the predominant language of each country.

It should be pointed out that this is a well established feature, which has been consolidated over the three seasons under analysis. In the season 1995-96, 91% of the high audience programmes were broadcast in their original language. In the season 1997-98, this percentage rose to 95.35% and in the season 1999-2000 it grew to 97.5%.

In Great Britain, Austria, Ireland, Germany and Portugal all of the high audience programmes over three seasons were broadcast in the **original language** of production. In the cases when a programme is broadcast which has been produced in a different language to that of the country, dubbing is more usual (3.69%) than subtitling (1.66%). In the television stations of Sweden, Holland and Greece the traditional practice is to subtitle the programmes. In contrast, in France, Belgium, Italy and Spain programmes produced in another language are usually dubbed.

Table 26

Nationality of production companies of the highest audience programmes of Europe (1995-2000)

		UK	FR	GE	SW	FIN	BE	NE	IT	GR	SP	IR	DE	AU	PO	Total	%
1995/96	National	19	14	20	16	19	17	18	17	19	15	14	16	13	13	230	82.1
	Other Europe	0	0	0	3	1	0	2	0	0	3	4	4	7	3	27	9.64
	U.S.	1	6	0	1	0	3	0	3	1	2	2	0	0	0	19	6.78
1997/98	National	19	16	20	18	18	17	19	20	17	17	8	16	15	14	232	82.85
	Other Europe	0	1	0	1	1	0	1	0	0	3	4	4	5	1	23	8.21
	U.S.	1	3	0	1	1	3	0	0	3	0	8	0	0	0	20	7.7
1999/2000	National	20	14	20	19	19*	17	19	19	19	17	11	15	16	16	241	86.1
	Other Europe	0	4	0	0	1*	0	0	1	0	3	4	5	4	2	24	8.57
	U.S.	0	2	0	1	0	3	0	0	1	0	5	0	0	0	12	4.6
Total	National	58	44	60	53	56	51	56	56	55	49	33	45	44	53	703	83.7
	Other Europe	0	5	0	4	3	0	3	1	0	9	12	15	16	6	74	8.8
	U.S.	2	11	0	3	1	9	0	3	5	2	15	0	0	0	51	6.07

Source: School of Public Communication. University of Navarra. Total programmes analysed: 840
***Figures for Finland are from 1999.**

The great majority of the programmes are produced by national companies, from their own country (83.7%).

This fact corroborates that the public preferences in each Member State tend towards programmes produced in their own country, which reflect to a great extent their interests and cultural environment. This tendency has increased in the period analysed, since the percentage of **national production** of programmes with high viewing figures has increased by four points, from 82.1% in the season 1995-96 to 86.1% in the season 1999-2000. In global terms, the percentage of programmes produced by companies from other European countries (8.8%) is slightly greater than that of those produced by North American companies (6.07%). The presence of programmes from other European countries is reflected in the live broadcasts of football matches from other European countries, in music spaces, like the Eurovision Song Festival and in some co-productions. In the great majority of the cases, the North American productions are feature films. In the case of Portugal, a considerable percentage of the high audience programmes (27.3%) are imports from Brazilian television (Globo).

Worthy of note for the large number of North American productions present are Ireland (25%), France (18.3%) and Belgium (15%) . In contrast, in the United Kingdom, Germany, Finland, Greece and Holland the percentage of programmes produced by national companies is about 95%.

Over the three seasons there were no especially important changes, although a slight decrease in the number of North American productions was observed, from 6.78% in the season 1995-96, to 4.6% in the season 1999-2000.

Table 27

Programme genres of the highest audience programmes in Europe (1995-2000)

Sports	32.50%
Fiction series	16%
Feature film	8.92%
News	7.50%
Musical Show	5.11%
Quiz Show	5%
Magazine	2.97%
Reality Show	2.85%
Documentary	2.38%
Other	10.35%

Source: School of Public Communication. University of Navarra Total programmes analysed: 840

In terms of **cultural identity**, certain genres of programmes have a more specific value than others. The national fiction series construct a world that conforms to certain social situations and reflects the country's identity, so that the audience can, in some way, be in tune with the contents. Identity is affected by the ideological, political and cultural sense of these fiction productions. In news programmes, the differences between national cultures are more accentuated. Sports broadcasts help to unite the community's identity made up of the followers of the national team or one team in particular. Also, certain cultural and social values present in more marginal genres such as quiz shows or reality shows, generate a series of attitudes which are incorporated into the constant process of recomposition and redefinition of national identity.

The majority **genre** of the programmes analysed over three seasons is sport (32.5%), which chiefly refers to the broadcasting of football matches (Table 27). This genre is undoubtedly the most popular in Germany, Italy and Spain in the three seasons, and to a lesser extent in Denmark, Greece and Belgium (for the breakdown of genres according to country and season see Table 32 in Technical File). Sporting broadcasts present events in which teams and sports men and women take part from their own country, for which reason they are considered to hold national cultural values.

In second place, at a considerable distance, are the fiction series (16%). This was the most popular genre in Great Britain in the latter three seasons and its presence is also notable in the programmes of high audience ratings in Greece, Ireland and Portugal, where nationally produced series have consolidated their position. In these cases, the fiction series promote cultural values which reflect the customs and attitudes of their own country.

In third place are the feature films (8.92%), a genre which is predominant especially in France, Ireland and Belgium and whose evolution has hardly experienced changes over the three seasons analysed. A high percentage of feature films with high audiences, about 84% are North American, whilst European films with high audiences ratings are very scarce (except in France and Denmark). The majority of the films contain North American cultural values.

The fourth genre with the greatest following is daily news programmes (7.5%). In Finland, Denmark and Austria this genre of programmes is consistently prominent:

about 20% of the high audience programmes are news programmes. These spaces reflect, above all, national values in their treatment of the news, although there is also room for foreign values.

In fifth place are musical shows (5.11%), a genre which has become well established over the last three seasons in a number of countries, particularly Sweden, Portugal and Holland. In some cases, the musical shows are national and in others they are live broadcasts of international festivals, such as the Eurovision Song Contest, which brings together many values from different European countries.

We should also mention some **tendencies** in the evolution of the other genres. Quiz programmes, with 3.92% of television space in the season 1995-96, are becoming more popular, reaching 8.21% of high audience in the season 1999-2000. The genre of the reality show has also consolidated its position making up almost 4% of the programmes analysed in the period 1999-2000, owing to the international success of the programme *Big Brother*, in countries such as Holland, Germany, Spain and Portugal. Lastly, the documentary is a genre with little presence making up 2.38% of programme scheduling analysed over the three seasons.

It is clear from the study of the cultural values present in the high audience programmes that the impact of globalisation on the cultural diversity of the high audience television programmes is not of great significance, since there is a predomination of programmes produced in their own country and broadcast in their own language. The high audience programmes fundamentally uphold the national cultural values of each country ((as opposed to the North American cultural values or third parties). The genres analysed, to which the programmes with the highest audience ratings refer, are sports (32.5%), fiction series (16%), feature films (8.92%), news (7.5%) and musical programmes (5.11). The sports programmes, fiction series and news programmes mainly promote national cultural values. It would be of interest to study in more depth the methods for quantitative and qualitative analysis in order to analyse the degree of cultural diversity in television programme scheduling, and it would be expedient to develop detailed studies with a broader sample of programmes from each country.

5.2 Selection of cultural programmes which represent successful formulas in European television stations

5.2.1 The transmission of culture through television

Television is a new museum which is active, transcends borders and can guide the cultural context of a country. According to UNESCO, television has become the chief vehicle for culture for a huge part of the world. For this reason, it makes sense to study measures aimed at ensuring that in every country the media provide a diversified programme scheduling which does not only promote a shared national identity but also contributes a pluralist expression to the variety of social, political and cultural values[62].

Traditionally, the cultural institutions of Europe have been the theatres, cinemas, concert halls, museums, art galleries, bookshops and libraries: places to visit. The expansion of the print and audiovisual media has meant that the artistic objects and cultural events in these places can be reproduced and distributed to an ever widening public, helping to create in the well known words of André Malraux, “a museum without walls”. The media mean that geographical places become symbolic. Public

[62] See UNESCO (2000), *World Communication and Information Report 1999-2000.*

television has often been characterised as a service for the spreading of culture, as well as information and entertainment[63]. However, the transfer of culture to the television environment is not an easy task.

As the European states become societies with a great variety of ethnic groups and cultures, and at the same time supranational forms of cooperation are developed, television and culture are related in a very wide context. There is a theory which maintains that programmes reflect the values and images of a specific culture and space and that they produce meanings which consolidate certain social identities [64]. In some cases, studies focus on the meaning of programmes according to their genre and contents; in others, they discuss the relationship between national production and the importation of programmes.

Television production's environment is characterised by liberalisation, the loss of the monopoly held by public television stations, aggressive competition for audiences and the increase in the number of channels[65]. These factors give rise to the marginalisation of the minority cultural programmes which are given low priority, low budgets and unfavourable timetabling. The educational and information aims of television are slowly declining as the objective to entertain and amuse grows [66]. The commercialisation of television erodes its public function and the transmission of culture. In practice, television stations have greater difficulty in their attempts to promote cultural values [67].

5.2.2 Criteria for quality in cultural programmes

To obtain a more complete picture of the tendencies in programme scheduling and their relationship to cultural diversity, it seems a good idea to complement the study of high audience programmes with the analysis of specifically cultural programmes in different European television stations. The aim is to make a selection from the different productions analysed of those which meet a series of criteria allowing them to be presented as quality programmes. Obviously the idea of quality is prone to subjective assessments and a disparity of professional and technical criteria, for which reason there is no unanimity on criteria. It could be said that there are as many professional perspectives on quality as there are professionals who work in the production of a programme[68]. In the case of cultural spaces, there is a greater difficulty to achieve a mass audience that will guarantee its success, because, in many cases, the subjects hold little attraction, they have low budgets, limited resources and are broadcast in marginal timetables.

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[63] See Machet, Emmanuelle and Robillard, Serge (1998) *Television and Culture. Policies and Regulation*, The European Institute for the Media, Düsseldorf.

[64]See Marchetti, P. (1997) *La Production d'oevres audiovisuelles dans l'Únion européenne*, Economica, Paris; Tracey, M. (1998) *The Decline and Fall of Public Service Broadcasting*, Oxford University Press, Oxford y Wieten, Jan, Murdock, Graham, y Peter Dahlgren (eds.) (2000) *Television across Europe*, Sage, London.

[65] See Barker, Chris (1997) *Global Television. An Introduction*, Blackwell, London.

[66] See Dahlgren, Peter (2000) "Key Trends in European Television", in Wieten, Jan, Murdock, Graham, and Peter Dahlgren (eds.) *Television across Europe*, Sage, London, pp. 30-32.

[67] See Miége, Bernard, (2000) "Cultural production and cultural pluralism", in UNESCO , *World Communication and Information Report 1999-2000*.

[68] See Albers, Robert, "Quality in television from the perspective of the professional programme maker", in Ishikawa, Sakae (ed.) (1996) *Quality Assessment of Television*, John Libbey Media, Luton, pp. 101-144.

In the first place, with the object of establishing some standards which allow us to identify and analyse quality cultural programmes, the relevant bibliography was examined. Subsequently, a selection of television programmes from six European countries (Ireland, France, Italy, Great Britain, Portugal and Spain) were viewed. Four of the countries have a high production capacity and two have a lower production capacity (Ireland and Portugal). Without aiming to be exhaustive, a selection was made of a series of cultural programmes produced in the country of origin and broadcast by public television[69].

In any comparative study of this nature, the great variety of definitions and practical applications of the concept of culture represents a serious problem, as was pointed out in the introduction. To overcome this, an analysis of the cultural programmes has been carried out with a series of quality criteria specified according to the objectives of the study.

The quality of a television programme can be examined from two fundamental perspectives: technical excellence and content. In his analysis of British programmes, Nossiter finds a certain consensus on three requirements for a programme to be considered of quality: clarity of aim, innovation and relevance[70]. Legatt formulates ten basic criteria which define the parameters for quality according to the contributions of numerous professionals, mainly producers of information programmes[71]. In accordance with these criteria, the following parameters for quality in a cultural programme were established:

a) Formal elements
- Production level: good use of available resources.
- Production: the programme has a good aesthetic look, with a good image.
- Presenter's communicating capacity: he or she manages to connect with the audience.

b)Content elements
- Innovative treatment: the resources of the television medium are used to get the most out of the contents.
- An attractive approach: there is a clear aim and motivation in the way of tackling certain subjects.
- Well constructed narrative: a good pace is kept up which is appropriate for the issues presented.
- Contact with the TV viewer: the audience is involved in some way.
-Relevance of subjects touched upon: important subjects are tackled and their implications are shown, seeking to widen the viewer's cultural horizons.
- Prestige: it becomes a programme of reference for a sector of the audience.

[69] Although there is a growing number of European co-productions aimed at several national markets, many authors consider that they are products with a certain heterogeneous style which takes away from their attraction; in some cases they have been described as "euro-puddings"(See Blind, S. and Hallenberger, G. (eds.) (1996) *European Co-Productions in Television and Film,* Universitatsverlag C. Winter, Heidleberg.
[70] See Nossiter, T. J. (1986) "British Television: A Mixed Economy", Research on the Range and Quality of Broadcasting Services, HMSO, London.
[71] Legatt, Timothey (1996) "Quality in television: the view of the professionals", in Ishikawa, Sakae (ed.) (1996) *Quality Assessment of Television*, John Libbey Media, Luton, pp. 145-167.
[71] See Machet, Emmanuelle and Robillard, Serge (1998*) Television and Culture. Policies and Regulations*, The European Institute for the Media, Düsseldorf, pp. 109-134.

Machet and Robillard have systemised the criteria adopted by several European institutions for the assessment of the production of cultural programmes. These are the French Conseil Supérieur de l'Audiovisuel, the Council of Europe, the European Broadcasting Union, the Dutch broadcasting organization NOS and a study carried out by the public German networks ARD and ZDF[72]. The criteria adopted by these institutions consider the concept of "cultural programme" in different ways. On the one hand, they include the spaces of the transmission of "high culture", although not necessarily of minorities, such as the broadcasting of a concert, opera or play. On the other hand, such as in the Dutch case of the NOS, a broader sense of a cultural programme is adopted, covering information magazines, music programmes and children's programmes. For the purposes of this analysis, television will be considered as principally a medium for the spreading of culture in the wide sense (mass culture) as opposed to the more restricted one which is the promotion of "high culture".

The idea of the public service of broadcasting is argued from a perspective of cultural policy, since it is considered as a medium to ensure the so called "external benefits", that is, to cover certain collective needs of a democratic society. Heilbrun and Gray sum up the external benefits of cultural products which could also be applied to quality cultural programmes[73]:

- They constitute a legacy for future generations (cultural heritage).
- They promote local and national identity and prestige directed towards the exterior.
- Availability: certain cultural products must be available for the public.
- They contribute to the liberal education of the public, and to participation in the arts.
- They promote artistic innovation which, at the same time, adds to the cultural heritage.

In the last decade, organisms have appeared which supervise television programme planning in different countries, with a certain degree of control on the part of governments and with the growing participation of independent authorities. In Great Britain, the Broadcasting Standards Council deals with viewers' complaints about certain programmes, as does the French Conseil Supérieur de l'Audiovisuel since 1989. Greece has a Viewers and Radio Listeners Assembly which supervises public radio and television broadcasting, whilst in Luxembourg there is the Centre National de l'Audiovisuel. Portugal has created the Alta Autoridade para Comunicaçao Social, with representatives from consumer organizations and other associations, and in Catalonia the Consell de l'Audiovisual de Catalunya has been operating from the beginning of 2001. These organisms have capacity to promote broadcasting of quality cultural programmes in European television stations [74].

5.2.3. Analysis of cultural programmes which represent successful formulas

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[72] See Heilbrun, J. and Gray, C.M. (1993) *The Economics of Art and Culture. An American Perspective*, Cambridge University Press, New York, pp. 205-9.

[74] See Robillard, Serge (1995) *Television in Europe: Regulatory Bodies. Status, Function and Powers in 35 European Countries*, European Institute for the Media, London. John Libbey. The updated list of the regulatory bodies existing in each country can be consulted at http://europa.eu.int/comm/avpolicy/intro/links_en.htm

After the selection process previously specified, seven programmes which have represented successful formulas in different countries were analysed (Table 28). All of these cases were spaces broadcast on public television stations, which spend more time and resources on cultural programme scheduling. There follows a brief commentary on each one of them:

Table 28

Selection of cultural programmes which represent successful formulas on European television

Programmes	Channel	Year Transmission commenced	Seasons	Average Share
Imprint	RTE 1	Ireland	2	5%
Walking with Dinosaurs	BBC 1	Great Britain	1	48.20%
Un livre, un jour	FR 3	France	10	12.30%
Horizontes da Memória	RTP 2	Portugal	3	4.90%
Superquark	RAI	Italy	20	27%
La España salvaje	TVE	Spain	2	22.40%
Soirées thématiques	ARTE	France-Germany	10	3.50%
(*) share of broadcast with highest audience ratings				
(**) share of broadcast with highest audience ratings in 2000.				

Source: School of Public Communication. University of Navarra.

5.2.3.1. Imprint, broadcast by RTE 1, (Ireland) is a weekly *magazine* devoted to the world of Irish letters and writers, directed and presented by Theo Dorgan. It consists of three parts: a discussion with two writers or critics about contemporary books; a report on some Irish writer and a section which seeks to bring literature closer to the younger generations. It has become a programme of reference for the publishing world in the country, with the most relevant personalities of Irish letters appearing on it. The effort to include young people with reports and outlines on books aimed at this audience should be highlighted.

5.2.3.2. Walking with dinosaurs, broadcast by BBC 1 (Great Britain), presents stories of survival of several animals from the dinosaur era. It reconstructs life in that period using computer animation on backgrounds of real images. This series met with great success with audiences (it reached 48.2% of audience share). Its popularity is understandable when the long tradition of the BBC in the superproduction of documentaries, especially in the field of nature and the environment, is taken into account. It is an innovative series, with a large budget and its narrative is well dramatised.

5.2.3.3. Un livre, un jour, broadcast by FR3 (France) is a daily magazine. Every day, the presenter Oliver Barrot invites the viewer to escape for a moment into the world of letters and he presents a work rigorously selected by the programme's editing team.
Un livre, un jour picks up on the tradition of book programmes tried and tested by *Apostrophes* for 15 years (1975-1990), a legend in French public television and a reference point in the publishing world. Oliver Barrot, producer and presenter of the programme makes audiences interested and he knows how to get the best out of the guests. He pays attention to the recognised values of contemporary literature and conducts interviews with a certain amount of showmanship. He has managed to interest a large sector of the audience in novelists and intellectuals. Over ten years, *Un livre, un jour* has paid homage to French and foreign literature with over 2200 programmes and an average of 3.8 million viewers.

5.2.3.4. Horizontes da Memória, broadcast by RTP 2 (Portugal) is a *magazine* which deals with curious and picturesque aspects of the history of emblematic places in Portugal. The programme presenter, José Saraiva, concentrates on a monument, a piece of landscape or a person in order to narrate concrete stories of the history of that place.
It can be considered as a successful cultural programme, to a large extent, because of the figure of the presenter, who connects with the audience, with a simple and didactic style, making history approachable and attractive. In each place José Saraiva follows a route, stopping the people to talk to them and going into the details which allow him to tell in story form the historical events linked to that itinerary. Also, the format of the programme with its high production values, seeks to involve the audience in the route proposed each time. Its task of rescuing the past and history of Portugal has brought critical recognition.

5.2.3.5. Superquark, broadcast by the RAI 1 (Italy), is a space for scientific information. Its reports and sections attempt to bring issues of science and technology closer to the mass public. "How is it done", "sexuality", "music" and "animal behaviour" are some of the regular sections in the programme. One of the most original sections is "science in cooking" which tries to explain the scientific basis underlying the cooking processes. This programme has been shown since 1981. Its success is based, to a large extent, on its capacity to produce high quality communication which is possible thanks to the work of a great communicator such as Piero Angela, the programme presenter. Angela is a journalist and a pioneer in science reporting on Italian television. For the last 30 years he has worked in science reporting and has received the international Kalinga award from UNESCO.

5.2.3.6. La España salvaje, broadcast by TVE (Spain), is a documentary series on the lives of the most emblematic animal species of the Iberian peninsula. It has had excellent audience ratings: in the season 1999/00 it had an average audience of 22.4%. It reckons with the special participation of Prince Philip of Asturias. It is outstanding for its high production values and for managing to shoot particularly spectacular images.

5.2.3.7. Soirées thématiques, broadcast under the title of "THEMA", is one of the distinctive characteristics of the ARTE network. A different subject forms the basic idea of the programme, which is examined from several points of view, with documentaries, feature films and inquiries, which complement each other and attempt to treat in more depth the implications of the concrete issue, whether it be the Second World War, the success of children's best sellers or any other subject of great interest. Every weekly thematic night has its own peculiarities: Sundays are designed for family audiences; Tuesday explores subjects to do with culture and Thursdays deal with journalistic issues.
Soiréss thématiques has won the respect and the esteem both of professionals and viewers, with a high artistic, professional and intellectual level. The combination of different formats (from the documentary to the feature film) has been consolidated as an appropriate way to inquire into social issues, discover personalities of interest and offer a broad cultural and historic treatment of relevant events.

5.2.4. Elements of quality in cultural programmes

In most of the programmes analysed a series of constants can be distinguished, which allow us to consider them as successful formulas:

5.2.4.1. Culture is presented as a subject which is linked to national identity: literature, history the nature of each country, are subjects which form the backbone of these spaces, except in the series *Walking with Dinosaurs*, whose content is broader.

5.2.4.2. The adoption of innovative approaches in the treatment of cultural subjects is a constant in most of the programmes. They attempt to tackle the issues of art, literature, science or nature in the most attractive way possible for the mass public.

5.2.4.3. Their lasting popularity: in the case of *Superquark* which has been on the air for twenty seasons, as with *Un livre, un jour* and *Soirées thématiques,* which have been on for ten. The rest of the programmes have only recently begun.

5.2.4.4. The role of the presenter: a communicator able to interest the audience, as in the case of José Saraiva, the presenter of *Historias da Memória*; of Piero Angela in *Superquark*, Oliver Barrot of *Un livre, un jour* and Theo Dorgan of *Imprint.* The participation of a prominent public figure, as in the case of Prince Philip of Asturias in *España salvaje*, can also be an important factor.

5.2.4.5. The high production values, a practically common characteristic of all the programmes analysed.

5.2.4.6. Audience levels achieved by these types of programmes are not always high. In this case, the audience of *Walking with Dinosaurs* (with 48.2% of the share) stands out as does *La España salvaje* (with 22.4%). Both productions made by the BBC and TVE respectively have been exported all over the world.

Critical recognition and the programme's prestige are also a constant in all cases.

Public television finds itself in a highly competitive situation. To achieve acceptable audience levels, it finds itself faced with the dilemma of adopting a very broad definition of culture, according to which "any programme produced by public television is culture", opposed to a more restricted definition. The first definition has a series of practical implications: entertainment is more important than the functions of educating and informing, the volume of specifically cultural programmes is reduced and there is a tendency to relegate them to marginal timetables. In this case, the mission of upholding cultural diversity is put at risk.
Neither does turning cultural programmes into elitist spaces with little interest for the public without a clear communication aim seem to be a good solution, because the cultural potential of the medium would diminish and, so too, its economic viability.
The best policy implies a difficult balance between the function of entertaining and providing culture in the whole of the production of each public television. The distinctive characteristics of quality cultural programmes previously pointed out can be used as a reference for the promotion of this type of space in European television.

In conclusion, this selection of cultural programmes that represent successful formulas highlight the vital role played by public television in spreading specifically cultural contents of quality. Moreover, the existence and lasting popularity on air of these programmes show that there is a place for specifically cultural programmes on the general television networks.

Chapter VI – THE DEVELOPMENT OF NEW TECHNOLOGIES: TENDENCIES AND POSSIBLE EFFECTS ON CULTURAL DIVERSITY IN THE EUROPEAN UNION

This section analyses how the consequences of digitalization of the audiovisual media may affect the cultural diversity of Europe. As has been pointed out, digital technology multiplies the possibilities for the transmission of contents, offering new opportunities for the promotion of cultural diversity.

The analysis of the situation cannot be based on a technological determinism dealing exclusively with technical and industrial considerations, and the way in which the new technologies can influence culture in the countries of the European Union must be taken into account. Without attempting to cover everything and with the limitations proper to this study, the main tendencies are considered in three areas: the development of digital television, Internet and DVD. To carry out this analysis we have had access to the data available in specialised publications and interviews with a series of experts in the sector (see Appendix 2).

There is a considerable variation in the presence of European audiovisual works in the distribution channels offered by the new technologies from one medium to another, since in European digital television it has had a good starting off point, whilst in Internet and DVD it has clearly fallen behind.

6.1 Digital television

The model of European convergence is based on services and applications developed by digital television. The model of North American convergence, in contrast, is based on the PC and Internet. The implementation of digital television has brought with it a substantial increase in the offer of channels, in image quality and in the variety of additional services available to the user. At the end of 2001, according to *Strategy Analysis*, 30 million households will have access to the services of interactive digital television worldwide[75]. Of these, 62% will be in Europe, 18% in North America, 10% in Asia and Oceania, and 1% in Latin America. In 2005, according to the same source, 57% of the European population will have access to digital television.

Table 29

European homes with digital television in 2000 and forecast for 2005

	2000	2005
United Kingdom	6.400.000	19.500.000
France	3.165.000	10.415.000
Germany	2.030.000	15.700.000
Italy	2.250.000	9.150.000
Spain	1.900.000	4.924.000
Benelux	195.000	4.000.000
Scandinavian countries	510.000	4.600.000
Others	250.000	3.081.000
Europe total	16.700.000	71.371.000

Source: Informa Media Group

[75] See Strategy Analytics, “Interactive Digital Television. Worldwide Market Forecasts”, 2001.

A study of Informa Media Group reveals that that there were 16.7 million homes with digital television in Europe by the end of 2000[76]. More than a third of these are in the United Kingdom (6.4 million). The study forecasts that the number of European homes with digital television will grow, exceeding 71 million in 2005 (Table 29).
In the period 2001-2005, the current television models will develop along four stages finally becoming **broadband** interactive digital television portals[77]. These portals will have multichannel access, with a diversity of contents. They will have general radio and television channels, free specialised channels, pay channels, video and audio archives, communication services (video-mail, webcasting, chats, newsgroups, etc.) and value added services (telebanking, teleshopping, mobile telephone and access to broadband Internet).

As has ocurred with the mobile telephone, the European advantage will be sustained by standard unification. The industry is grouped around a single platform called Digital Video Broadcasting (DVB), a consortium made up of more than 300 companies whose objective is to lead the transition from the analogical system to the digital one. The unification of technology will enable the contents creators to distribute their products through the diverse decodifiers and networks.

Video on demand, one of the services associated with digital television, is being implanted in Europe at great speed. At least eight companies, providers of video on demand, are already operating in seven European countries. However, a study of film distribution agreements reveals that five of these companies distribute only North American films[78]. The system of video on demand favours North American productions which have the back up of efficient distribution mechanisms and are preferred by a broad sector of the European public. In contrast, European productions do not represent an attractive investment within the European Union, whilst the liberalising changes in digital television have strengthened the position of the United States.

At the same time, multichannel television penetration has increased which, according to *Merryl Lynch*, has grown by 6% in the period 1998-2000, reaching 43% of homes in Europe[79]. At the end of 2000, 15% of homes (24 million) had subscribed to pay channels, and the penetration of these channels is growing at a rate of 15% a year. As a consequence, the increase in channels and platforms increases the **fragmentation** of national audiences, although re-groupings occur according to audience taste and interest and their socio-economic level. These are some of the important factors which digital television brings with it:

- Content is correlated to the type of channel owing to the implantation of thematic channels.
- Diversity of access to contents through the different platforms is increased.
- Interactive applications increase[80].

[76] "European Digital Homes", Informa Media Group, in *TV International*, 5 March 2001, p.5.
[77] See Weidermann, Peter, Accenture, "Full access for interactive TV", Milia 2001.
[78] See Screen Digest, December 2000, "Video-on-demand in Europe", pp. 373-380.
[79] See *TV International*, "Future imperfect for European pay TV", 8 January 2001, p. 12.
[80] In 2000 in the United Kingdom, 50% of BskyB viewers used its interactive services, which provide statistics on the match, different camera angles and complementary data. In the same year, in France, 91% of the subscribers to the TPS platform used some of the interactive services.

However, the question is up to what point does audience fragmentation generate **cultural diversity**. An analysis of the offer of digital platforms in seven European countries, according to the origin of the production of the contents of the thematic channels, allows us to point out some tendencies [81]. Greater competitiveness means an increase in offer, if we consider the move from television monopoly to the multiplicity of channels. But it is difficult to show that the offer of contents in the digital channels results in a greater availability of programmes produced in Europe. The offer of digital platforms which are broadcast in the seven European countries analysed indicates that the proportion of channels with North American contents is high with regard to European national production. In the thematic areas where the offer of North American channels is predominant children's programmes figure high, such as *Disney Channel, Fox Kids, Cartoon Network* and *Nickelodeon*. Another thematic area with a high degree of penetration by North American channels is documentaries: *National Geographic, Discovery Channel* and *The History Channel*. The offer of channels with regional contents is practically nil.

However, there are signs of a tendency to increase the number of channels with national production. European digital television planned to launch a total of 82 thematic channels in 2000[82]. The analysis of the nationality of the production of these channels reveals that 69.5% of channels are produced by European companies, whilst 25.6% are of North American production.

One case which demonstrates the consequences of the spread of North American channels in an important cultural sector is the **MTV-Europe** channel whose strategy depends on the acquisition of contents from the international music industry, dominated by North American record companies. From the outset, MTV sought to satisfy a heterogeneous audience. However, although MTV-Europe attempted to reduce its dependence on North American music, in practice it was aimed at the British market and it broadcast mainly in English. MTV suffered the competition of the Viva channel, launched in Germany, Austria and Switzerland in 1993, by four North American record companies (EMI, Polygram, Sony and Warner). Viva's contents included a greater presence of national artists and 90% of its programmes were broadcast in German. In 1995, Viva Eins overtook MTV-Central Europe in Germany, with 4% of audience quota opposed to the rival's 2.5%. And its offer was complemented by a second channel, Viva Zwei, aimed at alternative music. In 1992, MTV re-launched its strategy in the German market with a new service in the Astra satellite, which allowed it to reach 31 million homes opposed to 23 million of Viva. MTV-Central Europe increased its hours of programmes in German, and gave more attention to national artists. In November, 2000,

[81] See *New TV Strategies*, (January 2001). The platforms analysed are:
United Kingdom: Sky Digital, Telewest, NTL, Ondigital.
France: NC Numericable, NOOS, France Telecom Cable, CanalSatellite Numérique, Television Per Satellite.
Germany: Premiere World, Media Vision.
Sweden: Comhen, Canal Digital, Teracom AB.
Denmark: Tele Danmark Kabel TV, Viasat Denmark.
Belgium: Canal+Belgique, CanalDigitaal.
Spain: Canal Satélite Digital, Vía Digital, Quiero TV.

[82] See *TV International*, "New European Thematic Channel Launches 2000", 10 July 2000, pp. 6-7.

MTV-Central Europe reached an audience of 4.54 million viewers as opposed to Viva Eins' 4.37 million[83].

The case of MTV reveals how, at first, technology enabled the distribution of a predominately Anglo-American product everywhere with successful audience ratings. However, when German audiences had the chance to choose, they preferred a channel with their own cultural contents. The experience of this network illustrates the limits of globalisation since, with the purpose of adapting itself to the linguistic and cultural diversity of Europe, MTV has had to jettison its original formula of "one planet, one music". However, it should not be forgotten that "favouring a globalisation ideology, the MTV did not voluntarily attempt to satisfy diversity, until it had to face the competition of other music channels which did develop programme planning in different languages and with varied contents" [84].

The European **leadership** in the area of digital TV presents an excellent base to promote the creation of contents which reflect cultural diversity in Europe. For the moment, a good part of the digital channels are of North American origin, although in the foreseeable future, as markets mature, there will be more home grown products. And it is precisely in these channels where the different European cultural contents, including the minority ones, can find their media space.

6.2 Internet

There are objective difficulties to be able to determine precisely the number of people connected to the Internet in each geographical area. Proof of this is the considerable margin of fluctuation which can be appreciated between data produced by different sources. According to a study published by Nielson in September 2000 in the EU there were about 78.2 million users (20.8% of the population). For the same date, the number of people from the United States connected to the Net was about 136.9 million (50.8% of the population) [85]. Other studies from the same dates place the total figure of the EU at around 100 million users (26% of the population) and 169 million in the United States (61%)[86].

Table 30

Contents of web pages by languages (November 2000)

English	68.4%
Japanese	5.9%
German	5.8%
Chinese	3.9%
French	3.0%
Spanish	2.4%
Russian	1.9%
Italian	1.6%
Portuguese	1.4%

[83] See *TV International*, "MTV regains Germany as Viva gears up to challenge its Euro lead", 13 November 2000, p.6.
[84] Roe, Keith and De Meyer, Gust (2000) "Music Television: MTV-Europe, in Wieten, Jan Murdock, Graham and Peter Dahlgren (eds.) *Television across Europe*, Sage, London, p. 151.
[85] Nielson/Netrating (2000), *NetRatings Global Internet Trends, Q2 2000*, Stamford (Conneticut).
[86] Global Reach (2000), *Global Internet Statistics*, at http://www. glreach.com/globstats/refs.

Korean	1.3%
Others	4.6%
Total web pages	313 billion

Source: Vilaweb.com

In any case the figures clearly display North America's real advantage over Europe. This difference in the number of users is closely related to the fact that English is the leading language of the Internet. As is shown in Table 28, at the end of 2000 English was the language of 68.4% of the web pages available, followed at a great distance by other European languages such as German (5.8%), French (3.0%) and Spanish (2.4%) [87]. This marked preponderance of English represents a clear risk for the weakening of cultural values transmitted in other European languages, whilst it facilitates the penetration of North American culture into Europe. The risk is increased in the case of those countries with the lowest levels of penetration of Internet, like Portugal (6.9% in July, 2000), Greece (12.42%, October 1999) and Spain (13.7% in November 2000) [88].
On the other hand, Europe still lags behind the United States as far as broadband connections are concerned. In the United States they have been available for a considerable time and in Europe they have barely begun to be installed. By the end of 2000 only 1.79% of connections in Europe were broadband, as opposed to 3.1% in the United States. However, in the next few years a significant rise of this type of connections is forecast in Europe, reaching 21% in 2003. Forecasts for the same year in North America are situated at around 17% [89].

At present, the majority of European users have access to Internet through a telephone line connection, which permits a speed of data transfer of 56Kb/s, or through a digital network of integrated services of 128Kb/s, in the case of cable, and about 6 Mb/s in digital subscription lines (DSL).

The latter types of connections will completely transform the way Internet can be used, since they will allow for the transmission of contents which, at present, circulate with difficulty, such as moving images. In this way, it will be possible to go from the present universe of 300 television channels to a new universe of millions of "channels". In this new environment access to contents will be extended to other appliances apart from the PC, such as televisions, videogames consoles, mobile telephones and personal digital assistants (PDAs), all of which will mean the presence of the Internet in daily life will be considerably increased.

The growth of the online games industry has become important as a cultural market. According to data on distribution and penetration, the volume of users has significantly increased in the past few years: online games involved investment of 92.25 million euros in 1999 and, according to Datamonitor's estimates, the business volume will be multiplied by sixty until it reaches a figure close to 5.553 million euros in 2004[90]. A

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[87] Vilaweb.com (2000), *Per cent of web pages in English and other languages*, at http://www.emarketer.com.

[88] NUA (2000), *Internet Survey*, New York. The penetration figures may have undergone notable variations in the past few months. According to a study carried out by the company Marktest, in February 2001 Portugal already had 20% of its population connected to the Net.

[89] Screen Digest and Van Dusseldorp & Partners (2001), *Broadband Landscape Europe: Market Assessment and Forecast to 2003* and Myers Reports (2000), *Cable Digital & Broadband*, New York.

[90] See Datamonitor, *Online Games and Gambling*, 1999-2004, 3rd Ed.

recent study on the habits of Europeans under twenty, indicates that 82% regularly use a mobile telephone; 38% communicate by e- mail; 34% download music from the Net; 24% download software and 21% play on the Net [91]. These young people look for contents with a high level of interactivity and with high expectations to be satisfied. The interactivity of online games means the games' possibilities can be widened, updating versions, setting up matches with several players and carrying out bets. The most popular games are based on feature films, television series, football, car racing, toys and sports stars. They are productions with a high visual quality, which create structures of symbolic content for the users. According to data provided by *Screen Digest,* five of the six leading companies in the games sector are Japanese: *Sony, Nintendo, Sega, Konami* and *Namco*[92]. The Japanese company, *Nintendo,* is the distributor for the franchise of the *Pokemon* software, which has been one of the most commercialised games in 2000. The fourth is the North American company *Electronic Arts,* owner of the *Westwood Studios* and owner of consolidated brands such as FIFA, NHL Hockey and PGA Golf. Economic results for 2000 indicate a growth of the smaller companies, such as the French company *Titus* which acquired *Virgin Interactive Entertainment* and *Interplay* in 1999. Of the 20 leading companies in the sector there are only three European: *Titus, Infogrames* and *Eidos.*

According to previously mentioned forecasts, the next few years will be decisive for Europe to be able to match or even overtake the North American penetration levels in broadband Internet, which could balance the present differences as far as cultural flow is concerned. In the area of online games, the noticeable present disadvantage of the producers of European contents with regard to the Japanese and the North Americans suggests that it will be more difficult to achieve balance. However, in this area the European industry must become more competitive, exploiting the advantage of greater audience ratings for its television programmes, from which games and other successful interactive games could be developed.

Both today's Internet, with its present capacity levels, and the new broadband networks are specially appropriate media for the transmission of cultural contents, given that the user has considerable advantages, such as immediate access, the possibility to choose from an increasingly wider catalogue including programmes which are hard to access via other media. As a consequence, Internet offers a series of present and future possibilities which are especially appropriate for the distribution of minority cultural products, like, for example, foreign films that are unable to break through into mainstream commercial circuits.

6.3 Implantation of DVD

In the next few years, the European base of DVDs will undergo an exponential growth. At the end of 2000 there were around 5.4 million DVD players in Europe; that is, only 3.5% of homes. However, according to Screen Digest's forecasts, by the end of 2003 this appliance will be present in more than 28% of homes; with a total of over 45

[91] See Forrester Research, Mary Modahl "Serving young consumers", Milia, February 2001.
[92] See Screen Digest, "Platform sales fall with no new consoles", June 2000, p.222.

million units[93]. Other market predictions indicate that by 2010 the European base of DVDs will be over 115 million units[94].

The value of commercial transactions of contents in this format will have a comparable growth, both in sales and rentals. In 1999 Europeans bought DVDs for the value of € 403 million, and spent another 17 million on rentals. According to Screen Digest, in 2003 the figure will have reached a total of € 5.3 billion, which means a growth of 1 289%. This rapid market expansion will also mean a drastic drop in the sales and rentals of contents in the VHS format, which will fall from € 5.7 billion recorded in 1999, to half in 2003, a fall of 16% a year. According to these forecasts in the next two years the market will grow in all the European countries at a rate of between 80 and 100% per annum, although growth will be higher than average in Spain and the Scandinavian countries[95].

The DVD, thanks to its capacity to include in the same support several dubbed and subtitled versions of the same film, represents an unprecedented opportunity for producers from any cultural and linguistic environment to reach a global audience. Indeed, the sales figures reached in Europe are already significant, given that in 1999, the most sold films exceeded the figure of 4 million units. As a consequence, and in view of the huge growth forecast for the next years, this sector will become of great importance for the spreading of cultural values in Europe.

Until now, the European market has found itself dominated almost completely by the productions of the large North American studios, as shown by the fact that the most sold titles of 1999 were North American films. This predominance is repeated at a national level; although in some countries like France there is a greater presence of local productions.

The spread of DVD has also meant a notable increase in the number of production and distribution companies participating in this sector, together with the large North American studios. This growing presence of small and medium-sized companies might facilitate distribution according to market laws, which would hinder the large studios taking up dominant positions, with the consequent reduction of the risk of uniformity in the cultural values present in the contents.

One form of distribution of growing importance is the Internet. In 2000 purchases of DVDs made by Europeans through the Net reached 43 million euros (10.7% of the total sales). For the next few years huge growth is predicted putting the figure at 830 million in 2003 (5 million euros) (19.0% of sales).

It is calculated that 40% of the DVD purchases made by Europeans in 1990 were on North American web sites. This percentage is explained by the fact that these companies often offer catalogues with more choice and release some programmes earlier onto the market. Also, the film sales price is usually considerably less than in Europe, occasionally with differences of up to 35%[96].

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[93] See Screen Digest (2000), *DVD poised to take over from VHS in the home video market,* London.
[94] See European Audiovisual Observatory (2000) *Statistical Yearbook. Film, Television, Video and New Media in Europe,* Strasbourg.
[95] See Screen Digest (2000), *DVD poised to take over from VHS in the home video market.* London.
[96] See European Audiovisual Observatory (2000), *Eurofiction. Television Fiction in Europe,* Strasbourg.

These circumstances have led to the fact that the number of European homes with DVD readers which can reproduce programmes with the zone 1 code (North America) is becoming significant, representing an added facility for the penetration of North American films in Europe.

The development of DVD will be increasingly closely connected to the Internet, so that the interconnection between the two will facilitate the combination of contents stored in the disk with others which are accessed online. This combination is especially useful to make up for the present limitations of the band width of Internet connections, which makes the reception of video contents difficult. It also allows the updating of information stored on the disk with more recent information, accessible through the net. Moreover, the interconnection between both media makes the creation of user groups possible which, in the last instance, allows for the values of commercial transactions associated with the contents to be increased.

The fact that several initiatives of DVD-Video machine manufacturers which allow connection to Internet are already on the market or are at the development stage, indicates that this tendency will continue over the next few years. One exceptional manufacturer's initiative is the iDVD system of the North American company Planetweb, which is incorporated in 25% of the machines sold in 2000 and is expected to reach 50% of the DVD readers in 2002. Interconnection will also be decisive for DVD-ROM users which, despite the relatively slow development in Europe to date, – only 3 million PCs with DVD in 1999 -, could grow significantly in the next few years, in the same way as has occurred in North America – 9.3 million units in the same year-[97]. These possibilities for interconnection take on greater importance in the near future, with the expansion of the broadband connections, DVD recorders and storage systems based on local servers.

These observations on trends indicate that Internet will become ever more important as a medium for the transmission of cultural values, given that its contents will be closely related to the audiovisual media, which up to now have been those with the highest audiences.

The tendencies presented allow us to state that DVD will also be a medium of great importance for the spreading of cultural values. The current predominance of North American contents – as a consequence of their leadership in the cinema industry, implies a serious risk of the deterioration of European cultural diversity. In order to confront this situation, the European audiovisual sector must especially influence the development of contents with interactive applications for DVD, based on connection to Internet, whilst promoting the consolidation of strong companies, which use all the Net's potential for the distribution of audiovisual works.

[97] See Screen Digest (2001), *The Connected DVD. Integrating DVD and the Web.* London.

Appendix 1

List of delegate researchers

Germany:	Runar Woldt European Institute for the Media
United Kingdom and Sweden:	Ingar Nilsson Journalist
Italy:	Jorge Milán Universita della Santa Croce
Greece:	Christophoro Georghadjis Antena Media Athens
Holland:	Itziar Luri Universidad de Navarra
Finland:	Inmaculada Higueras Turku School of Economics and Business Administration
Austria:	Andreas Hofmaier Carat.
France:	Christophe Chapier Université de Reims
Ireland:	John Corcoran Dublin City University
Portugal:	Maria Helena Sousa Universidade do Minho
Denmark:	Frands Mortensen University of Aarhus
Belgium:	Arturo Sanabria Tass Europrojects

Appendix 2

List of experts consulted

Bruno Nguyen, Director Media Assistance, Brussels.

Costas Daskalalakis, Deputy Head, Media Unit, Brussels.

Stephan Jaekel, Director Public Policy, Bertelsmann eCommerce Group, Germany.

Runar Woldt, Director Research & Strategy, European Institute for the Media, Germany.

Franck Agier, President, media[netCom] France SAS, France.

Olivier Brie, Manager, Imagine Broadband, France.

Richard Staniforth, Director, The Productive Play Co. Cardiff, U.K.

Peter Koch, President, Multimedia Producers´ Association, Austria.

David Bogi, Director, RAI-Sat, Italy.

Dr. Peter H. Weidermann - Media & Entertainment, Accenture, Munich, Germany

Carmen Fuente, Directora de temáticos, Planeta 2010, Spain.

Fernando Labrada, Media Research and Consultancy, Spain.

Javier González Ferrari, Director General RTVE, Spain

Peter Edwards, Head of Drama Development, HTV, Wales

Appendix 3

List of experts consulted to the analysis of concentration trends

Austria: Manfred Knoche
Institut für Publizistik und Komunikationswissenschaft
University of Salzburg

Belgium (fr): François Jongen
Departament du Droit Public
University of Louvain

Belgium (fl): Jean-Claude Burgelman.
Université Libre de Bruxelles

France: Nadine Toussaint Desmoulins
Institut Français de Presse
University of Paris 2

Germany: Runar Woldt
The European Institute for the Media
Düsseldorf

Great Britain: Peter Humphreys
Department of Government
University of Manchester

Greece: Emmanuel Heretakis
DMB & B (Media Director)
Athens

Holland: Jan J. Van Cuilenburg
Het Persinstituut
University of Amsterdam

Ireland: Colum Kenny
School of Communications
Dublin City University

Italy: José María La Porte
Universita della Santa Croce
Roma

Portugal: Jose Manuel Nobre Correia
Portugal

Scandinavian countries: Ole Prehn
Institut for Komunikation
University of Aalborg

Spain: Alfonso Sánchez-Tabernero
Departamento de Empresa Informativa
University of Navarra

Appendix 4

List to evaluate Media programme

Media Desk and Antennae Directors

Austria:	Gerlinde Seitner
Belgium:	Gilbert Dutrieux
Finland:	Kerstin Degerman
Ireland:	Siobhan O'Donoghue
Luxembourg:	Romain Kohn
Norge:	Sidsel Kraakenes
Portugal:	Amelia Sousa Tavares
Scotland:	Emma Valentine
Spain:	Jesús Hernández

Appendix 5

Coding Schedule

ANALYSIS OF CULTURAL DIVERSITY IN EUROPEAN TELEVISION PRODUCTION
SCHOOL OF PUBLIC COMMUNICATION
UNIVERSITY OF NAVARRA (SPAIN)

Please complete the following questionnaire for each programme

Broadcast

Country:………………..
Title of the programme:…………………………….........................

Season: 95-96__ 97-98__ 99-00___
Number of broadcasts:....................................

Duration: ……… min. Date:……………Time:……..
Day(s) of the week:..........................

Channel/station:…………………. __ Public __ Commercial __Other

Audience share: ………% Total audience (thousand vi ewers):……………...............

Language:…………………..................... __ Subtitled __ Dubbed

Genre

__ Daily news	__ Weekly news	__ Magazine	__ Talk show
__ Reality show	__ Documentary	__ Quiz show	__ Musical show
__ Fiction series	__ TV movie	__ Feature Film	__ Sports
__ Cartoons	__Others (specify):……………………………….......		

Production

Cultural Indicators

Description of programme content:
…………………………………………………………………………………………
……………………………………………………………………………….....................
....
…………………………………………………………………………………………
…......................
....
....
....
....

Main character/presenter Nationality:……………………..
Ethnicity:………………………

Place: __ National (if the programme is set mainly in the country of production)
__ International (if the programme is set in other countries as well)
__ Abroad (if the programme is set totally in other countries)

Understanding culture as "the ways of thinking, feeling and acting which are shared by a number of people and help to constitute that people into a particular and distinct group", what kind of culture is being promoted (if any)?

__ North American (U.S.) __ European __National __None

Other (please, specify):
....
....
....
....

Company:……………………………………
Nationality:…………………………………...............

Language:………………………….............. __ Original format __ Acquired format

Appendix 6

QUESTIONNAIRE

Theme:
Globalization of the Media Industry in Europe

Country:

DATA ABOUT GLOBALIZATION

Fields of study:

a) Newspapers of general information (circulation)
b) Newspapers of economic&financial information (circulation)
c) Consumer magazines (circulation)
d) Publishing industry: books (turnover)
e) Radio (audience)
f) Television (audience)
g) Pay Television (number of subscribers)
h) Cinema (box office sales)
i) Music Industry (turnover)
j) Internet (web sites, number of visited pages)
k) Advertising agencies (turnover)

1. Indicate which are the largest and the second largest companies in each field and the percentage of foreign capital there is in each one of them

Newspapers of general information (circulation)

Name	Market share	Foreign capital

Newspapers of economic & financial information (circulation)

Name	Market share	Foreign capital

Consumer magazines (circulation)

Name	Market share	Foreign capital

Publishing industry: books (turnover)

Name	Market share	Foreign capital

Radio (audience share)

Name	Market share	Foreign capital

Television (audience share)

Name	Market share	Foreign capital

Pay television (number of subscribers)

Name	Market share	Foreign capital

Cinema (box office sales) *

Name	Market share	Foreign capital

* the first company can be from another country if it sells more tickets than the local companies

Music Industry (turnover)

Name	Market share	Foreign capital

Internet (web sites, number of visited pages)

Name	Market share	Foreign capital

Advertising Agencies (turnover)

Name	Market share	Foreign capital

2. Indicate which is the largest foreign controlled company and its Market share

Newspapers of general information (circulation)

Name	Foreign capital	Market share

Newspapers of economic&financial information (circulation)

Name	Foreign capital	Market share

Consumer magazines (circulation)

Name	Foreign capital	Market share

Publishing industry (turnover)

Name	Foreign capital	Market share

Radio (audience share)

Name	Foreign capital	Market share

Television (audience share)

Name	Foreign capital	Market share

Pay television (number of subscribers)

Name	Foreign capital	Market share

Cinema (box office sales)

Name	Foreign capital	Market share

Music Industry (turnover)

Name	Foreign capital	Market share

Internet (web sites, number of visited pages)

Name	Foreign capital	Market share

Advertising Agencies (turnover)

Name	Foreign capital	Market share

EXAMPLES

SPAIN

1. Indicate which are the largest and the second largest companies of each sector and what percentage of foreign capital there is in each one of them

Newspapers of general information (circulation)

Name	Market share	Foreign capital (% y Name)
Grupo Prisa	15%	20% invested in the stock exchange*
Grupo Correo	12%	6% Sud – Ouest (France)

*** 20% implies the possibility that some foreign investment exists, even so, we do not consider that this has influence on their editorial line.**

2. Indicate which is the largest foreign controlled company and its Market share

Newspapers of general information (circulation)

Name	Foreign capital	Market share
Grupo Recoletos	74% Pearson (United Kingdom)	11%

Appendix 7

AUDIOVISUAL PRODUCTION IN THE EUROPEAN UNION
EVALUATION OF MEDIA PROGRAM IMPACT

SCHOOL OF PUBLIC COMMUNICATION,
UNIVERSITY OF NAVARRA, PAMPLONA, SPAIN.

Contacts:
Prof. Teresa La Porte (mtalfaro@unav.es)
Prof. Bienvenido Leon (bleon@unav.es)

INTERVIEW TO MEDIADESK AND ANTENNAE DIRECTORS

A group of researchers of the School of Public Communication of the University of Navarra is working on a project about "Globalisation of the media industry and possible threats to cultural diversity", which has been commissioned by the European Parliament (STOA Workplan 2000, invitation to tender EP/IV/A/STOA/2000/13/01). This project includes a global evaluation on the impact of MEDIA Programmes impact based on a survey among Media Desk and Antennae Directors of all European Union members. We would be very honoured if you would be one of them. Experts must fill the attached questionnaire by underlining the most appropriate answer and by adding any comments. Respondents will receive a summary of the final report, once the European Parliament has authorised its publication.

We look forward to having you in the group of experts for this project.

If you have any questions, please do not hesitate to contact us.

1. Evaluation of the following aspects of the ways in which the MEDIA Programmes are promoted:

- Promotion of information about the programme:

a) Very good
b) Satisfactory
c) Less than satisfactory
d) Poor

- Access to information about the Programme:

a) Satisfactory
b) Less than satisfactory

- Clarity in the *Call for Projects*:

a) Very good
b) Satisfactory
c) Less than satisfactory
d) Poor

- Comments:

2. Evaluation of the system of candidate selection:

- Selection criteria:

a) They favour big companies.
b) They favour small companies.
c) They allow for a balance between big and small companies.

- Selection process (facility):

a) Complex
b) Simple.

- Selection process (adequacy):

a) Adequate.
b) Inadequate.

- Decision making process:

a) It would be appropriate a greater role of integration of national governments
b) I think the present situation is appropriate.

- Comments on the current role played by the European Commission:

3. Evaluation of the implementation of the Programme:

- Evaluation of the system of automatic resource allocation:

a) Very good
b) Satisfactory
c) Less than satisfactory
d) Poor.

- Please, briefly comment on your answer:

- Project supervision:

a) Very good
b) Satisfactory
c) Less than satisfactory
d) Poor

- Comments:

4. Evaluation of the impact of the MEDIA Programmes:
(Please, rank from 1 to 6 each of the following aspects:)

Training of script writers:

- In film-making:
- In TV:
- In multimedia:

Training of business and commercial managers:
- In film-making:
- In TV:
- In multimedia:

Training in new technologies:
- In film-making:
- In TV:
- In multimedia:

Support to the development of individual audiovisual projects:
- In film-making:
- In TV:
- In multimedia:

Support to the development of lists of audiovisual projects or *slate funding scheme.*
- In film-making:
- In TV:
- In multimedia:

Support to European co-production:
- In film-making:
- In TV:
- In multimedia:

Support to distribution in Europe:
- In film-making:
- In TV:
- In multimedia:

Support to international distribution (third markets):
- In film-making:
- In TV:
- In multimedia:

Promotion of international competition:
- In film-making:
- In TV:
- In multimedia:

Promotion of cultural diversity:
- In film-making:
- In TV:
- In multimedia:

5. Evaluation of the relationship between the MEDIA Programme and the national systems of aid:

- Communication among the institutions which develop Aid Programmes in each member state:

a) Very good
b) Satisfactory
c) Less than satisfactory
d) Poor.

- Complementarity among the various Aid Programmes:

a) Very good
b) Satisfactory
c) Less than satisfactory
d) Poor

- Comments:

Appendix 8

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Appendix 9

Additional information

Coding Tables

Type of dominant cultural values in the 20 highest audience programmes on the European television stations (1995-2000)

			UK	FR	GE	SW	FIN	BE	NE	IT	GR	SP	IR	DE	AU	PO	Total	%
	1995/96	National	15	14	10	10	14	13	17	10	14	13	17	14	13	14	188	
		International	1	1	0	4	4	4	1	0	1	1	0	0	7	0	24	
		Abroad	4	5	10	6	2	3	22	10	5	6	3	6	0	6	68	
	1997/98	National	12	14	5	13	15	7	19	6	15	16	17	11	15	13	178	
		International	1	3	0	1	0	6	0	0	0	1	0	0	5	1	18	
		Abroad	7	3	15	6	5	7	1	14	5	3	3	9	0	6	84	
Place	1999/2000	National	18	13	3	15	16	5	16	9	18	16	16	15	16	15	191	
		International	0	5	3	2	2	4	3	0	0	0	3	0	4	1	27	
		Abroad	2	2	14	3	2	11	1	11	2	4	1	5	0	4	62	
						38												
	Total	National	45	37	18	7	45	25	52	25	47	45	50	40	44	42	553	65.83
		International	2	13	3	15	6	14	4	0	1	2	3	0	16	42	73	8.69
		Abroad	13	10	39		9	21	4	35	12	13	7	20	0	2	214	25.47

Source: School of Public Communication. University of Navarra. Total programmes analysed: 840

Genre of the 20 of the highest audience programmes on European television stations (1995-2000)

		UK	FR	GE	SW	FIN	BE	NE	IT	GR	SP	IR	DE	AU	PO	Total	%
1995/96	Daily news	1	1	0	2	4	3	1	0	0	0	0	5	4	0	21	7.5
	Weekly news	0	0	0	0	1	2	0	0	1	0	1	1	0	0	6	2.14
	Magazine	0	0	0	0	0	3	1	2	1	1	1	0	0	2	11	3.92
	Talk show	0	0	0	0	0	2	2	0	1	0	2	0	0	3	10	3.57
	Reality show	1	0	0	0	1	0	3	0	0	0	1	0	0	1	7	2.5
	Documentary	0	1	0	0	0	2	0	0	0	0	2	1	0	0	6	2.14
	Quiz show	0	0	1	3	1	1	1	1	0	0	0	2	1	0	11	3.92
	Musical show	0	1	1	3	2	0	3	1	0	1	1	0	1	3	17	6.07
	Fiction series	11	5	0	2	1	0	3	1	0	2	6	1	2	5	39	13.92
	TV movie	0	0	1	2	0	0	0	0	0	2	0	0	4	0	9	3.21
	Feature film	1	7	0	4	0	3	1	3	3	0	3	1	0	0	26	9.28
	Sports	3	3	17	1	4	1	0	11	14	12	1	8	1	1	77	27.5
	Sitcom	1	0	0	1	0	0	0	0	0	1	0	0	0	1	4	1.42
	Other	2	2	0	2	6	3	4	1	0	1	2	0	6	4	33	11.78
1997/98	Daily news	0	1	0	0	6	2	1	0	0	1	0	3	2	1	17	6
	Weekly news	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Magazine	0	0	0	0	0	0	3	0	1	1	0	0	0	1	6	2.14
	Talk show	0	0	0	0	0	0	3	0	0	0	2	0	1	0	6	2.14
	Reality show	1	0	0	1	1	0	1	0	0	0	1	0	0	1	6	2.14
	Documentary	0	0	0	1	0	5	0	0	0	0	1	0	2	1	10	3.57
	Quiz show	0	0	1	3	1	0	1	0	0	0	0	0	2	0	8	2.85
	Musical show	2	0	1	3	1	1	2	0	1	0	1	0	0	2	14	5
	Fiction series	8	2	0	5	4	0	5	1	5	1	6	3	4	6	50	17.85
	TV movie	1	2	0	0	0	0	0	0	1	0	0	0	2	0	6	2.14
	Feature film	1	5	0	1	0	4	0	0	5	0	7	4	0	0	27	9.64
	Sports	6	9	18	3	3	6	0	19	7	16	0	10	2	1	100	33.71
	Sitcom	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	0
	Other	1	3	0	3	4	3	4	0	0	0	2	0	5	7	32	11.42

1999/ 2000	Daily news	0	5	3	0	4	2	1	1	0	0	0	4	4	1	25	8.92
	Weekly news	1	0	0	0	0	0	1	0	0	0	0	0	0	0	2	0.7
	Magazine	0	0	0	0	0	0	3	2	1	0	0	1	1	0	8	2.85
	Talk show	0	0	0	1	0	0	0	0	1	0	1	0	0	0	3	1.07
	Reality show	0	0	0	1	1	1	1	1	1	1	1	0	0	3	11	3.92
	Documentary	1	0	0	1	0	0	1	0	0	0	1	0	0	0	4	1.42
	Quiz show	1	0	3	5	4	1	1	0	1	0	1	2	4	0	23	8.21
	Musical show	1	0	0	5	1	0	2	1	0	0	0	2	0	0	12	4.28
	Fiction series	11	3	0	2	1	0	4	2	6	0	7	3	3	4	46	16.42
	TV movie	0	2	0	0	0	0	0	0	1	0	0	0	0	1	4	1.42
	Feature film	2	5	0	1	0	4	0	0	2	0	7	1	0	0	22	7.85
	Sports	2	5	14	2	6	12	1	13	6	17	0	6	4	8	96	34.28
	Sitcom	0	0	0	1	0	0	0	0	0	1	0	0	0	0	2	0.7
	Other	1	0	0	1	3	0	5	0	1	1	2	1	4	3	22	7.85
Total	Daily news															63	7.5
	Weekly news															8	0.95
	Magazine															25	2.97
	Talk show															19	2.26
	Reality show															24	2.85
	Documentary															20	2.38
	Quiz show															42	5
	Musical show															43	5.11
	Fiction series															135	16
	TV movie															19	2.26
	Feature film															75	8.92
	Sports															273	32.5
	Sitcom															7	0.83
	Other															87	10.35

Source:School of Public Communication. University of Navarra. Total programmes analysed: 840

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