

Conference folder

**GATT,
THE ARTS AND
CULTURAL EXCHANGE
BETWEEN
THE UNITED STATES AND EUROPE**

Thursday 20th and Friday 21st of October, 1994

Contributions by:

**Mel van Elteren
Annemoon van Hemel
Hans Mommaas**

General editor:

Annemoon van Hemel

**Amsterdam:
Tilburg:**

**Boekman Foundation
Departments of Leisure Studies and Sociology,
Tilburg University**

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ORGANIZING COMMITTEE

Boekman Foundation, Study centre for arts, culture and management

Annemoon van Hemel, Staff Member
Janneke Reijseger, Assistant
Cas Smithuijsen, Director

Tilburg University

Faculty of Social Science:

Mel van Elteren, Associate Professor of Sociology of Culture

Faculty of Leisure Studies:

Hans Mommaas, Associate Professor of Leisure Studies
Hugo van der Poel, Associate Professor of Leisure Studies
Sonja Schurink, Student Assistant

© Boekman Foundation/Tilburg University
c/o: Herengracht 415
NL-1017 BP Amsterdam
phone: +31-20-624 37 36
fax: +31-20-638 52 39

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* The appendices (a list of participants and a bibliography) will be handed out to you before the start of the lectures in Tilburg.



PREFACE

For an increasing number of people the world is becoming smaller. Half a century ago only the happy few crossed the Atlantic. Nowadays, planes carry masses of people every day from everywhere to all places. Business is getting people in motion, but so do curiosity and a craze for travelling.

The spirit of adventure is often related to xenophobia. People want to see new sceneries, landscapes, and cities. But they want to have dinner in a recognizable restaurant and sleep in a decent hotel at the same time. Hotel rooms are all alike: albeit in western cities, the desert, or tropic rainforests. Televisions show the same pictures and room service brings the same breakfast wherever you go. Hotels are transnational and so are cultural institutions, such as concert halls, theaters, and museums. They are 'bridgeheads for entry into other territorial cultures' as Ulf Hannerz says.

Thanks to the GATT-agreement, communication between more than one hundred countries in the world should improve. Although this communication primarily facilitates commercial travel primarily, this also gives a new impetus to more understanding in the world of art and culture. However, not everybody agrees. Economical and cultural trade tends to interlock rapidly, and optimists and pessimists give different comments. Pessimists stress the global uniformity as the main result of intensive communication within expanding areas. Look at the hotelrooms: they all have the same furniture. Optimists look at the new possibilities and challenges. More people will get the opportunity to experience the unexpected. As a sociologist, I would say that most pessimists are to be found in the upper strata of society, and optimists in the lower strata. But I would like to be convinced that the opposite is true!

This reader contains a wide variety of information on GATT and cultural exchange. As the battleground of discussion, we chose the United States and Europe. The GATT-agreement was only a blink in history; changes in and exchanges of culture are a time-consuming process. Within the political discussion, most statements were made about the audiovisual industry. However, the worlds of visual art and acoustical music are also changing, although they take it a little more slowly.

This reader has been assembled to give the discussion a good starting point. It will provide you with enough information to become an expert in GATT and culture related subjects. After you finish reading the following texts, you can speak up without hesitation. We hope you will do so in Tilburg, where we will meet on October 20th and 21st.

On behalf of the organizing committee,

Cas Smithuijsen
director Boekman Foundation.
Study Center for Art, Culture and Related Policy

A CONFERENCE SURVIVAL KIT

Hans Mommaas¹
Tilburg University

Introduction

Due to a public appeal from a group of French intellectuals and politicians during the winter of 1993, a brief but passionate and truly transnational debate evolved around transatlantic trade relations. The debate concentrated on the issue of the audio-visual industries. At stake was the liberalization of trade-relations in that broad area of the production and distribution of images and sounds, packaged in a wide variety of forms and fashions (radio, television, film, video, cd, cassette) and circulated through a wide variety of channels (retail, cinema's, theatre's, cable, ether). With a European audio-visual space already in a deepening crisis and under major pressures from an expanding American-based audio-visual sector, and with the expectation of a further unfolding and developing of consumer markets, this was too much.

In discussing the issue of the European audio-visual industry, the protagonists did not restrict themselves to the political-economic logic of the GATT negotiations as such. Instead, in order to strengthen their case, parties had recourse to a different narrative. That narrative was not so much based on 'strong' issues of 'bread and butter', but on 'soft' issues of taste, cultural identity and style. The opposition against a liberalization of the audio-visual trade became linked to issues of national identity and sovereignty, generalized to the level of the opposition between a European and an American cultural space. Within that same movement, the opposition became couched in the opposition between the cultivated on one hand, and the vulgar, the commercial or the superficial on the other.

The Conference

Almost a year has past since French intellectuals and politicians launched their attack on the transatlantic liberalization of the European audio-visual space. With the passions and gunpowder of the first rounds of debate past, this seems to be as appropriate a time as ever, to evaluate the complex issues involved from a more detached point of view. But this is not an easy task. There is not only the problem of the complexity of the debate itself, with its numerous ideological and empirical assumptions. In addition, a variety of academic and political positions are possible from which such an evaluation could take place.

To begin with, and in order to inform potential contributors, a conference document was produced (see Van Elteren: *GATT and beyond* (...) p. 45 in this reader). The document was written from a cultural-theoretical viewpoint and accentuated (1) the discursive and relational nature of notions of national identity, (2) their dislocated and transitional character in a globalizing environment, and

¹ Hans Mommaas is a member of the organizing committee of the conference, and lecturer in de Department of Leisure Studies at Tilburg University (NL). He is basically interested in topics of leisure, consumption, urban development and modernity. Previous book publications include 'Moderniteit, vrijetijd en de stad' (Modernity, leisure and the city). He has published articles on e.g. 'The City and Cultural Diversity' and 'Leisure, Culture and Lifestyle'. In addition to the organizing committee, he would like to thank Greg Richards and Derek Wynne for their comments on a previous text.

(3) the complexities and problematics of notions of 'Americanization'. In this threefold sense, the document questioned fixed and external notions of national identity, and with that one of the major corner stones of the GATT-opposition. If there is no such thing as a fixed national identity, then that notion can hardly be used as an 'external' yardstick able to identify a truly national cultural good.

Yet, the document did more than that. While not being central to the text as such, as a consequence of its analysis, the document raised questions with regard to the legitimacy and effectiveness of contemporary national cultural policies. In a more open, global environment, national cultural policies become increasingly entangled in complicated contradictions. Central are those between national exclusivity and cosmopolitan openness, between artistic elitism and cultural pluralism, between state-protectionism and market-liberalism.

On the basis of this document, a search was begun for potential contributors to the conference, known for their expertise with regard to the issues involved. Having found several of them able and willing to contribute, faxes were sent back and forth, debating the content of abstracts. The abstracts are brought together in this reader, together with some relevant background information. As a whole, the texts mirror the diversity and complexity of the issues involved.

In an attempt to structure the conference, three subject-areas may be differentiated. The first deals with issues of identity, imagery, self-expression and style. It covers the cultural assumptions underlying the debate. A second subject area is more oriented towards institutional or practical topics. It deals with the possibilities and effectiveness of policies, programs and regulations. Obviously these two subject areas are interrelated. In addition, there is the topic of possible future scenarios. Having analyzed the existing situation, what lines can be drawn towards the future? What possibilities do remain for viable cultural policies in the context of a further liberalization of global markets?

I. Shifting Identities, Shifting Tastes

Various authors discuss the general cultural assumptions underlying the European (French) case. Three topics stand out. These concern (a) notions of Americanism and Europeanism, (b) the role of the arts in the reproduction of notions of national identity, and (c) the relation between the cultural and the commercial.

Europe versus America

A number of contributors call into question the orthodoxies involved in the symbolic opposition between 'Americanism' and 'Europeanism', and in related notions of the 'Americanization' of European culture (e.g. Pells, Schlesinger, Maultsby, Zolberg, Uricchio, Frith). Their primary object of critique is the general association linking 'America' to mass consumption, market ideology, global expansionism and stylistic shallowness, and 'Europe' to critical distance, place and tradition oriented consciousness and artistic profoundness. A variety of approaches to this issue have been taken.

First, there is the obvious fact that on closer examination, the real America and the real Europe show much more ambivalence, contrast, and cultural and ethnic diversity and fragmentation than any mythical notion suggests. Here one can point to the multi-layered and historically varied content of images of Europe and America, to the 'vulgar' in European culture itself, or to the ethnically diversified character of American national identity and popular culture.

Second, it will be pointed out that the Americanization thesis contains simplistic and reductionist notions of cultural consumption. The thesis pays no attention to the fact that the

European reception of American culture depends on knowledgeable and capable agents. These are actively and willingly involved in the translation, borrowing and *creolization* of sounds and images, in order for these to fit their own localized interests and tastes.

Third, what seems to be missing from the debate is an awareness of the influence of European cultures on the shaping of American cultural products, and of the fact that cultures continue to produce alternatives and forms of resistance to American hegemony.

Culture and National Identity

A second topic of debate concerns the role of cultural expression (visual art, music, film, language) in notions of nationality or national identity (cf. De Swaan, Frith, Boll, Maultsby, McQuail, Zolberg). One reason given for the insulation and protection of the realm of cultural expression vis-à-vis everyday life is that the cultural sector has a special role to play in the reproduction of a nation's cultural identity. At stake may be the nourishment of a national history, the preservation of feelings of national belonging, or the maintenance of a national cultural competence.

Here contributors raise questions with regard to the actual role of the arts in the creation of feelings of national identity. What about the role of other, more 'common' resources, ranging from bodily characteristics and expressions, to language, everyday behaviour, consumer products, spatial characteristics and popular culture? In addition, there is the issue of notions of national identity themselves. At stake is whether these can still be treated as fixed or 'external'. Are national identities capable of demarcating aesthetic expressions 'from the outside', or do they themselves always form part of the debate?

Faced with an increasingly globalized cultural industry, which, in numerous ways is able to avoid national regulations, one can even ask oneself whether it is still adequate to study the production, distribution and consumption of culture from a national or other place-bound viewpoint. Is there still such a thing possible as national art? Or do artistic expressions always carry the marks and traces of the unfixed, historical, contested, dislocated, transformational and recursive nature of national identities? What about art that actively resists attempts at nationalization, relating itself instead to a transnational domain of artistic professionalism and exchange?

Culture versus Commerce

A final possibility is to see the debate not in terms of the opposition between Europe and America, or the sustenance of national identities, but in terms of the opposition between culture and commerce. What is really at stake is the preservation of valued cultural spaces from the (global-local) expansion/invasion of market logic (see e.g. Ludes, McQuail, Uricchio, Pells, Klammer, Zolberg). Commerce is endangering the extra-commercial, cultural logic of the sphere of information and aesthetics. At the same time it is endangering the privileged status of a whole field of producers, managers, patrons and critics related.

Such contributors question the simplistic opposition between serious and commercial culture. Again, one may criticize passive notions of consumption, and in addition, the impact of mass-culture on people's everyday life.

At the same time it is noted that notions of 'commercial' and 'serious' culture are complex and contested. This is not only due to the simultaneously global and local expansion of a cultural market, permanently looking for new opportunities, but also due to the cultural strategies of avantgarde movements and other cultural intermediaries. As such it will become more and more difficult to generally demarcate the cultural from the commercial in terms of content. This is especially the case where a cultural sector is involved (the audio-visual industries) which from its beginnings has been dominated by transgressive movement, unsettling aesthetics, electronic

reproduction and mass commercialism, and which has only very recently been allowed into the realm of respected culture.

What foundations and demarcations can possibly endure at the dawn of the 21st century, to legitimize the maintenance of an autonomous aesthetic realm, subjected to a superior logic and insulated from the rest of everyday life and market-reality? Is the commercial sector really unable to deliver a forum for stylistic variety, critical reflexivity, artistic experimentation, aesthetic excellence or cultural self-expression? Or are these just pretences, used to shield off a privileged position? Does the American model of producing culture (to paraphrase McQuail) perhaps also contain alternative possibilities, for some reason or another not recognized because of feelings of European superiority?

II. Cultural Policies

The last question brings us to the second subject-area. After having 'unfrozen' the sweeping cultural generalizations and demarcations involved in the debate, there still remains the core-issue of the institutional position of cultural practices within globally proliferating market conditions. Here we touch upon a slightly different subject, not so much dealing with content, style and identity, but with strategy, power and position. These issues will be the special focus of attention and debate in the workshops on television (introduced by Denis McQuail and Peter Ludes), museums and patronage (Vera Zolberg and Jan Maarten Boll), film (William Uricchio and Ryclef Rienstra) and music (Portia Maultsby and Simon Frith).

Related to the spatial framework of the GATT negotiations, three topic-areas can be differentiated, based upon three different spatial perspectives. First, from a national point of view, contributors debate the question of the organization and effectiveness of national policies of cultural and artistic protection and stimulation. Second, from a European perspective there is the issue of a European cultural policy, and of the coming into being of an integrated European cultural space. How are both related to (a) national cultural policies, and (b) the global organization of the cultural industries? Third, from a transatlantic perspective, contributors raise issues with regard to the actual position of American and European culture and art sectors vis-à-vis one another.

The National Organization of Culture

From a national point of view, contributors examine the legitimation, organization and effectiveness of national cultural policies and strategies vis-à-vis 'foreign' and/or market influences (cf. Frith, McQuail, Rienstra, Zolberg).

Taking a long-term perspective, how has the development of national (e.g. Dutch, French, German) cultural sectors been influenced by broader European and/or American forms? Or, conversely, what is the position and influence of national film and/or musical industries on the European and/or American market?

Looking at internal affairs, how have nation-states tried to preserve their cultural heritage? What has been the influence of national regulations on the acquisition and conservation of museum art? How has this affected the diversity, innovative potential, international reputation and/or aesthetic quality of national arts collections? (Boll, Zolberg)

These national analyses can be broadened to incorporate a cross-national perspective. Here one may compare the effectiveness of various cultural policies of nation-states. This could be done to find out whether there is a relation between particular versions of cultural policy, and the vulnerability of national cultural sectors in transnational fields/markets. Here a number of questions may be raised.

Is there a relation between a 'strong' cultural policy and a strong position of cultural sectors (film, visual arts, music) within supranational markets? Or may the reverse also be the case, i.e. a self-reliant cultural sector is possibly more able to compete internationally? What does the case of the European position of the French audio-visual industry tell us here, and what of the case of the global position of the American film and music industries?

What different national television policies do exist in Europe? How have the various media laws in the various countries of Europe affected the institutional development of national television? And how have these various policy histories influenced viewer's preferences?

European Cultures

A further possibility is to take a truly European perspective on these issues (Boll, McQuail, Mileo, Ludes, Rienstra). Here contributors debate the complex and often contradictory composition of European cultural sectors and markets and the peculiarities of European cultural policies. These developments can then be related to what is happening at local levels of cultural (re-)production.

Of central importance is the question of whether or not there is an integrated European cultural infrastructure developing, based on any shared European cultural policy. But then, how can national governments maintain an independent cultural policy? And how might such European cultural policy interact with the global cultural industries? Given the 'democratic deficit', will such policy have enough 'public power' to balance the latter's position? Here again, a number of questions can be raised.

What does the European audio-visual industry nowadays look like? What experiences exist in developing a common European film and music industry, based on European co-productions, produced for a transnational European market? How does that European film and music industry relate to the global organization of film and music industries? What are the consequences of this Europeanization of the film and music sector for the future of national film and music production in Europe?

It is relevant to know what previous experience there are in Europe, in balancing a more liberal European cultural market with national arts policies. What has been the effect of the 'subsidiarity principle' in constructing a European cultural policy? How have national authorities, art directors and art managers tried to preserve and expand their 'national heritage' within a European free trade zone?

Another question concerns the way in which national media policies coped with the liberalization of the European television market. How has this liberalization influenced the supply of publicly and privately serviced television programs and how has that in turn influenced viewer's preferences? What space is left, if any, for national governments to develop an independent television policy, given not only the European liberalization of the market, but also the development of new communication technologies (cable, satellite, internet, VCR, cdi) permanently avoiding national boundaries?

Transatlantic exchange

From a transatlantic viewpoint, contributors address the actual cultural relation between Europe and America (Uricchio, Pells, Schlesinger, Ludes, McQuail). A first issue is the presumed 'Americanization' of the European cultural space. This may be examined from the point of view of the content of cultural expressions and products. The basic question here is how 'European' music, film, television and the visual arts have been influenced by American codes and structures. But American cultural expressions and products may have been altered in European reception contexts. In addition, one may focus on the organization, production and/or distribution of cultural expressions in Europe. How have these changed due to American influences?

Alternately, contributors may talk about the reception of European culture in America. What is the image of European cultural sectors in America? How do American cultural industries take into account European cultures in the production and distribution of products?

Further issues arise in considering existing experiences in entering the American market for, amongst others, European film and music. What resources and knowledge bases do European cultural producers need in order to be able to enter the American market on a more equitable basis?

III. Future Possibilities

Finally, there remains the question of future possibilities. Is there still a future for an active, interventionist cultural policy? Or do national cultural policies belong to an era when it was still possible for a cultural elite to monopolize its own taste? Is there a way of balancing the special value of aesthetic expression with market logic? Or will cultural expressions in the future have to prove their aesthetic value entirely through the market? Do we really need artistic laboratories, protected by the state, to organize cultural renewal and diversity? Or can the market provide for those as well? In what sense does the transnational openness and unfixity of today's cultural (re)production still allow for some national or transnational (e.g. European) cultural policy? What should be the primary objective of such policy?

Various contributors provide material to discuss these issues (especially Boll, De Swaan, Frith, Klammer, McQuail). Some show themselves to be clearly skeptical with regard to the future viability of today's national policies. Others explore new ways of organizing culture in a market-led environment. Does the American case deliver any alternative possibilities? What about the American experience with organizing (ethnic) diversity through the popular market? Or with protecting the arts through forms of professional self-regulation? Or what of the European experience with attempts to balance national cultural policies through the creation of a European free trade zone? Can we perhaps learn something about market-led, non-elitist self-expression, from the simultaneous existence of 'global' and 'world' music?

Obviously two days of lectures and discussion will not be enough to answer all the above questions. Nevertheless, the gathering of critics, researchers, students, managers and policy makers in one way or another involved with these issues, will, at least, deliver a unique opportunity to exchange relevant information and experiences. And this not only cross-sectoral, cross-disciplinary or cross-national, but also truly cross-atlantic.

PROGRAM

PROGRAM THURSDAY OCTOBER 20th

(changes may occur)

Thursday morning:

- | | |
|-----------|---|
| from 8.30 | Departure bus from hotels |
| 9.10 | Departure bus from central station Tilburg |
| till 9.30 | Registration |
| 10.05 | Welcome by Cas Smithuijsen, director Boekman Foundation |
| 10.10 | Opening by Aad Nuis, the State Secretary for Education, Culture and Science |
| 10.30 | <i>Cultural exchange USA - Europe*</i>
Richard Pells |
| 11.00 | Coffee/tea |
| 11.30 | <i>National identity and the mass media industry*</i>
Philip Schlesinger |
| 12.00 | <i>Economic aspects of cultural exchange*</i>
Arjo Klamer |
| 12.30 | Lunch |

Thursday afternoon:

- | | |
|-------|--|
| 14.00 | <i>Cultural protectionism*</i>
Abram de Swaan |
| 14.30 | <i>European market for audiovisual products</i>
Thierry Mileo |
| 15.00 | Coffee/tea |
| 15.30 | Panel discussion led by Rob Kroes |
| 16.45 | Conclusions |

Thursday evening:

- | | |
|-------|------------------------------------|
| 17.00 | Reception |
| 18.00 | Departure bus to center of Tilburg |
| 19.30 | Diner |

* See for the titles of the separate contributions 'Summaries of the lectures', elsewhere in this conference folder.

PROGRAM FRIDAY OCTOBER 21st

(changes may occur)

Friday morning: plenary session

from 8.15	Departure bus from hotels	
9.10	Departure bus from central station Tilburg	
till 9.30	Registration	
9.30	Word of welcome by Mel van Elteren	
9.45	<i>Popular music</i>	Portia Maultsby*
10.15	<i>Museums and patronage</i>	Vera Zolberg*
10.45	Coffee/tea	
11.15	<i>Television</i>	Denis McQuail*
11.45	<i>Film</i>	William Uricchio*
12.15	Lunch	

Friday afternoon: working sessions

	Introduction session speaker:	
13.30	- <i>Popular music</i>	Simon Frith*
13.30	- <i>Museums and patronage</i>	Jan Maarten Boll*
13.30	- <i>Television</i>	Peter Ludes*
13.30	- <i>Film</i>	Ryclef Rienstra*
	Discussion led by:	
13.50	- <i>Popular music</i>	Paul Rutten
13.50	- <i>Museums and patronage</i>	Mel van Elteren
13.50	- <i>Television</i>	Henri Beunders
13.50	- <i>Film</i>	Bart Hofstede
15.30	Coffee/tea	
16.00	Concluding talk by Rob Kroes	
16.30	Reception	
18.30	Departure bus to central station Tilburg and hotels	

PROGRAM SATURDAY OCTOBER 22nd

12.30	Guided museum tour in Museum De Pont, Tilburg
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* See for the titles of the separate contributions 'Summaries of the lectures', elsewhere in this conference folder.

SUMMARIES OF THE LECTURES AND CURRICULA VITAE

HENRI BEUNDERS

Office:

Erasmus University Rotterdam
Faculty of History and Art Studies
PO box 1738
3000 DR Rotterdam
The Netherlands
phone: +31-10-408 24 70
fax: +31-20-662 29 43

Curriculum vitae

Henri Beunders (born 1953) has been a professor of Applied Social History at the Erasmus University in Rotterdam since 1990. Prior to this, he worked as a journalist: from 1979 until 1981 for the *Haagse Courant* and from 1984 until 1990 for the *NRC Handelsblad*, both leading Dutch newspapers. He was an editor for the international news section, a research journalist, and, from 1989 until 1990, a correspondent in Eastern Berlin.

Beunders is now conducting research into the function of television in the Netherlands under the working title *News in the Netherlands: about television and the national sentiment*.

The intention is to conduct a comparative study between the 'media-crazy' in the Netherlands and the United States.

Besides this researchwork, he also writes a two-weekly column in the news magazine *Elsevier* and publishes regularly in newspapers - such as *NRC Handelsblad* and *de Volkskrant* - and in the more historical and political-literary magazines - such as *De Gids*.

Selected publications

(1994, forthcoming) 'Televisienieuws in Nederland.' In: *75 jaar Nederlandse omroep*; H. Wijffjes (red.).

(1992) *Power, media and (inter)national behavior*. Rotterdam 1992. (Report of an international conference.)

(1990) *De Brandenburger Tor: een moeilijk moment*. Amsterdam 1990. (Oration about Beunders' preferred topics: the Netherlands, Germany, society, and the media.)

(1990) *De drang naar Duitsland: of het einde van een zwaar bewaakte illusie*. Amsterdam 1990. (Description of the revolution in Eastern Germany.)

(1984) *Weg met de vlootwet: de maritieme bewapeningspolitiek van het kabinet-Ruys de Beerenbrouck en het succesvolle verzet daartegen in 1923*. Bergen 1984. (Dissertation about the nuclear missile issues of the 1920s.)

(1981) *Argwaan en profijt*. Amsterdam 1981. (Essays about the post-war relationship between the Netherlands and Germany.)

JAN MAARTEN BOLL

Office:

Raad van State (State Council)

PO Box 20019

2500 EA The Hague

The Netherlands

phone: +31-70-362 48 71

fax: +31-70-365 13 80

Summary

Museums and patronage

1. The principle that the international trade in movable goods should be free, conflicts by definition with the right of every nation and every people to have and to protect its cultural identity and cultural heritage. The GATT Treaty embodies the free-market trade principle, whereas the Unesco Treaty of 1970 deviates from that concept in order to try to prevent the illicit import, export and transfer of cultural property. It should be noted that the EC Treaty recognizes for each of the memberstates the right to protect its culture as an exception to the goal of the unified common market. In my opinion the GATT should accept a similar cultural exception, though the scope thereof may be different. From a legal point of view, one could argue that, without an explicit cultural exception, the GATT rules may not be applied in violation of international agreements relating to the protection of a nation's (or a people's) cultural heritage. National legislation that protects cultural heritage, if it is locally accepted to be of public order, should prevail and constitute an exception to the rule of free trade. Public policy should be directed towards international acceptance of such an exception.

2. A 'cultural exception' to the free market principle is justified to protect both the cultural heritage and the cultural identity of a nation and its people(s). The potential need for and means of national as well as international protection differ for the cultural identity in general and the cultural heritage as a specific aspect thereof. I will focus on the form of legal protection available in the common market area in respect of objects which are considered part of the national cultural heritage of the member states, and refer to the European Council's Regulation of 1992 on the export of cultural goods, and the European Council's Directive of 1993, on the return of cultural objects unlawfully removed from the territory of the home member state. To illustrate the possible scope of this 'cultural heritage exception', I will discuss the draft legislation to implement the Directive and to deal with the Regulation, which the Dutch government recently has submitted to parliament.

3. In many cases museums act as (co-) custodians of (part of the) cultural heritage, and play a major role in defining and conveying to the public what the value is of that heritage. Patrons, in particular the state and other (quasi-)public institutions, have a responsibility to protect the national identity. This public duty is inter alia realized by financial support, e.g. in the form of ownership of museums and/or their collections and by providing subsidies to non-governmental institutions and to individual owners of items of the national heritage. Museums and patrons should define and evaluate their own and their joint responsibilities as protectors and promoters of (part of) the national heritage. State patronage that enables museums to exercise their task as cultural curators should not be seen as a distortion of the freedom of trade, provided of course that such patronage does not infringe the protection of the cultural heritage of other nations. An agreement on the rights and obligations of the institutional curators as well as the public patrons is needed in the event of privatization of museums and collections owned by public institutions. The

current process in the Netherlands of denationalization shall be referred to.

Disputes between states on matters of cultural heritage (e.g. the Elgin-marbles; the Holy Sites) should - if not bilaterally - ultimately be settled by an international forum. For that purpose, a special treaty may be desirable.

Curriculum vitae

Jan Maarten Boll is a member of the State Council of The Netherlands. Until 1992, he was as a partner of the law firm De Brauw Blackstone Westbroek advocate in Amsterdam. Amongst others, he is a member of the Board of Trustees of the Vereniging Rembrandt - Nationaal Fonds Kunstbehoud. He studied law at the Universities of Leiden and Paris.

Selected publications

(1994) 'Een juridische kijk op verzamelen.' In: *Vereniging Rembrandt Periodiek*, jrg. 4, 1994, nr. 1, zomer, pp. 2-7.

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MEL VAN ELTEREN

Office:

Tilburg University
Department of Sociology, S145
PO Box 90153
5000 LE Tilburg
The Netherlands
phone: +31-13-662 335
fax: +31-13-662 370
e-mail: M.C.M.vElteren@Kub.nl

Curriculum vitae

Mel van Elteren (1947) has a degree both in sociology (cum laude) and psychology (cum laude). From 1979 until February 1991 he was Assistant Professor of Social-Cultural Sciences and Contemporary History at the Erasmus University Rotterdam. Since March 1991 he has been Associate Professor of Sociology of Culture at the Faculty of Social Sciences, Tilburg University, and editorial secretary of *Sociale Wetenschappen*, a Dutch Journal for Social Sciences. During the

academic year 1991-1992 he was a Fellow at the Netherlands Institute of Advanced Studies in the Social Sciences and Humanities (NIAS), in Wassenaar, the Netherlands. As a Fellow he participated in an international research project The reception of American Mass Culture in Europe, led by professor Rob Kroes (University of Amsterdam) and professor Bob Rydell (Montana State University). From July until November 1992 he was a Research Fellow in the Fulbright American Research program 1991-1992, respectively at the center of Popular Culture (Bowling Green State University, Ohio), and the Center for the Study of Southern Culture (University of Mississippi, Oxford). Then he gave also courses in the History Department of the Montana State University (Bozeman, Montana) and in the American Studies Program of the University of Wyoming (Laramie, Wyoming). In July 1994 he was a visiting scholar at the Center for Middletown Studies at the Ball State University (Muncie, Indiana).

Mel van Elteren taught and published widely within the fields of the history of the behavioral and social sciences, social history, American studies and cultural studies.

Currently his main research interest concerns socio-cultural comparisons between the United States and Western Europe, particularly the Netherlands. He focuses especially on the various attitudes towards localities (small towns, suburbs, cities), differences in sense of place, communities and cultural identities in relation to spatial territories.

Selected publications

(forthcoming) 'American provincialism and cultural identities in a globalizing context.' In: *The insular dream: obsession and resistance*.

(1995, forthcoming) 'Rocking and rapping in the Dutch welfare state.' In: *European readings of American popular culture*; J. Dean and J.P. Gabillet (eds.). Greenwood Press, 1995.

(1994, forthcoming) 'Rocking behind the dikes: cultural clashes in postwar Holland.' In: *The reception of American popular culture in the Netherlands*; D. Bosscher, M. Roholl, M. van Elteren (eds.). Amsterdam: VU University Press, 1994.

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SIMON FRITH

Office:

The John Logie Baird Center
Strathclyde University Glasgow
G1 1XH Scotland
phone: +44-41-553 41 50
fax: +44-41-552 3493
Telex: 77472

Summary

Does music cross boundaries?

The question I want to address in this session is whether it makes any sense at all to analyze popular music (and the popular music industry) in terms of national music and the national music industries. Is the concept of geographical and political 'boundary' in any way relevant to the ways in which music is produced, consumed and understood? (And in this context, I think it is important to treat classical music as well as a form of popular - i.e. commodified - music too.) I will address these questions from three different points of view.

First, as a matter of economic organization, contrasting the models of *global music* (in which the multi-national leisure corporations are applied to use their control of musical technology and transmission to 'impose' certain sounds around the world) and *world music* (in which 'local' sounds are used to be made available everywhere). What is the relationship between these processes? What are the implications for national music industries?

Second, as a matter of political action. Various governments have developed various policies designed to protect or promote national musical talent. How successful have such policies been? What can we learn from them? (Reference will be made to policies in Australia, Canada, Scotland, Finland, the Netherlands, and Japan.)

Third, as a matter of aesthetic discrimination. Can we point to such a thing as a national music taste, referring to particular local musical traditions and understanding? Do musical taste boundaries coincide with political and geographical boundaries or create different types of taste alliance? What can we say about these? What is the relationship between music and identity?

Curriculum vitae

Since 1987, Simon Frith is Professor and Research Director of the John Logie Baird Center, Strathclyde University in Glasgow, Scotland. He studied sociology at Balliol College, Oxford and at the University of California, Berkeley. He finished his thesis in 1976, entitled *Education, industrialization and social change: the development of elementary schooling in 19th century Leeds, a case study in historical sociology*. At Warwick University, Frith developed and taught courses about problems of historical sociology; sociology of knowledge and literature; political sociology; social problems; and film, mass culture and society. At Cornell University, Frith taught a seminar about 'the good and the bad in popular culture'. At McGill University he taught a postgraduate seminar on the aesthetics of popular music. At Strathclyde University, in the John Logie Baird Centre, Simon Frith planned and put into place a Master's degree in media and culture, co-teaching the core research methods courses, and offering specialist options in the political economy of popular music, the aesthetics of popular culture, and postmodernism and performance. In the English Studies Department he now teaches 'the making of a national literature', 'literary theory and performance' and communication. Frith also contributes to the Journalism and Society course for the Strathclyde University/Glasgow Caledonian University postgraduate diploma in journalism. Simon Frith has been external examiner for Masters and

Doctoral degrees and for senior staff appointments in universities and polytechnics in Britain, Europe and North America, and an external examiner of undergraduate degrees for Coleg Harlech, Northern College, Goldsmiths College, Glasgow University and Birmingham University. He is presently external examiner for the School of Cultural Studies, Sheffield University, the Department of Media Studies, University of Ulster, and the Department of Communication, Sussex University.

Selected publications

- (1993) 'Pearls & Swine: the intellectuals and the mass media.' In: Simon Frith and John Savage. *Working papers in popular cultural studies*; vol. 1. Manchester: Manchester Institute of Popular Culture, 1993.
- (1993) 'Popular music and the local state.' In: *Rock and popular music: politics, policies and institutions*; T. Bennett, S. Frith, L. Grossberg, J. Shepherd and G. Turner (eds.). London: Routledge, 1993, pp. 14-24.
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- (1988) *Facing the music: a pantheon guide to popular culture*; Simon Frith (ed.). New York: Pantheon, 1988. (Also published in London: Mandarin, 1989.)
- (1987, with Howard Horne) *Art into Pop*. London: Methuen, 1987.
- (1978) *The sociology of rock*. London: Constable, 1978. (Translated as *La sociologia del rock*. Ediciones Jucar 1980; *Rocksociologi*. Notabene 1980; *Jugendkultur und Rockmusic*. Rowohlt 1981; *Sociologia del rock*. Feltrinelli 1982 and into Chinese, by Variety Publishing Co 1993.)

BART HOFSTEDE

Office:

Erasmus University Rotterdam
Faculty of History and Art Studies
PO Box 1738
3000 DR Rotterdam
The Netherlands
phone: +31-10-408 24 58
fax: +31-10-453 29 22
Internet: Hofstede@kcw.fhk.eur.nl

Curriculum vitae

Bart Hofstede (born 1964) graduated from the Sociology Department of the Erasmus University in Rotterdam in 1991. Before his graduation, he worked for the Rotterdam Art Foundation as an organizational manager and as a member of the advisory board on popular music. He was also the programmer and coordinator at the Lantaren/Venster Theatre in Rotterdam for a while. His thesis, in which he discussed the photographic profession within the art world, was rewarded with the

Boekman Thesis Price. Currently, he is conducting promotional research at the Department of Artistic and Cultural Sciences of the Erasmus University. In his dissertation he will discuss the international position of the Dutch film industry in the years between 1945 and 1993.

Selected publications

- (1994, forthcoming) 'Filmfestivals en internationalisering.' (Film festivals and internationalization')
- (1994, forthcoming) 'Mijn nichtje kan ook zo leuk fotograferen — of: hoe professioneel zijn fotografen? ('My cousin is such a creative photographer as well- or: how professional are photographers?') In: *Jaarboek Kunst en beleid*; dl. 7. Amsterdam: Van Gennep\Boekmanstichting.
- (1993) 'Internationalisering interpreteren.' ('Interpreting internationalization') In: *Boekmancahier*, jrg. 5, 1993, nr. 17, pp. 293-305.
- (1992) 'Cult en camp: tijdloos of trend?' ('Cult and camp: timeless or trend?') In: *Skrien*, 1992, nr. 187, december, pp. 8-9.

ARJO KLAMER

Office: Erasmus University Rotterdam
Faculty of History and Art Studies
PO Box 1738
3000 DR Rotterdam
The Netherlands
phone: +31-10-408-86 21
fax: +31-10-435 29 22

Summary

The trade value of culture

What if the Japanese were to offer the Rijksmuseum ten billion dollars (roughly 18 billion guilders) for Rembrandt's *Nightwatch*? The deal would be inconceivable under the current circumstances. But what if the Rijksmuseum had been a private institution in dire strait, with its building leaking and sagging? Could it still refuse?

Economics is the science of trade-offs. It tells us that if markets get their way goods go to the highest bidder, or those who have the best combination of desire and means. Accordingly, the market would know best where the *Nightwatch* should go.

The economic way of thinking favors Oscar Wilde's cynic: he who knows the price of everything and the value of nothing. Although not very attractive in this characterization, the economic approach can be useful to temper Oscar Wilde's romantic: he who knows the value of everything and the price of nothing. In public debates, economists are supposed to bring the discussion down to earth by pointing out the costs of imaginative proposals, the trade-offs involved. Economists, that is, have the role of showing the other side of the picture.

This role of economists is of limited relevance, however, when it comes to the topic at hand. The numbers are underwhelming. In the United States, the cultural industry - including television, film, and the publishing industries - adds no more than 2,5 percent to the Gross Domestic Product. And the issues at stake are of less economic interest than say, the subsidies for the European steel industry or cuts in welfare programs.

Turn to the subject of trade in cultural products. Proponents for restrictions find little support in mainstream economics. When economists limit themselves to strictly economic arguments, they tend to come out in opposition to restrictions. As Pomerehne and Frey conclude in an economic survey of the topic: '(...) it may well be the case that (...) only *non-economic* arguments can explain the popularity of restrictions on free trade in works of art'. The cop-out is the economic notion of externalities, which stands for the effects of an economic event that are not captured in a market value process. So if the Dutch refuse the Nightwatch to leave the country, it must be because it has a value over and above its market value of one billion dollars (as in the example). That extra value would warrant an embargo on the sale. But for the determination and discussion of that extra value economists have to leave the field to others.

The argument here is that the limitations of the economic argument is self-imposed. Modern economics has narrowed its focus to the determination of *prices*, thereby sidestepping the classical concern with *value*. The subject of culture requires the recovery of the concept of value. Only if we have an understanding of the *value of culture* can we make sense of restrictions on trade in cultural objects and other forms of interventions in the production and maintenance of a culture. So what is the value of the Nightwatch really? In my contribution to the conference, I will explore the factors that determine the value of culture and the conditions for governmental involvement in cultural trade, taking into account both the trade-off of economic constraints and the sociological and psychological meaning of culture.

Curriculum vitae

Arjo Klammer studied Economics at the University of Amsterdam and at Duke University in North Carolina. Klammer is Professor of Economics and Culture and the Erasmus University in Rotterdam (since August, 1994) and Visiting Professor at the George Washington University. His most well-known publications are: *Conversations with Economists* (1993); *The making of an economist* (1989, co-author with David Colander); and *Pillarized dreams: forty years of the Social-Economical Council* (1990). As a columnist for Dutch newspapers, such as *NRC Handelsblad* and *de Volkskrant*, Klammer wrote about cultural and economic topics (1989-1993). He discussed the rhetoric within economics and the relationship between contemporary art and modern - contemporary - economics in a publication of the History of Political Economy (HOPE, Duke University Press, 1993).

ROB KROES

Office:

University of Amsterdam

America Institute

Plantage Muidersgracht 12

1018 TV Amsterdam

The Netherlands

phone: +31-20-525 43 71

fax: +31-20-525 52 10

Curriculum vitae

Rob Kroes is Professor of American Studies and Director of the America Institute of the University of Amsterdam. He studied sociology and political Sciences, and wrote his dissertation in sociology at the University of Leiden. Rob Kroes received several international fellowships: at the Netherlands Institute for Advanced Study (1991-1992); at the American Council of Learned Societies (1984-1985); a NATO Research Fellowship in 1972); and he was a Visiting Killiam Scholar at the University of Calgary in 1993. He is a member of several editorial boards: the *Sociologische Gids* (since 1972), *Transaktie* (since 1982), *European Contributions to American Studies* (general editor, since 1977), *Revue Française d'Etudes Américaines* (since 1985), *Amsterdam Monographs in American Studies* (general editor, since 1991), the *Journal of American History* (since 1992) and the *Canadian Journal of American Studies* (since 1992).

Furthermore, he was executive officer and member of the board of the European Association for American Studies (EAAS) from 1976 until 1992, after which he became the EAAS president. Since 1976, he is one of the founding members of the Board of the Netherlands American Studies Association (NASA). From 1979 until 1984, he was a member of the board of the Research Council of the Department of History, at the University of Amsterdam, from 1977 until 1990, organizer of the annual NASA conference in Amsterdam and from 1990 until 1993 vice-dean of the Faculty of Letters at the University of Amsterdam.

Rob Kroes participated in several international research projects: *The thirties in the United States*, in collaboration with the University of Nottingham and the Free University in Berlin, sponsored by the Office for Cooperation in Education of the European Institute of Education and Social Policy in Brussels; *Anti-Americanism in Europe in the twentieth century*, a project coordinated by the European University Institute in Florence; *The reception of forms of American mass culture in Europe*, organized by the Netherlands Institute for Advanced Studies (NIAS) in Wassenaar, the Netherlands.

Selected publications

- (1994) *Hollywood in Europe: experiences of cultural hegemony*. (Co-author and editor) Amsterdam 1994.
- (1993) *Cultural transmissions and receptions: American mass culture in Europe*; D.F.J. Bosscher, R. Kroes and R. Rydell (eds.). Amsterdam: VU University Press, 1993.
- (1992) *The persistence of ethnicity: Dutch calvinist pioneers in Amsterdam Montana*. Illinois: University of Illinois Press, 1992.
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- (1991) *Within the US orbit: small nations vis-à-vis the United States: Belgium, Canada, Denmark and the Netherlands*; R. Kroes (ed.). Amsterdam: VU University Press, 1991.

PETER LUDES

Office:
Universität Mannheim
Medien- und Kommunikationswissenschaft
68131 Mannheim
Schloss - EW 292
phone: +49-621-292 28 50/14 49
fax: +49-621-29225 86

Summary

GATT, television developments and planning in Germany since the establishment of commercial television.

An analysis of the probable consequences of GATT on future German television media and everyday culture requires three steps: 1. a sketch of the development of German television since the establishment of commercial television in 1984; 2. an outline for television programming in the post-GATT-era; and 3. a discussion of the impact of television developments on culture.

1. Ten years ago, the average German household received three channels. The average adult - in television research starting at the age of 14 - watched 2 hours and 27 minutes per day. Commercials were shown only for twenty minutes per day, between 6 and 8 p.m., and never on Sundays. There were no 24-hours programs, no news shows, no infotainment, and no porno programs. Within ten years, commercial television changed these rules which had existed for more than 30 years. More than 60 percent of the German population can now watch more than 15 channels and the average adult now watches more than 3 hours per day, 21 minutes more than ten years ago. Public television, which had a monopoly ten years ago, now constitutes less than half of the television consumption time. All of the commercial channels show more than two hours of commercials per day, no exception for Sundays. Most channels broadcast more than 20 hours per day, with many reruns. Both public and commercial channels have partly converged on a mixture of infotainment and entertainment. Public television (with its minority share) still shows substantially more information and educative programs than the commercial competitors. In comparison, sex and crime - the major elements of boulevard journalism - abound; scandals, sensations, murder and money have become the main topics. *The* goal of many controversies is increased consumption, one of the major means towards this goal is criminal behavior. It is still television, but the brands of the major competitors adequately denote the major characteristics: public service versus commercial interests.

2. Therefore, the transatlantic television flow, which will be enhanced after GATT, will tip the balance further towards commercialism. As Herbert Schiller and Denis McQuail already pointed out in the 1980s: the rules of European television were changed during the past decade and prepared a new international program and consumer market. Not only program content, but the structural principles of the competition have been reshaped according to formerly American ways of production, competition, and consumption. Since the rules were changed, and even more so since GATT, this 'deregulation' has proved to be a 're-regulation' in terms of commodity competition. Transnational companies, therefore, will gain a greater share in television program markets, even in those genres which had been predominantly national so far, like news material, live broadcasts of international crises, and reality shows. These developments gain a new reputation, 'on reasonable and non-discriminatory terms'. Thus the criteria for evaluation shift from the former predominance of public service and cultural goods towards profits and commodities.

3. television developments program the new intermediary regions of private publics and published privacies; they change the 'obvious' standards of behavior for most social and personal events - from birth to death, from political correctness to outer appearances. Compared to the more similar and common agenda of monopolistically organized means of orientation and entertainment, the increased competition on national and international markets shifted the everyday agenda from politics to catastrophes, from serious discussions to confrontainment and comedy, from a synthesis of several perspectives on one problem to superficial event puzzles and fast cuts, which is even enhanced by zapping. Although these are only audio-visual phenomena which are counter-balanced by multi-sensual experiences, they also shift everyday life in favor of these senses and the

behavior models broadcast by electronic audio-visual channels. Tele-communication evolves at the cost of other activities. Some of these costs are apparent, like the licence fees for public service television. Other costs are hidden, like the continuously rising prices of commodities which are increasingly advertised on television. The advertising share of each good could be indicated on its packaging.

Television developments and programming certainly can not be understood without their share in consumer markets. Yet, if one tries to understand them without reference to cultural developments, cultural goods are colonized by entrepreneurs. After GATT, we need the guts for a plurality of identities which combine personal experiences - which are based on all our senses and are still beyond calculation in terms of money alone - and those limited two-sensual receptions allowed for by audio-visual media.

Curriculum vitae

Since the summer of 1994, Peter Ludes is an Associate Professor of Media and Communication Studies at the Mannheim University. He studied Sociology, Political Science and Philosophy at Trier University and at Brandeis University in Massachusetts. Since 1992, he is a member of the German Research Council's Special Collaborative Program 'Screen Media' Representative Board. At Siegen University, Ludes was an Associate Professor for Cultural and Media Studies (1992-1994), and a Research Fellow at the project *The development of television news in the United States, the federal republic of Germany and the GDR* (1989-1992), and the project *Influences of British and American television on the programme structure of television in the federal republic of Germany* (1987-1989). He was also a Visiting Scholar at the Center for European Studies of the Harvard University (1989); a Research Fellow at the University of Amsterdam (1987); an Assistant Professor of Sociology at the Wuppertal University (1982-1987); and a Visiting Assistant Professor of Sociology at the Memorial University of Newfoundland in Canada (1981-1982). Peter Ludes is a member of several professional associations, such as the German Society for Journalism and Communication Studies and the Society for Film and Television Studies. He participated in the production of several video documentaries, amongst others *The president of the United States and his challenger 1976 and 1992 in American television news* (1992).

Selected publications

- (1994, with C. Syros) 'Amerikanisierung, Kommerzialisierung und Globalisierung von Fernsehnachrichtensendungen in der Bundesrepublik.' In: *Bausteine III: Beiträge zur Ästhetik, Pragmatik und Geschichte der Bildschirmmedien*. Siegen, 1994, pp. 7-20.
- (1994) 'Erlebniskluft und Europäisierung. ('Experience-gap and Europeanization'). In: *Erlebniskluft und Lebenshilfe = Arbeitshefte*; P. Ludes (Hrsg.). Siegen: Bildschirmmedien, Universität-GH-Siegen, 1994, pp. 3-14.
- (1994) *History of television in the Federal Republic of Germany*, Vol. 3: Informational and documentary broadcasts; P. Ludes, H. Schumacher and P. Zimmermann (eds.). 1994.
- (1994) *Vizualizing the public spheres*; P. Ludes (ed.). Munich: Fink, 1994.
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- (1990) 'Marshall McLuhan (1911-1980).' In: *Classics in cultural criticism*, vol. II, H. Heuermann (ed.). Frankfurt am Main: Lang, 1990, pp. 421-447.
- (1989) 'Aesthetics, pragmatics and history of television.' and:
- (1989) 'Cultural transfer within a culture of modernity.' In: *Cultural transfer or electronic*

imperialism?: the impact of American television programs on European television; C.W. Thomson (ed.). Heidelberg: Carl Winter Universitätsverlag, 1989, pp. 185-205 and 235-251.
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(1989) *Kulturtheorien als Intermediaspiele. (Theories of culture as intermedia plays)*. Essen: Blaue Eule, 1989.

PORTIA K. MAULTSBY

Office:

Department of Afro-American Studies
Memorial Hall East, Room M20
Indiana University
Bloomington, Indiana 47405, USA
phone: +1-812-335 38 74
fax: +1-812-855 48 69
internet: Maultsby@indiana.edu

Summary

Intra- and inter-national identities in American popular music

The American society is characterized by the coexistence and intermingling of various cultural and ethnic groups. Living in enclaves for many decades and, in some cases, centuries, African Americans and various European, Latin American and Asian immigrants groups preserved fundamental components of the native traditions and national identities. Interactions between these and other groups (primarily through trade, work, religious and social activities, and migration), the industrialization of cities, and technological advancements, nevertheless, fostered cultural exchanges.

American popular music embraces many diverse styles and traditions. The intermingling of various cultural groups led to the evolution of new regional and eclectic musical expressions, later identified as American. The first 20th century forms labeled 'popular' drew primarily from southern Anglo- and African-American traditions. Despite Anglo-American cultural hegemony, African American styles have defined the uniqueness of an American popular tradition since World War I. In the 1950s and with the influx of Latin American and Caribbean immigrants, followed by the 1960s British musical invasion and the 1970s Asian immigration, American popular forms were marked by yet other, regional, national and international identities. Central to a discussion of these identities are the socio-political and economic factors that undergird on-going changes in the relationship among the various American cultural/ethnic groups, which, in turn, determine the construction, deconstruction and reconstruction of an American identity.

Specific to the above points, my presentation will examine the ways in which: 1. free market business practice supports the presence of multiple American identities; 2. the music industry and mass media manipulate, package, market and exploit these identities (particularly the African American identity) as an entertainment commodity; 3. packaged identities influence perceptions about what is American as well as stereotypical images about various cultural/ethnic groups, particularly African Americans; and 4. transatlantic traditions impact on an American musical identity.

Curriculum vitae

Portia K. Maultsby, an ethnomusicologist, is Professor of Afro-American Studies and adjunct Professor of Music at Indiana University. She received the B.M. degree in piano and theory/composition from Mount St. Scholastica College, Kansas, and both the M.M. degree in musicology and the Ph.D. degree in ethnomusicology from the University of Wisconsin-Madison. Dr. Maultsby teaches historical and theoretical courses on African American music and ethnomusicology. She has lectured and conducted workshops throughout the United States, in the United Kingdom, Russia, Cuba, Zimbabwe and Malawi. Her research topics have centered on black religious and popular music and the relationship of African and African American music. Portia Maultsby also has been involved in film production and musical performance. For example, she served as consultant/co-producer for the video documentary *Black Music as Metaphor*, produced by Donna Lawrence Productions for The National Afro-American Museum. She is the recipient of many honors and awards, and of several grants and fellowships, including research fellowships awarded by the Indiana Committee for the Humanities and the Ford Foundation/National Research Council. In 1994, Dr. Maultsby was selected by the Center for Advanced Study in the Behavioral Sciences in Stanford, California to receive a Center Fellowship.

Publications

- (forthcoming, 1995 or 1996) Editor for *Cultural and creative expressions of the black experience-music*; 2 vols. These volumes are part of a multi-volume series entitled *The Schomburg Library of the Black Experience in the Western Hemisphere 1492-1992*. The series will be published in conjunction with the 500th anniversary of Columbus' first voyage to the 'New World' and by the Schomburg Center for Research in Black Culture with Carlson Publishing, Inc., 1995 or 1996.
- (1994) 'Ethnicity and African American popular music.' In: *Bulgarian musicology*, vol. 18, 1994, no. 1, pp. 50-58.
- (1992) 'The influence of gospel music on the secular music industry.' In: *We'll understand it better by and by: African American pioneering gospel composers*; B. Johnson Reagon (ed.). Washington, DC.: Smithsonian Institution Press, 1992, pp. 19-33.
- (1990) 'Africanisms in African-American Music.' In: *Africanisms in American culture*, J.E. Holloway (ed.). Indiana: Indiana University Press, 1990.
- (1989) 'Soul music: its sociological and political significance in American popular culture.' In: *The age of rock*; T.E. Scheurer (ed.). Bowling Green: Bowling Green State University Popular Press, pp. 168-178.
- (1974) *Afro-American religious music: 1619-1861*. (Dissertation)

DENIS MCQUAIL

Office:

University of Amsterdam

Department of Communication Science

Oude Hoogstraat 24

1012 CE Amsterdam

phone: +31-20-525 39 06

fax: +31-20-525 21 79

Summary

Transatlantic tv flow: terms of trade and clashes of culture

During the conference, I will address three main questions which arise out of current media developments and the ensuing debate about 'cultural invasion' and 'Americanization' of European television. These can be expressed as follows: Is it a conflict between European and American culture or between 'commerce' and 'culture'? Is it really a problem and if so is there anything that could or should be done about it? Is there some more concealed issue which is being ignored or bypassed by the more public arguments?

For some Europeans, American media sounds and images have for long been perceived as culturally banal and threatening, sometimes ideologically undesirable. But for many more Europeans, the perception has been highly positive on grounds of both performance and message. From a European standpoint, there is no necessary conflict of interest, provided that cultural choice remains. There is a more plausible case to be made for that point of view that what is at issue is the choice between an almost totally commercialized television structure (of which free trade in TV programs is an essential element) and a culturally shaped media system in which unique and valued features of language, place and time are respected. The current trend of European television may well appear to be tending in the direction of the 'American Way of Television' and this possibility should be taken more seriously than the import of television programs.

The second question above thus leads to a possible redefinition of the 'problem'. The more the issue is defined in structural or system terms the more need and even possibility there is to do something about it. The more it is defined in 'content' terms the reverse may well be true on both counts. Both national and European (EC) regulation have tried to keep control of both aspects, with limited success. There are forces at work and realities of the situation which severely limit the scope of policy. The actual situation can be illustrated by some evidence relating to television systems, programming and audience changes in contemporary Europe (perhaps with particular reference to the Netherlands).

The third question posed above opens the way to fundamental doubt about present cultural policies in Europe and the grounds on which they are argued and defended. Driven in part by the potential of new media and in part by wider cultural changes, there are forces at work which undermine old categories and criteria of cultural quality. If a public interest in 'media cultural' matters is acknowledged in the future European context, we need to make better sense of what is going on and we need some rapprochement between critics and intellectuals on the one hand and media policy makers on the other.

Curriculum vitae

Denis McQuail graduated in history and social studies from the University of Oxford and worked initially at the University of Leeds at the newly founded (1959) Centre For Television Research. During the 1960s, he collaborated in a number of research projects concerned with the influence of television in politics, education, social values and cultural taste. In 1965, Denis McQuail moved to the University of Southampton. His research in this period was mainly directed towards studies of the audience, with particular reference to the origin and nature of motives leading to media use and shaping response to media. Since the 1960s, Denis McQuail has developed further interests in communication theory, leading to various analytic and synthesizing works, in which he attempts to relate theory of media with theory of society and also to contribute to the development of a more coherent body for the new subject of 'communication science'. In the mid-1970s, McQuail worked as an academic consultant for the Royal Commission on the Press, with particular responsibility for a broad evaluative study of the contents of British newspapers. In 1977, Denis McQuail was appointed to the Chair of Mass Communication at the University of

Amsterdam. Since then, he collaborated in research into the diversity of media in the Netherlands and also joined the Euro Media Research Group, which has been studying the relations between electronic media change and public policy in Western Europe since 1982. McQuail was one of the three founding editors of the *European Journal of Communication* (since 1985) and has had a number of visiting positions in different countries. He was appointed as one of the first holders of the Unesco Chair in Mass Communication at the University of Moscow, where he lectured in Spring, 1994.

Selected publications

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THIERRY MILEO

39, Avenue du Général Sarraill
F-75016 Paris
tel.: +33-1-46 51 60 47
fax: +33-1-46 51 50 30

Curriculum vitae

Thierry Mileo (born 1961) received his education at the Ecole Polytechnique in Paris and the Ecole Nationale Supérieure de Techniques Avancées (Master's degree in Electrical Engineering and Computer Science). He later studied at the University of California (MS in Electrical and Computer Engineering) and at INSEAD in Fontainebleau. His working career started off at the Ministry of Defence (1986-1989) and the Ministry of Foreign Affairs (1989-1990). From 1992-1993 he worked for the Ministry of Post and Telecommunications as Deputy Director for Industrial and International Affairs. In this function he represented France in multinational negotiations, among others with the European Community and the OECD on economic and technical aspects of telecommunications. He also liaised with French telecom industries, in order to provide policy recommendations. In 1993 and 1994, he worked for the Ministry of Communications, as an adviser to the Minister of Communications. During this period, he supervised the activity of different public companies in the audiovisual sector, coordinated international strategic issues - like the audiovisual section of GATT, future European regulations and the Green Book on audiovisual - initiated the French study group on information highways (chaired by Gérard Thery) and defined public policies in cable television, satellite television and audiovisual production.

RICHARD PELLIS

Office:

University of Texas

Department of History

Austin, Texas 78712

United States

phone: +1-512-471 71 34

fax: +1-512-475-72 22

Summary

Resistance and transformation: Europe's response to American culture

For most of the 20th century, European intellectuals and government officials have pointed with growing dismay to the 'Americanization' of their countries and continent. They have meant by this term not only America's economic invasion, through exports and investments, but also the impact of the American media. By the 1960s and 1970s, their language had grown more hyperbolic: now European theorists (and some of their counterparts on the other side of the Atlantic) portrayed the United States as the principal agent of 'cultural imperialism'.

Deeply embedded in these concepts was the fear that each country in Europe was losing its cultural identity and distinctiveness. In response, from the 1920s on, various European governments sought to restrict the degree of American corporate investment in their national industries, and to impose quotas on the import of American movies and television programs. But apart from the years of Nazi occupation - a model of successful cultural protectionism most Europeans would hardly wish to emulate - the efforts to limit America's cultural influence have so far proved futile. Given modern developments in communications technology - cable, satellites, computers, video recorders - and the explosive privatization of Europe's television industry, the ability of the French and other governments to exempt movies and television from the free trade provisions of the GATT treaty is unlikely to halt the spread of an American-style global culture.

During the past ten years, however, some observers have offered more sophisticated analyses of how one culture may affect another. Drawing on reception theory and contemporary media studies, they have attempted to move beyond the simplistic categories of 'Americanization' and 'cultural imperialism', arguing that audiences are not passive victims of the mass media but instead participate actively and selectively in the cultural process. They are apparently capable not only of choosing between competing cultural messages, but of modifying and transforming those messages to suit their own needs. On a national scale, this presumably leads to what is called 'creolization': the emergence of new cultural hybrids, neither exclusively American or European.

The notion of cultural reassembly had the virtue of liberating us from the ideological orthodoxy and cultural paranoia evident in the GATT negotiations. It also feels persuasive, especially to anyone who has spent time in European and American cities: people in Amsterdam and Atlanta may all be residents of the global village, but they live on different planets when it comes to architecture and life-styles.

The problem arises when analysts try to provide empirical evidence for and descriptions of the 'Europeanization' of American culture. The bulk of this paper will discuss some concrete examples of how American culture has been altered in the European context, and how the countries of western Europe in particular have preserved their cultural idiosyncrasies (without benefit of quotas or subsidies). Specifically, I will focus on the differences between American and European urban life; the ways in which American advertising methods have been adapted to European tastes; the readjustments undertaken by American television networks, newspapers, and mass circulation magazines in order to appeal to European audiences; the difficulties, successes, and failures certain archetypal American companies (McDonald's, Disney) have experienced in

crossing the Atlantic. Because the cultural interchange between the two continents has always been reciprocal rather than a one-way and one-sided imposition of American values on Europe, I will also evaluate the effects of European products, movies, and academic ideas on American life.

Finally, I will suggest that impact of mass culture itself - whether global, American, European, or creolized - has been exaggerated. People are not permanently plugged in - not to their computers, their television sets, their video recorders, or their walkmans. They periodically get off the information highway; they do other things in and with their lives. They are influenced far more by their childhoods, their parents, their friends, their work, the geography and climate in which they live. Much of the suspicion of mass culture is generational: the fear that parents are losing control over their children, the sense that remembered traditions are vanishing. But every generation suffers this dread. Soon the children will become adults and offer the same laments. In the meantime, local and national cultures continue to provide alternatives, options, forms of resistance to Americanization and globalization. And they continue to survive, altered perhaps, occasionally ugly in their ethnic or religious hysteria, but still recognizable and still potent.

Curriculum vitae

Since 1985, Richard Pells is Professor of History at the University of Texas. He was a student of American Studies at Rutgers University and History at Harvard University. He has had visiting appointments at several universities, e.g. University of Sydney, Australia (1990), Resident Scholar in American Studies, United States Information Agency in Washington, D.C. (1985-1986) and Fulbright-Hays Senior Lecturer in American Studies at the University of Copenhagen (1982-1984). Pells received several awards, honors and fellowships, e.g. the Rockefeller Foundation Humanities Fellowship (1976), the University of Texas Faculty Research Assignment Grants (1976, 1981, 1986-86, 1993-94), the Guggenheim Foundation Fellowship (1993-94). In his most recent study 'American culture abroad: the European experience since 1945', Richard Pells deals with America's desire to transmit its literature, historical traditions, political and economic ideas, social values, and popular culture to Europe over the past 50 years. He also evaluates the results of these efforts for European culture and politics, as well as the ways Europe correspondingly shaped postwar American attitudes.

Selected publications

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RYCLEF RIENSTRA

Office:

Dutch Filmfund

Jan Luykenstraat 2

1071 CM Amsterdam

phone: +31-20-664 33 68

fax: +31-20-675 03 98

Preliminary remarks

As far as film is concerned, the wind-up of the GATT Uruguay-round in December 1993 neither marked the end of an era nor the start of a new one. It rather highlighted the slow and somewhat unconscious shift in the perception of European policymakers of film, being primarily a consumer product rather than a product of arts and culture only. However, it being difficult to make the notion of 'cultural identity' of films operational at all, the GATT-treaty seems to me not the appropriate occasion to discuss the protection of national film in order to promote our cultural identities.

Curriculum vitae

Having been production manager for over a decade, Ryclef Rienstra became executive producer for one of the Netherlands' largest film and television production companies in 1976. Changing from the active production side to the policy side, he headed the new filmfund in Holland as of 1984. Simultaneously, he became involved in the development of the MEDIA-program of the European Union. In 1988, he co-founded the European Film Distribution Office, better known as EFDO, of which he was vice-president. In 1989 Ryclef Rienstra was appointed as the first executive secretary of EURIMAGES, the European Council's pan-European support fund for the multilateral co-production of films. In 1993, Rienstra returned to his motherland the Netherlands, where he became head of the newly established Dutch Film Fund (Nederlands Fonds voor de Film), which came into being after the merger of two previously existing filmfunds.

PAUL RUTTEN

Office:

Institute for Mass Communication

PO box 9108

6500 HK Nijmegen

The Netherlands

phone: +31-80-615 589/612 372

fax: +31-80-613 073

Curriculum Vitae

Paul Rutten, PhD. (born 1958) is a teacher and a researcher in communication and culture at the Institute for Mass Communication at the University of Nijmegen, the Netherlands. His main interest areas are popular music, culture, music industry, music markets and mass media. He is a member of the board of the Dutch Rock Foundation (Stichting Popmuziek Nederland), free-lance editor of the Dutch trade weekly *Muziek en Beeld*, chairperson of RoDiO, a concert-

organizing foundation in his hometown Nijmegen and adviser of the Dutch Fund for the Performing Arts. He was a member of the international executive committee of the International Association of Popular Music (1985-1991) and the International Communication and Youth Culture Research Group (ICYC).

Selected publications

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PHILIP SCHLESINGER

Office:

University of Stirling

Department of Film and Media Studies

Stirling FK9 4LA

Scotland

phone: +44-786-473 171

fax: +44-786-466 855

Summary

Should we worry about America?

From the point of view of official - European Union - Europe, 'Americanization' represents a threat. A lot of official concern has crystallized around the project of creating a European cultural identity by means of building a European 'audiovisual space'. If only we were to watch the same television programs, to take up the same political agenda, then the blockage of national difference would disappear and a new level of integration would come about at a higher, European level. A Eurostate needs a Euroculture (of sorts), and a Euroculture needs defence, so the central argument goes. From this point of view, America has to be taken seriously, has to be coherent; it has to have an exportable coherence. To the extent that it does, we can then worry about homogenization. Of course, there were industrial grounds for the stand-off over GATT and the European desire to seek a cultural exception. But the assumptions of the cultural rhetorics employed are as suggested.

Across the Atlantic, things don't look quite so straightforward. Americanization is on the agenda too, but differently. For the liberal establishment, the American Creed is under threat: the traditional, hegemonic center of the cultural is in question. Out go the Dead White Males, the position of English as the common language is perceived as under question. Others, however, see the threat as an undelivered promise, a quest by the excluded, whether in terms of ethnicity, gender, sexual orientation, to redefine the scope of the culture. Americanness is the object of discursive struggles based upon competing political agendas. Modern and postmodern, national and postnational visions are jockeying for position. How the national public space is to be constituted is in question. Shades of Europe? But these parallel debates really seem to be going on with scant cross-reference.

Policy debate about the European audiovisual industry represents a concern with the instruments of nation-building - constructing 'Europeanness' - that depends upon a defensive conception of cultural identity. Although there is a case for cultural defence, we might nevertheless ask whether it is distracting attention from something else - namely the importance of building a democratic European culture, which is not the same thing as protecting an ostensibly common European cultural identity. In this respect, maybe the policy response to European diversity has to be a much greater concern with developing the institutional preconditions of political culture - and worrying less about national culture.

Curriculum vitae

Philip Schlesinger is Professor of Film and Media Studies at the University of Stirling and Director of the Stirling Media Research Institute. He is also a Professor of Media and Communication at the University of Oslo. Philip Schlesinger read philosophy, politics and economics at the University of Oxford and has a PhD in Sociology from the London School of Economics. He is a Fellow of the Royal Society of Arts. An editor of the journal *Media, culture and society*, he has been a Nuffield Social Science Research Fellow and a Jean Monnet Fellow at the European University Institute of Florence and is currently working on questions of cultural and national identity.

Selected publications

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- (1983) *Televising 'Terrorism'*. London: Comedia, 1983. (Co-author)

ABRAM DE SWAAN

Office:

Amsterdam School for Social Science Research
Oude Hoogstraat 24
1012 CE Amsterdam
The Netherlands
phone: +31-20-525 22 62
fax: +31-20-525 24 46
e-mail: a 723a;@hasarall bitnet

Summary

Cosmopolitans and locals in cultural production: the dilemmas of free trade versus protectionism.

Languages define and delimit areas of communication. Exchange of cultural practices and products beyond these limits is restricted to the degree that they depend on language: the visual arts cross much more easily than, say, poetry. For language-dependent cultural practices to transcend linguistic barriers, some degree of bilingualism among the public is required, or the efforts of specialized bilinguals, i.e. translators.

The less widely known languages tend to both isolate and protect the language-dependent cultural elites in their domain: on the one hand, what they produce does not on its own perspire to the outside world; on the other hand, the cultural production in other languages cannot compete directly in their domain, it requires competence in these different languages or translation from them.

As a result, such domestic cultural elites are faced with a dilemma: opt for a more widely spread, second language and compete with many more producers on a much larger market, the 'cosmopolitan strategy'; or, opt for the less widely spread language and compete with only a few others for a much more restricted public, the 'local' strategy.

Frisian or Antillian authors face a dilemma between Frisian or Papiamentu on the one hand, and Netherlandish on the other (e.g. Arion). Dutch authors have confronted the choice between Netherlandish and English (e.g. Van het Reve).

The argument for remaining with the smaller language is on the whole more developed and more explicit: (1) The small idiom is threatened, it may even disappear: 'language death' - the metaphor of threatening species extinction which has dominated sociolinguistics for so long. (2) The struggle against cultural imperialism, against the implicit values and interests embodied in competing, more widely spread languages. (3) The necessity for loyalty in the protection and resuscitation of indigenous cultural practices.

The case for choosing the larger language remains mostly implicit and often appears like tacit desertion. And yet, it is not all that hard to mobilize the canons of universalism in its support.

Can the positions in this discussion, the options for one or another language-dependent cultural practice be analyzed in terms of a different debate, an economic discourse, i.e. in terms of protectionism and free trade?

In fact, the discussion of collective action, of compulsory measures by public authorities, the arguments for nurturing 'incipient' cultures and maintaining 'essential functions' do reveal enlightening parallels.

Curriculum vitae

Abram de Swaan is Professor of Sociology at the Amsterdam School for Social Science Research. During his studies, he was an editor of the student weekly *Propria Cures* from 1963 until 1965. He has been an editor of the monthly review *De Gids* since 1969, a weekly columnist to the daily *NRC Handelsblad* during the years 1980-1982 and 1984-1986 and from 1993 until the present (bi-weekly). Abram de Swaan is a regular contributor to various cultural and academic periodicals in the Netherlands.

Selected publications

- (forthcoming) 'Political and linguistic integration in India and Europe: monopolistic mediation versus language integration.' In: *Stuck in the region?: changing scales for regional identity*; Elke Dirven, Joost Groenewegen en Sjef van Hoof (eds.). Vereniging van Utrechtse Geografie Studenten/Koninklijk Nederlands Aardrijkskundig Genootschap/Nederlandse Geografische Studies Utrecht, 1993, pp. 75-86.
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WILLIAM URICCHIO

Office:

Utrecht University

Department of Film- and Television Studies

Kromme Nieuwegracht 29

3512 HD Utrecht

The Netherlands

phone: +31-30-53 78 44

fax: +31-30-53 61 67

e-mail: WILLIAM.URICCHIO@LET.RUU.NL

Summary

The GATT-debate about film: dilemmas of media(ted) culture

The Electro-American Bioscope, the Chicago Bioscope, the New York Bioscope - appellations that suggest a worst-case scenario of the American GATT position - in fact were the names of some of the earliest cinemas in the Netherlands. Despite France's domination of the international film market in the years up to the First World War and despite the United States' relatively weak export position, America seems to have occupied a prominent place in the Dutch idea of cinema from the start. Although American films may not have constituted much of the material seen on the screens, cinema somehow appeared as an 'American' product. Of course the place of 'America' within the European imaginary has a long and complex history, but even before economic realities gave substance to charges of geo-political conquest, the association of America with a type of entrepreneurial and technological modernism, from 'fordism' to mass media, gave it a resonant cultural identity. Whether extolled or damned, such associations often shaped access to underlying practice, in the process obscuring critical vision. Film, as a discursive entity and a production practice, as signifying system and text, as a site of the 'western' mythic and locus of regional expressive form, offers a distinctive set of challenges and contradictions to the cultural critic.

Among the elements that bind or help to define 'western' cultures, certain texts (or textual derivatives) enjoy widespread circulation and negotiation - classical mythology, fairy tales, and the bible; while others play a defining role without necessarily enjoying widespread circulation - the canon of musical, painted, or written 'masterpieces'. A look at such curious litanies as *The dictionary of cultural literacy* and its national counterparts (for example, *Het cultureel woordenboek*) helps to give a sense of 'western' cultural coherence and the limits of national variation. In this context, the GATT debate about cinema is far more 'western' than it is global - the world's largest producers of film, India and Hong Kong, are for the moment culturally insulated and have little to fear from Hollywood. From one perspective, then, the rudimentary narratives which so often serve as caricatures of the American feature film may be situated within the unifying agency of the western mythic - the source of both their power and their threat.

But dictionaries of cultural literacy are intended to be read locally, not globally, their views serving to portray culture as a site of consensus (national identity) and distinction (cultural capital). This dynamic parallels that of the global, but offers another perspective on the frequently asserted bifurcation of the 'popular' internationalized Hollywood cinema and the 'elite' internationalized European art cinema. Such a view sees cultural participation in film (or even its refusal) as asserting rather than as issues of national identity, or as positions on the social hierarchy. Much of the GATT debate about film - the films discussed, the directors and writers interviewed, the cinema culture contested - may be positioned within this framework. But the omissions from this debate, most often those European films associated with local assertions of the popular, the vulgar expressions of regional or linguistic identity, offer a compelling counter-text.

Familie Flodder as the resistance fighters of regional cinema culture? Perhaps.

What are the consequences of seeing the GATT-cinema debate against the backdrop of 90 years of attempts by elites to 'protect' society from the cultural 'dangers' of cinema? Can the usual opposition between Hollywood (global, meta-cultural) and European (local, micro-cultural) production be usefully repositioned within the framework of trans-national cultural hierarchies? What can be gained by considering the historical contours of the 'national' and the 'cultural' as both invoked and/or avoided in the GATT debate and in contemporary screen practice and discourse? And, reciprocally, how do the realities of regional production relate to the ongoing construction of popular memory and the representation of the historical? How do we ensure the availability of expressive capacity on the level of the local while stimulating non-elite access to the means of self-representation? The GATT discussions about film offer substantial insights into the processes by which cultures define themselves and their representational interests, as much by the terms of the debate as by what is left unsaid.

Curriculum vitae

William Uricchio studied Philosophy and Art at Carlow College and Cinema Studies at New York University. Since 1993, he is Professor of Theater, Film and Television Studies at Utrecht University, Utrecht. From 1992 until 1993 he was Visiting Professor Medienwissenschaft at Philipps-Universität Marburg and at American Studies, Freie Universität, Berlin. From 1990 until 1992 Uricchio was Associate Professor of Film and Television, and Mass Communications at the School of Communications of the Pennsylvania State University. He has received many awards and grants, amongst others the Alexander von Humboldt Research Fellow (Germany, 1992-1993), the Institute for Arts and Humanistic Studies Research Grant (1990) and the University-wide Alumni-Student Excellence in Teaching Award. In the 1980s, William Uricchio has participated in several film and video productions. He also has several professional memberships: of the International Association for Mass Communications Research, of the International Association for Media and History, of the Society for Cinema Studies, of the American Historical Association, of DOMITOR (Organization for the Research of Early Film), the American Studies Association, and the Society for the History of Technology. He is manuscript reviewer for scholarly journals including *Cinema journal*, *Film and history* and *The historical journal of film, radio and television*. In 1993, Uricchio was jury chairperson of the International Documentary Film Festival in Amsterdam.

Selected publications

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VERA ZOLBERG

Office:

New School for Social Research
Department of Sociology
65 Fifth Avenue
USA-New York, NY 1003
phone: +1-212-229 5767
fax: +1-212-229-5315

Summary

Museum culture and the threat to national identity in the age of the GATT

What possible affinities are there among the three seemingly disassociated terms - 'museum culture', 'national identity', and the General Agreement on Trade and Tariffs? They compose a paradoxical combination, since as late as the 1970s, art objects were among the items explicitly excluded from debates about export controls by government action. Even during the Uruguay Round of multilateral negotiations in the 1980s, when the debate on intellectual was launched, the fine arts merited only the most tangential comments. Instead, most of the issues dealt with had to do with copyright protection in light of new technologies, especially for producers and performers of sound recordings. Although an additional whisper of concern was heard about 'moral rights' (which provide artists some control over the display and use of their work after its sale), this is a domain that has not been broached in the - primarily economic - agenda.

Yet it should not come as a surprise if these three disparate domains come together to haunt the nations already involved in the GATT negotiations. In considering how their intersection is likely to emerge, I want to argue that there is every likelihood that ensuing debates about them will reveal zones of contention that dwarf purely economic matters, problematic as many of these have been. The reason for this is that the arts and national identity inhabit not 'merely' the realm of the material, vital as material outcomes may be; their domains are pervaded by symbolic connotations - indeed, may even be predominantly symbolic - and are, therefore, not as amenable to ordinary negotiation as are material concerns.

The limits of a country's national autonomy have been examined in the debates that have led to the European Union; countries clamoring to engage in the GATT debate must deal with this broader global entity. If there were a free trade in art, some feel that what they define as patrimony is challenged. When art works of this sort are threatened with being exported by international buyers, some government departments consider it a menace. Museums have embodied an institution in which this connection has been made.

Museums as we know them are institutions whose construction is closely intertwined with modern notions of national identity. Like censuses and maps, the formation of museums come to represent the social memory constituting the 'imagined communities' - rich in symbolic meanings - of which Benedict Anderson has so eloquently written. Along with educational systems, literature, public monuments play a role in constructing the narrative of the nation. The art they contain, or which is classed in similar ways, epitomizes these meanings.

In recent decades, under the impetus of horrified observers of the destruction of archeological sites in third world countries by predatory agents of the world art market, more emphasis has been put on the legal protection of national heritage (Bator, 1982). Many European nations,

such as the Netherlands, have enacted laws ('Wet Behoud Cultuurbezit' or law on preservation of the national heritage) which prohibit or curtail the export of official registered pieces of art belonging to museums. In the Netherlands, the minister of culture has the right to overrule a decision made by private individuals or governmental bodies, such as municipalities or provinces. The export of an art work can be stopped by its purchase by the ministry, and it can be put into a domestic museum. Variations of these laws exist in a number of other nations, such as France, England, Italy, Japan, Turkey, ranging in totality of exclusion from 'embargo' (total) to 'screening' (partial). They concern works defined as part of the 'patrimony' though the defining characteristics of this category vary. But these laws apply to older works and not contemporary art.

Until now, one of the major exceptions to this pattern has been the United States, which does not restrict the export of its art works, old or new. Preservation of patrimony is a relatively recent development, and has been concerned largely with immovables - buildings, forests - or animal species. Old American paintings and statues have not been 'threatened' with dispersion abroad, perhaps because most have not been considered aesthetically important. In any case, many are now owned by museums that are obliged to retain them. Thus, while America may be a perceived threat to European media culture, it represents no danger to its high culture.

While other contributors analyze aspects of cultural production of a largely commercial nature, it is my task to consider the problems of the fine arts and especially the works we associate with art museums. In particular, I will focus on the relation of museum art to national heritage or patrimony, and the implications for them under the GATT accords.

Curriculum vitae

Since 1983, Vera Zolberg has been senior lecturer in the Department of Sociology and Committee on Liberal Studies, and in Eugene Lang College, both at the New School for Social Research in New York. In 1991 she was the chair of the Committee on Liberal Studies in the Graduate Faculty of this school. During the academic years 1992-1994, she holds the chair of Art Sociology at the University of Amsterdam. This chair is endowed by the Boekman Foundation Vera Zolberg has had several scientific positions at different institutes and universities, among which Assistant Professor at the St. Xavier College in Chicago; lecturer at the Roosevelt University, also in Chicago; Visiting Lecturer at the Ecole des Hautes Etudes et Sciences Sociales at the Center de Sociologie Européenne in Paris; Research Associate at the Center National de la Recherche Scientifique, also in Paris; and Associate Professor at the Purdue University Calumet in Hammond, Indiana.

Vera Zolberg has written extensively on the sociology of art museums and other cultural institutions, censorship of the arts, art criticism, American and French cultural policy, and how these structures and practices contribute to the designation of works as Art. She has also done research and published on education and inequality in Africa and in western Countries. She has been and is involved in several associations and committees: the American Sociological Association; the Society for Social Theory, Politics and the Arts; the International Sociological Association (president of the Research Committee on Sociology of the Arts 1990-1994); the Association Internationale des Sociologues de Langue Française; the Eastern Sociological Society; and the American Council for the Arts.

Selected publications

(forthcoming) *The Art Institute of Chicago: sociology of a cultural institution*. Westview Press. (Institutional Structures of Feeling Series) (New edition of Vera Zolberg's PhD from 1974.)
(1993) 'Remaking nations: public culture and postcolonial discourse.' In: *Paying the piper: causes*

- and consequences of art patronage*; J.H. Balfe (ed.). Urbana/Chicago: University of Illinois Press, 1993.
- (1990) *Constructing a sociology of the arts*. New York: Cambridge University Press, 1990. (Contemporary Sociology Series)
- (1988) 'Le Musée des Beaux-Arts entre la culture et le public: barrière ou facteur de nivellement?' In: *Sociologie et Société*, vol. 21, 1988, no. 2, octobre, pp. 75-90.
- (1986) 'Tensions of mission in American art museums.' In: *Nonprofit enterprise in the arts*; P. DiMaggio (ed.). Oxford: Oxford University Press, 1986.
- (1982) 'Changing patterns of patronage in the arts.' In: *Performers and performances: the social organization of artistic world*; J. Kamersman and R. Martorella (eds.). New York: Praeger, 1982.

REACTIONS OF CULTURAL ORGANIZATIONS

As a foretaste, the organizing committee has asked several people, affiliated with organizations of the Dutch cultural field, to give their reaction on the sense - or senselessness - of cultural protectionism. The two reactions below were available to be included in the conference folder, as we were going to press.

BUMA/STEMRA, The Dutch Authors' Rights Societies

On art and a pack of sugar

The person who conceived the idea of using fashionable marketing methods to promote works of art, deserves to be honoured. The person, however, who further concluded that art -like a pack of sugar- is an ordinary market product, is completely mistaken. The marriage that art and marketing can so well contract with each other is a marriage of convenience; true love has nothing to do with it. They are simply too different for that.

A government that thinks that art, all art, should be able to support itself, that art will even develop best in the free game of national and international markets, is also wrong. Such a government overlooks how a healthy culture can only flourish in a climate of renewing, trying, provoking, epoch-making artistic expressions. This kind of expression needs governmental protection and it does indeed deserve that protection, every bit of it.

No government should even want to consider the idea that this might change.

Cor Witbraad

Head International Relations BUMA/STEMRA

(Participant of the conference)

Dutch Rock Music Foundation

Act of despair

On September 8th, the Law of Foreigners Employment has been dealt with in the Dutch Lower House. Minister Melkert outlined the dilemma of a law that makes it possible for Jessye Norman to perform in the Netherlands and at the same time refuses an East-European Orchestra's admission to the Netherlands. The Dutch Lower House requested to exercise due caution in the case of applications from Third World countries and also warned not to depict the music from those regions as inferior.

In that same week one could gather from the media that the Dutch economy takes the number eight position in the top twenty of best competitive countries in the world. One of the circumstances that has contributed - and still does - to this high position is the open cultural climate in this country.

Rock bands in France can almost exclusively be heard on the French radio if they sing in their own language. The result is a bunch of French-speaking clones imitating Anglo-American bands.

Cultural protectionism is an act of despair that eventually will affect and decrease the national culture in economical and artistic sense.

Jaap van Beusekom

Director

(Participant of the conference)

EUROPEAN CULTURE VERSUS GATT TRADE

Annemoon van Hemel¹
Boekman Foundation

Within the new European Union each individual state should be able to determine its own cultural policy. The Treaty of Maastricht (1992) included a separate paragraph dedicated to culture. But towards the end of 1993 cultural policy became involved in an integration process on a global scale: the discussion over the GATT agreement. The stumbling block here was the conflict of interests between the US and Europe. At the last moment it was agreed that culture should fall outside GATT. However, in time the GATT agreement will come to apply to the cultural sector as well.

Uruguay Talks

The GATT (General Agreement on Tariffs and Trade) was set up in Geneva in 1947 in an attempt to bind world trade practices to rules of 'fair play' and remove trade restrictions. This organization was to prevent a repetition of the restrictive foreign trade practices which had taken place during the Depression in the 1930s. The recent round of talks in Uruguay, started in 1987 and due to end in December 1993, became - for various reasons - the longest series of talks in the history of GATT.¹ The negotiations were extremely complex because of the many issues under discussion. For the first time international regulations were drawn up for a national policy in politically sensitive sectors, such as agriculture and the service industry. Whereas until then, GATT negotiations had been primarily attended by the industrial countries, now the large Third World countries, such as Brazil and India, demanded to be given a voice.

In the 1980s and 90s far-reaching changes took place throughout the world.² The Cold War ended and the whole status quo altered in central and eastern Europe and the former Soviet Union. Environmental questions received increasing attention, and this led to agreements on trade restrictions. With the increasing internationalization of economic activities, national economies have become ever more interdependent. Many of the developing countries chose for a market economy with the result that the industrialized lands started to oppose the regulations that granted the poorer countries an exceptional trading position, releasing them from mutual trade obligations.

In the closing phase of negotiations it was primarily the EU (European Union) and the US (United States) who played the leading roles. The main stumbling block was the agricultural section, that was not in line with the reforms envisaged by the EU. France and Ireland were resolute in their opposition. The US strengthened its negotiating position by signing a trade agreement with Canada and Mexico (NAFTA) following which the US government agreed largely to the European terms. There was no such compromise regarding the topic of tariff reduction for the service industry. A large problem was caused by the question of audiovisuals because many of the EU member states were concerned about the threat to national culture. The French wanted to keep the audiovisual issue outside the GATT agreement; other EU lands wanted to see a separate

¹. Annemoon van Hemel studied Art History and Cultural Policy at the Groningen University. Since 1991, she has been a staff member of the Boekman Foundation. Amongst others, she is member of the editorial board of the *Boekmancahier*, a quarterly publication dealing with art, research, and management; she functions as the contact person for the Boekman Chair for Research into the Sociology of Art (currently filled by Vera Zolberg); and she has been a member of the organizing committee of the conference 'GATT, the arts and cultural exchange between the United States and Europe'.

cultural paragraph included - as in the Treaty of Maastricht - whereby there would still be the possibility to protect one's own cultural sector. However, the Americans felt that such a position would conflict with free world trade.

A settlement had to be reached before 15 December 1993. That was the expiration date of President Clinton's mandate to negotiate, given him by the American Congress. Due to the pressure of time, it was decided to deal with the final obstacles - such as discussions regarding the service industry - in a following round of talks. Although follow-up meetings were arranged for all sectors involved, only the audiovisual sector remained hanging in a kind of limbo. In this way the EU succeeded in keeping film and audiovisual products outside the GATT.

As from 1 July 1995 there will be a new World Trade Organization (WTO) which will implement and direct GATT agreements, apply these regulations to various new areas and settle disputes. Each member state of the WTO has to accept all the treaties of the Uruguay Talks, to lift its import restrictions for both goods and services, and to adapt its national laws to all the treaties made at the Uruguay Talks. Disputes, including those connected with culture, will be settled by the WTO.

Within Europe the boundaries of national cultural policy were and are determined by the pronouncement of the European Court. This Court of Justice is very influential as regards cultural policy in that it tests whether national regulations are an obstacle to free trade. As was the case with GATT, economic interests are crucial here: up to the Treaty of Maastricht the Court considered cultural activities in a purely economic light. Although the WTO will not have the status of a super-national court of law, nevertheless the statements issued by the WTO concerning violation of GATT agreements will in future suggest the boundaries for the possibilities of European and national cultural policy. There are no exceptions made for the cultural sector. This is a step backwards in the European recognition of culture as a political point of discussion, but also a breaking down of the distinction between economic and cultural values of cultural products.

Four Aspects of the Treaty

Four aspects of the GATT Treaties may have consequences for the cultural sector. The GATT Treaty, which gives its name to the international negotiations, contains provisions dealing with trade in goods. The GATS Treaty (General Agreement on Trade and Services) regulates the trade in services. The TRIPS Treaty (Trade Related Intellectual Property Rights) guards intellectual property. There is also a treaty concerning purchases by governments.

GATT Treaty

The GATT Treaty allows countries to protect internal industry by means of import tariffs, whereby a maximum tariff is stated. There is an average tariff reduction of 38 per cent in the industrialized lands. This tariff reduction, together with the fact that developing countries are more obliged to maintain the tariffs, stimulates international trade and economic growth. The effect of this is felt primarily in the fashion sector. The textile industry in the EU will meet greater competition from its home market but will also be able to export more, in particular to the US and developing countries.

The GATT Treaty also makes it possible for countries to place a so-called 'anti-subsidy tariff' on imported subsidized industrial goods, as a form of compensation. This means that countries which are put at a disadvantage may place a compensating tariff that equals the subsidy. This ruling will have to be taken into account when nations choose to subsidize their products and their exporters. Although certain subsidies enjoy some protection under strict conditions, the treaty does not make stipulations concerning cultural products.

GATS Treaty

The economic importance of the service sector is growing globally as well as in the Dutch economy. At present this sector provides 64 per cent of the Dutch gross national income and 70 per cent of the total work force. In terms of art and culture, for example, this applies to such areas as architecture, audiovisual services and tourism. Services from other countries often fail to gain an entrance, because of various discriminatory national laws and regulations. So far there have not been any internationally accepted rules for government policy in this sector. The GATS Treaty contains terms dealing with services that exceed boundaries, as well as the consumption of services abroad and a commercial presence in a third country by means of establishing (a branch) there. Unlawful discrimination, concealed trade restrictions and national subsidies that falsify competition will now largely be impossible. In this way many policy areas that were completely protected from foreign competition or did not fall under multi-lateral regulations, will also become the subject of international agreements.

In the audiovisual sector this has led to violent resistance since the liberalization of audiovisual services would mean a threat to the national cultural sector. The audiovisual sector is the second largest export item of the US. People in the European film industry were scared of being flooded by cheap American products. American predominance is already a threat: in 1992 American productions accounted for about 70 per cent of the cinema programs and half the viewing time on European TV. The American export of films and videos to Europe in 1992 was twelve times as great as the export from Europe to the US.³ In addition, most of the large cinemas and film distribution firms in Europe are American owned. France in particular was very anxious to keep the audiovisual industry outside the GATT agreement.

Although the audiovisual sector falls under the treaties, implementation of these will only occur in the coming years. Europe and America are now filling in the 'empty pages' in the GATT, each in their own way. The EU considers that the US is not permitted to make sanctions against the European support for the film industry since this sector falls under the GATT. But the US has said that they certainly are entitled to take action because there have been no regulations by GATT concerning the audiovisual sector. Although at present the Americans make no objection to subsidizing films, in future the many regional, national and European funds for financing and subsidizing films - without which almost no film could be made in Europe - will also be labelled as unfair competition. Thus it is only a question of time until this sector too can no longer protect itself by artificial means from drowning in the flood of Hollywood productions.

The European Union has in the meantime debated the question of how the European audiovisual industry can become stronger. This sector is seen as a source of economic growth and new job opportunities. Beside this, it attributes an important part in the transfer of European cultures, to films and TV programs. In the green paper *Audiovisual Policy of the European Union* (April 1994), the European Commission states its strategy.⁴ Put briefly, the Commission pleads for more money for film makers, for a European distribution network and more viewing time for European products on TV. Where the two million dollars needed to implement such a European campaign program are to come from is not yet clear.

TRIPS Treaty

The third part of the GATT negotiations, the TRIPS Treaty has repercussions for example, for performing artists and for the book trade. Through the TRIPS agreement, all participating countries become bound by the Berne Convention (1971, copyright) and the Treaty of Rome (1961, protection for performing artists, producers of sound recordings and broadcasting organizations). By means of this, legal action can be taken against the production and export of cheap imitation products (such as texts) and illegally copied videos. The producers of sound recordings and films gain the right to forbid the commercial renting of their works; furthermore, computer programs and data banks also fall under the copyright law. Performing artists are protected against illegal recording and distribution of their performances, and broadcasting

organizations have a say in the use of their broadcasts. These rights last a minimum of fifty years. If there is a dispute, the parties concerned may not plead their own case - their own government has to do this for them.

Multilateral Agreements

Government buying creates important markets. Discriminatory clauses and unclear purchasing procedures, which used to complicate matters for foreign suppliers, often gave rise to trade conflicts, though not in the field of the arts. Many countries supported - either formally or informally - a 'Buy National' policy. The new GATT Treaty applies not only to the purchase of goods and services but also to the putting out to tender of public commissions. The Dutch Architecture Society's demand that a Dutch architect be given the commission from a Dutch ministry to design a new building, is thus in conflict with the GATT Treaty. And local government as well as public utilities bodies fall under the treaty. It should become easier for European architects to bargain for commissions in, for example, the US.

The Treaty of Maastricht

One of the major obstacles at European negotiations was the fear for the loss of national (and local) cultural identity. For although culture as such was not included in the EU agreements, from the 1980s on, the influence of 'Europe' became stronger and stronger as a result of a number of decisions of the Court of Justice and policies developed by the Brussels institutions. For example, the Television directive had significant consequences for cultural activities in Europe. And for film, architecture and the media, there were European directives. The national heritage of member states was protected by means of support projects. Matters such as the internationalization of education and mutual recognition of educational certificates were discussed. Other sectors, however, such as the visual or performing arts, remained largely out of the picture.

On the suggestion of the Netherlands and Belgium the cultural clause was added to the EU Treaty. It starts from the idea of the 'principle of subsidiarity'. That is, only those capacities which national governments cannot optimally implement will be transferred to the Community. The relevant article number 128 states that the EU contributes to the development of cultures in its member states 'while respecting the national and regional differences, but at the same time also emphasizing the communal cultural heritage.' The section offered the member states the possibility of continuing to pursue a national cultural policy.

The great advantage of this section is that both the European politicians as well as the Court of Justice must take into account cultural-political considerations whereas previously it was only economic considerations that mattered. Furthermore, the clause opens up the possibility for exceptions for national support regulations for cultural activities. It also states in the clause that all the member states must agree on any proposal when it deals with culture in a European context. Since there is always a member state that has an objection to such a proposal the chance is fairly small that laws can be made controlling European culture. But at the same time, because of its vague wording, the cultural clause provides the European Commission with the possibility of acquiring powers itself, to a greater extent than the member states would like. It is therefore very much the question whether the cultural autonomy of the member states will in fact be protected.

A number of European countries during the final months of the GATT negotiations made out a case for the inclusion of a cultural clause in the GATT Treaty. As with the Treaty of Maastricht, it is very much a question as to what guarantees a cultural clause would provide. In addition to the objections already mentioned, it is clear that European governments are increasingly unable to protect their own cultural sector. The privatization of the culture industry is, after all, well on its way, in particular in the audiovisual sector.

At the GATT negotiations art and culture formed the basis for economic protectionism and the preservation of one's own - European - identity. Or, as an American Hollywood director accusingly states, they revealed 'European arrogance and French anti-Americanism.'⁵ There are Europeans who fear that GATT ruins the possibilities of determining an individual cultural policy and that the national and European cultures will be overwhelmed by American influences. The gloomy prognosis by the French minister of Cultural Affairs, Jacques Toubon, was that free world trade would lead to a watered-down version of a Japanese-American cultural model.⁶ On the other hand, there are those who think that the GATT negotiations will promote the globalization of art and culture. After all, culture must be able to develop freely and must be continually exposed to contact with other cultures in order to develop, to enrich itself, to renew itself and to adapt to the ever-changing global society of which it is a part. The congress in Tilburg will consider these two contrasting attitudes and the many nuances in between.

Translated from the Dutch by Wendie Shaffer, Amsterdam; telephone (020) 6267150

Notes

1. Information about the GATT-Uruguay round of talks is largely based on *De GATT-Uruguay Ronde: resultaten en gevolgen*, Luxembourg Office for Official Publications of the European Communities, April 1994.
2. See Mate Kovacs in the latest edition of the Boekman Cahier magazine, *Boekmancahier* 21, 1994, pp. 315-325.
3. From F. de Raad, [in translation: It's five to midnight for the European film business], article in the Dutch daily *NRC Handelsblad*, 1 April 1994. Exceptions are France where a mere 58 per cent of the films on show in cinemas are American, and Greece [in the other direction] with 92 per cent.
4. The complete title is: Strategy options to strengthen the European program industry in the context of the audiovisual Policy of the European Union. Luxembourg, Office for Official Publications of the European Communities, April 1994.
5. O. Garschagen, in the article titled 'Hollywood bosses disappointed in Bill Clinton and the European Union', in the Dutch national daily *de Volkskrant*, 15 December 1993.
6. S. Vennema in the article 'Free world trade is the opposite of pluralism', in the Dutch national daily *de Volkskrant*, 4 December 1993.

GATT AND BEYOND

Reflections on cultural identity and Americanization

Mel van Elteren
Tilburg University

A successful conference is highly dependent on a good preparation and an active involvement of all participants. A shared stock of knowledge is a necessary starting-point for a fruitful exchange of ideas, of course. This exposé offers essential theoretical notions and background information, which was used as the starting point for a fruitful exchange of ideas among the conference speakers. First, relevant remarks are made on respectively cultural and national identity. Then, an analysis of the concept of 'globalization' is given. In the next section, the notion of 'Americanization' is problematized and possible meanings and appeal values of 'Americanized' lifestyles in Europe are mentioned. The listed questions at the end of this text can be used in structuring the various talks and discussions during the conference.

The intricacy of 'cultural identity'

In debates on the possible negative influences of audio-visual goods from America in Europe, a particular notion of 'cultural identity' is often taken for granted. On the whole, the question has been posed as one of the potential impact of a new technology (for example satellite broadcasting), or specific cultural product - American TV series, films, rock music and so forth - on a set of pre-given objects: national or cultural identities. However, collective identity and its constitution is not something that may be presumed to exist as a prior condition of political agency (Schlesinger, 1987: 240). Culture should preferably be conceived as a site of continuous contestation, both inter- and intra-nationally. We cannot consider the 'achievement' of a national culture as some kind of task which, having been completed, could equally be undone. Rather it is a continuous intricate process.

National and other cultural identities are best grasped when seen as being constituted in and through their relations to each other, rather than analyzing cultural (or national) identities one by one and subsequently thinking about how they are related to each other. From this perspective it is inappropriate to start by trying to define 'European culture', for example, and then analyzing its relations to other cultural identities. Diversity is constitutive of identity: 'European culture' is seen to be constituted precisely through its articulation vis-à-vis, and distinction from, American culture, Asian culture, Islamic culture, and so on. Schlesinger offers a useful formulation: '... identity is as much about exclusion as it is about inclusion and the critical factor for defining the ethnic group therefore becomes the social boundary which defines the group with respect to other groups. . . not the cultural reality within those borders' (Schlesinger 1987: 235).

Conceived in this way, collective identity is based on the (selective) process of 'memory', so that a given group recognizes itself through its memory of a common past. Thus, we can develop a dynamic view of identity focusing on the ability of ethnic groups to recompose and redefine their boundaries continually (Schlesinger, 1987: 230).

The fear of 'the other' and 'otherness' is at the heart of the question of 'identity', whether posed at the level of the individual or of the nation. Driven by such fears, the defence of a given 'cultural identity' easily slips into the most virulent nationalism, or even racism, and the affirmation of the superiority of one group over another (Mattelart et al., 1984).

After all, it is a matter of the relative power of different groups to define national or some other collective identity, and their abilities to mobilize their definitions through their control of

cultural institutions. In this context, the socio-cultural process of what Hobsbawm and Ranger (1983) have referred to as the 'invention of tradition' is crucial. Tradition is not a matter of a fixed or given set of beliefs or practices which are handed down or accepted passively. Rather, it is very much a matter of present-day politics and of the way in which powerful institutions function to select particular values from the past, and to mobilize them in contemporary practices. Through such mechanisms of cultural production, a particular version of the 'collective memory' and thus a particular sense of national identity is produced.

The argument above implies that 'European identity can no longer be, simply and unproblematically, a matter of Western intellectual and cultural traditions. As a consequence of its belligerent, imperialistic, and colonialist history, Europe now contains a rich diversity of cultures and identities. The question is whether ethnic (and also gendered) differences are disavowed and repressed, or whether they can be accepted, and accepted, moreover in their difference' (Robins, 1989: 28).

National identities

In the modern world, the national cultures into which we are born are one of the principal sources of cultural identity. National identities are not things we are born with, but are formed and transformed within and in relation to representation. We only know what it is to be 'Dutch' because of the way 'Dutchness' has come to be represented by Dutch national culture as a set of meanings. It follows that a nation is not only a political entity but something which produces meanings - a system of cultural representation. People are not only legal citizens of a nation; they participate in the idea of the nation as represented in its national culture. The fact that a nation is a symbolic community mostly accounts for its 'power to generate a sense of identity and allegiance' (Schwarz, 1986: 106).

National cultures are a distinctly modern form. The allegiance and identification which, in a pre-modern age or in more traditional societies, were given to tribe, people, religion and region, came gradually in Western societies to be transferred to the national culture. Regional and ethnic differences were gradually subsumed beneath what Gellner calls the 'political roof' of the nation-state, which thus became a powerful source of meanings for modern cultural identities.

The formation of a national culture helped to create standards of universal literacy; generalized a single vernacular language as the dominant medium of communication throughout the nation; created a homogeneous culture; and maintained national cultural institutions, such as a national education system. In these and other ways, national culture became a key feature of industrialization and an engine of modernity. Nevertheless, there are other aspects to a national culture which pull it in a different direction, bringing to the fore 'the particular ambivalence that haunts the idea of the nation' (Bhabha, 1990: 1).

A national culture is a discourse - a way of constructing meanings which influences and organizes both our actions and our conception of ourselves. National cultures construct identities by producing meanings about 'the nation' with which we can identify; these are contained in the stories which are told about it, memories which connect its present with its past, and images which are constructed of it. National identity is an 'imagined community' (Anderson, 1983).

But how is the modern nation imagined? What representational strategies are deployed to construct our common sense views of national belonging or identity?

First, there is the *narrative of the nation*, as it is told and retold in national histories, literature, the media and popular culture. These provide a set of stories, images, landscapes, scenarios, historical events, national symbols and rituals. These stand for or represent the shared experiences, sorrows, triumphs, and disasters which give meaning to the nation. As members of such an 'imagined community', we see ourselves sharing in this narrative. It lends significance and importance to our daily existence, connecting our everyday lives with a national destiny that preexisted us and will outlive us.

Secondly, there is the emphasis on *origins, continuity, tradition and timelessness*. National identity is represented as primordial - it just is there, 'in the very nature of things', sometimes slumbering, but ever ready to be 'awaken' from its 'long, persistent and mysterious somnolence' to resume its unbroken existence (Gellner, 1983: 48). The essentials of the national character remain unchanged through all the vicissitudes of history. It is there from birth, unified and continuous, staying the same throughout all the changes, 'eternal' so to speak.

A third discursive strategy is *the invention of tradition*: 'Traditions which appear or claim to be old are often quite recent in origin and sometimes invented' (Hobsbawm and Ranger, 1983). This may also entail a re-invention of tradition in specific instances, when an earlier tradition is deliberately retaken again and implemented in the contemporary context.

A fourth example of the narrative of national culture is that of a *foundational myth*: a story which locates the origin of the nation, the people and their national character so early that they are lost in the mists of, not 'real', but mythic time like basing the definition of the English as 'free-born' on the Anglo-Saxon parliament or of the Dutch as people forever struggling against the water. Myths of origin also help disenfranchised peoples to 'conceive and express their resentment and its contents in intelligible terms' (Hobsbawm and Ranger, 1983: 1). They provide a narrative in terms of which an alternative history or counter-narrative, which pre-dates the ruptures of colonization, can be constructed (e.g. Rastafarianism for the dispossessed poor of Kingston, Jamaica). New nations are usually founded on such myths. 'Myths' because, as was the case with many African nations which emerged after colonization, what preceded colonization was not 'one nation, one people', but many different tribal cultures and societies. National identity is also often symbolically grounded on the idea of a pure, original people or 'folk'. But, in the realities of national development, it is rarely this 'primordial folk' (whoever they may be) who persist or exercise power.

Deconstructing the 'national culture': identity and difference

However different its members may be in terms of class, gender or race, a national culture seeks to unify them into one cultural identity, to represent them all as belonging to the same great national family. But is national identity a unifying identity of this kind, which cancels or subsumes cultural difference? Such an idea is open to doubt, for several reasons.

First, most modern nations consist of disparate cultures which were only unified by a lengthy process of violent conquest - that is, by the forcible suppression of cultural difference. Secondly, nations are always composed of different social, gender and ethnic groups. Thirdly, modern Western nations were also the centers of empires or of neo-imperial spheres of influence, exercising cultural hegemony over the cultures of the colonized.

Instead of thinking of national cultures as unified, we should think of them as constituting a discursive device which represents difference as unity or identity. They are cross-cut by deep internal divisions and differences, and 'unified' only through the exercise of different forms of cultural power.

Yet national identities continue to be represented as unified. One way of unifying them has been to represent them as the expression of the underlying culture of 'one people'. Ethnicity is the term we give to cultural features - language, religion, custom, traditions, feeling for 'place' - which are shared by a people. It is therefore tempting to try to use ethnicity in this foundational way. But this belief too turns out, in the modern world, to be a myth. Western Europe has no nations which are composed of only one people, one culture or ethnicity. Modern nations are all cultural hybrids.

Globalization

The previous section qualified the idea that national identities have never been as unified or homogeneous as they are represented to be. Nevertheless, in modern history, national cultures have dominated 'modernity' and national identities have tended to win out over other - more particular - sources of cultural identification. What, then, is so powerfully dislocating national cultural identities now, at the end of the twentieth century? A complex of processes and forces of change, which can be summed up under the term 'globalization'.

Globalization refers to those processes, operating on a global scale, which cut across national boundaries, integrating and connecting communities and organizations in new space-time combinations, making the world in reality and in experience more interconnected. Globalization implies a movement away from the classical sociological idea of a 'society' as a well-bounded system - mostly geographically identified with the territory of a nation-state -, and its replacement by a perspective which concentrates on 'how social life is ordered across time and space' (Giddens, 1990: 64). These new temporal and spatial features, resulting in the compression of distances and time-scales, are among the most significant aspects of globalization affecting cultural identities today.

Globalization is not a recent phenomenon, however. Modernity is inherently globalizing. Capitalism 'was from the beginning an affair of the world economy and not of nation-states. Capital has never allowed its aspiration to be determined by national boundaries' (Wallerstein, 1979: 19). Both the trends towards national autonomy and the trend towards globalization are deeply rooted in modernity.

Since the 1970s both the scope and pace of global integration have greatly increased, accelerating the flows and linkages between nations. There are three possible consequences:

- * The growth of cultural homogenization and 'the global post-modern' will erode national identities;
- * Resistance to globalization will cause a strengthening of national, local or particular identities;
- * Declining national identities will be replaced by new identities of hybridity.

What consequence evolves is, of course, dependent on the socio-cultural conditions that are at issue. Particularly the specific history of the 'nation', its constellation of ethnic groups and the specific way in which modernity developed, and still develops in this context, are of relevance here. In one of the next sections a brief explication will be given.

Time-space compression and identity

One of the main features of the latest phase of globalization is time-space compression - the speeding up of global processes, so that the world feels smaller and distances shorter: events in one place have immediate impact on people(s) and places far away.

Time and space are the basic coordinates of all systems of representation. Identity is deeply implicated in representation. Thus, the shaping and reshaping of time-space relationships within different systems of representation have profound effects on how identities are located and represented.

All identities are located in symbolic space and time. They have their 'imaginary geographies' (Said, 1990): their characteristic 'landscapes', their sense of 'place', 'home', or *heimat*, as well as their place in time - in invented traditions which bind past and present, in myths of origin which project the present back into the past, and in the narratives of the nation which connect the individual to larger, more significant national historical events.

Another way of thinking about this is in terms of what Giddens (1990) calls the separation of space from place. 'Place' is specific, concrete, known, familiar, bounded: the site of specific social practices which have shaped and formed us, and with which our identities are closely bound up. Giddens gives the following explication: 'In premodern societies, space and place largely

coincided, since the spatial dimensions of social life are, for most of the population ... dominated by "presence" - by localized activity ... Modernity increasingly tears space away from place by fostering relations between "absent" others, locationally distant from any given situation of face-to-face interaction. In conditions of modernity ... locales are thoroughly penetrated by and shaped in terms of social influences quite distant from them. What structures the locale is not simply that which is present on the scene; the "visible form" of the local conceals the distanced relations which determine its nature' (Giddens, 1990: 18). Places remain fixed; they are where we have 'roots'. Yet space can be crossed at very rapid speed - by jet, fax, electronic mail or satellite.

Towards the global post-modern?

The more social life becomes mediated by the global marketing of styles, places and images, by international travel, and by globally networked media images and communication systems, the more identities become detached - disembedded - from specific times, places, histories, and traditions, and appear 'free-floating'. We are confronted by a range of different identities, each appealing to us, or rather to different parts of ourselves, from which it seems possible to choose. It is the spread of consumerism, whether as reality or dream, which has contributed to this 'cultural supermarket' effect. Within the discourse of global consumerism, differences and cultural distinctions which until recently defined identity become reducible to a sort of international *lingua franca* or global currency into which all specific traditions and distinct identities can be translated. This phenomenon is known as 'cultural homogenization'.

Are national identities being 'homogenized'? Cultural homogenization is the anguished cry of those who are convinced that globalization threatens to undermine national identities and the unity of national cultures. However, as a view of the future of identities in a post-modern world this picture is too simplistic, exaggerated and one-sided. At least three major qualifications should be made.

Alongside the tendency towards global homogenization, there is also a fascination with difference and the marketing of ethnicity and 'otherness'. There is a new interest in 'the local' together with the impact of 'the global'. Globalization in the form of flexible specialization and 'niche' marketing actually exploits local differentiation. Thus, instead of thinking of the global replacing the local, it would be more accurate to think of a new articulation between 'the global' and 'the local'. This 'local' is not, of course, to be confused with older identities, firmly rooted in well-bounded localities. Rather, it operates within the logic of globalization. However, it seems unlikely that globalization will simply destroy national identities. It is more likely to produce, simultaneously, new 'global' and new 'local' identifications.

Globalization is very unevenly distributed around the globe, between regions and between different strata of the population within regions. A significant factor is the unequal 'power geometry' of transnational communication- and mass media networks.

The third point in the criticism of cultural homogenization is the question of who is most affected by it. Since there is an uneven direction of the flow, and since unequal relations of cultural power between 'the West' and the rest of the world persist, globalization - though by definition something which affects the whole globe - may appear to be essentially a Western, or a predominantly Anglo-American phenomenon.

In the latest form of globalization, it is still the images, artifacts and identities of Western modernity, produced by the cultural industries of 'Western' societies (including Japan) which dominate the global networks. The proliferation of identity choices is more extensive at the 'center' of the global system than at its peripheries. The patterns of unequal cultural exchange, familiar from earlier phases of globalization, persist into late-modernity.

On the other hand, societies of the periphery have always been open to Western cultural influences and are now more so. The idea that these are closed places - ethnically pure, culturally traditional, undisturbed until yesterday by the ruptures of modernity - is a Western fantasy about

'otherness': a colonial fantasy maintained about the periphery by the West, which tends to like its natives 'pure' and its exotic places 'untouched'. Nevertheless, the evidence suggests that globalization is taking place everywhere, including the West, and the 'periphery' is experiencing its pluralizing impact too, though at a slower, more uneven pace.

Summarizing these and other insights and findings we may conclude that globalization does have the effect of contesting and dislocating the centered and 'closed' identities of a national culture. It has a pluralizing impact on identities, producing a variety of possibilities and new positions of identification, and making identities more positional, more political, more plural and diverse; less fixed, unified or trans-historical. However, its general impact remains contradictory. Some identities gravitate towards 'tradition': attempting to restore their former purity and recover the unities and certainties which are felt as being lost. Others accept that identities are subject to the play of history, politics, representation and difference, so that they are likely never again to be unitary or 'pure'; and they consequently gravitate towards 'translation' (see below).

Where identities are concerned, this oscillation between tradition and translation is becoming more evident on a global scale. Everywhere, cultural identities are emerging which are not fixed, but poised, in transition between different positions; which draw on different cultural traditions at the time; and which are the product of those complicated cross-overs and cultural mixes which are increasingly common in a globalized world. It may be tempting to think of identity in the age of globalization as destined to end up in one place or another; either returning to its 'roots' or disappearing through assimilation and homogenization. But this is very probably a false dilemma. For there is another possibility: that of 'translation'. This describes those identity formations which cut across and intersect natural frontiers, and which are composed of people who have been dispersed forever from their homelands. Such people retain strong links with their places of origin and their traditions, but they are without the illusion of a return to the past. They are obliged to come to terms with the new cultures they inhabit, without simply assimilating to them and losing their identities completely. They bear upon them the traces of the particular cultures, traditions, languages and histories by which they were shaped. The difference is that they are not and will never be unified in the old sense, because they are irrevocably the product of several interlocking histories and cultures, belong at one and the same time to several 'homes' (and not to one particular 'home'). People belonging to such cultures of hybridity have had to renounce the dream or ambition of rediscovering any kind of 'lost' cultural purity, or ethnic absolutism. They are irrevocably *translated*. The word 'translation', Salman Rushdie notes, 'comes etymologically from the Latin for "bearing across"'. Migrant writers like him, who belong to two worlds at once, 'having been borne across the world ... are translated men' (Rushdie, 1991). They are products of the new diasporas created by the post-colonial migrations. They must learn to inhabit at least two identities, to speak two cultural languages, to translate and negotiate between them. Cultures of hybridity are one of the distinctly novel types of identity produced in the era of late-modernity, and there are more and more examples of them to be discovered.

On the other hand, there are equally powerful attempts to reconstruct purified identities, to restore coherence, 'closure' and Tradition, in the face of hybridity and diversity. Two examples are the resurgence of nationalism in Eastern Europe and the rise of fundamentalism.

In an era when regional integration in the economic and political fields, and the breaking down of national sovereignty, are moving very rapidly in Western Europe, the collapse of the communist regimes in Eastern Europe and the break-up of the old Soviet Union have been followed by a powerful revival of ethnic nationalism, fuelled by ideas of both racial purity and religious orthodoxy. The ambition to create new, culturally and ethnically unified nation-states (which never really existed in Western national cultures) was the driving force behind the break-away movements in the Baltic states of Estonia, Latvia and Lithuania, the disintegration of Yugoslavia en the move to independence of many former Soviet Republics. Much the same process has been taking place in the 'nations' of Central Europe which were carved out of the disintegration of the Austro-Hungarian and Ottoman Empires at the end of the First World War.

These new would-be 'nations' try to construct states that are unified in both ethnic and religious terms, and to create political entities around homogeneous cultural identities. The problems is that they contain within their 'borders' minorities who identify themselves with different cultures. The other significant form of the revival of particularistic nationalism and ethnic and religious absolutism is, of course, the phenomenon of 'fundamentalism'. This is evident everywhere though its most striking example is to be found in some Islamic states in the Middle East. Beginning with the Iranian Revolution, fundamentalist Islamic movements, which seek to create religious states in which the political principles of organization are aligned with the religious doctrines and laws of the Koran, have arisen in many secular Islamic societies. In fact, this trend is difficult to interpret. Some analysts see it as a reaction to the 'forced' character of Western modernization; certainly, Iranian fundamentalism was a direct response to the efforts of the Shah in the 1970s to adopt Western models and cultural values wholesale. Some interpret it as a response to being left out of 'globalization'. The reaffirmation of cultural 'roots' and the return to orthodoxy has long been one of the most powerful sources of counter-identification amongst many third World and post-colonial societies and regions (one thinks here of the roles of nationalism and national culture in the Indian, African and Asian independence movements). Others see the roots of Islamic fundamentalism in the failure of Islamic states to throw up successful and effective 'modernizing' leaderships or secular, modern parties. In conditions of extensive poverty and relative economic under-development (fundamentalism is stronger in the poorer Islamic states of the region), a restoration of the Islamic faith is a powerful mobilizing and binding political and ideological force, especially where democratic traditions are weak.

The trend towards 'global homogenization', then, is matched by a powerful revival of 'ethnicity', sometimes of the more hybrid or symbolic varieties, but also frequently of the exclusive or 'essentialist' varieties mentioned above.

The complexities of 'Americanization'^{**}

In the light of my argument thus far, we may expect that the idea of a global cultural homogenization under the hegemony of American popular culture, as conceived in the well-known thesis of Americanization in the culture critique of the 1960s and 1970s, will not withstand close scrutiny. The familiar notion of a global dissemination and adoption of an American lifestyle, with its specific forms of leisure and entertainment, its media-oriented way of doing politics, its free market economy, and so forth, prevents us from obtaining an adequate view on relevant matters. The everyday culture of the United States exemplifies one of the purest variants of functional-rational actions in a Weberian sense. Its modernity is best explained through the radicalization of rationalization processes. It is the clearest embodiment of a society that is primarily based on profit-making by means of private capital: in the American way of life the 'spirit of capitalism', historically released in Europe, has worked most consistently. It actually concerns the sorcerer's apprentice of the industrialization process which originally began in Europe. In this context it is telling that sociologist Max Weber's influential work *The Protestant Ethic and the Spirit of Capitalism* (1905) was only completed after he and his wife had visited America. The 'iron cage' of capitalist culture occupied by the 'specialists without spirit and sensualists without heart', evoked by Weber at the end of his book, was a 'fateful force' in modern life, nowhere more important than in the heartland of capitalism, the United States (Weber, 1958: 17, 181-182; King, 1993: 363). Variations on the image of the iron cage are discernable, of course, in the work of many twentieth-century thinkers and artists, particularly Hannah Arendt, Theodor Adorno, Max Horkheimer, Herbert Marcuse, and other European, mostly Jewish, exiles who took refuge in the United States from the 1930s onwards to escape persecution from the Nazis. It has been the theme of most leading intellectuals and artists in this century that not only work, products, places and

^{**} The next section is borrowed from van Elteren (1994, pp. 1-9).

time, but also culture itself has taken on meaning according to the dictates of capitalist rationality. But Max Weber's theory on modernity has been most seminal here (see Tallack, 1991: 10-32 for its relevance in the American context).

Taking his cue from Weber and McDonald's fast-food restaurants instead of bureaucracy as the paradigm case of rationalization - in order to make Weber more timely -, Ritzer has argued that the formal rationality of bureaucratic calculative reason prevailing in the United States has constructed a dehumanizing social reality: the 'iron cage of McDonaldization' as the updated variant of the 'iron cage of rationalization'. The basic principles of the fast-food industry - efficiency, predictability, quantification and the displacement of human labor - have not only colonized food production and consumption and many work settings, but are evident in almost all social institutions (for example, education, sports, politics, and even religion), and have come to dominate the economic and cultural lives of the world's citizens. Ritzer also points out that some social institutions have been directly affected by the principles of the fast-food restaurant, whereas in other cases the influence is more indirect. And some have all of the basic dimensions of McDonaldization, but others have only one or two (Ritzer, 1993). However, his argument is so one-sidedly steeped in Weberian thinking, that he tends to overemphasize cultural unification and rational control in the modern world. Thus, he is unable to account for some of the more dialectic contra-flows of modernity, particularly the informal patterns of resistance characteristic of institutions against various strategies of control by managerial elites, and the local eruption of difference vis-à-vis cultural sameness, as manifest, for instance, in the emergence of hybrid ethnic identities. A good appreciation of these complex, and often conflictful, interaction processes can save us from the romantic despair that lurks at the background here.

The notion of 'Americanization' allows people to depict particular socio-cultural effects of industrial-capitalist developments in Europe as the result of influences coming from elsewhere, and to attribute to them an almost fatal character. This is a mistake, however, as I hope to make clear. 'Americanization' always implies adoption and incorporation of American things in a given culture which is changed in the process. Only in this context can indigenous forms of 'Americanization' be understood adequately. On the other hand, significant problems are also ignored when one interprets 'Americanization' as *merely* modernization: America as the great harbinger on the royal road of modernization. From a socio-cultural historical perspective the identification of 'Americanization' with modernization cannot even be accepted with regard to the 1950s and early 1960s - the heyday of the 'classical' theories of modernization in the American social sciences. In those years, these processes seemed to be more or less identical, and American society was considered the realized goal of history whereas the criteria for modernization were derived from the United States as the exemplary model.

Americanization and modernization may sometimes be the same thing, but in each and every case care should be taken to distinguish one from the other. Then, again, in making the distinction, we must also guard against a simplistic separation of the two, such as that included in some denials of American influence - 'that's just modernization, and would have happened anyhow.' These amount to nothing but a veiled form of technologism, the belief that technological change does not occur within the context of culture.

Certainly, there was a common frame of reference for the reception of transatlantic examples in developed industrial societies. American ideas and practices of various kinds seemed to offer solutions for problems which structurally resembled one another in these societies (even including the basic characteristics of the economic polity and the adjoining requirements and conditions of societal reproduction). Yet there were also specific developments in the receiving societies which clearly differed from those in America, such as: the development of a modern welfare state in most cases; the very different relationships between capital and labor; economic pressure opportunities; and political power structures. (This occurred in spite of the American influences which were at issue here as well, particularly the implementation of American management practices.) Besides, there were elements at stake which were outside the context of

modernization. In some cases American cultural influences even entailed counter-responses to modernization.

It should be clear by now that the concept of 'cultural imperialism' with regard to the impact of American culture on other societies is too crude, as it is insensitive to the process of accommodation taking place, unable to account for the intricate transformation of values and symbols when they appear in a different cultural context. It is possible, indeed desirable, to give the study of Americanization a solid, empirical foundation by asking questions, such as: how many American films were seen by Dutch audiences during successive postwar periods? But when it comes to the significance of these films - *how* they were seen and interpreted by a European audience, or what needs they satisfied -, such quantitative considerations are insufficient, and are only a springboard for the study of the process of Americanization proper. A similar reasoning should, for instance, be applied to the reception of American pop/rock music: a study of the number of records imported, the number of American hits topping the Dutch national charts et cetera should be complemented by an investigation of the ways in which this music was actually received and interpreted by the Dutch.

Though there may be passive reception in specific cases, in which the consumers surrender to the cultural influence concerned, for the most part an active appropriation of American cultural forms takes place. The consumption of goods and services is always embedded in local circumstances. Therefore the actual consumption may differ radically from the intention with which those goods and services were originally produced. American culture as consumed by subordinate groups in a repressive socio-political climate even has a potential critical charge. Popular cultural forms from America which seem most in tune with dominant, conservative values, can, oddly enough, act in a different social and political context as a frame of reference through which the hegemonic order is ridiculed or otherwise criticized (Webster, 1988: 178-179). The extent to which an active appropriation takes place is, of course, highly dependent on the nature of the receiving society or group. Especially the degree of assertiveness of the indigenous culture vis-à-vis the cultural imports and foreign culture is of relevance here.

Another trap to be avoided is employing a concept of America popular culture as monolithic, innocent of contradictions and complexity. American culture was never, and nowadays is not an ideological or aesthetic monolith. Conflicting trends exist, even within the mainstream of American culture. Compare the late forties in Western Europe in this respect. The ideals of *Gone with the Wind* are not identical with those of *The Grapes of Wrath* to give just one obvious example for that period. Nor had Hollywood's particular brand of light family entertainment much in common with, say, the daring experiments carried out by jazz musicians at the same time. They articulate diverse experiences of America, but it is hardly likely that the general European public was aware of such differences during the late forties.

In this respect there are clear differences in the nature of the reception of American popular culture in successive periods during the postwar years. Generally, 'Americanization' in Western European countries has been characterized by a growing awareness of the heterogeneity of American culture and American society. Concepts of an 'other' or 'alternative' America, unknown to the generation of the first postwar years, received much attention during the following decades. The evolution from a naive to a relatively sophisticated view of American culture seems to be one of the more important trends of the last forty years. Eventually, the generalized attitude toward American culture typical of the late forties was transformed into a more selective appraisal of specific trends within that culture. An intriguing example is the European student movement of the sixties, insofar as this was a counterpart of the American New Left. Confusingly enough, the rebellious students of the sixties, influenced by the alternative America, often considered themselves 'anti-American' - strictly speaking, an inappropriate term which obscures the fact that many Europeans protesting against the war in Vietnam were inspired by the ideals and artistic expressions of the American New Left and youth culture. What was considered anti-American should rather be called anti-establishment, or at least anti the American political establishment.

The solidarity with black protest in the United States and the attempts to emulate the culture of the Californian hippies pointed to another America than that of the Pentagon and the White House, but the vital models still emerged from the United States. The concept of anti-Americanism rested on assumptions about American culture as a monolith - assumptions plainly contradicted by the protesters' own lifestyles (Schou, 1992: 143-145).

American culture offers both continuity and heterogeneity, through a plurality of traditions and through a continual tension between an idea of 'America' and the specificity of the local. We should, however, not employ rigid binary divisions between America and the Netherlands or Europe. Another element that undermines the view of American culture as monolithic is the interplay between this culture and its European counterpart. Instead of the 'invasion', 'colonization' or 'infection' model of the discourse of Americanization, there is a complex series of exchanges between Europe and the United States. European émigrés went to Hollywood and the thrillers they made were later hailed by French critics as *film noir*. From a French reappraisal of Hollywood films evolved the *nouvelle vague* [new wave], and Godard's *A Bout de Souffle* (1959) was later remade with the plot turned inside out by Jim McBride in the Hollywood film *Breathless* (1983) and Jerry Lee Lewis' rock 'n' roll on the sound track. In popular music there is a two-way flow of influence between America and Great Britain, with American musicians revealing detailed knowledge of rare English ballads and pop songs or with British musicians re-introducing America to its own traditions - blues, rhythm and blues, country, rockabilly, soul - over the last twenty-five years. We may also think of the links between Irish and American musical traditions, the Irish origin of some rural American country music, and the popularity of country in Ireland nowadays (Webster, 1988: 25, 170, 191). Similar examples can be given with regard to other domains, such as the visual arts, modern architecture and industrial design, social sciences and associated cultural practices.

Meanings and appeal values of 'Americanized' lifestyles in Europe

Without an understanding of the meanings of the various 'Americanized' lifestyles concerned we can not adequately determine their effects on the lives of young people. One element is crucial: American popular culture presents itself as one big 'self service store' - everywhere present and with almost unlimited choice and opportunity - to young people looking for signs and symbols of a lifestyle which expresses their generation-specific qualities. American popular culture has become a superculture. 'Beyond the confines of America', claims the British Americanist Christopher Bigsby, this culture 'changed both meaning and structure, becoming plastic, a superculture, detached from its roots, and widely available for adaptation, absorption and mediation' (Bigsby, 1975: xiii). Its infinite variety of components, both real and imagined, could be assembled and re-assembled abroad by different groups in a literally limitless number of combinations. Hollywood films, advertisements, design, body aesthetics, music and dance, offer a rich reservoir of images, sounds, and 'texts'; an iconography which is open to all kinds of readings. This 'superculture' constitutes a reservoir of cultural elements from which one may borrow as much and in as many ways as one wishes. However, all elements thus borrowed also have the aura of *Americanicity* [Américanité] (Barthes, 1977) or Americanness in common: elementary connotations of freedom, casualness, liberality, vitality, modernity and youthfulness.

It should also be recognized that American popular cultural forms often reached individual countries through other European countries which, in turn, might give their specific interpretations and reinterpretations, or even add creative contributions of their own. The process of selective borrowing and appropriation of forms of American mass culture detached from their roots in American society, culminating in some kind of 'superculture', may have been strongly enhanced by this process. Very probably this kind of cultural transmission occurred more often in smaller cultures exposed to the radiation of larger cultures, particularly before the advent of global mass media, which were to make direct transmission and reception across borderlines much easier - at

least in principle. For instance, for the Netherlands the reception of the 'roaring twenties' culture (films, modern body cult, dances, et cetera) partly place through Berlin, the 'New York' of Europe at the time (van Elteren, 1991), and in the 1950s Great Britain functioned as a significant *intermediating context* in the reception of the American teenage culture.

Particularly relevant in the cultural diffusion processes mentioned above were the selections that were made from the available supply of American cultural goods by: gatekeepers and agenda-setters of the mass media; opinion leaders; other influential sources; and by the young people themselves. What images of America have they developed in accordance with their own needs, preferences and wishes? In this context the imagery of 'America' in relation to pop/rock music (Cooper, 1991; Marcus, 1975, 1982; Scheurer, 1991) should be given special attention, because of the crucial role this music has always played in youth culture.

We now arrive at another major issue of interest. A significant part of the exported American culture drew its appeal from popular traditions which were - and still are -marginalized or even considered 'non-culture' by the cultural elites of the United States today. The 'Americanization' of Western Europe, to a great extent, thrived on the appeal of the 'vulgar'. Europeans adopted those expressive forms which were experienced as clearly sensually expressive, shrill, unvarnished, enthralling and overwhelming.

Like 'America', all those things considered 'vulgar' are historically alterable, cultural products. They refer to a line of demarcation, that results from the everyday struggle between different social strata about the legitimization of various forms of culture, and is, therefore, always drawn anew. By using this term, those people who claim a civilized and refined way of life distinguish themselves from other people. With 'vulgar' they indicate things which they consider inferior, problematic, often also threatening, due to a lack of culture and civilization. What particular things and qualities are classified as 'vulgar' depends on the intricate interplay between social tendencies of informalization and formalization, and the connected battle in the domain of cultural distinction. Socially the cultural forms concerned tended to be socially linked to the taste preferences and the behavior repertoires of lower social classes and marginalized cultures in the United States itself, and certainly not to the Puritan tradition of the Pilgrim Fathers, nor to the genteel Anglo-Saxon tradition of the cultural - Ivy League -elites at the universities. Thus, rock music is almost inconceivable without the means of expression and behavioral styles of performers from the Afro-American culture (Bane, 1992). But also such elements in American youth films of the fifties as blue jeans, leather jackets and provocative casualness, also clashed with the norms of the neat, white middle-class family. Rather, they were adopted from the behavior repertoire of conspicuous youth, labeled 'criminal', in the urban, lower social classes.

This argument may be extended as follows. In the multicultural society of the United States a continuous exchange takes place between the 'legitimate' culture of the white, Anglo-Saxon, mainly Protestant Americans - the WASPs - and the 'illegitimate' cultures (as seen from a WASP point of view) of the various ethnic and regional minorities. Such cultural exchange has taken place most intensely within the Afro-American community, and over the last decade increasingly within the Hispanic community as well. All these processes have clearly left their traces in attitudes, language and taste preferences. Whether the conservative white middle class like this insight or not, African-American behavior patterns and expressions have put their stamp on the WASP way of life and have penetrated deeply into American popular culture: 'The subcultures of young and liminal white Americans during much of the twentieth century could hardly have taken the forms they did without a notion of Black culture, understood as involving a fundamentally, existentially superior approach to life; the hardline culture of poverty concept turned upside down' (Hannerz, 1992: 79).

Next to the 'vulgar' tendency mentioned above, there was another important line of influence, that of mainstream entertainment carried by the American middle class: positive, smooth, family-oriented, morally beyond any doubt. This characterizes most of the Hollywood films of the 1950s and neat teenage idols of the time such as Doris Day, Perry Como and Dean

Martin, who fit into the musical tradition of Tin Pan Alley. However, it was particularly the first line of American popular culture that appealed to rebellious youth who wanted to differentiate themselves from the older generation. It was foremost the cultural and ethnic crossing of border lines that strongly appealed to the young people involved. The widely spread cliché of jazz, rock 'n' roll and the like as 'jungle music', 'niger music', and so forth, indicates - in racist distortion - a crucial component of their appeal value.

There were compelling reasons why many Europeans opted for American popular cultural goods. In the domains of mass media and the use of commercial leisure goods and services the United States was far ahead of Europe. The immense domestic market made mass production and the concentration of creative potentials in large centers possible. The economy of scale and the richness of the cultural tradition of a nation consisting of many ethnic groups offered an unequalled, fertile soil for talents and innovations. Besides, the early development of vertically integrated, big corporations in the American culture industries, and the practical implementation on a large scale of all kinds of new forms and media of reproduction constituted favorable conditions for the dissemination of popular cultural forms at home and abroad. Moreover, this culture itself had grown from a need to develop a normative culture which would transcend the regional and ethnic differences in the undeniably multicultural society which the United States had been from the outset. In order to conquer the national market, the industries concerned felt obliged to develop an aesthetic language which would resound across ethnic differences. That is why they were to be the harbingers of a world idiom of popular culture, pre-eminently suitable for export.

QUESTIONS TO BE POSED AT THE CONFERENCE

Against the general background information given above, the following, more specific questions can be raised with regard to the cultural implications of the recent GATT agreement.

Globalization and national identity

- * Is the concept of cultural identity still valid when people have no fixed national or cultural identities but combine more than one identity at the same time?
- * Are we about to acquire a global identity at the expense of regional or local cultural identities as the result of the overwhelming presence of foreign - mainly American - symbolic output?
- * Is a genuine cosmopolitanism, or 'world-citizenship', by definition doomed to fail due to the cultural hegemony of the Anglo-American world in the mass-mediated global culture? What distinctions can be made in this context with regard to various art forms?
- * Let us assume that the arts do form a constitutive part of the cultural identity of a certain society or nation-state. Are there specific forms of arts that contribute remarkably more to specific national or cultural identities than other forms do? For instance, does typically Dutch cabaret exist? And what is the specifically 'Dutch' quality of the ballet performances by the Dutch National Ballet? Is there a specifically Dutch rock music, and so forth?
- * Are there art forms (high or popular culture) which are by definition transnational, related to hybrid or creolized cultures and the like?

Cultural protection and national identity

- * Do the transatlantic cultural influences form a one-way traffic? To what extent do processes of active appropriation of the various cultural goods take place?

- * What do we mean by cultural protectionism?
- * What arguments may be raised for a possible cultural protectionism, and in what instances? And what counter-arguments can be given?
- * If national cultural identity is such a problematic concept as has been suggested above, what sense do attempts at cultural protectionism on a national basis make?
- * If a 'European cultural identity' can be defined, how can it be linked to the existing forms of cultural protectionism on a national scale?
- * Is the delimitation of a geographically rooted (for instance, a 'Latin') 'audiovisual space' like Mattelart et al. have professed, really possible? And if so, what implications does this have?
- * Why do traditional political and/or cultural elites of specific nation-states (particularly France) occupy themselves more with the cultural dimensions of the GATT agreement than those of other nation-states in Western Europe?
- * Why do these elites as a whole occupy themselves more with this problem constellation than other people?
- * How can the risk of ethnocentrism, or even racism, be averted in the case of cultural protectionism?

Government subsidies - patronage - free market

- * Should art forms be subsidized on a national basis? If so, for what reasons? If not, why not?
- * What are the possible risks and side-effects of governmental subsidies of the various art forms?
- * May the free market system be considered an obstacle to the production and dissemination of indigenous cultural goods of small nation-states? What does 'cultural self-determination' mean in this context?
- * If the arts play an important role in the constitution and articulation of cultural identity, should the market system, which mainly benefits American popular culture products, be considered a serious threat to the 'cultural right of self-determination' in the Netherlands and other European countries?
- * Is state intervention compatible with the right of cultural self-determination and consumer sovereignty?

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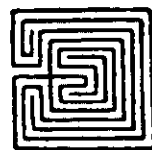
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Europe Through a Glass Darkly

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Philip R. Schlesinger

Europe's Contradictory Communicative Space

INTRODUCTION

THE POLITICS OF COLLECTIVE IDENTITY HAS become a major issue in today's Europe. Any understanding of the European political scene must recognize the crucial role played by nationhood as a focus of collective loyalty. However, as nationhood and statehood in Europe do not invariably coincide, the growing salience of the national question offers an inherent challenge to the existing state system and to the stability of our geopolitical image of the continent. Culture and polity in Europe are not congruent with one another and, at a time of uncertainty, culture takes center stage as a battleground for the elaboration of identity politics.

The upsurge of nationalist consciousness in Europe has been notable since the definitive collapse of the Soviet bloc in 1989–1990. Subsequently, Germany has reunified, the Soviet Union has disintegrated into the fissiparous Commonwealth of Independent States (CIS), Yugoslavia has become the bloody cockpit of the continent, and Czechoslovakia has bifurcated. In Western Europe, neo-Nazi nationalism has made a telling (and chilling) reentry into the political scene in several states. Strongly decentralist—if not actually secessionist—tendencies are noticeable elsewhere, perhaps most prominently in Belgium and Spain, but also in various forms in Italy and in the United Kingdom. Unquestionably, the post-Cold War period has produced a general crisis of political identity in Europe. The unmistakable cultural expression of this crisis has been an accentuated concern with the nation as the locus and focus of collective sentiment and interest.

Philip R. Schlesinger is Professor of Film and Media Studies at the University of Stirling, Scotland and a Professor in the Department of Media and Communication at the University of Oslo.

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In Europe, as elsewhere in the world, the Cold War provided antinomial categories for thinking about collectivities: West versus East; the free world versus communist totalitarianism; capitalism versus communism. These were political categorizations, but they also functioned as articulated symbolic forms that expressed cultural differences rooted in a wide range of divergent social, economic, political, and ideological practices. Cold War thinking was a way of ordering and simplifying European complexity into "us versus them."

Now that this era is past, the diversity of culture, language, and ethnicity that was hidden from view has reemerged into the unfeeling light of day. From two opposed blocs, leavened with a scattering of neutrals, the European political scene has taken on a much more intricate aspect. The Cold War and its politico-economic and military blocs obscured the fact that the continent is still a mosaic of nationalities, not all of which have their own states.

National identity politics in today's Europe is unavoidably shaped by its encounter with the supranational level. "Europe" is plainly not a single politico-cultural space; nor is "Europeanness" an unambiguous attribute.¹ Bearing this in mind, my purpose here is to make conceptual and analytical points as part of an argument about the *potential* for the construction of a European common communicative space via the media. This requires us to address the linked questions of the construction of a common cultural identity and of a public sphere. In this connection, it seems particularly appropriate to lay most emphasis upon the expectations that have centered on television as the principal contemporary medium for the diffusion of popular culture, a medium to which enormous political and cultural power are commonly ascribed.

In thinking about whether—if at all—media might construct Europeanness, it is important to note that Europe's geocultural scope is far from clear. Although (thinking westerly) there might be little dispute that the continent begins at the Atlantic coastlines, there is far less agreement about precisely where it ends. In General de Gaulle's celebrated formula, the Urals offered the other extreme, but that trope does not seem to command widespread agreement today. At the heart of the debate about Europeanness are questions about what kinds of political, economic, and cultural attributes both individuals and collectivities require in order to make a claim to "belong" to Europe. For example, it is becoming increasingly

evident inside some member states of the European Community (EC) that people of color and non-Christians are viewed as "outsiders" who should be rejected.

Such considerations make the attempt—even the aspiration—to construct a European identity vitally important. To state the options rather starkly, the present debate over Europeanness may be seen as crystallizing a wider struggle between secular, civic, and inclusive pluralist conceptions of collective identity and alternative images of community rooted in ethno-nationalist exclusivism, blood, and religious faith.

CONSTRUCTING "EUROPEANNESS"

Collective identities are relatively fluid constructions rather than eternal essences. Their social making is an active, dialectical process that involves the continual construction and reconstruction of a sense of themselves by self-identifying communities using the signs provided by their cultures. The construction of a collective identity also generally involves active strategies of inclusion and exclusion whereby the boundaries of a given collectivity are policed. Hence, collective identities may be sustained not only by the auto-identification of a group but also by hetero-identification. Both how we define the other and how the other simultaneously defines us are part of the unavoidable game of identity politics. *We* are defined, in part at least, by being different from how *they* are. And *their* difference from *us* depends upon our being what we think we are. Collectivities are therefore sustained and propelled by their reflexivity.

The process sketched out above extends through time, deploying both collective memory and collective amnesia. The struggles over various versions of history at any given moment become crucial for the eventual self-understanding of a collectivity's formation. What is understood to be either typically national or ethnic about a given group is usually drawn from a highly selective account.² Analogously, the same process also extends through space. Since the nation-state became the "normal" political form in Europe some two centuries ago, this has been paradigmatically conceived in a nationalist thought as a self-determining collectivity located in a specific national territory endowed with meanings.³

In the EC (which since November 8, 1993, but without fanfare, has also slipped into calling itself the European Union [EU]) we are witnessing a contemporary attempt to move from an integrated market to a political formation, in effect an effort to devise a supranational form of state. Although this development process is uncertain and full of reversals, its ultimate logic (if successful) would be to create a new instance of political legitimacy. Given Europe's diversity, and its historical legacy of conflicting nationalisms, such an entity could not readily be built upon the classic, simplifying, nationalist criteria of ethnicity, consanguinity, language, or religion. The uneven process towards ratification of the Maastricht agreement in 1992-1993 made it quite apparent that the road is not without obstacles. So if there is a plausible story of emergent Europeanness to be told, it will probably have to be rooted in a gradualist saga of growing together through institutional sedimentation, the patient outcome of the *longue durée* rather than the quick-fire product of technocratic rationalism.

The present difficulty in imagining the EC/EU as a coherent, identity-conferring area of common political culture is underlined by bearing in mind an important comparative point. The historical conditions of nation-building in the Old World differ profoundly from those in the New World. The United States is an inorganic nation, juridically defined and based in successive waves of diverse immigration.⁵ As has pertinently been observed, unlike Europe, ethno-national identity in the United States has not provided a basis for war between constituent groups, a feature that has produced a significant difference in how ethnicity is interpreted: "Being based, however imperfectly, on individual rather than group rights and on the idea of the melting pot, the USA is often inclined to underestimate the elemental force of ethnic issues elsewhere although it is a source of regular conflict."⁶

In Europe, growing ethno-national conflict, racism, and anti-Semitism have become increasingly central to the political agenda. In the 1990s, fears of mass migratory movements from North Africa and Eastern Europe have fueled the development of a "Fortress Europe" centered on the EC and buttressed by strengthened internal policing. Precisely how that policing is conducted relates centrally to questions of culture, because plainly racial and ethnic discrimination are integral to its practices. And that, in turn, in-

voke cultural conceptions of (acceptable) similarity and (unacceptable) difference as criteria for whom to allow over the drawbridge and whom to repel.

The immediate enlargement of the EC looks set to reinforce its standing as the most affluent part of the continent, if—as it would appear—candidates from among the European Free Trade Association (EFTA) eventually join. At the same time, the EC still functions as a lodestar for the aspirations of many of the postcommunist states, where the democratic model, civic and political pluralism, and the market are seen as the embodiments of contemporary Europeanness.

It is in this context that I wish to discuss current arguments about the possibility of a "European audiovisual space" and its relations to the public sphere.

IMAGINING A EUROPEAN AUDIOVISUAL SPACE

During what was later found to be the concluding phase of the Cold War, EC policymakers turned their attention to creating a common culture among the twelve states of the EC. By considering this exemplary instance of a rationalist approach to cultural management, we are given considerable insight into the sources of continuing cultural difference in Western Europe and the evident absence of any shortcut in surmounting these.

In the mid-1980s, the European Commission, the EC's Brussels-based bureaucracy, had begun to consider the question of culture. This reflected a growing awareness that European integration might need something more than just a single economic space occupied by the member states. In signaling this change of approach, one of the EC's founding fathers, Jean Monnet, was invoked as saying, "If we were beginning the European Community all over again, we should begin with culture."⁷

The European Commission's Green Paper, *Television without Frontiers*, published in 1984, set the context as follows:

Information is a decisive, perhaps the only decisive factor in European unification. . . . European unification will only be achieved if Europeans want it. Europeans will only want it if there is such a thing as European identity. A European identity will only develop if Europe-

ans are adequately informed. At present, information via the mass media is controlled at [the] national level.⁸

This perspective has had an enduring impact upon subsequent thinking and debate. First, it assumes, simplistically, that there is a strong, unilinear, and homogenizing causal connection between media consumption and collective identity formation. Second, the national level of media production and distribution is seen as an obstacle to be transcended in the interests of forging Europeaness. And finally, the desired shaping of a new cultural identity is linked to the transnational distribution of information, that is, to the formation of a European public sphere.⁹

Underlying *Television without Frontiers* were assumptions directly derived from the Western European experience of public service broadcasting. In the early and mid-1980s, before the deregulatory trend in broadcasting became predominant, it was still possible to think of radio and television as the cultural arms of nation-building and as providing a public forum for the elaboration of divergent, party-based projects within a political community composed of citizens. However, increasingly, since the latter part of the 1980s this public culturalist model has been widely supplanted by an individualizing economic conception of audiences as consumers and of programming as, above all, a commodity.

It is a nice irony that in order to legitimize the project of forging a supranational identity the EC technocracy chose a model whose political prospects on the national level were actually waning, although they could not have seen this clearly at the time. The project of building a European culture through television was simply extended from one political level to another without any serious consideration of what might be involved in moving from a national community defined by the boundaries of a single state to an international community defined by integrationist political economics. Characteristically, the role of audiovisual media in constructing a European identity has been officially defined by counterposition to a culturally invasive other, namely the United States. In keeping with this, at the *Assises de l'Audiovisuel* held in Paris during October 1989, the president of the European Commission, Jacques Delors, issued a series of interrogatives:

I would simply like to pose a question to our American friends: do we have the right to exist? Have we the right to preserve our traditions, our heritage, our languages? How will a country of ten million inhabitants be able to maintain its language—the very linchpin of culture—faced with the universality which satellites offer? Doesn't the defence of freedom, elsewhere so loftily proclaimed, include the effort of each country, or each ensemble of countries, to use the audiovisual sphere to ensure the protection of their identity?¹⁰

By the end of the decade, the EC's television directive, *Television without Frontiers*, was enacted with the goal of ensuring that equality of access to the market applied to television broadcasting across national frontiers; it was first implemented in October 1991. As we have seen, there was a cultural logic to this. But even more importantly, there was an underlying industrial logic. The purpose of opening up the market was to create greater opportunities for European audiovisual production in a global market. Creating the internal market was coupled with an attempt to impose a quota on importation from the external market. The directive's ARTICLE 4 stipulates that "Member States shall ensure where practicable and by appropriate means, that broadcasters reserve for European works... a majority proportion of their transmission time..." These words are echoed in the "cultural objectives" of the Council of Europe's subsequent *European Convention on Transfrontier Television*, published in January 1990, which equally aimed to ensure that member states did not create national restrictions against the reception and retransmission of programs from other member states.¹¹ The official conception of what constitutes European audiovisual production in Europe includes programs and films produced in EC member states, by signatories to the Council of Europe Convention, or in countries belonging to EFTA.

Although the EC context in some measure has begun to affect the scope for autonomous media policy-making at the level of the nation-state, Western Europe is still far from having homogeneous media systems. Media institutions remain nationally specific, strongly influenced in their internal regulatory regimes by domestic political determinants.¹² Moreover, nation-states still remain the most significant spaces for political communication.¹³

But that is not to deny the existence of internationalizing tendencies in European television (as, indeed, has also increasingly been

the case in the press, particularly in the shape of transnational ownership). The reconstruction of domestic audiovisual markets has been driven to a considerable extent by the rise first of advertising and then subscription-financed private television during the past decade. The proliferation of distribution systems, including satellite and cable, has increased the total European demand for programs enormously.

However, there are problems in generalizing about the patterns of media consumption across the EC. For instance, there is low newspaper readership in some Latin countries compared with Northern Europe; consumption of media is clustered around nine language areas; and only in the smaller countries bordering larger neighbors with the same language is there significant transborder media consumption.¹⁴ Both the EC and the much broader regional grouping, the Council of Europe, have seen the elaboration of a European audiovisual space as a matter of policy. What is noticeable, though, is the extent to which cross-border media developments, whether in television, newspapers, or magazines, have actually been the product of private corporate initiative rather than governmental action. The European mediascape is traversed by such actors as Murdoch's News International, the Luxembourg-based CLT, Germany's Bertelsmann, and Italy's Fininvest. The process of transnationalization and economic integration resulting from the private actions of enterprises must be weighed alongside those of national governments and Euro-bureaucracies.¹⁵

The development of European television programming has been encouraged via regulatory measures and conventions. The production and distribution of audiovisual products have been stimulated by means of a number of EC-funded ventures. The best known of these is the MEDIA program, which has sought to strengthen the EC's internal market across the component national boundaries. Parallel measures have been undertaken by the Council of Europe in its audiovisual EUREKA project. These promotional efforts have undeniably had some impact in developing a European audiovisual market by stimulating new production and in enhancing cross-national collaboration. The EC's 1991-1995 MEDIA program cost some \$280 million.¹⁶ But such support for production is dwarfed by what is spent by European countries on programs imported from the United States. In 1992, the EC member states spent a combined

total of \$3.7 billion on audiovisual imports, which far outweighed the \$288 million spent on European productions in the United States.¹⁷

The scale of imports of television programs and films from the United States has been a cause of official concern. The very popularity of the US product (hardly something new, given the historic global dominance of Hollywood) has been represented as a danger of Americanization. Ever since World War I, for instance, American popular culture has been seen in official circles and by cultural elites in the United Kingdom as constituting a threat to the *national* culture.¹⁸ In recent years, this line of argument has been most clearly articulated in France, where the issue has been supercharged by the perception that American popular culture played a role in the global clash between *la Francophonie* and the Anglo-Saxons.¹⁹ Now, transposed to a supranational level, in official thinking Americanization is represented as a threat to *European* culture.²⁰

It is not surprising, therefore, as so emphatically signaled by Jacques Delors, that the forging of a common European culture through television and cinematic production should be conceived of as a form of cultural defense. Nor is it unusual to encounter military metaphors in this context, and not just in official circles. Speaking for the creative community, the celebrated German film director, Wim Wenders, has opined that "Europe will become a Third World continent because we will not have anything to say on the most important medium. . . . There is a war going on and the Americans have been planning it for a long time. The most powerful tools are images and sound."²¹

This rhetoric of cultural war connects to the other major logic of the European audiovisual space, namely the industrial and commercial goal of creating a European market capable of stimulating the production of both hardware and software, thereby also confronting the Japanese challenge in media technologies.

The integrationist model of audiovisual space, however, has a notable defect. In the effort to rationalize the management of culture, the refractoriness of national television audiences has been underestimated. Television programs (and films) produced in Europe tend to be so nationally specific as to offer limited scope for audience identification elsewhere on the continent. On the whole, with the exception of productions in the English language, televi-

sion and film productions do not travel extensively outside their language area. There is no *European* market as such, rather there is "merely a collection of distinct domestic markets" and major European producers are primarily concerned with strengthening their positions within their national markets.²² Given preferences both for national style and content in television programs and a widespread lack of popular interest in the products of other European countries, we are faced with a somewhat paradoxical outcome. To the extent that it exists at all, the real common currency of the European audiovisual space is actually the output of the *American* television and film industries. The United States produces—and has long produced—the moving images that most easily traverse European national barriers. Although the American product does not dominate the prime-time television schedules, it does have an unrivaled ability to enter every national market, and Hollywood unquestionably dominates the European box office.²³ An instructive insight into Europe's current problems in creating a cinema with transnational mass audience appeal was afforded by the general indifference that greeted the annual European Film Academy awards in December 1993. Compared to the razzmatazz that surrounds Hollywood's Oscar ceremonies, Felix, the European equivalent, received scant attention in his sixth year.²⁴

American film and television producers have for several generations addressed an ethnically diverse nation through a common language. Until very recently, the acquisition of US citizenship has gone hand in hand with acquiring linguistic competence in English. Europe, by contrast, has had—and still retains—a durable, highly differentiated linguistic order, wherein the possession of linguistic competencies is integral to distinct and highly articulated cultural identities.²⁵

The European linguistic order persists because, characteristically, the development of official languages in Europe has been intimately connected with the creation of state-supported central media of linguistic communication. The educational system, naturally, has been central to this, but so too have the mass media. Officially adopted languages are protected and linguistic competence is largely coterminous with citizenship. It has been observed that the "robustness of European states and their languages makes it extremely unlikely that further political integration will be accompanied by

language unification."²⁶ A relevant factor is language competition in the EC, with English and French the *de facto* languages, and with a long-standing background of rivalry between French and German. Undoubtedly, though, English is the "first second language," and the current state of foreign language competence among young Europeans shows that "English is paramount as the medium of wider communication in the EC" and looks set to serve the needs of international communication. That is not to exclude the likely regional importance of German and French.²⁷ Nor is it to ignore the continuing resilience of the other official national languages of state, alongside the efforts to upgrade the linguistic status of nations without states (the Catalans in Spain being the most notable instance) as well as attempts to foster lesser used languages by means of broadcasting.²⁸

Linguistic and sociocultural differences substantially account for the failure to create a pan-European television market via direct broadcast satellite.²⁹ The initial pan-European aspirations of satellite operators have decanted into distributing television programming either by national markets or by homogeneous language areas, notably the English, German, and French.³⁰ The vast bulk of the European audience prefers programs in its own language and looks for affinities of outlook and life-style. To consume in another language runs against the line of least resistance, and even in the smaller European states national programming tends to be of higher quality than overseas material. Moreover, although English is the most widely-spoken second language, it is not a *lingua franca*.³¹

Much official thinking about the European audiovisual space, therefore, has been prone to what I have elsewhere labeled the "fallacy of distribution," according to which it is supposed that making available the same cultural product leads to an identity of interpretation on the part of those who consume it.³² But this is to ignore the context of reception of culture, and, not least, the synthetic capacities of any given collectivity.³³ In the interpretation of audiovisual culture nationality is noticeably important, not to speak of the differences within nations based upon factors such as class, gender, and ethnicity.³⁴ Those cultural forms that are least nationally bound in their appeal—notably music and sport—are the ones most likely to succeed at the pan-European level.³⁵

The idea of a European audiovisual space was first formulated when ideological contention during the Cold War offered the EC a clear sense of collective purpose. Any reformulation of this project will have to take account of the eastward expansion of the European space, and of the additional communicative complexity—not least in terms of the politics of nationalism—that this has engendered. Besides, although the EU has now slipped quietly into existence as a result of the final ratification of the Maastricht Treaty, its future coherence is still an open question.

ENVISAGING A EUROPEAN PUBLIC SPHERE

While there is now increasing recognition of the problems faced by constructing European identity through television, the rhetoric about creating an audiovisual space has been paralleled by arguments—albeit much less prominently aired—about the difficulties posed by the creation of a European public sphere. Whereas the notion of cultural space tends to derive from Latin European thinking, current debate about the public sphere has a much more Anglo-American, German, and Nordic tone.

A common starting point in discussions about democracy and the media has been Jürgen Habermas' classic account of the formation of the bourgeois public sphere.³⁶ From the late eighteenth century to the mid-nineteenth century a space emerged in which private individuals could debate the regulation of civil society and the conduct of the state. The commercialization of the press and the advent of organized corporate interests in the economy, Habermas contends, has led to the refederalization of the public sphere and the loss of its critical function.

Contemporary debate has been reconstructive, attempting to develop the analysis beyond Habermas' original formulation: it has sought to make the concept of the public sphere relevant to the profound reshaping of the media landscape that has occurred in the past two decades.³⁷ The public sphere is used as a concept to be employed in normative criticism of the present organization of the media and its consequences for democracy. A major concern has been with the participation of citizens in political life since they lack access to adequate information about the actions of government.

Contrast this with the argument about a European audiovisual space. The central logic of this proposal concerns cultural (and industrial) defense against the supposed impact of (mainly) US cultural products. Given its roots in pre-World War II anxieties about the dominance of Hollywood in Europe, the focus of such concern has been with controlling the inflow of *entertainment*. By comparison, the arguments concerning the possibility of a European public sphere have primarily focused upon the role of *information*. Of course, to counterpose the two—entertainment and information—as if they could be conceived of as hermetically sealed from one another, is merely an analytical exercise. But it does reflect the dominant rhetorics in each debate.

Arguments about the public sphere tend, in general, to assume that the role of information is to assist the conduct of the citizen within the *national*, democratic polity; it presupposes the political form of the sovereign state. However, as the EC's policymakers have begun to think about the *Community's* media space, public sphere questions have come onto the agenda in an evaluation of the pluralism of the structures of mass communication in individual member states and the kinds of action needed to ensure a diversity of media.³⁸

Particular attention has been given to the role of public service broadcasting in providing a forum for a range of views and interests to be articulated, a diversity of cultural forms to be represented, and thus, a framework for the national culture to be reproduced in ways accessible to the generality of citizens.³⁹ By contrast, the press is not seen as even potentially capable of performing such a role. Attention has been drawn to the internal differentiation in the national press whereby readers addressed by elite or quality newspapers receive a radically different account of the world from those who read the mass or popular (tabloid) newspapers.⁴⁰ However, whether concerned with the press or with broadcasting, well-substantiated developments such as the concentration of media ownership and control, restriction of new entries into the market by cost, the weight of advertising in the construction of public opinion, the attrition of public-sector broadcasting, the internationalizing and centralizing tendencies of media production and distribution, and the professionalization of relations between news sources and me-

dia are variously presented as evidence of the shortcomings of the present system.⁴¹

The changing institutional structure of the EC has begun to provoke thinking about whether a European public sphere might be emerging, albeit one that because of its heterogeneity cannot model itself upon the classical conception of the nation-state. It has been suggested that in such a new conception of the public sphere, "participation in the life of public institutions takes precedence over nationality; that, whatever the citizen's cultural or national identity, his or her insertion in public political space is elective and not 'native'..."⁴² Whatever the eventual form of such a political community, there is a case for recognizing that the emergence of the supranational dimension poses a different kind of challenge to communicative practices from that of cultural defense alone.

The simple establishment of an audiovisual space, a minimal common currency of the moving image produced by Europeans and addressed to European audiences, is only a one-dimensional vision of a putative European public sphere. Making commonly available a range of audiovisual products might begin to create some of the preconditions of a fully articulated public sphere. However, this provision does not necessarily relate to the *critical* function of the media whereby political conduct is appraised by the citizen, supported in his or her judgment by a flow of accurate information.

Once we start to consider the role of media in European democratic participation, echoes of other debates about cultural identity and about the flow of news make themselves heard. The arguments of the 1970s and early 1980s that centered on the United Nations Educational, Scientific, and Cultural Organization's (UNESCO) espousal of a New World Information and Communication Order may quite easily be reformulated in terms of a debate about the nature and scope of an international public sphere. The question was frequently posed in terms of a conception of media imperialism that decried the unequal flow of news and entertainment from the metropolises of the First World to the subordinate cultures of the Second and Third Worlds. Arguments were focused upon defending the authenticity of national culture and the exercise of control over its production by nations (actually the ruling elites of states quite capable of suppressing cultural diversity internally). As I have noted elsewhere, there is not a little irony in the transposition of this

argument into the transatlantic context as part of the case for the construction of a European audiovisual space.⁴³ The shift was initially signaled in July 1982 by the French Minister of Culture, Jack Lang, speaking at the World Conference on Cultural Policies in Mexico City, when he remarked that "Cultural and artistic creation... is today a victim of a system of multinational financial domination against which we must organise ourselves." He went on to call for "cultural resistance against this domination... this financial and intellectual imperialism."⁴⁴

Over a decade later, it is in the First World that the rhetoric of anti-imperialism and the defense of cultural identity have been articulated with considerable force. Europe and the United States argued over the character of audiovisual goods during the GATT Uruguay Round negotiations concluded in December 1993. Such was the importance of the issue that it almost proved to be a stumbling block to the final agreement and had to be set aside for future resolution when neither side would give way.

The United States, unsurprisingly, sings a quite different song, namely that of free trade. Films and television are the largest dollar export after aircraft in the United States. It is hardly surprising that the US lobby, led by the Motion Picture Association of America, wishes to remove Europe's trade barriers on audiovisual services. The main argument is that movies and programs are commercial products just like any other, and thus ARTICLE 4 of the EC's *Television Without Frontiers* directive is anticompetitive. Moreover, European countries have been accused of censorship by excluding the US product, and the sovereignty of the consumer has been invoked for good measure. This, it should be said, in television markets where US films and television programs are ubiquitous—taking an average share of 80 percent in the European market⁴⁵—and at European box offices where the national film industries' outputs are consequently uniformly dwarfed, if not utterly marginalized, by American imports.⁴⁶

However, ARTICLE 4 is not a juridically enforceable quota, rather it represents a political aspiration, to be attained where practicable. The European position is that films and television programs are cultural artifacts and are not thought to be the same as other traded commodities. Consequently it has been argued that a principle of cultural exclusion should apply to the audiovisual sector, which is

officially represented as being at the center of European cultural and democratic life.⁴⁷ The Europeans argue their case against the background of a 25 percent decrease in film production since 1980, and with an increasing proportion of such output dependent upon coproduction deals.⁴⁸

Interestingly, as in the case of cultural identity, arguments about a potential European public sphere keep coming back to television. And there is a good reason for this: television has a communicative potential that is lacked by the press. Newspapers, with few exceptions, are tied to national markets. It is true that a new kind of international press has been developing in recent years, with papers such as *The European*, *The Financial Times*, *The International Herald Tribune*, and *The Wall Street Journal* consciously addressing international political and economic elites in the nearest thing we have to a European lingua franca, namely English. In recent years, sections of the quality press have also begun to produce European supplements, compiled from reports and features selected from like-minded newspapers across the continent; this has been complemented by cross-national syndication on a rather modest scale.

The consolidation of this kind of press signifies the emergent presence of a transnational domain of elites and decisionmakers, which is becoming increasingly visible as processes of globalization shift certain powers away from the national level and create new *couches* of professionals.⁴⁹ However, this kind of formation can hardly be considered a full-fledged public sphere, given that the costs of entry for participants are rather high in terms of the requisite cultural and economic capital.⁵⁰ Arguments about the class-based structure of the press, and the corresponding market segmentation, are relevant not only at the national level but also at the transnational level.

It might be suggested that the complex of administrative arrangements that constitutes the EC could provide the core of a public sphere. Of course, this presupposes an eventual territorial stability, which is certainly not in prospect this century given the queue of would-be accessions. It could also be imagined that the pilgrimage of functionaries through the organs of the nascent Eurostate may eventually confer loyalties upon an administrative group that might supersede those of their nation-state of origin, and moreover, that

a single common language will eventually take clear precedence. To think this, however, is to envisage a long, drawn out, and linear process.⁵¹ In that process, there can be little doubt, media would play a role, perhaps not least by representing the EC's political dimension. Such a role, however, needs to be a popular one, serving the wider European public that lies beyond the transnationalizing elites that might eventually cohere into a European ruling class.

Arguably, the EC's so-called democratic deficit has produced correlative problems in its representation through journalism. Since the early 1980s, European public service broadcasters grouped in the European Broadcasting Union have made a number of attempts to develop pan-European programming.⁵² From the beginning of the last decade, the idea of a European television news program has been under consideration. With the limitations of satellite-borne transnational commercial services becoming increasingly clear—not least their tendency to be directed to particular language markets—a public service journalistic project has assumed greater attraction for the EC's bureaucracy. Advocates of the development of the European public sphere see this as a way to bring greater transparency and accountability to an institutional domain characterized by a mixture of technocracy and political brokerage which is presently beyond any serious democratic control. In such circumstances, “the establishment of a critical journalism must take the very unstable character of the European dimension and the unclarified legitimacy of the European institutions as its point of departure.”⁵³

Euronews was launched in January 1993 in an attempt to reach a broader public. This project, supported by a consortium of European public service broadcasters and the European Parliament, currently dominates the international news agenda and reflects the desire to produce a European perspective. The race has become especially heated since the Gulf War in 1991, when CNN's success marked out new territory subsequently also entered by the BBC's World Television News. Although global in reach, both are firmly rooted in their national bases, which obviously helps give them their distinctive corporate journalistic identities. In contrast with Euronews, both are monolingual channels, broadcasting solely in English.

Euronews operates in five languages—English, French, German, Italian, and Spanish—using off-screen commentary and subtitling.

This necessary concession to Europe's linguistic diversity privileges only the main language groups, thus emphasizing the very barriers that it attempts to surmount. And the stylistic constraints and limited resources have led to a rather characterless journalism, heavily tied to pictures rather than analysis, with little that is characteristically European about its news agenda.⁵⁴

National broadcast news still tends to be the preferred form in Europe, speaking with an institutional, public service voice and having the signal advantage of addressing a bounded community. The gradual and uneven emergence of the multichannel universe in various parts of Europe is putting this privileged news broadcasting form under pressure to change. For instance, those who could receive CNN during the Gulf War tended to use it as a supplement to national broadcasts. To the extent that transnational news broadcasting becomes routinely more important, national television journalism will have to change its form and content. It has been suggested, taking CNN as the likely competitor, with news values stressing entertainment, immediacy, and strong emotional and visual stories, that the future role for public service news may be to provide more background and analysis of the news agenda.⁵⁵

It remains an open question how a *European* public service news channel will compete with *national* public service programming. A European news agenda will have to be established as a serious part of the news-consuming habits of European audiences. Without this, we could not meaningfully talk of an enlargement of the public sphere. Euronews targets upper and middle-class younger audiences who have an interest in international affairs, an elite market sector already served in some measure by the press.

Whatever the failures to date, the attempt to create some audiovisual framework for achieving a European mode of address seems destined to continue, if the EU does indeed develop further as a form of state organization, whether federal or confederal. To the extent that the integration process is maintained (however contradictorily) there will still be a problem of collective representation to be solved at the European level, and some means of political communication will be necessary. The question of communicating Europeanness will remain on the agenda.

The argument would be incomplete if it did not consider the implications of media developments in Central and Eastern Europe. These point to further practical and conceptual difficulties for the construction of a European public sphere and an overarching cultural identity.

The demise of the blocs has meant that the former divergent processes of supranational integration have been superseded without a single, new framework succeeding them. *Perhaps* the EU will become the centerpiece of a new order, but it will have to deal imaginatively with the difficult question of national and ethnic diversity within its existing boundaries. These complexities can only become much more ramified with further geopolitical extension.

The mediascape of East Central Europe is still highly volatile. However, some quite general issues and dilemmas can be identified which are likely to shape its evolution. These emergent features will also very likely affect the longer-term development of any prospective wider European communicative space.

The most fundamental shift in East Central Europe lies in the wide-scale collapse of a system of Communist Party-state media control and its replacement by postcommunist regimes. This has led to both change and continuity. The change is perhaps most evident in the case of print media, where the end of party-state rule has ushered in the privatization of the press and its large-scale commercialization. In the former Soviet bloc, a lack of domestic capital has led to an influx of foreign capital. Where it has been judged to be profitable, a rapid growth of transnational ownership and control by mainly Western European media corporations has occurred. However, the extent of the penetration of foreign capital has varied significantly, in part determined by the extent to which governments have seen foreign ownership as desirable or as a threat to the national culture.⁵⁶ Where the press has been marketized and commercialized there has been a consequent loss of direct political control.⁵⁷

Because of this, the role of the audiovisual media has become even more important to the political classes of the postcommunist regimes—and given the significant collapse of film production in East Central Europe, television has assumed added prominence.⁵⁸

Here, continuity with the past in modes of control is much more evident, even though there has been a formal shift from party-state controlled broadcasting to a public service model inspired by West European practice. Ironically, just as it is being adopted in the postcommunist states, the very survival of classical public service broadcasting is in question in Western Europe (not least in the case of the once iconic BBC) in an audiovisual environment increasingly reshaped to favor the commercial imperative. Given the weak economic condition of East Central Europe, we may reasonably wonder whether public service goals will survive the fiscal crisis of the state and global media competition.

The new regulatory bodies for radio and television are, in general, directly dependent upon political patronage, and the control of appointments extends to key managerial positions (a practice by no means unknown in several West European countries).⁵⁹ The kinds of struggle that may ensue over the political direction of broadcasting were most publicly exemplified in Hungary's media war, in which the presidents of Hungarian Radio and Television were unconstitutionally, and very controversially, ousted by the ruling party for taking public service autonomy too seriously.⁶⁰

For the foreseeable future, however, even where privatization of the audiovisual sector is occurring, television and to a lesser extent radio are seen by East Central European politicians as central to the building of the postcommunist state and the maintenance of the national culture. Once again the profound belief in television power and its connection with *national* space is exemplified. The potentially intimate connection between the political uses of audiovisual space and national identity may be aptly illustrated by three cases: the unification of Germany, the collapse of Yugoslavia, and Czechoslovakia's "velvet divorce."

In Germany there has been a substantial extension of *national* media space via the incorporation of the former German Democratic Republic (GDR) into the Federal Republic of Germany (FRG). Existing media structures were rapidly dismantled resulting in what some have seen as a media *Anschluss*. Following the fall of the Berlin Wall in November 1989, the East German press was substantially bought up by major West German publishing houses. Although East German broadcasters had begun to generate their own reforms both in programming and structures, there appears to have

been a conscious intention to extinguish the remnants of East German distinctiveness.⁶¹

Whereas the German case has involved an extension and relative homogenization of media space, powered by the nation-state principle, the cases of Yugoslavia and Czechoslovakia are marked by contraction and fragmentation, but still are restructuring according to the selfsame principle.

The postcommunist Czechoslovak Federal Republic that emerged in November 1989 inherited a centralist system of broadcasting perceived by Slovak politicians as a tool for the maintenance of the federation. Under nationalist pressure, there was a two step disintegration of federal audiovisual space. First, in March 1991, national broadcasting organizations for the Czech lands and Slovakia were established alongside the federal system. Later, following the parliamentary elections of June 1992, the federal media were dissolved, preceding by a matter of weeks the breakup of the federation.⁶²

In the Yugoslav case, the gradual disintegration of the federal system in the mid-1980s led to the development of media nationalism within the republics. Decentralization resulted in the monopolization of the media within each emergent nation-state. Prior to the breakup of the federation, television output in Croatia and Serbia became increasingly indigenous, whereas Slovenia increased its imports from the United States and Western Europe. In 1990, an attempt was made to counter the nationalistic news values in the different republics by setting up YUTEL, a Yugoslav news service produced in Sarajevo. This was rejected or marginalized by the Serbs and Croats as part of the media war between the republics.⁶³ The nationalization of media proved to be a prelude to the breakup of the Yugoslav state. Subsequently, the outbreak of civil war has led to the mobilization of the media as part of the war effort.⁶⁴

A FINAL WORD

By focusing on the audiovisual media, this essay has explored the contradictory face of a Europe conceived as a single communicative space. One of the most striking features of contemporary European politics is the upsurge of nationalism, or, at the very least, an enhanced concern with the defense of national identities. Alongside this, the transcendent domain of Europeanness (whether imagined

in terms of cultural identity or as a public sphere) carries little weight when compared with the attractive power of the nation as a communicative community—and overwhelmingly, it would seem, of the nation communicating most intensely with itself.

The need for a European communicative space constituted by means of television, and (to a much lesser extent) the cinema, has been argued for defensively—European cultural identity versus Americanization. The European communicative space is inherently contradictory. The Europeanizing ambition confronts national resistances and to the extent that a common European audiovisual idiom exists, it is actually American. There is little evidence that a quick, technorationalistic fix is available to solve the continental problem of cultural identity. Nor, indeed, should we expect too much of the identity-conferring potential of audiovisual media in a transnational context. Instead, we shall have to look to the longer term sedimentation of routine institutional practices carried across the boundaries of the nation-states of Europe, and to the sense of a common fate that might evolve through such activities as transborder travel, study abroad, and the cultural dimensions of economic exchange.

A viable common culture in Europe will require the active engagement of millions of citizens made aware of their commonality through extensive political democratization. Under those conditions a wider communicative space might actually become meaningful.

ACKNOWLEDGMENTS

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ENDNOTES

- ¹The present essay relates to themes I have developed over a number of years. For related work, see Philip Schlesinger, *Media, State and Nation: Political Violence and Collective Identities* (London: Sage, 1991), pt. III; "Media, the Political Order and National Identity," *Media, Culture and Society* 13 (3) (1991): 297-308; "'Europeanness'—A New Cultural Battlefield?," *Innovation in Social Science Research* 5 (2) (1992): 11-23; and "Wishful Thinking: Cultural Politics, Media,

and Collective Identities in Europe," *Journal of Communication* 43 (2) (1993): 6-17.

²On this question see James Fentress and Chris Wickham, *Social Memory: New Perspectives on the Past* (Oxford: Blackwell, 1992); Ernest Gellner, *Nations and Nationalism* (Oxford: Blackwell, 1983); Eric Hobsbawm and Terence Ranger, eds., *The Invention of Tradition* (Cambridge: Cambridge University Press, 1983); Gérard Namer, *Mémoire et Société* (Paris: Méridiens Klincksieck, 1987); and Tony Judt, "The Past is Another Country: Myth and Memory in Postwar Europe," *Dædalus* 121 (4) (1992): 83-118.

³Elie Kedourie, *Nationalism* (London: Hutchinson, 1985).

⁴In what follows, I shall generally continue to make reference to the European Community as this was the pertinent designation for virtually all of the period considered.

⁵György Csepeli, "An Inorganic Nation," *Annales Universitatis Scientiarum Budapestinensis de Rolando Eötvös Nominatae* (Separatum, Sectio Philosophica et Sociologica) 18 (1984): 131-44.

⁶Adam Roberts, "Foreword" to Daniel Patrick Moynihan, *Pandaemonium: Ethnicity in International Politics* (Oxford: Oxford University Press, 1993), xi.

⁷Commission of the European Communities, *Towards a European Television Policy* (Brussels: CEC, 1984), 10.

⁸Commission of the European Communities, *Television Without Frontiers: Green Paper on the Establishment of the Common Market for Broadcasting, Especially by Satellite and Cable* (COM 84 300 Final) (Brussels: CEC, 1984).

⁹See Richard Paterson, "Introduction: Collective Identity, Television and Europe," in Phillip Drummond, Richard Paterson, and Janet Willis, eds., *National Identity and Europe: The Television Revolution* (London: BFI Publishing, 1993), 1-8.

¹⁰Cited in Jean-Claude Burgelman and Caroline Pauwels, "Audiovisual Policy and Cultural Identity in Small European States: the Challenge of a Unified Market," *Media, Culture and Society* 14 (2) (1993): 176.

¹¹Quotation from "Council Directive of 3 October 1989," *Official Journal of the European Communities* (L 298/23) (17 October 1989). Also see *European Convention on Transfrontier Television*, European Treaty Series No. 132 (Strasbourg: Council of Europe, January 1990). For the broader background see Wolfgang Hoffmann-Riem, "Trends in the Development of Broadcasting Law in Western Europe," *European Journal of Communication* 7 (2) (1992): 147-71.

¹²Jay G. Blumler, ed., *Television and the Public Interest: Vulnerable Values in West European Broadcasting* (London: Sage, 1992); Bernt Stubbe Østergaard, ed., *The Media in Western Europe: The Euromedia Handbook* (London: Sage, 1992); Ronald Pohoryles, Philip Schlesinger, and Ulf Wuggenig, eds., *Media Structures in a Changing Europe* (Vienna: ICCR, 1990).

¹³Dominique Wolton, *La Dernière Utopie: Naissance de l'Europe Démocratique* (Paris: Flammarion, 1993).

¹⁴Commission of the European Communities, *Study on Pluralism and Concentration in Media: Economic Evaluation* (Brussels: Booz-Allen and Hamilton, 6 February 1992).

- ¹²See Alessandro Sili, "Domestic Markets and the European Market," in Alessandro Sili, ed., *The New Television in Europe* (London: John Libbey, 1992), 15–48.
- ¹³See Marco Mele, "Il mercato europeo dei programmi audiovisivi," in Claus-Dieter Rath, Howard H. Davis, François Garçon, Gianfranco Betterini, and Aldo Grasso, eds., *Le Televisioni in Europa* (Turin: Edizioni della Fondazione Giovanni Agnelli, 1990), 331–61; "Free and Fair," *Broadcast*, 13 March 1992.
- ¹⁴David Gardner, "EC Agreement on Formula to Protect European Culture under Uruguay Round," *Financial Times*, 6/7 November 1993. See also François Godard, "GATT Real," *Television Business International*, November/December 1993, Table 1.
- ¹⁵For a pertinent historical account of recurrent difficult relations between Hollywood and British cinema see Margaret Dickinson and Sarah Street, *Cinema and State: The Film Industry and the British Government 1927–84* (London: BFI Publishing, 1985).
- ¹⁶One might note in this regard the French attempt to forge a cultural alliance around the slogan of a "Latin audiovisual space" in the early 1980s. See Armand Mattelart, Xavier Delcourt, and Michèle Mattelart, *International Image Markets: In Search of an Alternative Perspective* (London: Comedia, 1984); and Dominique Wolton, *Éloge du grand public: Une théorie critique de la télévision* (Paris: Flammarion, 1990).
- ¹⁷This is a complicated topic and the views of governments and cultural elites have not coincided with the popular cultural consumption patterns in which "Americanness" has been syncretically transformed. See, for instance, Dick Hebdige, "Towards a Cartography of Taste, 1935–1962," in Dick Hebdige, *Hiding in the Light: On Images and Things* (London: Routledge, 1988).
- ¹⁸Quoted in John Carvel, "Plea for Europe's Film Industry," *The Guardian*, 14 October 1993.
- ¹⁹Sili, "Domestic Markets and the European Market," 16, 37.
- ²⁰For evidence that domestic production dominates the prime-time schedules of most terrestrial broadcasters, see Chris Dziadul, "Ready for Primetime," *Television Business International*, May 1993, 52–61.
- ²¹Derek Malcolm, "Europe's Lost Picture Show," *The Guardian*, 1 December 1993.
- ²²For a discussion of the linguistic question see Josep Gifreu and Maria Corominas, eds., *Construir l'espai: Català de comunicació* (Barcelona: Centre d'Investigació de la Comunicació, 1991).
- ²³Abram de Swaan, "Notes on the Emerging Global Language System: Regional, National and Supranational," *Media, Culture and Society* 13 (3) (1991): 321.
- ²⁴Abram de Swaan, "The Evolving European Language System: A Theory of Communication," *International Political Science Review* 14 (1993): 245, 250.
- ²⁵For relevant and contrasting discussions, see Josep Gifreu, "Estructura y política de la comunicación en Cataluña," *Telos: Cuadernos de Comunicación, Cultura y Sociedad* 30 (1992): 54–61; Mike Cormack, "Problems of Minority Language Broadcasting: Gaelic in Scotland," *European Journal of Communication* 8 (1993): 101–17.
- ²⁶Richard Collins, *Television: Policy and Culture* (London: Unwin Hyman, 1990).
- ²⁷Giuseppe Richeri, "TV and New Technology—Satellite and Cable in Europe," in Sili, *The New Television in Europe*, 71–104. Also see "European Satellite Channels: The Full Listing," *Screen Digest*, May 1993, 105–12.
- ²⁸Giuseppe Richeri, *La tv che conta: Televisione come impresa* (Bologna: Baskerville, 1993), 79–80; Commission of the European Communities, *Study on Pluralism and Concentration in Media*, Table 2.9.
- ²⁹See Schlesinger, "Wishful thinking."
- ³⁰This has been explored by Jesús Martín-Barbero, *Communication, Culture and Hegemony: From the Media to Mediations* (London: Sage, 1993).
- ³¹On the first point see Tamar Liebes and Elihu Katz, *The Export of Meaning: Cross-Cultural Readings of DALLAS* (New York: Oxford University Press, 1990), and on the second Philip Schlesinger, Rebecca E. Dobash, Russell P. Dobash, and C. Kay Weaver, *Women Viewing Violence* (London: BFI Publishing, 1992). Also see David Morley, *Television, Audiences and Cultural Studies* (London and New York: Routledge, 1992).
- ³²It is an open question whether music video distributed across Europe will leave an enduring sense of "Europeanness" among those millions of young people who consume it once they leave the category of consumers of youth culture. The "top ten" still reflect taste structured according to national music markets. Recently, Viva-TV has been launched as a vehicle for German language music and pop culture to rival the Anglo-American dominated MTV. See Miranda Watson, "Rock on Germany," in "Europe Media," *The Guardian*, 13 December 1993. Moreover, the discourses of national identity (and also passionate regionalism and localism) are still actively at play in the field of European sport. See Neil Blain, Raymond Boyle, and Hugh O'Donnell, *Sport and National Identity in the European Media* (Leicester: Leicester University Press, 1993).
- ³³Jürgen Habermas, *The Structural Transformation of the Public Sphere* (Cambridge: Polity Press, 1989).
- ³⁴See Peter Dahlgren, "Introduction" in Peter Dahlgren and Colin Sparks, eds., *Communication and Citizenship: Journalism and the Public Sphere in the New Media Age* (London and New York: Routledge, 1991), 1–24.
- ³⁵See Commission of the European Communities, *Pluralism and Media Concentration in the Internal Market: An Assessment of the Need for Community Action, Commission Green Paper* (COM 92 480 Final) (Brussels: CEC, 23 December 1992).
- ³⁶For a pioneering contribution see Philip Elliott, "Intellectuals, the 'Information Society' and the Disappearance of the Public Sphere," *Media, Culture and Society* 4 (3) (1982): 243–53. Further elaboration is contained in Paddy Scannell, "Public Service Broadcasting and Modern Public Life," *Media, Culture and Society* 11(2) (1989): 135–66.
- ³⁷Colin Sparks, "The Popular Press and Political Democracy," *Media, Culture and Society* 10 (2) (1988): 209–23. Indeed, it is precisely at the popular end of the market that entertainment and information tend to become indistinguishable.

⁴⁰For examples of such arguments see Peter Golding and Graham Murdock, "Culture, Communications, and Political Economy," and James Curran, "Mass Media and Democracy: A Reappraisal," in James Curran and Michael Gurevitch, eds., *Mass Media and Society* (London: Edward Arnold, 1991), 15–32 and 82–117. Also see John Keane, *The Media and Democracy* (Cambridge: Polity Press, 1991).

⁴¹Etienne Tassin, "Europe: A Political Community?," in Chantal Mouffe, ed., *Dimensions of Radical Democracy: Pluralism, Citizenship, Community* (London and New York: Verso, 1992), 189.

⁴²See Schlesinger, "Media, the Political Order and National Identity."

⁴³Quoted in Mantelart et al., *International Image Markets*, 14.

⁴⁴David Buchan, "Lights, Camera,—Reaction!," *Financial Times*, 18/19 September 1993.

⁴⁵See *The Film and Television Handbook 1994* (London: British Film Institute, 1993), Table 16.

⁴⁶For an official view see the European Broadcasting Union, "Statement on GATT Negotiations on Audiovisual Services," Geneva, 5 October 1993. For a more developed cultural critique see Jack Ralite, "Le GATT contre la culture: Danger pour la civilisation," *Le Monde Diplomatique*, November 1993, 32. Qualified support for the US position on censorship was offered in the leading article, "Cultural Imperialism," *Financial Times*, 6 October 1993.

⁴⁷"Tighter Times for Film Production," *Screen Digest*, July 1993, 153–60.

⁴⁸For relevant discussions see Mike Featherstone, ed., "Global Culture," *Theory, Culture and Society* 7 (2–3) (1990).

⁴⁹Nicholas Garnham, "The Media and the Public Sphere," in Peter Golding, Graham Murdock, and Philip Schlesinger, eds., *Communicating Politics: Mass Communications and the Political Process* (Leicester: Leicester University Press, 1986), 52–53.

⁵⁰For relevant considerations on the creation of the Spanish-American states out of administrative origins coupled with print capitalism see Benedict Anderson, *Imagined Communities: Reflections on the Origins and Spread of Nationalism* (London: Verso, 1983), chap. 4.

⁵¹On the "Eurikon" experiment and the short-lived "Europa" service see Richard Collins, "Public Service Broadcasting by Satellite in Europe: Eurikon and Europa," *Screen* 34 (2) (1993): 162–75.

⁵²Stig Hjarvard, "Pan-European Television News: Towards a European Public Sphere?," in Drummond et al., eds., *National Identity and Europe*, 90.

⁵³At the end of its first operating year, the channel was reaching 11 million viewers by cable and satellite and had received a top-up injection of 20 million French francs from the French government. The initial bankroll was 30 million French francs provided by public broadcasters in eleven countries plus 3 million ECU from the EC. Dominique Jackson, "Franc support," in "Europe Media," *The Guardian*, 6 December 1993, 19.

⁵⁴Peter Larsen, "More than Just Images: The Whole Picture. News in the Multi-Channel Universe," in Michael Skovmand and Kim Christian Schrøder, eds., *Media Cultures: Reappraising Transnational Media* (London: Routledge, 1992), 121–41. His analysis leaves open another question: what if the BBC is the competitor, where similar news values may already be present? On the impact of CNN on the competitive environment in global television news, see Marco Mele, "CNN ha fatto scuola in Europa," *MIND: Media Industry*, 26 July 1992, 8.

⁵⁵Slavko Splichal, "Media Privatisation and Democratization in Central-Eastern Europe," *Gazette* 49 (1992): 3–22 and "Post-Socialism and the Media: What Kind of Transition?," in Slavko Splichal and Ildiko Kovacs, eds., *Media in Transition: An East-West Dialogue* (Budapest: Research Group for Communication Studies, 1993), 5–32; Karol Jakubowicz, "Equality for the Downtrodden, Freedom for the Free: Changing Perspectives on Social Communication in Central and Eastern Europe," unpublished paper presented to the Conference on the Restructuring of Television in Central and Eastern Europe, University of Westminster, London, 20–23 October 1993.

⁵⁶In Ukraine, where the press has virtually disappeared due to the paper shortage, the centrality of audiovisual communication has become even greater. See Olga Zernetskaya, "Broadcasting Reform in Ukraine: Ukrainian Television in the Context of Political and Economic Changes," unpublished paper presented to the research seminar, Department of Film and Media Studies, University of Stirling, 18 November 1993.

⁵⁷*Screen Digest*, July 1993, 159, reports a 37 percent decrease in film production in countries of the former Soviet bloc in 1992 compared to 1980.

⁵⁸Jakubowicz indicates that Poland is an exception to the rule. Splichal sees parallels and differences with the "Italian model."

⁵⁹See Elemér Hankiss, "The Media War in Hungary," unpublished paper, 1993.

⁶⁰Richard Kilborn, "Towards Utopia—Or Another Anschluss? East Germany's Transition to a New Media System," *European Journal of Communication* 8 (1993): 451–70. Maybe *Gleichschaltung* better captures the process described here, although perhaps it has not been quite so complete. For evidence of continuing differences in broadcast journalistic practice see Maryellen Boyle, "Is Leninist Journalism in the Coffin with the Leninist Party? Observations on East German Broadcasting," unpublished paper presented to the Conference on the Restructuring of Television in Central and Eastern Europe, University of Westminster, London, 20–23 October 1993.

⁶¹See Samuel Brečka, "Transformation of the Slovak Television" and Owen W. Johnson, "Defining Interests: Slovak Broadcasting and its Czechoslovak Inheritance," unpublished papers presented to the Conference on the Restructuring of Television in Central and Eastern Europe, University of Westminster, London, 20–23 October 1993.

⁶²See Slavko Splichal, "Media and State-Supported Nationalism in Eastern Europe," *Media Development* 39 (3) (1992): 9–12; Breda Luthar, "Yugoslavia—Many Media Systems in One Country," *Media Development* 38 (3) (1991): 15–16; and "Identity Management and Popular Representation Forms," in Drummond et al., eds., *National Identity and Europe*, 43–50.

"See Sandra Bašić, "Media at War in Former Yugoslavia"; Slavenka Drakulić, "The Totalitarian Mind—True Enemy of Balkan Media"; and Liliana J. Bacević, "Serbia's Media Trapped In Nationalist Aggression," *Media Development* 39 (3) (1992): 12-14, 15-17, and 17-19.

2.1 Culture and the Treaty on European Union: a survey

The following paragraphs will briefly discuss which elements of the Treaty on European Union appear to be most directly relevant to the pursuit of cultural activities within the Community. First, the Common Provisions and Principles (para. 2.1.1) will be dealt with. This will be followed by a discussion of the provisions which concern the cultural field in particular: the new cultural exception regarding subsidies granted by Member States (para. 2.1.2) and the Title on Culture itself (para. 2.1.3). Finally, some remarks will be made on the new Article 126 EC on education, vocational training and youth (para. 2.1.4).

2.1.1 Basic norms

While the term 'culture', as was noted above, does not appear in the EEC Treaty, it is already included in the fourth recital of the Preamble of the Treaty on European Union. Here the Heads of State of the Twelve Member States emphasize their desire '... to deepen the solidarity between their peoples while respecting their history, their culture and their traditions, ...'. In addition Article F (1) determines that 'the Union shall respect the national identities of its Member States ...'. It may be inferred from this that the Member States were anxious to express their reluctance to create a European cultural policy: although they desire to deepen the solidarity between their peoples, it is made clear that this should not be at the expense of national cultures and apparently should not be achieved through the promotion of European culture.

This opening line is illustrative for the nature of the new involvement of the Community in the cultural field: whereas on the one hand the possibility of pursuing a cultural policy at the Community level has explicitly been opened, on the other hand, national (regional/local) policy regarding cultural activities seems to have been granted a certain amount of autonomy and, in a sense, can even be said to have been given 'protection' against too many incursions by the Community. This tendency (which incidentally, is not restricted to culture) is underpinned by the central place reserved for the subsidiarity principle in the Treaty (cf. para. 2.2, *infra*).

The promotion of European culture (or 'the cultures of the Member States') has not been included in the list of objectives of the refurbished Article 2 of the Treaty establishing the European Community (further: the EC Treaty) as the EEC Treaty is now called. However, the promotion of 'solidarity among Member States', to which culture is linked in the Preamble, and 'the raising of the ... quality of life' are mentioned as (new) general objectives in the EC Treaty. To that extent it could be argued that cultural objectives are implied in these general objectives of the Community.³⁰

³⁰ In this respect reference may be made to the way the Court interpreted Article 2 EEC as including environmental objectives in Case 240/83, *Procureur de la République v. Association de défense des brûleurs d'huiles usagées* (ADBU), (1985) ECR 531.

Culture is included, in a more positive sense, as one of the activities set out in Article 3 EC to realize the purposes set out in Article 2. According to Article 3 (p) EC, the activities of the Community shall include: '... a contribution to education and training of quality and to the flowering of the cultures of the Member States; ...'.

The implicit inclusion of culture in Article 2 and the express mention in Article 3 EC, make it possible for the Community to take action in the cultural field under Article 235 EC. It may be recalled that this Article provides for a general power of the Community to take measures in order to achieve the objectives of the Community, where specific powers have not been provided for.³¹ Moreover, the clear recognition of 'cultural' objectives as a Community concern, in principle, provides the Court of Justice with a point of reference for taking cultural interests into account in the context of its teleological interpretation of provisions of Community law.³²

2.1.2 Aids granted by Member States

The Treaty on European Union has added a new ground to Article 92 (3) EEC for exonerating subsidies granted by Member States, namely: '(d) aid to promote culture and heritage conservation where such aid does not affect trading conditions and competition in the Community to an extent that is contrary to the common interest'.

In a sense this insertion confirms the practice of the Commission. As mentioned, *supra*, in Chapter 4, para. 5, the Commission has considered that aid to the film industry in principle qualifies for an exemption under Article 92 (3) *sub c* EEC, provided it satisfies all the requirements of the Treaty, especially those concerning the free movement of goods, persons and services. The new Article 92 (3) *sub d* EC is almost identical to the first sentence of Article 92 (3) *sub c* EEC.³³ However, as Article 92 (3) *sub c* EEC has been maintained in the EC Treaty, it may now be presumed that a clear distinction will have to be made between the economic activities which are – and will remain – the

³¹ It is not necessary that these objectives are the general objectives of Article 2 EC, as amplified in Article 3; they may also be the specific objectives of provisions such as Article 128 EC, see P.J.G. Kapteyn and P. VerLoren van Themaat, *Introduction to the Law of the European Communities*, second ed., edited by L.W. Gormley, Deventer 1989, p. 114 (cf. *infra*, para. 2.1.3).

³² See on the teleological interpretation of the EEC Treaty, e.g. Court of Justice, *Rencontre judiciaire et universitaire*, 27–28 septembre 1976, Luxembourg 1976.

³³ There are, however, certain textual differences: Article 92 (3) *sub c* EEC says '... does not adversely affect trading conditions to an extent...', whereas Article 92 (3) *sub d* EC reads '... does not affect trading conditions and competition in the Community to an extent...'. As yet, it is difficult to say whether or not leaving out 'adversely' or adding 'and competition in the Community' has any specific legal significance (see on the application of Article 92 (3) *sub c*, H. von der Groeben, J. Thiesing, C.D. Ehlermann, *Kommentar zum EWG-Vertrag*, Baden-Baden 1991, p. 2688; also, e.g., Case 259/85, *France v. Commission*, (1987) ECR 4393, cons. 24.

subject of this provision, and the 'purely' cultural activities (see para. 2.1.3, *infra*) which are the subject of Article 92 (3) *sub d* EC. It will be interesting to see how in the future the Commission will deal with 'mixed' economic and cultural activities. In view of its considerable practice in relation to aid granted to the film industry (still the only example of a more extensive application of Article 92 EEC to cultural activities³⁴), it is the question whether the Commission will now change its approach and in the future consider aid granted for the production of films under the new *sub d*. Aid to artistic activities which strongly rely on language (notably the smaller languages, like Danish, Greek, etc), such as literary pursuits or drama, probably will be eligible for exemptions under Article 92 (3) *sub d* EC. As the Commission, in its application of Article 92 (3) EEC, compares the contribution of the activities which benefit from state aid to the attainment of the objectives of the Community with the possible distortion of inter-State trade they may cause, the insertion of cultural objectives in the Treaty on European Union (*cf. supra*, para. 2.1.1 and *infra*, para. 2.1.3) is likely to promote the granting of exemptions.³⁵ On the whole it remains somewhat remarkable that, given the fact that the same basic approach was followed for the provisions on the new policy areas, a separate heading for justifying subsidies under Article 92 (3) EC was only created for culture and not *e.g.* for education (Article 126 EC).

Article 92 (3) *sub d* in the EEC Treaty already provided the Council – acting by a qualified majority – with the possibility of specifying categories of aid which may be deemed to be compatible with the common market. However, not much use has been made of this power, not even where this might have been expected, *e.g.* in respect of aid granted in the environmental field. This provision, has been maintained as Article 92 (3) *sub e* in the EC Treaty. Although it can still be applied for other policy areas, like *e.g.* education, it is now unlikely, upon the coming into force of the Treaty, that this will happen for culture.

2.1.3 A Title on Culture

The Title on Culture, consisting of the sole Article 128 EC allows for the development of a European cultural policy, whilst leaving ample room for the Member States to pursue policies aimed at the preservation of the European cultures. This title has a structure comparable to that of the titles relating to other new policy areas which were added to the EC Treaty by the Treaty on

European Union. In turn, these provisions follow the same basic structure of those concerning environmental policy and research & development which were added to the EEC Treaty by the Single European Act. Although there are sometimes important differences in these provisions, the following elements are included: a statement of the objectives, the specific areas of action, relations with third countries and international organizations, the relationship with other policy areas ('policy integration principle'), the legal instruments available for achieving the objectives involved and the decision-making procedure.

It can be derived from Article 128 EC that in taking measures in respect of matters of cultural interest two possible approaches may be adopted. This depends on whether the measure envisaged is primarily, if not wholly, aimed at achieving a cultural objective ('purely' cultural matters) or whether its primary objective, by contrast, is economic in nature, even though it also may have cultural aspects ('mixed' activities). The fact that the latter possibility (still) exists is implied by the fourth section of Article 128 EC.

The distinction between both approaches is most important as, depending on the nature of the subject matter, different legal bases will be available for the action envisaged. In the case of 'purely' cultural matters (*e.g.* an action for the preservation of the archeological heritage or the promotion of the translation of literary works) the measure will be taken on the basis of the new powers granted by Article 128 EC; in the case of a measure with a 'mixed' character (*e.g.* exempting services of a cultural nature from VAT) the provisions of the present EEC Treaty and secondary legislation will form the point of reference.

Similar questions relating to the selection of the correct legal base also occur in other policy areas. With regard to environment-related matters a certain practice has developed regarding the 'choice' between Article 100 A (completion of the internal market) and Article 130 S EEC (protection of the environment).³⁶ In these cases the decision as to whether a given subject matter is to be regarded as 'mixed' or aimed at one objective in particular is usually answered *ex post* by the Court of Justice in the context of an action brought by a Member State or a Community institution challenging the validity of the measure concerned. In contrast, under Article 228 EC the Court of Justice can be consulted beforehand on the compatibility with the Treaty of international agreements which the Community intends concluding.³⁷

³⁶ *Cf., e.g.*, L. Krämer, 'The Single European Act and Environment Protection: Reflections on Several New Provisions in Community Law', *CMLRev* 1987, p. 659, at p. 682 *et seq.*

Following the Court of Justice's Judgment of 11 June 1991 in Case C-300/89, *Commission v. Council*, *nyr*, in which it held that Article 100 A EEC and Article 130 S EEC cannot serve simultaneously as the legal base of one and the same directive, it is likely that in future Article 100 A EEC will be used most frequently as the legal base for environment-related matters. See, *e.g.*, H. Somers, 'Note on Case C-300/89, *Commission v. Council* (Titanium dioxide)', *CMLRev* 1992, p. 140, at p. 149.

³⁷ In August 1991, the Commission requested the Court of Justice's Opinion whether the Community has competence to conclude a treaty within the framework of the International Labour Organization (Opinion 291). If the subject matter of that treaty is to be regarded as a 'purely' social matter, the Community would not have the power to conclude the treaty. The considerations of the Court in relation to this question will undoubtedly be relevant to

³⁴ Although the Commission in particular rejected provisions which contravened the prohibition of discrimination on grounds of nationality (see also, *supra*, Chapter 4, para. 5).

³⁵ In July 1991, the Commission already exempted a fund for literary productions and translations notified to it by the Dutch Government. Although no reference to a specific provision is made, it may be assumed that the Commission exempted under Article 92 (3) *sub c* EEC. Remarkably, and without being specific, the Commission refers here to the promotion of the Community's objectives in relation to culture. Moreover the Commission considered that the effects of the aid scheme on intra-Community trade were negligible (*de minimis*), see, Chapter 4, para. 1.

2.1.3.1 Objectives

Article 128 (1) EC reiterates that it is one of the Community's tasks, as set out in Article 3 (p) EC, to contribute '... to the flowering of the cultures ...', continues with the proviso that in doing so it shall respect the 'national and regional diversity' of the Member States' cultures and finally focuses attention on the common cultural heritage. This second part of the section recalls the Preamble to the Treaty on European Union where it expresses the desire to '... deepen the solidarity between their peoples while respecting their history, their culture and their traditions ...'. The final words of this first section seem to reflect the new exception added to Article 92 (3) EEC – discussed in para. 2.1.2 – which refers to '... aid to promote (...) heritage conservation ...'.

Article 128 (5) EC refers to the objectives described in Article 128 (1) EC. This does not mean, however, that these objectives can only be achieved within the framework of the Title on Culture. Article 128 in its fourth section recognizes that 'mixed' activities may be the subject of Community action under other headings of the Treaty. In addition, it may be pointed out that Article 3 (p) EC in a general way states that one of the activities of the Community will be to contribute to the flowering of the cultures of the Member States. There is no reason to hold that these activities are only restricted to those made possible under Article 128 EC.

2.1.3.2 Community action

Article 128 (2) EC contains a limitative list of topics which may be the subject of Community action. This list also includes conservation (and safeguarding) of cultural (i.e. not 'common') heritage. Here, the subject is raised to the European level: it concerns 'cultural heritage of European significance'. Furthermore, Community action will include the 'improvement of the knowledge and dissemination of the culture and history of the European peoples', 'non-commercial cultural exchanges', and 'artistic and literary creation, including in the audiovisual sector'. One field which is conspicuously absent from this list is that of the media. Including the media in this list would, however, not have been consistent with the system of Article 128 EC – which in its fifth section expressly excludes harmonization in respect of the topics mentioned – given the fact that a certain degree of harmonization has already been achieved in the field of the media³⁸ on the basis of Articles 57 and 66 EEC and further proposals have been submitted.³⁹

Future Community action in the areas mentioned can take two forms: it can encourage cooperation between Member States and, 'if necessary', it can support

answering the parallel question in the cultural field (see, for the Commission's request, OJ 1991, C 245/6).

38 Directive 89/552, OJ 1989, L 298/23.

39 E.g. the proposal on the coordination of certain rules concerning copyright and neighbouring rights applicable to satellite broadcasting and cable retransmissions, OJ 1991, C 255/3.

and supplement existing action in one or more Member States in these areas. In particular, the meaning of the words 'if necessary'⁴⁰ may in practice turn out to be of relevance, as they impose a further condition for the Community developing activities in the areas mentioned. It cannot be said at this stage which criteria will be applied for determining when Community action can be deemed to be 'necessary'. Besides imposing an extra condition on Community action, on a different reading these words could also be construed as a specific reminder of the applicability of the subsidiarity principle in this context or even as a specific variety of this principle (see, *infra*, para. 2.2).

Looking at Article 128 (2) EC from the perspective of the development of Community law in relation to cultural matters, it would seem that this provision has a dual function. On the one hand, it provides an explicit legal basis for the various measures which have already been adopted in this field⁴¹ and as such forms the formal recognition of the *acquis* in the field (codification), besides the fact that Articles B and C of the Common Provisions also in a more general way emphasize the importance of maintaining the *acquis communautaire*. On the other hand, it is also the expression of the Member States' wish to draw the line there, in that it can be seen as an attempt to block the more or less spontaneous further expansion of Community law in this area (containment). Not only does it single out and restrict the cultural topics which may become the subject of Community policy, it also guarantees the Member States' right to pursue their own policies in the areas mentioned. It goes without saying that, in that regard, the Member States remain under the obligation to respect the fundamental requirements of the Treaty, especially the non-discrimination rule and the provisions concerning the free movement of goods, persons and services. The basic principles developed by the Court of Justice in these areas therefore remain applicable.

2.1.3.3 Policy integration principle

According to Article 128 (4) EC 'the Community shall take cultural aspects into account in its action under other provisions of this Treaty'. In this respect, reference may be made *inter alia* to the legislative action on the basis of Articles 57, 66, 94, 99, 100, 100 A, 113 and 235 EEC and to the policy measures on the basis of Articles 85, 86, 92 (3) EEC. A similar paragraph, embodying what may be termed the 'policy integration principle', appears in the Title on the environment but not in the Titles on public health, consumer protection, or education for that matter. As far as the Commission's proposals regarding the establishment of the internal market are concerned, Article 100

40 The same words are used in Article 235 EEC. Whether or not the interpretation given to these (see e.g. H. von der Groeben *et alia*, *supra*, n. 33) can be applied to Article 128 (2) EC remains to be seen.

41 A notable example is provided by the Community's support of pilot projects to conserve and promote the Community's architectural heritage, see Chapter 5, para. 4.3.1, or the pilot scheme to provide financial aid for translations of contemporary literary works, see Chapter 5, paras. 4.3.2 and 5.1.

A (3) EEC provides for a high level of environmental and consumer protection, as well as for a high level of health and safety protection. This Article has not been changed. In other words no provision has been made for 'a high level of protection of cultural interests'.

Article 128 (4) EC is less specific than Article 100 A (3) EEC ('The Community shall take cultural aspects into account. . .'), but at the same time is not limited to measures aimed at establishing the internal market ('. . . in its action under other provisions of this Treaty'). As a result, in drafting proposals the Commission is not under an obligation to strive for a high level of protection of cultural interests; on the other hand cultural interests must be taken into account by the Community institutions – and not only the Commission – during the whole legislative process. Secondly, there is no possibility for justifying stricter national measures on grounds of cultural policy in the way provided for by Article 100 A (4) EC.

This section has the effect of confirming the Community's powers under the above mentioned Articles of the EC Treaty, to adopt social-economic measures with a cultural impact, such as the Television Directive. To the extent that the Member States intended to limit the Community's competence with regard to such activities, it would seem that this has only been a partial success. Nevertheless it does make it impossible in the future to bypass or dismiss 'cultural' interests, such as pluralism of the media and the protection of the smaller languages.

2.1.3.4 Legal instruments

The fact that the Member States were particularly concerned to contain any further development of Community powers in the so-called new policy areas, and particularly the cultural field, is also illustrated by the legal instruments which were made available to the Community for pursuing its objectives in these fields. In this respect it is enlightening to compare the procedural sections of Article 126 EC (section 4) on education and of Article 128 EC (section 5) on culture. Both these sections are quite similar in that they both provide that Community action shall take the form of incentive measures or recommendations to be adopted in accordance with the co-decision procedure laid down in Article 189 B EC.⁴² It would seem that such incentive measures, in line with the underlying ratio of these provisions, will not go beyond the type of measures which the Community hitherto has taken in 'purely' cultural matters, namely providing financial stimuli and organizing activities of a more or less symbolic

nature.⁴³ Indeed, the Member States have gone to great lengths in determining how far the Community can go by stipulating expressly that the incentive measures to be taken shall exclude '... any harmonization of the laws and regulations of the Member States'. *Ipso facto* this would seem to exclude further-reaching measures such as the creation of a uniform regime or even the adoption of action programmes such as provided for in Article 130 S (3) EC. If this reading is correct the implementation of Article 128 EC will to a large extent be dependent on funds being made available in the context of the budgetary procedure.⁴⁴ Otherwise the only legal instrument which is made available for the pursuit of the objectives mentioned in the second sections of Articles 126 and 128 EC is the (non-binding) recommendation.

As mentioned, decision-making in relation to measures to be adopted in the educational and cultural fields will take place under the co-decision procedure of Article 189 B EC. In contrast, however, with Article 126 (4) EC on education (as well as the provisions on the other new policy areas), which simply provides for the application of Article 189 B as it is, i.e. the Council acting by qualified majority, Article 128 (5) EC on culture adds that the Council will '... act unanimously throughout the procedures referred to in Article 189 B'. . . . Even for recommendations in the area of culture, one of the weakest legal instruments available for Community action, the Council shall act unanimously.⁴⁵ This rather remarkable variation⁴⁶ (which is at odds with the logic of the co-decision procedure) can be explained by the need to strike a balance between the desire of some Member States to retain full control over Community decision-making in cultural matters and the aim, supported by others, to enhance the role of the European Parliament. As a result every Member State will at least be able to veto incentive measures (and recommendations) proposed under Article 128 EC. Once again, this illustrates the wide range of autonomy the Member States have

43 However, this provision could also be read differently, in that the term 'incentive measures' refers to any of the acts mentioned in Article 189 EC, with the exception of recommendations. For the enactment of recommendations a separate provision concludes the Article: '...the Council (...) acting unanimously on a proposal from the Commission, shall adopt recommendations'. The adoption of recommendations need not therefore take place under the procedures of Article 189 B (or C).

44 In this respect it should be pointed out that Article 201 A EC, with a view to maintaining budgetary discipline imposes financial limits on the Commission's right of initiative.

45 The provision on the enactment of recommendations is also rather remarkable because the role of other Community institutions, with the exception of the Commission, such as the Committee of the Regions specifically referred to earlier in section 5, but notably of the European Parliament, is left unclear.

46 In the earlier stages of the negotiations there was no suggestion of unanimity being required in the context of this provision. The Draft Treaty on the Union, published *Europe Documents* no. 1746/1747 of 20 November 1991, prescribed decision-making under Article 189 C EC. Unanimity was added at a very late stage of the negotiations, immediately prior to the Maastricht Summit.

42 This provision does give the European Parliament more influence than it had under the cooperation procedure introduced by the Single European Act. Although the latter (which is now set out in Article 149 EEC and will reappear as Article 189 C EC) appeared to be extremely complicated at the time, it will look quite simple and straight-forward compared to the co-decision procedure of Article 189 B EC.

reserved for themselves in the field of cultural policy, as well as the desire to curtail the 'automatic' development of further Community action in this field.⁴⁷

Decision-making by qualified majority in relation to culture-related decisions therefore only remains possible where these decisions can be linked to the achievement of the objectives set out in Article 8 A EEC (in the EC Treaty: Article 7 A) concerning the establishment of the internal market. In such 'mixed' cases the primary focus will be more on the aspect of liberalizing trade and traffic rather than on the protection of cultural interests. As culture has not been inserted in Article 100 A (3) EC, providing for the institutionalized pledge to aim for a high level of protection of various interests, any measure adopted under Article 100 A EC in relation to a culture-related topic needs only take cultural aspects into account as required by Article 128 (4) EC.

2.1.3.5 External relations

Article 128 (3) EC provides that the Community and the Member States shall foster cooperation with third countries and the competent international organizations in the sphere of culture, in particular the Council of Europe.

The relationship between the Community and the Council of Europe is given particular attention in Article 230 EC. Article 229 EC provides for the Community establishing relations with other international organizations, such as UNESCO. A number of procedures for mutual cooperation have been agreed upon between the EEC and these organizations, such as the exchange of letters between the EEC and the Council of Europe dated 16 June 1987.⁴⁸

The wording of Article 128 (3) EC raises the question as to whether it confers treaty-making power on the Community on the – 'purely' cultural – topics falling within the ambit of Article 128 EC, and if so, what consequences the exercise of this power has for the external powers of the Member States. There are three possible ways of approaching these questions.

First, if one compares Article 128 (3) EC with provisions such as Article 130 R (4) EC (environment) and Article 130 Y EC (development and cooperation) concerning the external relations of the Community in these fields, it would seem this provision does not grant an explicit treaty-making power to the Community. Nevertheless, on the face of it, the term 'to foster' in this provision would appear to be wide enough to include the concluding of treaties by the Community in the cultural field. The possibility of construing an implicit grant of treaty-making powers in Article 128 (3) might find support in the principles enunciated by the Court of Justice in its case law on the external powers of the Community. In its famous *ERTA*-judgment⁴⁹ the Court held that the authority

of the Community to enter into international agreements may arise not only from an explicit grant by the Treaty, but may equally flow from other provisions of the Treaty and from steps taken within the framework of these provisions, by the Community institutions. Focusing attention on the consequences of this for the powers of the Member States, the Court went on to state that each time the Community with a view to implementing a common policy envisaged by the Treaty, lays down common rules, whatever form these may take, the Member States no longer have the right, acting individually or even collectively to contract obligations towards non-Member States affecting these rules. In later case law the Court further held that an external competence flows by implication from the provisions of the Treaty creating the internal power in so far as the participation of the Community is necessary for the attainment of one of the objectives of the Community.⁵⁰ Assuming that it would be possible to construe a treaty-making power of the Community in relation to the topics listed in Article 128 (2) EC on this basis, it is at any rate clear from the wording of Article 128 (3) EC that this would not exclude a parallel power of the Member States, i.e. the fact that the Community has concluded a treaty on any given topic does not preclude the Member States from independently concluding treaties on the same subject matter.

Despite this argument based on the *in foro interno, in foro externo*-principle, there are also a number of – perhaps more persuasive – indications that the Community has no treaty-making competence in the areas mentioned in Article 128 EC. One such indication may be found in the general structure of this Article which only provides for marginal involvement of the Community in the cultural field and consequently only makes the weakest of legal instruments available for achieving the objectives of that provision. As the fifth section of Article 128 EC, as was pointed out *supra*, most likely excludes the use of instruments creating any legal obligations for the Member States, this would also exclude treaties with third countries and international organizations. In addition, it may also be derived from the fact that treaty-making powers are expressly conferred on the Community in other Treaty provisions (which for that purpose refer to the procedure set out in Article 228 EC),⁵¹ that if it had been intended that the Community was to be able to conclude treaties in the cultural field a similar provision would have been made for this in Article 128 EC.

Be that as it may, it is difficult to imagine that the Community would be able to give effect to the assignment of Article 128 (3) EC to foster international cooperation in the sphere of culture, if it were unable to conclude treaties. On

50 Opinion 1/76, *European laying-up fund for inland waterway vessels*, (1977) ECR 741. See, too, Joined Cases 3, 4 & 6/76, *Kramer et alia*, 1976 ECR 1279.

51 These provisions, it should be pointed out, also state explicitly that the treaty-making powers conferred on the Community are without prejudice to Member States' competence to negotiate in international bodies and to conclude international agreements. For this apparently contradicts the Court's *ERTA* (or, according to its French abbreviation, *AETR*) doctrine, the Member States in a declaration annexed to the final act of the Conference which adopted the Treaty on European Union state that 'the Conference considers that the provisions of Article 109 (5), Article 130 R (4), second subparagraph, and Article 130 Y do not affect the principles resulting from the judgment of the Court of Justice in the *AETR*-case'.

47 It may be observed that the same combination of co-decision and unanimity is prescribed in Article 130 I EC concerning the adoption of multiannual framework programmes on research and technological development.

48 OJ 1987, L 273/35. For a comment on Articles 229 and 230 EEC see, *The Law of the European Community, A Commentary on the EEC Treaty*, H. Smit & P.E. Herzog, New York, loose leaf edition.

49 Case 22/70, *Commission v Council*, 1971 ECR 263.

a different reading of Article 128 EC, it may therefore be suggested that although the Community does not possess an autonomous power in this regard, it will be able to conclude treaties in order to achieve the limited set of objectives listed in Article 128 (2) EC in cooperation with the Member States. This means that the instrument of the so-called mixed agreement is available for achieving the objectives of Article 128 EC. The Member States will be able to invoke the principle of subsidiarity, to be discussed *infra*, at para. 2.2, to curtail any ambition the Community may have to conclude international agreements going beyond what is necessary for achieving the aims of Article 128 (2) EC.

As such it is also clear that the Member States retain power to maintain their own bilateral and multilateral relations in the cultural field. In concluding cultural agreements with third countries, international organizations or indeed with other Member States, the Member States however must continue to take account of the obligations under Community law. Article 5 EC, it may be recalled, obliges them to refrain from taking any measures which may undermine the objectives of the Treaty. This was emphasized by the Court of Justice in the *Matteucci*-case⁵² in relation to a cultural agreement between Belgium and the Federal Republic of Germany.

Furthermore it may also be observed that the second section of Article 234 EC requires the Member States to take steps to eliminate any incompatibilities between the EC Treaty and treaties they had concluded with third countries prior to the entry into force of the EEC Treaty. The question may be raised as to whether this principle also applies – by analogy – to cultural treaties in the light of the new Title on Culture in the Treaty on European Union. In this respect, it is possible that the date for gauging the date of existence of such treaties will be the date of the entry into force of that Treaty (as projected: 1 January 1993). One authority for this proposition can be found in the Court of Justice' Judgment in *Burgos*⁵³ in which it held that the principle contained in Article 234 EC applied to all agreements concluded by a Member State prior to its accession. It could be argued on this basis that the principle also applies to policy areas which have been later added to the Treaty as from the date of the entry into force of the amendment incorporating the new provisions.

Although it is therefore uncertain whether or not the Community has treaty-making power in relation to the 'purely' cultural matters which are the subject of Article 128 EC, this does not mean, that it cannot conclude treaties which are of relevance to the cultural field under other provisions of the Treaty. One example of this might be a treaty on trade in cultural goods which could be concluded under Article 113 EC on the common commercial policy. In such a case the Community would be under the obligation – in the terms of Article 128 (4) EC – to take the cultural aspects into account. Where treaties are concluded by the Community in relation to subjects which are not 'purely' cultural in character in fields in which the Community enjoys exclusive competence such as the common commercial policy, the Member States will only be able to conclude treaties if they obtain specific authorization from the Commu-

ity for that purpose.⁵⁴ Clearly the central question to be answered here is what is to be regarded as a 'purely' cultural matter. It will be up to the Court of Justice to provide that answer.

2.1.4 A Title on Education

From the substantive point of view the subject in the EC Treaty which is closest to culture is probably education. In a general sense education is, of course, crucial for the promotion and dissemination of culture, but, more particularly for art education, the new provisions in the Treaty are also of more direct importance. The relationship between both fields is stressed by the fact that they are mentioned side by side in Article 3 (p) EC. As such, it is also quite surprising that the relevant provisions were not placed in the same Title.

Article 126 EC on education and Article 128 EC on culture resemble each other to quite some extent, including the reference to the subsidiarity principle by means of the use of the words 'if necessary' (*see, infra*, para. 2.2). The first sections of Article 126 EC more or less amalgamate the first two sections of Article 128 EC: 'The Community shall contribute to the development of quality education by encouraging cooperation between Member States and, if necessary, by supporting and supplementing their action, . . .'. The Community will do so . . . while fully respecting the responsibility of the Member States for the content of teaching and the organization of education systems and their cultural and linguistic diversity'.⁵⁵ The Community shall aim at developing the European dimension in education, particularly through 'the teaching and dissemination of the languages of the Member States' while the academic recognition of diplomas will be encouraged. Such activities are also of importance for the 'flowering' of culture (*cf.* Chapter 5, para. 3.2.2). Other aims of Community action like promoting cooperation of educational establishments, or encouraging exchanges of socio-educational instructors, are of importance to art education in particular. The section on external cooperation in the field of education, Article 126 (3) EC, is similar to Article 128 (3) EC.

As was pointed out in para. 2.1.3.4, the procedural section of Article 126 EC (section 4) differs from its counterpart in the Title on Culture, notably in view of the fact that the latter requires decision-making with unanimity, whereas Article 126 (4) EC allows the adoption of incentive measures by qualified majority (the 'normal' Article 189 B procedure).⁵⁶ If one adds to this the fact

54 Case 41/76, *Donckerwolcke*, (1976) ECR 1921.

55 From the text of this section it is not immediately clear if 'their cultural and linguistic diversity' refers to the Member States or – less likely – to their educational systems.

56 As in the case of Article 128 (5) EC on culture, the adoption of recommendations provided for in the last sentence of Article 126 (4) EC, has not been made subject to the decision-making procedure laid down in Article 189 B (or C) EC. The Council is supposed to act, but this time by qualified majority, on a proposal from the Commission. Again, the role of other Community institutions, the Economic and Social Committee and the Committee of the Regions – both referred to earlier in section 4 – and the European Parliament, is left unclear.

52 Case 235/87, *Matteucci v. La communauté française de Belgique et alia*, (1988) ECR 5589.

53 Case 812/79, *Attorney-General v. Burgos*, (1980) ECR 2787.

that a provision comparable to the new Article 92 (3) *sub d* EC (cf. para. 2.1.2, *supra*) has not been included for subsidies in the field of education, it may be tentatively concluded that the Member States' activities in respect of education in the 'pure' sense, as covered by Article 126 EC, are probably less well 'protected' from Community intrusions than their 'purely' (in terms of Article 128 EC) cultural activities.

However, this conclusion is tentative indeed! Article 126 EC differs from Article 128 EC in one further important respect in that it does not contain a provision regarding educational interests to be taken into account in other policy areas of the Community. To the extent that, as was observed above, the inclusion of this so-called policy integration principle can be regarded as the implicit recognition that the Community can take action in the field concerned under other headings of the Treaty, its absence in Article 126 EC could be construed as confirmation that it is not possible to take action regarding education under other Treaty provisions. On the other hand, if the latter position does not hold, there is no similar (formal) 'guarantee' that due consideration will be given to educational interests in Community actions in other areas.

2.2 Culture and subsidiarity

Following the introduction of the subsidiarity principle in the modest form it takes in the – present – EEC Treaty (in Article 130 R (4) EEC, see *infra*, para. 2.2.3), in this paragraph we will first of all briefly review the origins of this principle which lie in Christian Democratic social doctrine. Although it is not possible within the framework of this excursion into social thought to examine the various aspects of this principle at any great length, it may help in assessing the consequences of the ways in which the principle might be applied in introducing provisions on culture in Community law. In particular, subsidiarity could be used in the future EC Treaty to delimit spheres of competence on matters of cultural policy and to govern the relations between policy levels concerned. After a review of the steps by which subsidiarity has been introduced in the EEC Treaty (para. 2.2.2), this paragraph will be concluded with a discussion of the various ways in which it has found expression in the Treaty on European Union (para. 2.2.3).

2.2.1 Subsidiarity and its origins

The subsidiarity principle has been embraced as a principle of Roman Catholic social theory since the 1930s. However, the basic ideas underlying this principle were already known at the end of the last century in the form of the so-called sphere-sovereignty doctrine which was developed as one of the central tenets of (Orthodox) Protestant socio-political theory. This doctrine, which is attributed to the Dutch theologian and politician Abraham Kuyper, held that within a society, numerous 'circles' all possess their own spheres within which they are

sovereign.⁵⁷ In his many political and scientific works, Kuyper mentions a bewildering variety of such circles: the family, the church, science, art, commerce, the municipality, industry, etc. Sovereignty is derived from and founded upon the belief that God has granted each circle its own particular structure. This structure implies certain tasks with which other circles are not allowed to interfere. Occasionally, Kuyper also subsumes all circles under 'society', and then argues, although not always consistently, that the State has the power to determine whether a conflict in society exists and, if so, to resolve it. He emphasizes the duality between State and society. The State should not merge into society, as propagated by the Social Democrats at the time. Furthermore, the State does not stand above society, but on a level with it and its 'circles'.⁵⁸

The debate on the subsidiarity principle in the Roman Catholic world was sparked off by the 1931 encyclical letter *Quadragesimo Anno* and was conducted mainly in Germany, although certainly not exclusively there. In *Quadragesimo Anno* the subsidiarity principle was referred to as the *gravissimum illud principium* of Catholic social philosophy. By the 1950's the debate on the principle seems to have led to a considerable amount of consensus.⁵⁹ Generally, a 'negative' and a 'positive' connotation of subsidiarity were distinguished. Both meanings refer to tasks society is endowed with. The negative connotation of the principle is commonly expressed as '... die Gesellschaft darf nicht die Tätigkeit ihrer (individuellen und sozialen) Glieder zerschlagen oder aufsaugen'.⁶⁰ The positive task of society is seen as that of creating order, a function which primarily, is to be performed by the State. However, as in its Protestant counterpart, according to Catholic social theory, too, the State has a limited role to play: it should interfere as little as possible with the fulfilment of the tasks of the smaller communities.

The order the State is to provide is considered to be accidental, but must conform to the norms of natural law. The subsidiarity principle determining this order was conceived primarily as a 'static' principle of structure. In that sense, the principle is juxtaposed with the somewhat better known principle of solidarity which is supposed to express the dynamic side of human society: 'Die

57 At the turn of the century Kuyper was one of the principal political leaders in the Netherlands. For decades, he led the Orthodox Protestant Anti-Revolutionary Party (ARP); he was Prime Minister of a Christian coalition government (1901–1905).

58 Kuyper's explanations of the sphere-sovereignty doctrine are often rather obscure; the text is a short summary of a doctrine which is not easy to reproduce. See, for a more extensive review, H.H.G. Post, *Pillarization: an Analysis of Dutch and Belgian Society*, Aldershot 1989, p. 24–27 and p. 57–59, or, *ibid.*, *Pillarization, a Critical Study of Concepts of Pillarization in the Analysis of Dutch and Belgian Society*, Ph.D. thesis, Queen's University, Kingston Canada, 1987, p. 42–48 and p. 421–423.

59 Like the discussions on the sphere-sovereignty doctrine, those on the subsidiarity principle in Catholic social theory are not very accessible either. See for a summary: H.H.G. Post, *Pillarization: An Analysis...*, p. 28–31 and 59–61, or *ibid.*, *Pillarization; a Critical study...*, p. 48–57 and 423–425, *op. cit.* n. 58, and the references in the footnotes to those pages.

60 '...society may never destroy or consume the activity of its (individual and social) parts' (translation HP), J.J.M. van der Ven, 'Organisation, Ordnung und Gerechtigkeit', in: A.F. Utz, (ed.), *Das Subsidiaritätsprinzip*, Heidelberg 1953, p. 46.

subsidiäre Gesellschaft ist die Hülle, der Rahmen, in den sich die solidarische Verbundenheit, die Gemeinhaftung, entfalten und auswirken kann'.⁶¹

2.2.2 Subsidiarity and European Integration

In the second half of the 1980's subsidiarity reappeared on the stage of political debate in the broad context of the discussion on the future of European integration. One of the reasons seemed to be that it fitted in neatly with the debate on restraining public intervention, in particular by the national authorities.⁶² Questions raised in that regard were: how to divide powers between local and national levels or between EC and national authorities, and '... how to share powers between the EC and the Member States in cases of concurrent powers, where competence as such is not the issue but the choice of the 'appropriate' level at which to act'.⁶³ In this latter respect the principle of subsidiarity could be a relevant device.⁶⁴

Although the subsidiarity principle and its Orthodox Protestant predecessor, the sphere-sovereignty doctrine, unmistakably both focus on the relationship between the State and society (or the circles of which it is composed), relations between other 'units' including other policy levels is not necessarily beyond their scope. The core of the subsidiarity principle (and the sphere-sovereignty doctrine) seems to be, however, that it urges the 'larger' unit, notably the State, to interfere as little as possible with the fulfilment of the tasks of the smaller communities. In particular, the larger unit is not allowed to usurp tasks that can very well be performed by smaller units.

This latter aspect of the subsidiarity principle seems to have been of special relevance for those who tried to conceive ways of enlarging the scope of the

'... to entrust common institutions, in accordance with the principle of subsidiarity, only with those powers required to complete successfully those tasks that they may carry out more satisfactorily than the States acting independently'.⁶⁵

At the time, this Draft was widely regarded as too ambitious and too unrealistic and, hence, its detailed provisions were not really examined. The principle did not figure in the Report of the Dooge Committee.⁶⁷ It did, however, find expression – albeit in a limited sense – in the Single European Act in the provisions relating to the environment, more in particular in the present Article 130 R (4) of the EEC Treaty. According to this Article:

'The Community shall take action relating to the environment to the extent to which the objectives referred to in paragraph 1 can be attained better at Community level than at the level of the individual Member States. (...)

Here, the subsidiarity principle seems to have lost much of its original meaning: a) it refers only to the relations between the Community level and the level of the individual Member States, b) stressing the autonomy of the 'units' policy levels does not seem to be the focal point of the principle and, c), although its meaning is not entirely clear,⁶⁸ it does not seem as pivotal to the Community's environmental policy as it was, at the time, to Christian Democratic social doctrine.

Until the signing of the Treaty on European Union Article 130 R (4) EEC was the only instance of the application of the subsidiarity principle within Community law and as such it acts as a precedent for the introduction of this principle generally or in specific policy areas.⁶⁹ In this respect it should be

61 'The subsidiary society is the cover, the framework in which solidarity, the communality, can unfold and work out' (translation HP), F. Link, *Das Subsidiaritätsprinzip, sein Wesen und seine Bedeutung für die Sozialpolitik*, Freiburg 1955, p. 92; cf. also Joachim Mathies, 'Religionszugehörigkeit und Gesellschaftspolitik', *International Yearbook for the Sociology of Religion* 1965, p. 46.

62 V. Giscard d'Estaing distinguishes two approaches: a) the Member States could transfer to the Community only those tasks that would better be performed at Community level than by the Member States individually; b) only those tasks should go to the Community level the dimension or effects of which extend beyond national frontiers. The former's crux is effectiveness and centralization, whereas the latter's is decentralization and federalism (V. Giscard d'Estaing, *rapporteur*, 'The principle of subsidiarity', EP Committee on Institutional Affairs, Strasbourg 1990, EP Document No. A3-0163/90, p. 6).

63 M. Wilke and H. Wallace, 'Subsidiarity: approaches to power-sharing in the European Community', *RIIA Discussion Paper*, no. 27, Maastricht 1991, p. 4.

64 But, cf. L.A. Geelhoed, 'Het subsidiariteitsbeginsel: een communautair beginsel', in: *SEW* 1991, p. 422–435 (The Subsidiarity principle: a communitarian principle) expresses strong doubts about the wisdom to rely too strongly on the potential of the principle as an ordering principle. He bases his view, among other grounds, on the limited success the principle has had in a federal context (p. 423–429).

65 Already in a Report commissioned by the Dutch Minister of Foreign Affairs and presented 1 May 1975, the 'Spierenburg' Report on European Union (*Europese Unie; rapport van de adviescommissie Europese Unie*), The Hague 1975, p. 31, under 4.1.4, the subsidiarity principle with this meaning plays a prominent role.

66 OJ 1984, C 77/33; *Bull. EC*, 2–1984, para. 1.1.2.

67 *Bull. EC*, 3–1985, para. 3.5.1.

68 Notably, whether or not the principle embodied in Article 130 R (4) EEC should be considered a merely political guidance for the Community (cf. L. Krämer, 'The Single European Act and Environment Protection: Reflections on Several New Provisions in Community Law', *CMLRev* 1987, p. 665) rather than a legal norm which defines the spheres of competence in respect to this field, remains obscure. As yet, the Court has not had the opportunity to clarify the law in this regard.

69 In P.J.G. Kapteyn & P. VerLoren van Themaat, *Introduction to the Law of the European Communities*, second ed., Deventer 1989 (ed. by L.W. Gormley), this provision is characterized as 'subsidiary', in fact, Community environmental policy is submitted to be of a subsidiary nature (p. 651). Occasionally, it is argued that other provisions in the Treaties already provide at least a legal basis for subsidiarity. In *The Principle of Subsidiarity* (Strasbourg 1990, p. 4), Valéry Giscard d'Estaing reports to the European Parliament's

pointed out that this provision only gives effect to the principle of subsidiarity in a limited way, in that it only applies to the relations between the authorities at the Community level and the level of the individual Member States within one particular field of policy-making. There is, however, no reason why this principle cannot equally apply to relations between authorities at other policy levels, including the international level, as well as to the relations between authorities and individuals (including their organizations). The application of the principle in the latter position, in particular, gives effect to subsidiarity in its original meaning.

2.2.3 Subsidiarity and culture in the Treaty on European Union

In the Treaty on European Union, the (or 'a') principle of subsidiarity has found expression in a variety of different ways. In the first place the final sentence of Article B of the Common Provisions of the Treaty determines that:

'The objectives of the Union shall be achieved as provided in this Treaty and in accordance with the conditions and the timetable set out therein while respecting the principle of subsidiarity as defined in Article 3 B of the Treaty establishing the European Community'.

Secondly, this Article 3 B of the EC Treaty says:

'In areas which do not fall within its exclusive competence, the Community shall take action, in accordance with the principle of subsidiarity, only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States and can therefore, by reason of the scale or effects of the proposed action, be better achieved by the Community'.

Finally, the notion of subsidiarity seems to be implied in the wording and structure of the various provisions on the new policy areas (Articles 126, 128 and 129 EC). All these provisions empower the Community to take action 'if necessary' to 'support' or 'supplement' the action taken by the Member States. Thus, Article 128 (2) EC reads:

'Action by the Community shall be aimed at encouraging cooperation between Member States and, if necessary, supporting and supplementing their action in the following areas: . . .

Committee on Institutional Affairs that Article 4 EEC does so because it states that '[E]ach institution shall act within the limits of the powers conferred upon it by this Treaty'. Jans argues that Article 235 EEC already embodies an 'indirect' subsidiarity principle (J.H. Jans, *Europese Milieurecht in Nederland*, Groningen 1991, p. 24 - 'European Environmental Law in The Netherlands').

The first two provisions cited, Article B of the Common Provisions and Article 3 B EC, already indicate that, generally speaking, the subsidiarity principle has been given a much more prominent place in the Treaty on European Union and in the EC Treaty than it now has in the EEC Treaty. According to Article B of the Treaty on the European Union, the objectives of the Union shall be achieved while respecting this principle. It is useful to note that the principle is echoed in Article K 3 (2) *sub b* in respect of cooperation in the fields of justice and home affairs.

Article 3 B EC is somewhat more limited in scope in that it only applies to those areas which do not fall within the Community's exclusive competence, i.e. agriculture, fisheries and commercial policy, including the common customs tariff. Outside these areas, the Community shall henceforth take action in accordance with the principle of subsidiarity. Culture and education are clearly among them (*see, supra*, paras. 2.1.3 and 2.1.4). As was set out in the preceding paragraphs, subsidiarity refers to the notion that the larger body should interfere as little as possible with its component units and that, in consequence, decisions should be taken at the lowest possible level of decision-making. Although Article 3 B EC does not provide a definition of subsidiarity in such terms, it would seem that the second paragraph of Article A of the Treaty on European Union does go some way towards doing this, albeit most probably unwittingly, where it determines that in the Union decisions shall be taken as closely as possible to the citizen.

Finally, it should be observed that the final sentence of Article 3 B EC imposes the additional requirement in relation to Community action that it shall not go beyond what is necessary to achieve the objectives of the Treaty. This constitutes the institutionalization of the principle of proportionality.

Article 3 B EC does provide certain criteria in order to make the subsidiarity principle operational for allocating decision-making authority within the Community.⁷⁰ It may be presumed that this is what is meant by the 'definition' referred to in Article B of the Treaty on European Union. According to these rather strict criteria decisions may be taken at the Community level 'only if and in so far as' the objectives of the proposed action cannot be sufficiently achieved by the Member States and, by reason of the scale or the effects of that action, can be better achieved by the Community. The application of the principle therefore depends on a negative and a positive condition being fulfilled. On the one hand, the measures or action required for achieving the objectives concerned should surpass the capabilities of the Member States, while, on the other hand, the realization of these objectives should be feasible at the Community level. It is also possible for it to be concluded that the appropriate level of action is not the Community level but the world level.⁷¹

⁷⁰ Perhaps, it is better to say 'qualifying' or even 'limiting' the meaning of the principle of subsidiarity.

⁷¹ An example of this is the UNESCO Convention of 14 November 1970 on the means of prohibiting and preventing the illicit import, export and transfer of ownership of cultural

Although, on the face of it, the two-pronged test contained in Article 3 B EC – both elements of which are in effect each others' mirror image – is appealing in its simplicity, it will in practice very probably provide ground for much hard political bargaining. How e.g. will it be established that an objective cannot be 'sufficiently' achieved by the Member States? Does this phrase refer to the Member States individually or does it also include cooperation between Member States? How about the situation that some Member States are capable of realizing a given objective to a sufficient degree while others cannot? When can it be said that the Community can 'better' achieve such an objective? Of course, these questions cannot be answered in the abstract. Ultimately the allocation of decision-making authority will depend on the subject matter of the case in hand. Nevertheless these questions are raised rhetorically to indicate that the principle of subsidiarity will certainly add to the complexity of decision-making within the Community.

The question as to whether or not any action envisaged by the Community is compatible with the principle of subsidiarity will have to be answered in the preliminary phases of the decision-making process. The fact that Article 3 B EC refers to 'the proposed action' suggests that the Community institutions, the Commission in particular, might be expected beforehand to justify the fact that the Community is the appropriate level for taking action. They will have to argue that by reasons of the scale or effects of the action, its objectives can be realized better by the Community and that that action is proportional in relation to these objectives.

These difficulties will also occur in decision-making relating to cultural matters both under Article 128 EC (the 'purely' cultural matters) and under other headings of the Treaty (e.g. Articles 57, 66, 100, 100 A and 235) (the 'mixed' activities).

As to the former, a further complicating factor possibly lies in the wording of Article 128 (2) EC which states that Community action should be 'necessary' in order to 'support' or 'supplement' action taken by the Member States. These words seem to suggest that, beyond merely 'encouraging cooperation' between the Member States, the Community can only take action in response to existing activities of the Member States and that such action should provide a certain added value. It is not, as yet, clear whether this should be regarded as a specific reminder of the applicability of Article 3 B EC in the cultural field or as a further condition in addition to those laid down in that provision. One indication that the wording of Article 128 (2) EC constitutes a further condition may, however, be found in the fact that Article 130 R (4) EEC, in which the principle of subsidiarity is embodied in relation to environmental policy, has been deleted in the Treaty on European Union as this aspect will in future be covered by Article 3 B EC, whereas no further condition has been imposed in Article 130 R EC relating to the 'necessity' of Community action to replace this.⁷²

property, 823 UNTS 231.

⁷² It should be added that the term 'necessity' in Article 128 (2) EC must be distinguished from that used in Article 130 S (3) EC, as the latter refers to measures taken for the implementation of Community action programmes. It does not, more particularly, have any bearing on

In this case the proviso 'if necessary' may be compared with the similar condition set in Article 235 EEC. In view of the limited scope of Article 128 EC, it should not be excluded, however, that this may turn out to be an issue of minor importance.

On the whole it may be queried what effect the subsidiarity principle will actually have on decision-making within the Community. Up until now, the decision to adopt measures of legislation was determined by the need to take measures for the establishment or the proper functioning of the common market. Such measures were, on the whole, aimed at either removing distortions of trade and impediments to freedom of movement in general (liberalization) or the creation of equal conditions of competition. As these objectives, by their very nature, surpass the level of the individual Member States, it is hard to see how the subsidiarity principle will be able to alter this basic rationale of Community legislation. On the other hand, measures adopted for the realization of the internal market involve the harmonization of national legislation which is aimed at the protection of certain legitimate interests. These objectives cannot be overlooked by the Community when it takes measures to neutralize the obstacles to trade arising from these measures. It is here that the subsidiarity principle will probably have its main effect, namely in focussing attention on the question whether the proposed measure is not seeking to achieve an objective which just as well could be achieved at the national level. Theoretically, Member States could block Community action⁷³ on the basis of the subsidiarity principle by stating that the interest involved can be protected adequately by the national laws in force and that, to the extent that there is a problem from the perspective of freedom of movement, this can be either resolved by a form of concerted action or by means of the mutual recognition rule. This option is only mooted here to indicate that the subsidiarity principle has created a counter-force to the integrating drive of the provisions of the (E)EC Treaty which create a basis for Community legislation. As long as there is a need for Community legislation in order to attain the realization of the internal market this will prevail, it is submitted, over parochial interests which may be voiced in the guise of the subsidiarity principle. Although it is therefore unlikely that this principle will seriously affect the basic logic of the legislative process within the Community, it nevertheless, will have the effect of laying an extra burden on the Community institutions (Commission, Council, European Parliament) to demonstrate the necessity of such measures for that purpose.

A further question concerns the role of the Court of Justice in applying the 'subsidiarity principle'. In the negotiations prior to the adoption of the Treaty, it was a point of discussion as to whether the Court should be empowered to decide on the application of the subsidiarity principle. At one point it was suggested to mention the principle only in the Preamble to the EC Treaty, thus giving expression to the fact that it is more of a political norm than a legal

the Community's competence to take measures in this field, as it does in Article 128 EC.

⁷³ Where unanimity is required (Article 128 EC), decision-making can be blocked by one Member State; in the case of qualified majority (e.g. in relation to 'mixed' activities under Article 57 EC), it takes a group of Member States to stop decisions being taken.

norm. As this solution did not accord with the central importance the Member States attach to the subsidiarity principle, it was finally decided to give it a prominent position in the Principles of the Treaty. As Article 3 B EC has not been excluded from the Court's jurisdiction as defined in Article L of the Treaty on European Union, it is clear that the Court is competent to deal with matters concerning the application of the principle of subsidiarity.

Even so, assuming that there would be a reason for the issue to be brought before the Court, e.g. in an action challenging the validity of a Community act under Article 173 EC, it is doubtful whether the Court would be willing to consider whether that act was adopted in accordance with the subsidiarity principle. Any decision of the Court on this question would involve an assessment of the expediency of the decision being taken at the Community level rather than by the individual Member States. In this respect it would have to give an opinion on whether or not the objectives of the proposed action can be sufficiently achieved by the Member States and consequently whether or not these objectives can *better* be achieved by the Community by reason of the scale or the effects of the proposed action. It will be clear from the italicized terms that it is impossible to define objective criteria for deciding such issues. For this reason, it would seem that if the Court were ever called upon to decide whether a Community measure – adopted by qualified majority – was indeed adopted in accordance with the subsidiarity principle of Article 3 B EC, it would probably confine itself to deciding whether or not the Community was *competent* to adopt the measure in question without considering whether it was also expedient for the Community to do so in the light of the subsidiarity principle. That question is ultimately a political question for the appointed bodies to decide and not, it is submitted, a justiciable issue.⁷⁴

2.3 Concluding remarks: what will happen to cultural life in Europe?

Some first conclusions may be drawn from this final paragraph on the cultural provisions in the Treaty on European Union. The first impression is that these provisions have reserved a considerable range of autonomy to the Member States for conducting their own cultural policies and have only created a limited base for the development of a European cultural policy. Although, on the one hand, the Community has been given explicit powers to pursue its own cultural policy objectives, it would seem, on the other hand, that this future policy for the main part will remain restricted to supporting and supplementing the policies of the Member States, much in the same vein as the various activities the Community has developed in the cultural field up till now. Moreover, if the Member States do not like the initiatives taken by the Commission (e.g. for the enactment of certain incentive measures under Article 128 EC), they have reserved ample powers to block the adoption of such measures, including the right of veto for every single Member State. As such these provisions have the

effect of preventing any further unsolicited transfers of powers to the Community in cultural matters. Furthermore, Article 92 (3) EEC has been broadened with a separate exception for aid to cultural activities, a provision pointing in the same direction. The Member States have gone to considerable lengths to preserve a substantial domain for pursuing their own cultural policy objectives. Finally, the applicability of the subsidiarity principle to any action taken by the Community in the cultural field also fits into this picture.

However, it should be realized that this protected autonomous cultural domain for the Member States only includes 'purely' cultural activities. It will be of great interest to see which activities will be considered to be 'mixed', i.e. including aspects of both an economic and cultural nature. The policy integration principle of Article 128 (4) EC constitutes a recognition not only of measures which have already been taken for economic reasons, but which are also highly relevant for cultural activities (like the Television Directive) – the *acquis* – but also a recognition of the competence of the Community to continue taking such measures in future. Such Community action will include action decided upon by qualified majority. The principle does, of course, stipulate that cultural aspects shall then be taken into account. Similarly, in view of the 'mixed' economic and cultural purposes of several forms of State aid, it will be of great relevance to see how the Community institutions will make use of the new Article 92 (3) *sub d* EC. If, finally, the conclusion is recalled that the subsidiarity principle might very well play a less prominent role in the future decision-making process of the Community than the text of the Treaty suggests, the intrusions of the Community into the Member States' cultural domain may after all turn out to be more substantial than expected under the Treaty.

This leads to the inescapable conclusion that the relationship between culture, cultural policy and the internal market will always be tense and problematic. This book attempted to provide insight into the legal problems which arise from the area of tension which exists between them. However, it must be emphasized that in focusing on the legal aspects of culture within the Community, other aspects of this relationship have not been taken into account. More particularly the book was concerned with sketching the legal parameters within which the Member States must conduct their cultural policies and not with the actual opportunities and dangers which will arise for (various segments of) cultural life in the Member States from the process of integration in Europe. Needless to say, any assessment of these must take place against the backdrop of the law as set out in the preceding pages.

Notwithstanding the Preamble of the Treaty on European Union where it says that the solidarity between the peoples should be deepened, '... while respecting their history, their culture and their traditions, ...', there is still every reason to remain vigilant along the lines of the questions put forward by Ralf Dahrendorf in his *Reflections on the Revolution in Europe*:

'What is the market economy going to do to the social texture of the country? Will it not make some rich while the many get poorer than ever? What

⁷⁴ See, e.g., P.J.G. Kapteyn, 'Community Law and the Principle of Subsidiarity', *Revue des affaires européennes* 1991, p. 35 at p. 41.

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will happen to cultural life? Do we have to read and watch trash now that we are free and no longer have cheap books and subsidized quality films?⁷⁵

75 R. Dahrendorf, *Reflections on the Revolution in Europe*, London 1990, p. 2. Dahrendorf refers here to the developments in Eastern Europe (Poland, in particular). The book is subtitled: 'In a letter intended to have been sent to a gentleman in Warsaw, 1990'.

Cultural policy in the Netherlands. Rijswijk: Cultural Policy Department of the Directorate-General for Cultural Affairs, pp. 180-194. (National report of the European Council's 'European Programme for the Evaluation of National Cultural Policies'.)

5.2.1 Technological and mental modernization

Increasingly, the criteria of quality and diversity will have to be looked at in an international context. Few countries can escape from cultural internationalization. Due to its position and character, the Netherlands has always been open to external influences. Cultural internationalization would be unimaginable without the rise of the audiovisual media in the dissemination of cultural products.

The Dutch sociologist Abram de Swaan considers the latter development as one of the two dimensions of the 'globalization of culture'. According to him, there have been two 'cultural revolutions' in this century. The first took place in high art with the rejection of aesthetic conventions that had dominated Europe since the Middle Ages. Rebellion set in against narrative conventions in literature and drama, melodic ones in music and realistic ones in the visual arts.⁴ Because of its cosmopolitan nature, the modernist revolution in art was international from the very beginning. Alongside this, in the last 100 years a second upheaval has taken place throughout the world: namely the transformation of regional folk cultures into global popular culture. The first revolution was mainly inspired by internal artistic developments, the second by an external wave of technological innovation: the rise of electronic media. The two revolutions have given birth to a world-wide cultural system, differentiated in terms of art form and layered into more elitist and popular genres. According to De Swaan, Dutch cultural policy must assume that the dominance of the world cultural system is a given. More to the point, Dutch cultural policy can only be understood in the context of the internationalization of culture and the rise of a system of world culture.⁵

Naturally, the international influence on art and culture is not new. What is novel, however, is the extent to which an internationalized culture market dominates the supply and sale of products. For example, there is growing international cooperation among publishers, film distributors, and radio and television networks, etc.

Examining this development in relation to the public for culture, two processes can be distinguished: a *technological modernization* on the one hand, and a *mental* one on the other.⁶ *Mental modernization* led the intellectual public to constantly place higher demands on aesthetic experiences. In so doing, it was following a general modernization process in the artistic professions. This led to cultural expression becoming increasingly complex and having more recondite content. Without intellectual skills, familiarity with the art-historical background, and without initiation into the behavioural modes of art events and the way in which views (with regard to the preservation of cultural heritage) are exchanged at an international level, contemporary cultural expression became incomprehensible. In the presentation of these modern cultural expressions, as a rule traditional forms of dissemination were retained, such as exhibitions, concert hall performances and books. This process was completed in roughly the first half of the century, precisely

⁴ W.P. Knulst, 'Het hooggeëerd publiek op weg naar de zelfbediening'. In: *Boekmancahier* 11, March 1992; pp. 8-29.

⁵ A. de Swaan, 'Alles is in beginsel overal (maar de mosselman is nergens meer); over het internationaal cultuurstelsel en het nationaal cultuurbeleid'. In: *Boekmancahier* 6, December 1991; pp. 328-343.

⁶ W.P. Knulst and J. Bardoel, *Een beetje klasse kan geen kwaad: beschouwing bij tien jaar toentertrekken om de culturele taken van de omroep*. Manuscript, to be published.

the period in which the printing press, photography, film, the gramophone and radio brought numerous aesthetic experiences within everyone's reach: the *technological modernization* of culture. Dutch broadcasting can be regarded as a clear exponent of *technological modernization* in the information and cultural facilities. With state-of-the-art technology, amusement programmes are broadcast whose riddles, games of skill or musical shows would still be recognizable for the Dutch of three generations back. In this respect too, broadcasting differs from the cultural sector, which has experienced a far-reaching *modernization of content*, and which has little affinity with modern presentation techniques. Here, forms of presentation familiar to earlier generations, such as the painting, the book or stage performance, have been honoured.

Table 1. Ownership of audiovisual apparatus: number of pieces of apparatus per 100 households, 1951-1988

	1951	1957	1960	1965	1970	1975	1980	1985	1988
Radio	77	95	97	148	172	199	222	280	310
Black and white TV	.	8	25	68	82	69	53	36	26
Gramophone	.	.	.	46	68	93	103	108	120
Cassette recorder	.	.	.	16	34	87	146	195	210
Hi-fi amplifier	.	.	.	.	8	39	76	98	110
Colour TV	.	.	.	.	6	39	79	97	113
Video recorder	.	.	.	.	.	1	3	28	45
Households (x 1 million)	(2.8)	(3.1)	3.2	3.5	4.0	4.6	5.0	5.5	5.7

() = Estimated by extrapolation.

Source: W.P. Knulst, *Van vaudeville tot video*. Alphen aan den Rijn, 1989; p. 235.

Practically every household in the Netherlands has such apparatus as colour televisions, video and cassette recorders, radios or CD players.⁷ Listening to radio broadcasts and CD's and looking at television programmes is suitable for a comparison of quality at an international level. As a consequence of ever improving techniques for recording and mass-producing images and sounds, a number of artists have become 'mega-stars'. This phenomenon is evident in both popular and in more established culture. The international dissemination of cultural expressions has resulted in Dutch cultural activities being increasingly judged on the basis of international criteria. Artistic taste and popular styles are determined in a number of trend-setting global centres. Production, distribution and consumption are therefore strongly oriented to techniques derived from the leisure industry. In the sector of the high arts too, relations have been established with managers, advertising bureaux, the tourist industry and sponsors. Joint ventures between the cultural preservation sector and the recreational and tourist industry are also multiplying.

Also new is the international orientation of the culture industry and of the audiovisual media. Events involving music recordings, films, literature and the visual arts are more international and larger than ever before. In the Netherlands, a growing number of festivals and exhibitions are

⁷ The research conducted by the Social and Cultural Planning Office shows that the Dutch have to a large extent made use of the increased prosperity to buy electronic apparatus. The growth in the number of colour televisions, video recorders, CD players, Walkmans, etc. in Dutch households surpasses the average growth of consumer spending as a whole. The growing use of the electronic media is determined by the behaviour of young people and/or people with a primary or secondary education. For at least 35 percent of the leisure time available (around 48 hours), young people devote their attention to television, video and recorded music.

internationally oriented: they thus enjoy greater prestige and are more commercially attractive, also for sponsors. An example in the Netherlands is the 1990 Van Gogh exhibition, which attracted a record number of visitors from home and abroad.⁸

The international character of the daily output available to the Dutch via television, cinema and books can be deduced from the tables below. The figures in the first table refer to the origin of television programmes expressed in percentages of the total broadcasting time.⁹

Since the 1970s, the share of foreign television productions shown on Dutch television has grown. Thus, Dutch television would appear to be very dependent, especially for its supply of fiction, on imports (tv films, tv series, films and so on). In the beginning of the 1980s, almost nine out of every ten drama productions broadcast originated abroad. While Dutch feature films have been shown more often since the 1970s, the ratio is still less than one in ten. Dutch television relies on American productions to a great extent, with only a modest importation of films from neighbouring European countries. Looking at the figures on the total broadcasting time

Table 2. *Origin of television broadcasts by Dutch broadcasting in total and in the fiction category, 1973-1988 (in percentages)*

Total broadcasting time	1974/75	1980 (a)	1984/85	1987/88
Dutch production	73	73	72	70
Foreign production	27	27	28	30
Of which				
European	.	9	9	9
American	.	12	11	18
Other	.	6	8	4
<i>Drama</i>	1973/74	1980 (a)		
Dutch production	15	11	(b)	.
Foreign production	85	89	.	.
Of which				
European	33	32	.	.
American	42	40	.	.
Other	11	17	.	.
<i>Broadcasting feature films</i>	1975	1981	1985	1988
Total number (absolute)	119	98	209	304
Dutch production	2	7	7	8
Foreign production	98	93	93	92
Of which				
European	18	20	16	13
American	71	53	56	70
Other/co-production	10	19	21	10

a = Figures refer to the first quarter of 1980.

b = Unfortunately, more recent data on the origin of the television drama category (tv films, tv series and feature films) were not available.

Source: Social and Cultural Planning Office, *Social and Cultural Report 1990*. Rijswijk, 1990; p. 241, table 8.26.

⁸ Although this prestigious event was to an important extent financially supported by the business sector, the contribution of sponsorship money to the cultural climate in the Netherlands must not be overrated. In the Netherlands, the structural share of sponsorship money in the financing of cultural activities is still less than 2 percent. In 1990, all Dutch government bodies together spent approximately Nfl.2.5 billion in the context of art and cultural policy (excluding the media). The structural sponsor contribution in the same year is estimated at Nfl.40 million. (Source: F. van Puffelen, 'Sponsoring'. In: *Handboek Cultuurbeleid*. Vuga, The Hague, 1989. Repeated in the *Nota Cultuurbeleid 1993-1996. Investeren in cultuur*. The Hague, 1992; p. 20). In addition, sponsors made considerable amounts available for large-scale activities such as the extension of museums or for exhibitions, which were expected to attract a very large international public.

⁹ The Netherlands is one of the most densely 'cabled' countries in Europe. In 1982 it was only possible to receive four television stations in Amsterdam, in 1992 the number of available channels rose to 22.

in relation to the films broadcast, we see that the position of the European film in relation to American production has grown even weaker in the recent period.

Table 3 shows that the development indicated is even more pronounced in Dutch cinemas. Although increasingly fewer films have been issued annually since the 1970s, the share of American films has grown, while the screening of films from the originally large film-producing European countries has dropped sharply.

Table 3. *New films issued in the Netherlands by country of origin, 1979-1988 (in percentages)*

	1972	1975	1980	1985	1986	1987	1988
EC countries (a)	59	45	39	27	18	14	20
The Netherlands	2	5	2	5	4	7	4
USA	29	33	42	65	71	76	71
Other countries	10	17	17	3	7	2	5
Total	100	100	100	100	100	100	100

a = West Germany, France, Great Britain, Italy and Spain.

Source: Social and Cultural Planning Office, *Social and Cultural Report 1990*. Rijswijk, 1990; p. 242, table 8.27.

A survey of the geographic origins of the *books* published in the Netherlands gives a different picture. While the data do not allow a division between European and American books, on the basis of a sample of translated English-language prose from 1988 it is estimated that around half originally comes from Great Britain. If we assume this ratio for the whole of 1988, then in the supply of prose – the most internationalized sector of literature in the Netherlands – the share of imported work from EC countries is still larger than that from the United States. It is striking that Dutch novels hold a much stronger position on the national market than Dutch television drama and films. Together with the English-language novels written in EC countries, the share of European literature in the Dutch market comfortably surpasses the American share. The figures in table 4 also imply that the European share in the book supply is diminishing. The European share in cultural production seems to have mainly lost ground to America. This is particularly true of film and television drama, which demand relatively high capital investment.

For some time Europe has no longer been a leading 'cultural power' in the production of popular culture, i.e. films, television entertainment and pop music. Changing this situation and returning to the pre-Second World War one would require stiff protectionist measures; something that would no longer be appropriate within the current climate of international free trade.¹⁰

¹⁰ Social and Cultural Planning Office, *Social and Cultural Report 1990*. Rijswijk, 1990; pp. 240-242.

Table 4. Books published in the Netherlands in their original language, 1970-1988 (in percentages)

	1970	1975	1980	1985	1988
<i>All new publications and reprints</i>					
Total (absolute numbers)	11,159	12,028	14,591	12,629	13,845
Dutch	64	60	58	65	66
EC Continental	10	11	11	9	8
English-language	19	24	23	24	24
Other	7	6	7	2	2
<i>Non-fiction share</i>					
Total (absolute numbers)	8,627	8,692	10,652	9,149	9,855
Dutch	67	63	62	69	72
EC Continental	10	10	8	6	7
English-language	15	20	20	24	20
Other	8	7	9	1	1
<i>Fiction share</i>					
Total (absolute numbers)	2,532	3,336	3,939	3,480	3,990
Dutch	54	51	49	56	52
EC Continental	12	13	19	15	9
English-language	31	34	32	23	34
Other	3	3	3	4	4
<i>Of which prose</i>					
Total (absolute numbers)	1,428	1,572	1,987	1,955	2,148
Dutch	36	39	42	45	38
EC Continental	14	16	14	13	9
English-language	46	42	41	38	49
Other	4	2	3	3	4

Source: Social and Cultural Planning Office, *Social and Cultural Report 1990*. Rijswijk, 1990, p. 243, table 8.28.

5.2.2 Differentiation of supply and distribution

Running parallel to the growing internationalization is a development closely related to mental modernization. Dutch culture encompasses a myriad of small-scale production and distribution centres. The urban agglomeration in the western region of the Netherlands (the *Randstad*) has an abundance of cultural expression involving groups of specialists, both advanced as well as beginners.¹¹ Many private individuals also take part in (amateur) archaeology and historic preservation, make use of the historical documentation kept in archives (genealogy), or are actively involved in preserving the cultural heritage. This small-scale, but often cosmopolitan cultural life has its own channels of distribution, which generally reach a limited yet expert public. Small-scale art forms vary in their degree of accessibility, professionalism and public support. The latter is limited because of the specialized nature of the supply. In a number of cultural fields this 'professionalization' has led to 'closed circles of expertise'. These forms of culture rely greatly on interested parties from the world of artistic training and other cultural professionals.¹²

This sharp differentiation of the supply has led to a disruption of the relation with the public and, in some cases, even to a surplus supply. This is especially true in the field of subsidized performance arts, or performances

¹¹ With certain artistic disciplines the quantitative supply has grown substantially. This growth was caused to a large extent by the flow of students who have followed a course at one of the many professional institutes in the Netherlands.

¹² A.M. Bevers, 'Cultuurspreiding en publieksbereik: van volksverheffing tot marktstrategie'. In: *In ons diaconale land. opstellen over cultuurspreiding*, Boekman Foundation, Amsterdam, 1986.

that primarily attract a regular group of specialists. In practice, the 'subsidized' differentiation did not result in any proportional increase in the public.

Table 5. *Visits to various forms of entertainment per 1,000 inhabitants, 1955-1986*

	Prof. theatre	Subsidized theatre (a)	Prof.- amateur- concert	Subsidized concert (a)	Subsidized opera, operetta, ballet and dance (a,b)	Musical and revue
1955	213.37	.	187.77	.	.	.
1956	203.98	.	158.80	.	.	.
1957	193.32	.	155.74	.	.	.
1958	165.81	.	178.13	.	.	.
1959	156.69	.	150.82	.	.	.
1960	154.55	.	141.57	.	.	.
1961	151.94	.	133.60	.	.	.
1962	151.72	.	169.55	.	.	322.37
1963	152.22	.	167.50	.	.	256.85
1964	139.37	.	159.84	.	.	236.40
1965	164.25	151.32	140.58	.	.	169.26
1966	155.32	129.48	161.86	.	.	186.75
1967	140.43	118.55	149.59	.	.	167.76
1968	124.55	120.06	149.86	89.88	33.65	192.13
1969	123.87	110.95	155.43	89.60	34.15	185.91
1970	137.12	110.88	170.36	88.34	32.03	205.19
1971	.	91.40	.	94.06	27.90	.
1972	.	80.66	.	89.92	26.90	.
1973	.	79.76	.	92.32	46.39	.
1974	.	71.11	.	95.09	40.31	.
1975	.	72.08	.	95.77	38.00	.
1976	.	71.04	.	97.21	40.92	.
1977	.	69.48	.	99.45	39.71	.
1978	.	82.36	.	96.68	39.86	.
1979	.	73.26	.	92.19	39.15	.
1980	.	70.40	.	94.07	42.25	.
1981	.	68.67	.	89.88	40.51	.
1982	.	62.72	.	88.82	35.66	.
1983	.	62.56	.	89.75	35.64	.
1984	.	57.58	.	88.26	36.14	.
1985	.	61.64	.	89.39	35.57	.
1986	.	55.31	.	81.58	33.88	.

a = Seasonal figures ending in the year concerned; figures on population per 1 January.

b = No operetta through 1972.

Source: W.P. Knuist. *Van vaudeville tot video*. Alphen aan den Rijn, 1989; p. 238. fig. 2.4b.

Artistic sovereignty was especially prevalent in the area of subsidized performing arts. In the 1970s, a number of smaller theatre, dance and music companies came into being, which more or less followed their own artistic concept. They often retreated to their 'own' theatre in one of the large cities.

Social and Cultural Planning Office (scp) publications have pointed out the possible consequences of this internalization and insulation.¹⁴ This

¹⁴ What is meant here is the number of screens, not accommodations.

Table 6. Developments in the supply of subsidized entertainment services and facilities and cinemas, 1955-1987, index figure: 1975 = 100

Performances (a)					
	Stage	Concert	Opera, operetta, ballet and dance	Museums	Cinemas ¹⁴
1955	.	.	.	86	128
1956	.	.	.	85	128
1957	.	.	.	83	131
1958	92	.	.	87	133
1959	83	.	.	89	135
1960	82	.	.	88	136
1961	86	.	.	87	136
1962	89	.	.	83	136
1963	94	.	.	85	133
1964	87	.	.	89	130
1965	94	.	.	91	126
1966	90	.	.	91	118
1967	86	91	72	92	113
1968	93	78	71	91	109
1969	91	75	72	95	105
1970	99	76	72	92	99
1971	87	86	62	94	95
1972	86	92	62	98	91
1973	103	97	107	92	92
1974	105	98	96	90	93
1975	100	100	100	100	100
1976	110	107	105	99	102
1977	115	108	111	111	109
1978	131	111	113	116	117
1979	130	108	100	122	122
1980	129	128	117	137	126
1981	132	117	118	138	134
1982	154	117	103	141	135
1983	165	115	127	148	128
1984	152	110	131	152	117
1985	167	104	126	152	114
1986	141	94	117	161	110
1987	.	.	.	173	107

a = Data per season ending in the relevant year.

Source: W.P. Knulst, *Van vaudeville tot video*. Alphen aan den Rijn, 1989; p. 239, fig. 4.2.

development could result in – subsidized – cultural institutions becoming indifferent to the concerns of the public. Another danger is that a circle of professional art specialists (judges in the advisory bodies, professional journals, teachers of cultural courses) in the prevailing subsidy system is too one-sided when discussing repertoire and quality. The accompanying risk is that forms of expression that appeal only to the experts are promoted. The Dutch state does seem to be aware of this danger. In the *Cultural Policy Document 1993–1996*, it is noted that in ‘advising on cultural policy a larger place will be allotted to the “involved participant” in order to counteract the

¹⁴ Social and Cultural Planning Office, *Social and Cultural Report 1992*. Rijswijk, 1992; p. 300.

phenomenon of over-specialization and to avoid the debate on cultural policy becoming too much an affair of insiders.' This consideration has yet to lead to concrete proposals.

5.3 Participation

The ideal of social cultural dissemination has always been one of the reasons for pursuing a policy in the field of art and culture in the Netherlands. Chapter 3 discusses the great extent to which the idea of cultural dissemination during the years between the wars and the first decades after the Second World War was nourished by a fear of an upcoming mass culture and pessimistic assumptions about the consequences of this for the moral development of the population. A beneficial, almost therapeutic effect was ascribed to the confrontation of broad layers of the population with 'respectable' art. This idea is still current, even if it is often expressed in different words. Also discussed earlier is the idea that cultural dissemination was later reduced to a form of public recruitment. The organic connection between artist and public was broken, and it was thought that if this relationship were to be restored, cultural initiatives would be less dependent on subsidies.

In the Netherlands, expectations concerning the success of social cultural dissemination were high right into the 1970s. With the increase in leisure time, the improved educational level and the growth in prosperity, it was claimed that the most important conditions had been created for a successful social cultural dissemination. In the late 1970s and early 1980s, this optimism was corroded by the results of socio-scientific research. Time and again studies showed that despite the available facilities, cultural participation by people from the lower social classes had mostly decreased. Art subsidies therefore ended up mainly benefitting people with above-average incomes.

Among policy-makers the belief in the possibilities of social cultural dissemination became weaker. In 1983, the minister of WVC declared that making art accessible to 'broad layers of the population' had proved to be a 'utopian dream'. The state abandoned the idea that the practice of art could or should contribute to a solution to social problems and that the state should play a guiding role in this. Furthermore, it was realized that a policy which gives free rein to artistic development, does not yield an artistic supply that is simultaneously accessible for large segments of the public. In the first half of the 1980s, the ambition of reaching a broad public with a cultural supply was abandoned in favour of supporting a high-quality cultural supply. As mentioned above, the concepts of quality and diversity occupy a central position in this outlook. However, the way in which the professional cultural supply is written about in the *Cultural Policy Note* (1985), would indicate that there has been a gradual reversal in this thinking. Public interest is becoming a more important factor in assessing the subsidized cultural supply than in the preceding decades. According to the note, the subsidized art sector should devote more attention to attracting a

public and to the possibilities of reaching a broader public using audiovisual means. The idea of 'real' art being characterized by a minimal number of spectators was abandoned. Furthermore, and this indicates a more business-like attitude, the state became more sensitive to the phenomenon of over-supply.¹⁵

In contrast to the arts sector, participation in the cultural preservation sector has grown. An increase in the number of visitors (museums and archives) and the ramification of voluntary work (monuments and archaeology) are characteristic of this sector.

The observation that to date the Dutch state has not been very successful in disseminating 'respected' culture among the broad layers of the population (at least not in the conventional, subsidized way),¹⁶ does not mean that there has been a radical break with the idea of promoting cultural participation.¹⁷ In the course of the 1980s, the content of the objectives has changed. Since then cultural policy has focused more on the role of audiovisual means in cultural participation.

5.3.1 Receptive cultural participation¹⁸

5.3.1.1 RESEARCH DATA ON INCREASED VIEWING AND DECREASED READING

In 1957 the Central Bureau of Statistics (CBS) ascertained that the Dutch population spent around one-third of its leisure time outside the home. While this ratio has not altered fundamentally in 30 years, *the way in which* the Dutch nowadays spend their leisure time in or outside the home has changed. In comparison with the 1950s, the Dutch public now stays at home more in order to watch films or concerts (and also sporting competitions) via bearers of sound and image.¹⁹

Furthermore, over the last 25 years the Dutch have changed their way of dealing with the supply of printed and audiovisual media. In percentage terms, the use of all media together has remained the same at around 38 percent of the available leisure time. In 1975, the Dutch spent an average of 1 hour and 55 minutes per day (attentively) in front of a television set, in 1990 it was 2 hours and 12 minutes. The share of leisure time devoted to printed media, on the other hand, dropped: from 33 percent in 1975 to 28 percent in both 1985 and 1990. In 1975, on average, the Dutch read 52 minutes per day; in 1985, 45 minutes; and in 1990, 43 minutes. While television viewing within the period studied rose sharply, particularly between 1980 and 1985, the time spent reading gradually diminished. In short, the number of people who read a newspaper, journal or book in the course of the week has decreased.²⁰

5.3.1.2 CULTURAL PARTICIPATION VIA ELECTRONIC MEDIA

Of the Dutch population aged 12 years and older, around 50 percent come in contact with classical music at least once a month via CD player, television or radio. This is about 50 times more than the percentage which visits a concert hall at least once a month. Broadcasting and electronic recordings have succeeded in attracting not only a larger public than the concert halls,

¹⁵ In the *Social and Cultural Report 1978*, the Social and Cultural Planning Office has established that the decline in attendance at subsidized theatre over the period 1965–1972, compared to subsidized concerts and non-subsidized theatre, could be called 'dramatic'. In the same period the supply, the number of performances, rose substantially. See tables 5 and 6.

¹⁶ In addition, there is an important category of 'respected' culture, which has increasingly been brought to the attention of the population: cultural heritage, in particular architectural heritage or historic building preservation.

¹⁷ To promote cultural dissemination discount cards were issued, such as the Youth Cultural Passport, the 65+ Card and the Museum Card.

¹⁸ In 1974, commissioned by the government, the Social and Cultural Planning Office began systematic research into what was called 'the social and cultural facet' of the policy of the Dutch state. The tangible result of this brief was (and still is) the *Social and Cultural Report* in which a report is made every two years on the changes in standard of living of the Dutch people and the results of the policies pursued on social and cultural levels. An important point here is research into the field of cultural participation.

¹⁹ Instead of visiting film, stage and musical performances, in 1992 the Dutch went out more often to visit a museum, a café terrace or restaurant. The increased interest in museums and ancient monuments is part of a growing tourist activity and deviates in this from the declining line which has been characteristic of most other forms of cultural participation since the introduction of television. (Social and Cultural Planning Office, *Social and Cultural Report 1992*. Rijswijk, 1992; p. 280).

²⁰ In this context it must be noted that the reduction in reading time has not taken place equally among all groups in the population and age groups. The composition of the public which reads a lot has undergone important changes over

Table 7. Time spent watching TV and reading by some categories of the Dutch population aged 12 years and older during a single week in October 1975, 1980, 1985, and 1990 (in terms of hours per week)

	TV, incl. video, Teletext				Newspapers				Journals				Books			
	1975	1980	1985	1990	1975	1980	1985	1990	1975	1980	1985	1990	1975	1980	1985	1990
Entire sample	10.2	10.3	12.1	12.0	2.5	2.3	2.3	2.2	2.0	1.8	1.7	1.4	1.6	1.6	1.3	1.5
Men	11.0	11.6	13.4	13.0	2.9	2.9	2.7	2.5	1.7	1.7	1.6	1.3	1.4	1.5	1.1	1.1
Women	9.4	9.1	10.8	11.0	2.2	1.8	1.9	1.9	2.2	1.8	1.8	1.6	1.9	1.7	1.6	1.9
12-19 years	9.0	10.6	11.9	12.2	0.9	0.7	0.6	0.6	1.5	1.2	1.1	0.8	2.2	1.9	1.3	1.6
20-34 years	8.7	8.4	10.6	10.8	2.3	2.0	1.7	1.4	1.7	1.5	1.3	1.0	1.4	1.4	1.1	1.1
35-49 years	10.3	9.9	10.9	10.8	2.6	2.5	2.4	2.6	1.7	1.8	1.6	1.5	1.3	1.1	1.1	1.4
50-64 years	11.2	11.0	12.8	13.0	3.5	3.2	3.3	3.1	2.7	2.2	2.3	2.0	1.6	1.3	1.5	1.7
>65 years	13.3	14.0	16.7	16.0	3.8	3.8	3.9	3.9	2.5	2.2	2.6	2.2	1.7	2.5	2.0	2.2
Pupils and students	9.2	9.6	11.3	11.3	1.0	1.1	0.9	0.7	1.5	1.2	1.1	0.8	2.0	1.9	1.3	1.4
Working men (a)	9.8	9.7	11.7	11.2	2.9	2.7	2.6	2.2	1.6	1.6	1.4	1.1	0.9	0.9	0.7	0.7
Working women (a)	5.3	6.7	7.9	8.8	1.9	1.6	1.6	1.6	1.4	1.4	1.3	1.2	1.2	1.5	1.3	1.4
Housewives	10.6	10.2	11.8	11.5	2.3	2.2	2.2	2.3	2.3	2.0	1.9	1.9	1.8	1.5	1.5	1.8
Unemployed and incapacitated	14.3	16.0	16.5	16.1	3.8	3.1	3.0	2.5	2.3	2.0	2.3	1.8	3.3	1.9	1.6	2.0
Retired men	15.6	16.3	17.9	16.9	4.6	5.3	4.9	5.0	2.2	2.3	2.6	2.2	0.8	3.4	2.0	2.2
Primary education (b)	12.1	12.4	14.6	14.9	2.8	2.6	2.6	2.4	2.1	2.0	1.9	1.8	1.4	1.5	1.1	1.2
Non-academic secondary education	10.6	10.1	12.4	13.1	2.5	2.4	2.3	2.3	2.0	1.7	1.8	1.5	1.4	1.3	1.2	1.3
Academic secondary education	8.1	8.4	11.4	11.4	3.5	3.5	2.6	2.5	2.2	1.7	1.8	1.4	1.3	2.1	1.6	1.5
Third level (b)	7.2	9.0	9.6	9.9	3.6	3.1	3.5	3.1	2.2	2.3	1.9	1.7	1.9	2.1	2.0	2.3

a = Persons who during the week of research had paid labour for at least 20 hours.

b = Persons 18 years and older. The highest level of education is taken.

Source: Social and Cultural Planning Office, *Social and Cultural Report 1992*. Rijswijk, 1992; p. 304, table 8.9.

but also one with a broader social composition. The rise of the CD player has been of particular importance in the recent period.

There has been a comparable development in looking at films. Through the growth of cable network and video rental, films are far more often viewed at home than in the cinema or film house. The SCP data (1992), however, indicate that watching films is less 'domesticated' than listening to classical music. Nevertheless, rental of video films has grown. The use of broadcasting services to become acquainted with classical music and feature films did not increase further in the 1980s.²¹

5.3.1.3 CULTURAL PARTICIPATION OUTSIDE THE HOME

Attendance at performances has dropped sharply in the Netherlands since the 1960s. In fact, the total scale of receptive cultural participation in the traditional manner has decreased. This is particularly true for the professional performing arts, whose public – consisting mainly of well-educated connoisseurs – has become more selective.²²

Highly educated people without children or whose children have left home, are strongly over-represented among current visitors to subsidized

the last 15 years. Regular reading is more pronounced among the higher-educated born before 1950. (Social and Cultural Planning Office, *Social and Cultural Report 1992*. Rijswijk, 1992; pp. 303-305).

²¹ Furthermore, it can be said that the decline in the number of people who listen monthly to classical music via television or radio is very small in terms of mass media figures. If it is realized that this decrease is of the same order of magnitude as the size of the total national public which attends a classical concert monthly, then it may be concluded that the cultural function of broadcasting with regard to participation deserves at least as much attention as the subsidized art system. (W.P. Knuist and J. Bardoel, *Een beetje klasse kan geen kwaad; beschouwing bij tien jaar touwtrekken om de culturele taken van de omroep*. Manuscript, to be published).

²² A similar trend is to be found in reading. Although considerably less time is devoted to reading books than in the 1950s or 60s, people read

Table 8. Direct participation in events compared to electronic forms of participation, population 6 years and older, 1983-1991 (in percentages)

Activity	Manner of participation	Once per month and more often		Less than once per month		Not in the last year	
		1983	1991	1983	1991	1983	1991
Looking at art	a museum or gallery	1	2	34	38	65	60
	b television	26	30	13	13	61	58
Listening to classical music, opera or operetta	a concert performance	1	1	11	13	88	86
	b radio or television	21	20	11	11	69	68
	c CD's, records	38	45	10	9	52	46
	b + c	44	49	10	10	46	42
Looking at films	a cinema or film house	5	4	41	39	54	57
	b television	56	55	23	21	21	25
	c video recorder	6	19	3	24	91	57
	b + c	57	59	22	22	20	19

Source: W.P. Knulst and J. Bardoel, *Een beetje klasse kan geen kwaad; beschouwing bij tien jaar touwtrekken om de culturele taken van de omroep*. Manuscript, to be published.

performing arts. While 7 percent of the population still attended classical concerts, operas and operettas with some regularity (once or more every three months) at the beginning of the 1960s, this was only 4 percent at the end of the 1980s. Attendance of subsidized professional theatre decreased even more sharply in this period: from 10 percent to 3 percent of the Dutch population.

Although the attendance figures for performing institutions have been reasonably stable since 1980, the public range of the subsidized performing institutions is modest. This is certainly the case in comparison with the range of performing arts via electronic media, as well as with other events outside the home, such as visits to museums and film attendance.²³ This notwithstanding, cinema attendance has also declined steeply in the Netherlands. Whereas at the beginning of the 1960s there were still around 65 million visitors to film annually, at the end of the 1980s this number had dropped to 15 million.

While the number of tickets sold has been halved since 1980, the potential cinema public, that is, everyone who goes to the cinema at least once annually, has only shrunk by 3 percent. The dwindling interest in the cinema must therefore be sought almost exclusively among the faithful followers. They still go to the cinema, but do so less frequently.

In 1950, the total number of visits to Dutch museums was just over 2.5 million; in 1990, this number had risen to 22 million. Many large museums in the Netherlands concentrate on one-off exhibitions with an international allure. Since 1980, the number of tickets sold has risen by 40 percent. Foreign tourists have an important share in this development. Public interest in other forms of cultural preservation (archives, historic preservation) has also been on the increase in recent years. This is evident in the number of private organizations which are active in these areas.²⁴

relatively more literature than was formerly the case. In the 1980s the share of literary novels and poetry sold in the total turnover of 'general books' has risen from 14 to 23 percent. Here too, therefore, the 'general reader' has been replaced by an expert, literary public. (*Nota Cultuurbeleid 1993-1996. Investeren in cultuur*. The Hague, 1992; pp. 22-23).

²³ Midway through the 1980s, the decline in visits to the performing arts was halted. Various reasons for this can be pointed out, but in general this development is connected with the revival in 'going out'. In this context the phenomenon of 'gentrification' can be referred to: the sanitized inner cities form an attractive place to live for highly educated single people with ample leisure time. This group, between 25 to 49 years of age, has grown due to the post-war baby boom and represents the potential public for performing arts, which in general are based in the old city centres. (W.P. Knulst and J. Bardoel, *Een beetje klasse kan geen kwaad; beschouwing bij tien jaar touwtrekken om de culturele taken van de omroep*. Manuscript, to be published).

²⁴ Social and Cultural Planning Office, *Social and Cultural Report 1992*. Rijswijk, 1992; p. 282.

Table 9. Attendance at various types of performances and museums by people aged 12 and older. 1979-1991 (in percentages)

	Once per 3 months and more often				Less than once per 3 months				No visit			
	1979	1983	1987	1991	1979	1983	1987	1991	1979	1983	1987	1991
Stage	5	4	4	4	17	18	17	18	78	78	79	78
Ibid., professional companies	.	3	3	3	.	10	9	10	.	88	88	88
Classical concerts and opera, operetta	3	3	3	4	9	10	11	11	88	87	86	85
Classical concerts	.	.	3	4	.	.	9	10	.	.	88	87
Opera, operetta	.	.	0	1	.	.	4	4	.	.	95	95
Ballet	0	0	1	1	2	3	4	3	98	97	96	96
Mime	0	0	0	0	1	1	1	1	98	99	99	99
Pop, jazz, musical	3	4	4	4	10	14	16	19	87	82	81	77
Cabaret	1	1	1	1	11	10	9	10	88	89	90	90
Cinema	18	17	16	17	27	28	26	25	55	55	58	58
Film house	1	2	2	2	3	4	4	4	96	95	94	95
Museums	.	5	7	7	.	26	27	28	76	70	66	65
Galleries	3	3	4	4	13	13	14	16	85	84	83	81

Source: Social and Cultural Planning Office, *Social and Cultural Report 1992*. Rijswijk, 1992; p. 281, table 8.11.

Table 10. Number of visitors to subsidized stage and concert performances, cinemas and museums, 1970-1990 (trade figures per 1,000 inhabitants)

	1970	1975	1980	1985	1986	1987	1988	1989	1990
Subsidized stage (a)	111	72	70	62	40	38	28	29	35
Subsidized concerts (a)	88	96	94	89	82	88	85	97 (b)	96 (c)
Cinemas (d)	1,863	2,083	1,982	1,060	1,023	1,059	1,008	1,055	983
Museums	594	877	1,029	1,099	1,218	1,358	1,351	1,354	1,480 (e)

a = The number relates to the year in which the season ended (e.g., 1987 means season 1986-1987). As of 1986 only data are available on companies which were subsidized by government for a longer period.

b = Including an open air performance with 70,000 visitors (CBS).

c = Including a performance with 30,000 visitors in Amsterdam.

d = Including visits to travelling cinemas.

e = Including Van Gogh exhibitions in Amsterdam and Otterlo (CBS).

Source: Social and Cultural Planning Office, *Sociaal en Cultureel Rapport 1992*. Rijswijk, 1992; p. 309, table 8.12.

Examining the relation between the forms of cultural participation in and outside the home on the basis of the most recent data gathered by the SCP, it would appear that little has changed since the 1980s. The professional and amateur ensembles which perform classical music, opera or operetta, experienced a slight growth among 'regular' visitors. Forms of art or institutions which attracted significantly more interest, such as pop concerts, museums, galleries, must have gained mainly from one-off visitors.

This is in line with a general tendency evident in recent years. The

Netherlands has an increasing number of people who 'consume' the most diverse forms of cultural expression and are therefore not such 'exclusive' customers of each institution.

Furthermore, the nature of the available cultural activities has changed: in the Netherlands, increasingly more one-off (large-scale) exhibitions, theatre festivals, film events etc., are taking place.³⁵

5.3.2 Active cultural participation

Cultural policy in the Netherlands focuses more on professional than on amateur art. As a consequence leadership circles have a greater interest in receptive rather than in active forms of cultural participation. Scientific research is no exception to this: researchers also concentrate primarily on the receptive side of cultural participation and can draw from an extensive range of facts.³⁶ The Netherlands has reliable research data in the field of active cultural practice by amateurs,³⁷ on the basis of which it can be stated that around six million Dutch people are active in this field. Within this population around 1.5 million people follow courses in institutions, such as schools of music or creative centres, and a comparable number belong to associations or ensembles. This category of people, whether they engage in dance, amateur drama or play in a pop group, is less homogeneous than the visitors of cultural events and provides a more reliable representation of the Dutch population. Income plays no role in the cultural activity of amateurs. Furthermore, the scale of the group of culturally active Dutch people appears to have remained remarkably stable throughout the years. This is true both of those persons who practice amateur art individually, and those who are members of associations.

Age plays an important role in the practice of amateur art. While participation by the 6-16 age group is around 50 percent, among the 16-20 age group it drops to between 32 and 35 percent. Above the 50-55 age group the level of participation decreases even more. These statistics suggest that the high level of participation of children largely reflects the wishes and artistic ideals of their parents.

Table 11. Development of participation in various disciplines of amateur artistic practice, population aged 6 and older, 1983-1991 (in percentages)

	1983	1987	1991
Drawing, painting, graphics	6	5	6
Sculpture, modelling, pottery, jewellery making	6	5	6
Working with textiles (textile patterns),			
Making wall hangings, weaving	17	15	14
Singing	12	14	17
Playing a musical instrument	15	14	16
Theatre, mime, folk dance, ballet			
(also jazz and beat ballet)	8	8	7
Photography, film, video (no family			
or holiday snaps/home movies)	13	13	13
One or more of these disciplines	48	47	48

Source: Social and Cultural Planning Office, *Social and Cultural Report 1992*. Rijswijk, 1992; p. 282, table 8.13.

³⁵ In this context it can be remarked that this development has had a number of 'inflationary' effects. Cinema proprietors, for example, have concentrated their programming on film premieres and perhaps for this reason failed to maintain the existing repertoire. This task has been taken up by the film houses. Over the years the public for film houses has remained stable, including the number of regular attenders among them. The opposite development was to be found in the cinemas. (Social and Cultural Planning Office, *Social and Cultural Report 1992*. Rijswijk, 1992; pp. 279-282).

³⁶ Research into cultural participation occupies a clearly recognizable and interesting place in Dutch socio-scientific research. Cultural research has the typically Dutch hallmark of a mixture of applied scientific research with social consciousness and government involvement (according to H. Ganzeboom, in: *Cultuurdeelname in Nederland. Een empirisch theoretisch onderzoek naar determinanten van deelname aan culturele activiteiten*. Assen/Maastricht, 1989; pp. 7-30). Well-known names in the research-tradition in the field of cultural participation are, apart from the Social and Cultural Planning Office, Intomart Qualitatief bv, H. Ganzeboom, W.P. Knuist and R. Verhoeff.

³⁷ P. van Beek and W.P. Knuist, *De kunstzinnige burger; onderzoek naar amateuristische kunstbeoefening en culturele interesses onder de bevolking van zes jaar en ouder*. Social and Cultural Planning Office, Rijswijk, 1991.

Amateurs also make more use than the average public of the cultural supply in the receptive sense. They are mainly interested in cultural events that are directly related to their hobby. Amateur painters and sculptors, for example, visit art museums relatively often. Active participation has stood up well to both the electronic media and the sharp increase in available leisure time activities – sport, entertainment, etc. The above-noted shift of public interest in traditional forms of artistic expression to the more easily available supply via the electronic media has not influenced amateur art.

The research data on the amateur practice of art substantiates the need for a revision of the accepted ideas on the relation between the professional and amateur practice of art. The *Cultural Policy Document 1993–1996* states that the hierarchical image, in which amateur art functions as a breeding ground for professional art, must be modified. It is not so much a question of the role which amateurism can play for the professional practice of art, but rather of the interaction between the various cultural layers in the Netherlands. Greater attention to amateur art is crucial to the interests of the professionals themselves. There are signs that the public develops discernment in receptive participation by practising the disciplines of art itself.

5.3.3 Epilogue

As far as receptive cultural participation is concerned, it would appear that the mass media have not become the greatest rivals of the respected arts, as was often feared in the Netherlands in the 1960s. In fact, the reverse is true: the reach of art and culture via electronic media is far greater than via the traditional performance in the hall.

The significance of electronic media for receptive cultural participation was already great at the beginning of the 1980s, even before there were any specific cultural measures in broadcasting policy.¹⁸ Television programmes on the visual arts and art in museums have attracted more viewers since the 1980s. Technological modernization of the traditional cultural supply has gained far more acceptance among a broad public than the modernization of content.

As a consequence of audiovisual media, a reorganization of functions has taken place in the more traditional cultural supply on the stage. The traditional aspect of art as entertainment or for enjoyment has largely been lost, while its purely aesthetic and innovative function has come more to the fore. The 'mass public' that existed immediately after the war has been partly replaced by smaller, more specialized publics.

Electronic media do not merely constitute a new channel for effortlessly providing information, music and theatre at home, they also make possible a different style of cultural participation. People are free to make their own combination. Cultural consumption can be turned on and off with ease, watched in relaxed circumstances and combined with other pleasurable activities (eating, drinking). In short, the receptive cultural participation has been to a large extent *domesticated* by the electronic media. At home one can indulge in a range of activities proscribed for a century now in theatre, concert hall or museum by civilizing norms. Tension, excitement or compassion are now evoked completely divorced from the original event.

¹⁸ The Media Act (Mediawet) of 1988 imposes on the broadcasting corporations an obligation to reserve at least 20 percent of the available broadcasting time for 'cultural programmes'.

Every discussion in the Netherlands on the cultural tasks of broadcasting returns inevitably to the principle of the broadcasting system, and the principles and selection methods of the cultural system. The question of whether the broadcasting system is geared to culture cannot be properly answered without also asking whether the cultural system is suitably geared to the age of electronic media. Cultural policy with regard to television is too easily equated with 'art on the tube', so that there is a danger of the medium being reduced to a transport medium for art expression. In addition, it is questionable whether recording performing arts also produces television art. Whether the quality of television art must be judged in the same way as quality in the artistic sector, which operates for a select public, is also one of these matters of principle. (W.P. Knuist and J. Bardeol, *Een beetje klasse kan geen kwaad; beschouwing bij tien jaar touwtrekken om de culturele taken van de omroep*. Manuscript, to be published).

In contrast to the original form, which is still propagated by professional art critics, comfortable and informal participation in culture, namely cultural self-service, has become the most *normal manner* of participation.

Audiovisual media are now the most commonly used channels for receptive cultural participation. To date it is the young who seem to have broken most with the custom of attending classical performing arts in the halls. Considering the fact that this applies particularly to classical music and drama – and not for pop or jazz concerts – it is likely that the formal behaviour expected at the performances holds little appeal for them.

Research once again shows that the *education* and *training* received in the parental home and at school significantly affect how leisure time is used.²⁹ However, these variables are not the only factors that explain the inequality in cultural participation. Limited opportunities for using the available cultural resources also play an important role. Accessibility is in large part determined by the *style* of the supply. The traditional presentation of theatre and music is bound to a fixed location and time. This condition also determines the opportunity of realizing a particular preference. The restrictions imposed by admission prices also immediately comes to mind here. Until recently the influence of the time factor (making time free, time for preparation, travelling time and so on) and personal circumstances (degree of restriction) were often ignored, even though they played an important role in the shift from external to domestic forms of cultural participation outlined here.

'Audiovisual services'. In: *Panorama 1994*. Brussel: Eurostat, 1994, pp. 1-20.

Overview

NACE 971, 972, 973, 974, 345.2

Demand in the audio-visual sector has experienced double-digit growth during the past decade despite recent effects from the economic downturn. Future prospects remain very positive in continued growth.

The EC music recording industry remains the global leader, but it still suffers from a weak economy, maturing CD markets and competition from new entertainment media (video games). Sales in 1992 grew by only 0.8% from 1991.

The European audio-visual industry continues to feel the effects of further growth of extra-EC imports (mainly from the USA) in film and television productions. Growth in film production remained stagnant while decreases in both cinema attendance and the number of cinemas further weakened prospects for an EC industry upsurge.

INDUSTRY PROFILE

Description of the sector

The audio-visual sector contains four main sub-sectors: film production (NACE 971); film distribution (NACE 972); cinemas (NACE 973) and radio and television broadcasting (NACE 974). The music recording sector, although being part of NACE 345, is also considered within this chapter.

Recent trends

Although information abounds on the audio-visual sectors, consistent data is rare. However, it is estimated that the leading 100 audio-visual companies worldwide had achieved global sales of 102 ECU billion in 1991.

Broadcasting represented the bulk of the market (68%), followed by cinema distribution (15%) and integrated companies (in both broadcasting and cinema). Music recording holds approximately 4% of the global audio-visual market.

There has been an increasing move towards television film viewing. As a result, cinema attendance, as well as the number

of cinemas, has decreased while TV and VCR penetration has increased slightly. The decline in cinema viewing appears to have slowed down with the main markets (France, Germany, Italy and the United Kingdom) stabilising at around 100 million spectators per year each.

The development of TV films and videos is at the heart of the difficulties the cinema industry has encountered over the past few years. This phenomenon is accelerated by growing VCR penetration across Europe and by the explosion of private TV channels (notably pre-paid and cable) in many countries. A more recent "bridge" has appeared through video-disks, a medium that allows the music recording sector (and its key European players) to offer complete audio-visual entertainment to its existing customers. There is a growing interconnection between these two activities which points towards the future of the audio-visual industries.

Film production has been slow to develop in Europe. European production continues to be affected by the growing importance of American films, which today represent 73% of EC's cinema revenues.

By contrast, a real explosion of TV broadcasting has occurred in Europe following deregulation in the 1980's. The number of TV channels grew from 40 in 1981 to more than 140 in 1991, 50% of which were private.

Although 1992 was a more difficult year for the music industry, growth is still to be found in markets where CD penetration remains low (Italy and Spain). Significant hopes have also been placed in the maturity of new media such as Philips' (NL) Digital Compact Cassette (DCC) or the Sony (JPN) MiniDisk.

International comparison

In 1991, the EC had a 39% share of the world audio-visual market, followed by the USA (31%) and Japan (6%). Broadcasting in Europe represented almost a third of the global audio-visual market (this may be explained by the high fragmentation of EC markets and the multiplication of channels). American cinema held two-thirds of the world cinema market.

Foreign trade

Overall, the European audio-visual industry has a heavy negative trade balance with the United States:

Table 1: Audio-visual services
Market strength by region, 1991

(million ECU)	Companies	Audio-visual turnover	% of total
EC (1)	39	33 805	35.0
USA	31	31 874	33.0
Japan	15	22 215	23.0
Australia	3	2 898	3.0
Other europe	5	1 932	2.0
Canada	2	966	1.0
Other	5	2 897	3.0
(1) of which:			
Benelux	5	5 177	5.4
BR Deutschland	6	7 901	8.2
España	4	1 883	2.0
France	6	3 757	3.9
Italia	2	4 994	5.2
United Kingdom	15	9 726	10.1
Other	1	367	0.4

Source: Screen Digest

Table 2: Audiovisual services**Market shares of major audiovisual trading blocks and number of enterprises, 1991**

(Based on top 100 companies)	EC	Other Europe	USA	Japan	Other	Total
Total value (million ECU)	33 805	1 932	31 874	22 215	6 761	96 587
Share (%)	35	2	33	23	7	100
Number of companies	39	5	31	15	10	100

Source: Screen Digest

In the case of film production, this has partly been the result of insufficient European supply and the inability of European producers to match growing internal demand.

For some sectors of the industry, customs figures are less relevant: music recording companies, for example, organise manufacturing independently of market locations. In addition, individual country situations vary. For example, in France, Greece, Spain and Italy national recording artists make up 40-50% of the market, while in others, local talent claims much less of a market share.

Intra-EC trade remains relatively limited, though some countries are more favourable to European products than others: France and Spain are significant importers of other European films (10% of their respective markets).

MARKET FORCES

Demand

The world audio-visual market has grown by more than 11% since 1990. In Europe, this growth has been fuelled by a number of factors that include: increasing penetration of equipment (still below US levels); technology changes bringing in new equipment (CD's) or new transmission methods (cable and HDTV); more hours per day dedicated to audio-visual entertainment (though films, TV and music demand is increasingly undermined by the rise of electronic games); and the commercial dynamism of producers (particularly the Americans) and the aggressive marketing of distributors such as Virgin Megastores (UK) which have helped push music/video demand.

In addition, consumer demand is characterised by an increasing sophistication in terms of quality of service and levels of choice. This development is in turn being encouraged by the revolution in equipment types, transmission and reception methods.

While audio-visual sales have grown overall, there has been a shift in the balance of sales which reflect evolving consumer tastes, technology changes and price/quality trade-off. Between 1981 and 1991, cinema film receipts dropped by up

to 50% in most European countries and represented only a tenth of TV film consumption in 1991. Similarly, music recording sales grew by 11% per annum between 1989 and 1991, driven by a 25% per annum increase in CDs compared to a 41% decrease in LP's.

Supply and competition

Major changes in the industry's environment are leading to a restructuring of supply within the European audio-visual market.

These developments include deregulation (for example, that of television in the 1980's), technological innovation (development of cable and satellite TV, as well as HDTV in the future) and the increasing capital intensity of the audio-visual industry.

High growth sectors attract new entrants, often from other media sectors. A striking example of this has been the explosion in the number of broadcasting channels - in particular private, cable and specialist stations - since deregulation.

In addition, investment requirements and economies of scale are increasingly driving industry consolidation across Europe, despite the continued existence of specialised independent companies. There is an increasing development of multi-media audio-visual groups emulating the US "majors" (Bertelsmann, D) and large industrial groups (Bouygues, F) investing in the sector.

Production process

The production process and technological development play a key role in the audio-visual industry as major drivers of future demand.

An innovation that already has a major impact on the different media, and that will have a significant influence on developments in the next decade, is the introduction of digitised pictures and sound.

In the music industry, the DCC, the Sony MiniDisk and digital cable radio transmitted directly along cables are important new technologies being developed to rival the CD.

Table 3: Audiovisual services**Market shares of major trading blocks in the worldwide electronics industry, 1991**

(%)	EC	USA	Japan	Other	Total
Consumer electronic products	16	6	55	23	100
Electronics components	13	29	52	6	100
Telecommunication (1)	35	26	23	16	100
Computer hardware materials	10	58	25	7	100
Computer software and related services	22	57	12	9	100

(1) Includes telecommunication goods and services.

Source: Screen Digest

Table 4: Audiovisual services
Number of audiovisual companies by sector and by region, 1991

(Based on top 100 companies)

	EC	Other Europe	USA	Japan	Other	Total
Broadcasting	30	5	18	7	8	68
Cinema	1	0	10	3	1	15
Integrated (1)	3	0	1	2	1	7
TV production	1	0	1	0	0	2
Music	3	0	0	1	0	4
Video	0	0	1	0	0	1
Video games	0	0	0	2	0	2
Services	1	0	0	0	0	1
Total	39	5	31	15	10	100

(1) This includes production and broadcasting

Source: Screen Digest

The next few months will see the broadcasting in the wide-screen 16:9 format in standard definition, using analogue transmission systems like PAL Plus and D2-MAC initially, then digital ones when available. The Community has its Action Plan for the Introduction of Advanced Television Services in Europe to assist broadcasters and producers in the transition to wide-screen. The rationale behind this plan is both commercial (movie screen format interests broadcasters and manufacturers) and technical (wide-screen receiver installed base would make HDTV introduction easier).

Innovations in the audio-visual industry also have an impact on large computer groups which have, for some time, been operating digital systems. These groups are currently investing in research and development for a new tool, the multi-media, capable of treating sound, image and text. Apple, for example, has already joined forces with Sony and IBM for research into a product combining video with the microcomputer.

INDUSTRY STRUCTURE

Companies

The EC accounted for 34.5% of the top 100 companies in turnover terms. Within the EC, the United Kingdom is in the lead position with a 10% share, closely followed by the Germans who account for 8% of turnover of the top 100 audiovisual companies.

Table 5: Audiovisual services
World music market, 1991

(billion ECU)		Music turnover	Share (%)
Polygram	NL	2.9	18.7
Sony	JPN	2.8	18.0
Time Warner	USA	2.6	16.4
Thorn EMI	UK	2.2	13.9
Bertelsmann	D	2.0	13.1
Matsushita	JPN	1.7	11.1
Virgin Music	UK	0.5	3.4
Other		0.9	5.5
Total		15.6	100.0

Source: Screen Digest

Within the different European countries, levels of industry consolidation vary. Italy derives a 5% share from two large groups, Fininvest and RAI, whereas 6 companies in France make up just under 4%. Germany has 6 companies in the top 100 and the United Kingdom has 15. Indeed, two German groups, ARD and Bertelsmann, rank among the top 10 audiovisual enterprises worldwide.

The increasing importance of European groups - which, as a block, have overtaken the US - is in part due to the growing importance of private broadcasting. Nevertheless, not one group in the European film, video or TV sectors as yet can rival the global approach and the easier access to (or even control of) the distribution chain of the US "majors", which in part explains the EC trade deficit in this sector.

In the music recording sector, however, European companies have not only been successful in taking a significant share of the world market (49%) but they also account for 4 of the top 6 global companies after Sony and Time Warner.

Strategies

Strategies of the major European audio-visual groups have focused around the need to achieve critical mass, the desire to diversify into new growth areas and the aim to secure access to larger international markets. A series of important mergers and acquisitions have taken place, though many have been limited to a national scale (those of Bertelsmann and Fininvest).

Within each media segment, the specific drivers behind this consolidation have varied. In music recording (Polygram, NL or Thorn EMI, UK) and in cinema film distribution (UFA, D and Rank Odeon, UK) expansion strategies have derived from the need to secure a strong local and international European network. In TV and film production, a recognition of the need to counter American professionalism and domination has prompted much of the restructuring.

OUTLOOK

While economic recession has undoubtedly had some impact on growth in demand, the audio-visual industry overall has enjoyed double digit growth over the last decade. Rapid technological change and the increasing convergence of the audio-visual market with other sectors such as electronics and information technology make precise forecasts difficult, though prospects continue to look very positive.

The European audio-visual industry is facing a number of key challenges in the countdown to the twenty-first century. These include the need to build a European production industry

which can seriously compete with the commercial and technical professionalism of its American counterparts; capitalise on the strong positions in the home and global markets of the broadcasting and music recording industries, respectively, and remain at the forefront of the technological revolution in transmission and reception (including digital systems, HDTV and multi-media tools).

Written by: LEK

Film and video

NACE 971, 972

The European film industry is dominated by two long-term trends which deeply influence its current and prospective financial situation. One is that the supply of feature-length motion pictures, as well as fictional TV works, is facing ever increasing competition from American producers with their strong marketing edge in both cost and quality of releases and public acceptance. Number two is that demand for films is moving steadily away from public consumption in cinemas to more individual access via TV or VCR.

As a result of these two developments over the past few decades, the European film and video industry has been faced with rapidly evolving rules in the marketplace such as: the decline in global marketable film output, lower short-term returns from diminishing attendance in cinema houses, deferred revenues from TV and Video sales and the reduction of production costs to levels offered by competing countries.

In response to these changes, most European players in the industry are currently restructuring their activities by country, with specific patterns such as: defining the financial and legal framework for government support of national production as a vehicle for national culture; merging or associating to set-up European groups with international leverage; integrating the process of financing, manufacturing and distributing movies; integrating international trade (importing and exporting films or technical skills) into local operations; and monitoring the commercial and financial impact of distributing through channels as different as the cinema, TV or video.

INDUSTRY PROFILE

Description of the sector

The film and video industries operate three types of activity: production, manufacturing and distribution. Production is the financial and artistic conception of motion pictures and TV presentations and is project-managed by "producers" from inception to release. European producers are concentrating both horizontally (through alliances) and downstream (through integration of operational/commercial activities).

Manufacturing is the physical making of films and is supported by a host of specialised technical contractors: studios, laboratories, equipment manufacturers, sound specialists.

Distribution is the commercial release of films and is performed by cinema operators (either networked or independent), by video publishing companies and through portfolio management of stocked works.

These activities are today frequently consolidated through the development of large groups combining production and technical capabilities (Granada, UK; Bavaria, D; and SFP, F) or production and distribution (Gaumont, F; and MGM, USA). Multi-media conglomerates are also seeking to add value to their distribution assets by entering into production (Bertelsmann, D; Canal+ and Bouygues, F; Polygram, UK/NL; and Fininvest, I).

Recent trends

Overall, the European film industry had estimated total sales of 2 billion ECU, second only to the American movie industry that had estimated sales of 3.9 billion ECU.

The European film and video industries continue to be affected in a number of different ways by two long-term trends: the

Table 1: Film and video
Worldwide cinema industry, 1991 (compared with 1985)

	91/85		91/85		91/85		91/85		91/85		91/85		91/85		91/85	
	D (in %)		E (in %)		F (in %)		I (in %)		UK (in %)		EC (in %)		USA (in %)		Japan (in %)	
Production																
Number of films produced	72	13	64	-17	156	3	129 (1)	14.0	51	-7	499	2	435	32	230	28
Exhibitions																
Films broadcasted	334	8	226	-28	438	-4	495	40	341	-3	2 700	N/A	436	-4	697	20
Screens	3 258	-5	1 806	-40	4 441	-14	3 100	-27	1 770	39	16 492	-20	24 000	20	1 804	-16
Audience (million)	106.9	2.5	79.1	-22	117.4	-32	88.6	-28	100.6	43	566	-16	981.9	-7	138.3	-11
Inhabitants (million)	61.8	1.6	39	1.3	56.9	3.6	57.8	1.8	57.7	0.7	327.8	1.9	249	N/A	124	N/A
Number of films viewed per capita	1.7	1.7	2	2.7	2.1	3	1.5	2.2	1.7	1.3	1.7	2.1	3.9	4.4	1.1	1.3
Number of tickets sold by cinema	32 800	N/A	43 800	N/A	26 400	N/A	28 600	N/A	56 800	N/A	34 000	4	40 900	N/A	76 700	N/A
Cinema revenues (million ECU)	444	18	208	-22	554	-10	329	31	317	123	2 034	N/A	3 880	29	1 097	-5
Market share of domestic films (%)	13.6	-40	11	-31	30.6	-31	24	-25	5.5	-60	17	N/A	97	=	41.9	-18
Market share of USA films	80.2	N/A	58.7	N/A	58	N/A	68	N/A	93	N/A	73	N/A	97	N/A	55.2	N/A
Television																
Television sets (million)	25	10	15	50	31	68	15	3.5	21.8	2.3	127	N/A	200	18	60	18
Households (million)	27	N/A	11	N/A	23	N/A	21	N/A	23	N/A	122	N/A	85	N/A	39	N/A
Films broadcasted to national TV	2 301	1 716	7 241	405	1374	500	9 781	N/A	1 969	1509	23 000	N/A	N/A	N/A	N/A	N/A
Video cassette recorder																
VCR (million)	13	N/A	4.6	N/A	11.9	N/A	6.4	N/A	15.4	N/A	63	N/A	70	N/A	30	N/A
Penetration rate of VCR/number of households (%) (2)	54	65	43.7	18	50.2	43	31	N/A	70.8	20	50	35	76.6	N/A	80.5	N/A

(1) Comparison with the average of the last decade

(2) Comparison with 1989

Source: CNC, Eurostat

Table 2: Film and video**Number of films produced and market share of American and national films in the EC**

	1980	1985	1989	1990	1992
USA					
Market share (%)	42	54.5	67	70	75
Productions (number of films)	205	330	345	358	389
National film					
Market share (%)	28	27.5	20	19.5	18
Productions (number of films)	469	488	419	421	N/A

Source: CNC, Screen digest, Eurostat

increase in international competition and the move towards more individual viewing on TV screens.

Production

The overall production of feature-length motion pictures in the EC is stagnating below 500 films per year, a level similar to that of USA output.

In turnover terms, however, European production yields only half that of its US counterpart. Diminishing attendance (-18% between 1982 and 1991) and the related reduction in the number of cinemas (-14%) undermine prospects for a much larger European offering. Indeed, latest attendance reports for 1992 confirm that only the United Kingdom had a steady upturn, with a 57% increase over 10 years.

The market share of imported works is huge (83%) and still increasing. Over the last ten years, American films have doubled their market share in France and Italy, while increasing it by more than half in Germany, Belgium and Spain. Currently, American productions represent 73% of EC cinema revenues, with more than 80% of the proceeds in Germany and the United Kingdom.

This decline runs parallel to an increase in the production of fictional works for television (e.g., a doubling over the last ten years in France), which in turn has been a vector for a growing involvement of multi-media groups in movie production.

Manufacturing

The technical manufacturing of films is a sector which has remained relatively resistant to the changing market-place. On the one hand, the turnover of contractors of feature-length pictures is stagnant at an estimated 350 million ECU, of which 70% is derived from French and Italian producers. On the other hand, an increasing share of revenue is coming from fiction TV: for example, the latter accounts for 55% of United Kingdom producers' expenditure in 1992 - an increase of 11 percentage points over 1991. Non TV-oriented contractors have frequently run into financial trouble (e.g. Cinecittà, I).

Although it is still a sector characterised by small to medium sized specialised companies, technical contractors (studios, visual and sound laboratories) are frequently being purchased by large financial holdings (Arnold & Richter, D: Rank, Virgin and Brent Walker, UK: Tectis, F: and VDM, F) or integrated into production or distribution groups as capital expenditure requirements are growing.

Distribution

The distribution of films reflects the shift towards TV screen viewing. Television is overtaking the traditional cinema houses as a channel of access to movies.

Europeans are being offered ten times more films by TV networks than by cinemas (23 000 films compared to 2 700 films, respectively, in 1991): Italians and Germans are offered an average of 15 to 20 films a day, the French and British an average of 4 or 5. From 1985-1995 the average global EC offering on all networks is expected to have grown from 30 to 100 films per day. A similar growth rate is observed for TV fictions.

Video sales are increasing in line with VCR sales. With a 50% penetration rate of VCR equipment, European households spend an average 70 ECU per year on video cassettes: twice the amount devoted to cinema tickets (25 ECU).

Cinema houses have stabilised their decline after a drastic reduction of both average attendance and number of cinemas. In 1991, seat sales per cinema had dropped 30% over the early 1980s in France, Germany and the Netherlands. Per capita film consumption at cinemas in this period dropped by between 20% and 50% in all countries but the United Kingdom where the decline had taken place earlier. These figures, however, when put in perspective over the last three decades show a marked slowdown of the decline, not to mention a resumption in attendance in the United Kingdom. Each of the major markets (France, Germany, Italy and the United Kingdom) seems to be converging towards the 100 million spectators per year mark.

Table 3: Film and video**TV fictions and films in the EC**

	1985	1990	1995(1)
Total hourly volume broadcasted in the EC per year	200 000	560 000	650 000
- Of which:			
Films (2)	18 000	50 400	45 500
TV fictions	40 000	112 000	143 000

(1) Estimated by LEK.

(2) 30 films/day in 1985, 85 films/day in 1995*

Source: CNC

Table 4: Film and video
Evolution of video and cinema market in the EC

	VCR receipts penetration rate (%) 1991	Video receipts 1990	Market shares		Box office of cinemas (billion ECU)		Growth rate 1992/1991 (%)	
			(billion ECU) 1991	EC (%) 1991	1990	1991	Rental	Sales
BR Deutschland	54.0	0.6	0.9	18.4	0.4	0.4	-1.9	N/A
España	43.7	0.3	0.3	6.3	0.2	0.2	29.2	N/A
France	50.2	0.5	0.7	14.4	0.5	0.5	13.4	-11.7
Italia	31.0	0.4	0.5	11.4	0.4	0.3		
Nederland		4.0	4.5	4.0				
United Kingdom	70.8	1.2	1.3	28.5	0.3	0.3	11.0	4.9
EC	50.0	3.6	4.3	100.0	2.0	2.1	N/A	N/A

Source: CNC, The European video review

International comparison

The European situation is not unlike that observed in Japan and the USA with regard to TV screen viewing, despite a different industrial outlook in the USA. In both countries, progressive TV and VCR penetration of households has been accompanied by a decline of cinema attendance. However, in the USA and Japan, cinema attendance began to stabilise in the early 1970s, a process which did not occur until recently in all European markets except for the United Kingdom. The share of Western Europe in the world market for cinema film consumption moved from a peak of 48% during the 1960s to approximately 30% in the early 1990s.

The USA film industry has aggressively expanded its export sales during the 1980s. Its market share in the EC progressed from 45% to 73% in ten years. In 1992, domestic sales in the USA (4.2 billion USD) accounted for just less than half of industry revenues. Overall, worldwide market share of the major producing EC Member States has fallen slightly from 1980 to 1990. From 1960 to 1990, the picture is much different; over that period, cinema production originating in France was the only EC Member State industry to gain market share (24% increase). Germany suffered a decrease in their world market share of 43% and Italy and the United Kingdom both lost about 54% each.

Foreign trade

Intra-EC trade (150 million ECU) is limited in comparison with the bulk of film imports from the USA: USA audio-visual (films and TV fictions) sales to the EC amounted to 3.2 billion ECU or 13 times the EC sales to the USA.

Intra-EC trade is unevenly shared between countries: France and Spain are strong importers of other European films (10% of each market); other countries (e.g. Germany, Italy and the United Kingdom) devote less than 5% of their markets to their neighbours' productions. French and British movies are favourites among Europeans, whereas Italian and German movie-makers have lost ground during the last decade. In all countries (except France), demand for European films has collapsed over the past few years.

MARKET FORCES

Demand

While the global demand for movies has never been as strong as today, European consumer preferences in terms of product content and viewing mode do not favour a strengthening of national film and video industries in the EC in their current state of operation. Faced with a need for wider geographical diffusion to compensate for restricted national audiences, European producers are failing to foster an appropriate product-policy.

The European audio-visual consumer, provided with an unprecedented offering of movies on TV screens, has considerably increased his consumption. It is estimated that the individual spectator watches 50 movies per year on his TV as opposed to 2 in a cinema.

This dominance of the television offering (most of it free of variable charge) is reinforced by the increase in cinema seat prices. Ticket prices have tripled in real terms in most European countries since 1955. While this has softened the impact of

Table 5: Film and video
International comparisons

	Audience (1)					TV penetration rate (million)				
	D	F	I	UK	USA	D	F	I	UK	USA
1955	100	100	100	100	100	0	0	0.5	5	8
1970	33	49	69	11	34	16	12	9	16	85
1990	13	29	13	7	40	24	30	158	22	200
	Average ticket price of cinema seats (1)					Box office receipts (1)				
	D	F	I	UK	USA	D	F	I	UK	USA
1955	100	100	100	100	100	100	100	100	100	100
1970	148	161	125	210	208	48	78	90	38	66
1990	240	250	300	300	190	33	71	34	24	78

(1) Base 100 for each country (except for the USA in 1950)

Source: Carat TV

Table 6: Film and video

Market share of production by origin in the worldwide cinema industry

(%)	1960	1970	1980	1990
BR Deutschland	8.8	4.9	5.5	5.4
España	3.3	4.9	5.5	3.2
France	5.8	5.8	8.9	7.2
Italia	11.7	11.2	8.1	5.4
United Kingdom	10.3	7.4	5.1	4.7
Canada	3.1	4.1	4.2	4.7
USA	34.7	45.9	46.1	52
Japan	13.5	8.3	9.3	12.5
Other	8.8	7.4	7.3	5.2
Total	100	100	100	100

Source: Canal TV

attendance decline on cinema revenues, notably in France, it has rendered cinema an expensive access to films, thus perpetuating the vicious circle of declining attendance.

Faced with a limited customer base in households, distributors tend to favour film releases which fit best with customer demand: most analysts of the industry acknowledge the fact that the marketing and financing techniques used by American producers are the key to their obvious competitive edge with the public. The high budgets invested call for careful market research and testing to be integrated into film conception; the making of American box office successes is therefore closer to an industrial product policy approach as it takes into consideration the commercial appeal of speed of action, dialogue efficiency, special effects and empathy with characters. Most European surveys indicate that the final impact of such commercial care is reflected in public acceptance of American releases, with slight nuances in France and Italy where the public seems more attached to films specific to their culture (in both countries, the share of indigenous releases is consistent with their share of box office ratings).

Supply and competition

As the economics of film-making change with the diversification of distribution channels, players in the industry adjust their approaches to multimodal viewing and the necessity to reduce financial risk through international distribution. During the 1970s, American producers restructured their approach and are now reaping the dividends. The Europeans began the same process in the late 1980s and are accelerating it in the 1990s.

The key challenge to European film-makers is to develop a capacity to engineer films likely to attract a large international audience. Many obstacles have delayed the acquisition of such

a skill: language barriers for films shot in German, Spanish, Italian or French which have to be dubbed before international release; conservative financing that prevents producers from integrating some ingredients of a commercial approach (expensive casting, special effects, market testing); dependence on government support (especially in France, Germany and Spain); and the favouring of films with a more artistic and cultural content.

However, the industry outlook is rapidly evolving in the 1990s and the formation of large, integrated, multi-media groups as key players is likely to increase European producers' ability to offer works with large geographical and access mode potential. Groups that integrate the various production through distribution stages can plan the return on their investment with due knowledge of the spread over time of modern film exploitation. If ticket sales are the major constituent of cash flow during the first year of a box office release, there is a gradual diversification as the film is exploited in various channels (Video, Pay-TV, Pay per view, and international sales). Thus, achieving pay-back of invested capital is easier for financially strong conglomerates.

As a result, the European film offering is likely to be more focused on two concepts in the future. One focal point will be low-budget, low-revenue movies reflecting the personal talent of a director (such movies also co-exist with blockbusters in American production) or a particular element of national culture. The other focal point is that commercially conceived works are adequately financed to sustain both the cost of commercial ingredients and a large life-cycle with a wide and international audience. The financing, casting, directing, technical making and marketing of such products are likely to lose much of their national root and will become European or European/American ventures.

Table 7: Film and video

Audiovisual trade balance between the EC and the USA, 1992

(million ECU)	USA receipts from the EC			EC receipts	
	MPEAA (1)	AFEA (2)	Total	from the USA	intra-EC
Cinema	567	158	725	63	150
Television	1 142	259	1 401	81	N/A
Video	808	180	988	101	N/A
Total	2 516	598	3 114	245	N/A
EC trade balance with the USA				-2 869	

(1) MPEAA: Motion Picture Export Association of America.

(2) AFEA: American Film Export Association.

Source: Estimated by IDATE

Table 8: Film and video
Public subsidies for the production of films in the EC

	Systematic subsidies	Writing	Selective subsidies Development	Production
Belgique/België	(3)	(2)	(2)	(2)
Danmark		(2)	(2)	(2)
BR Deutschland	(1)	(3)		(2)
Hellas	(3)	(2)		(2) (3)
España	(3)	(3)		
France	(1)	(3)	(3)	(2) (3)
Italia	(3)			
Nederland		(3)		(2)
United Kingdom		(2) (3)	(3)	(2)

(1) Obligation to reinvest.

(2) Repayable.

(3) Not repayable.

Source: CNC.

Production process

New technologies (video, digitalisation, HDTV) are being progressively integrated into the production process (e.g., synthetic imaging). They tend to reduce the technical difference between cinema and TV work. Their final impact is therefore likely to strengthen the move towards private viewing on TV screens.

The reduction in production costs is a matter of concern for producers and is a prime cause for the delocalisation of some contracted activities. The latter, when labour intensive (e.g., studio work) are sensitive to the differential in wage levels in Southern and Eastern Europe. Productivity gains in the classical sense are not expected outside limited technical operations (computer-assisted special effects and final cut and video sequences).

Rationalisation is also being forced upon distribution: operating costs are better spread in multiplex theatres, advertising and marketing expenses are syndicated by the large networks and a possible future transfer to digitised copies will reduce the celluloid duplication cost inherent to a large and simultaneous distribution.

INDUSTRY STRUCTURE

Companies

In reaction to their loss of market share, European producers are tending to organise into larger groups with some degree of control on distribution or production facilities:

Although it is premature to speak of European entities, significant national groups are being created through mergers and acquisitions integrating production and technical contracting: Granada in the United Kingdom (sales of 2.1 billion ECU), Bavaria in Germany (46 million ECU) and SFP in France (205 million ECU). A far cry from the American "majors" such as Time Warner, MGM or Viacom Paramount, they are nevertheless close to the stage where they can offer the financial and technical backing for truly international products.

Other large production groups have developed from the growing interest of industrial, financial or audio-visual companies in cinema investment: Canal+, Bouygues and Chargeurs in France, Kirch, Bertelsmann, Scriba & Deyhle, Neue Constantin in Germany, Polygram in the United Kingdom and the Netherlands and Penta and RCS in Italy.

Distribution and exhibition are also areas of important concentration: MGM-Pathé-Nordisk-Canon (536 screens), UFA cinema (445 screens), UGC (374 screens), Pathé Cinema (331

screens), UCI/Cinesa (319 screens) and Rank Odeon (309 screens). Many of these chains are offspring of American producers who seek to secure access to the European spectator. This concentration is having the beneficial effect of modernising and upgrading the theatres, the dereliction of which had been an effect as well as a cause of the attendance decline.

Strategies

The strategies of the key players and the resulting consolidation process are still very much limited to a national scale. In Italy, Fininvest (the largest communication group in Europe) has fostered Penta which can be considered as the first European "major" with a strategy of expanding into production and distribution throughout Europe and North America.

In the United Kingdom, the TV companies diversified early into film production: BBC Films, Channel 4, Zenith, Granada, Euston and LWT concentrate, with the music giant Polygram, much of the capacity to produce international movies, in some cases in close association with American interests (e.g., Island's World).

In France, Canal+ (with Studio Canal+) and Bouygues (with Ciby 2000) follow the same strategy of vertical integration to produce a larger share of the films and TV presentations needed to fill their programs and thus cumulate production and distribution margins. Their ultimate target is also the North American market where Canal+ is already producing movies.

In Germany, large groups such as Kirch and Bertelsmann are following a more prudent strategy than Penta and Canal+, keeping a lower profile on the international scene. Independent producers (e.g., Neue Constantin and Scriba u. Deyhle) participate financially in international (American) works without yet producing directly at that level. The latter also reinforce their integration of a distribution network in Germany.

Overall, the strategies aimed at expanding the network of modern, multiplex cinemas are likely to boost growth in cinema attendance, as was the case in the United Kingdom. In this respect, Pathé Cinema and Gaumont (Seydoux family), UFA Theatre, Warner Bros and MGM/Pathé are voicing the most ambitious strategies: their planned investment implies a growth of 37% in European multiplex theatres in the next two years.

REGULATIONS

Public financing was introduced as early as the 1960s (the Golden Age of European film industry) in several countries to help cinema resist the new competition from TV and later its competitive disadvantage against the US "majors".

Goals assigned to public funding vary between countries: Germany, Luxembourg and Greece primarily seek to support the technical industries associated with film-making; Italy, Belgium, the Netherlands and Portugal try to foster artistic creation; and Spain and France aim at both the industrial and creative goals.

Two European bodies enact policies vis-à-vis the film industry: the European Commission through the five years MEDIA Programme (200 million ECU) and the Council of Europe through the EURIMAGES scheme.

OUTLOOK

The issues that the European film and video industries will be facing in 1994 and beyond are already clearly perceptible. There is a need for pan-European alliances between the key players to enable production risks for films with international potential to be better supported. Producers, authors and technicians must create a new team approach and jointly strive to achieve a balance between the commercialism sought by producers, while retaining the quality and personality of European films.

The motivations behind state incentives need to move from a defensive to a more offensive stance on the international scene, albeit continuing to support the expression of national cultures.

Cinema distribution must continue to upgrade its service, offering a competitive alternative to TV viewing. Distributors need to adjust to a longer product life-cycle by better monitoring the long term marketing of a film through its various channels.

Written by: LEK

Television

NACE 974

The television market encompasses three main activities: production, methods of transmission and reception and finally, broadcasting. Programme production, undermined by the competitiveness of American imports, is a poorly developed sector in Europe despite support from both the EC and national levels. Transmission and reception systems are constantly evolving through technological development in areas such as cable or satellite and High Definition Television (HDTV). The broadcasting industry is extremely competitive following deregulation in the 80's and the explosion in the number of private channels.

INDUSTRY PROFILE

Description of the sector

Production

Films, game shows, documentaries, series, cartoons - the television programmes which count for more than three and a half hours of European viewing time daily - are produced by independent companies and multimedia groups. The smaller independents rely extensively on service providers and specialists in audio-visual equipment to whom they subcontract the technical aspects of production.

Transmission and reception

Televisions operate on analogue transmission systems using three different norms (NTSC in North America, PAL in most of Europe and SECAM in France and Francophone countries). Hertz transmission is the most widely used in Europe but poor reception and problems of frequency capacity have led to the development of cable and satellite. Among wide-screen systems, one can recall D2-MAC and PAL Plus.

Broadcasting

This is the responsibility of the television channels. In the 1980's, technological developments and deregulation led to the increasing emergence of private channels in Europe. The number of national broadcasting stations grew from 40 in 1981 to more than 140 in 1991, of which more than 50%

were private. These include pay and specialised channels, as well as private generalist channels competing directly with their public counterparts.

Recent trends

Production

The production industry in Europe has suffered from structural weaknesses (few large companies that are all too often undercapitalised) that have prevented it from keeping up with the rapid growth in broadcasting demand. Between 1985 and 1990, the hourly volume of programmes broadcast increased by 175% while the available European supply increased by a mere 60%. This explains the important share of repeat showings (27% in 1990) and the significant development of purchases outside the Community (38% in 1990).

Transmission and reception

There are 122 million households in Europe housing 127 million television sets. Of these, 15% receive television by cable and 5% by satellite. Major differences exist between Southern Europe, where cable penetration is low (only 23% of Greek households in cabled areas are connected, while in Spain, Italy and Portugal, cabling is practically non-existent), and more northerly Member States (Belgium has a 99% penetration in cabled areas; Holland, 95%). Satellite penetration follows a similar geographical pattern.

Finally, HDTV, the new standard of television reception, promises to be one of the major developments of the future, together with digital techniques and multimedia.

Broadcasting

Since the end of the 1980's, increased competition has led to growing financial problems for the broadcasting channels, which have been faced with a reduction in their shares of advertising revenue. This in turn led to the development of new services such as pay channels and specialised channels.

International comparison

The Americans have the highest rate of penetration of televisual equipment in the world: 2.4 television sets per household and a penetration rate of 77% for video recorders. Close behind are the Japanese, with 1.5 television sets per household and a penetration rate of 81% for video recorders. By contrast, the EC averages just over 1 television per household. Video recorder penetration is only 50%, though there are significant country variations (Italy with 31% and the United Kingdom

Table 1: Television
Penetration of cable and satellite in the EC, September 1991

	Households with TV (million)	Households with satellite dish (million)	Penetration rate (%)	Households in cabled areas (thousand)	Cable subscribers (thousand)	Penetration rate (% of subscribers)
Belgique/België	3.53	0.01	0.4	3 300	3 262	98.8
Danmark	2.22	0.03	1.4	N/A	N/A	N/A
BR Deutschland	31.35	2.30	7.3	16 597	8 953	53.9
Hellas	3.20	0.01	0.2	N/A	N/A	N/A
España	10.94	0.10	0.9	N/A	1	N/A
France	20.25	0.04	0.2	3 214	1	20.1
Ireland	0.99	0.02	2.0	0	0	82.2
Italia	20.25	0.00	0.0	0	0	0.0
Nederland	5.87	0.15	2.6	4 800	4 580	95.4
Portugal	2.86	0.01	0.3	0	0	0.0
United Kingdom	21.45	2.00	9.3	2 059	0	22.4
EUR 11	122.90	4.67	3.8	N/A	N/A	N/A

Source: Screen digest

**Table 2: Television
Broadcasting incomes in the EC**

	(billion ECU)	1985	% of total	(billion ECU)	1990	% of total
Televisions	11.8		89	18.9		83
Video	1.4		11	3.7		17
Total	13.2		100	22.6		100
TV incomes	(billion ECU)		% of total	(billion ECU)		% of total
Licence fees	5.5		47	6.6		35
Advertising	5.4		46	10.2		54
Other (1)	0.9		7	2.5		11
Total	11.8		100	18.9		100
(1) Detail of other	(million ECU)		% of total	(million ECU)		% of total
Cable	383		455	52		22
Pay-TV	85		10	1 318		53
Other	382		45	595		24
Total	850		100	2 465		100

Source: Observatoire européen des systèmes de communication,
European Institute for Media, CIT Research

with 71%). The high level of household penetration in the UK is presumably partly a function of the availability of imported software from the USA in its original language, without dubbing or subtitle costs. The availability of imported software can have a positive impact on sales of hardware (hence on the European manufacturing industry).

Foreign trade

The EC trade deficit for programme production was 0.5 billion ECU in 1990. On average, European countries import around two thirds of fictional broadcasts.

American producers control a significant share of the fictional programming in Europe, though the presence of the Japanese is increasingly felt, particularly in cartoons. In 1990, the Americans exported 2.4 billion ECU of programmes of which 62% was destined for the EC. By contrast, American imports from the EC represented a mere 221 million ECU.

The trade deficit in production revolves around European producers' dependence on programme demand from the national broadcasting channels, a function of their insufficient size and inability to risk investing in more speculative projects. Broadcasters in turn are hostage to the needs of audience maximisation, limiting the possibilities for development of programmes with international appeal. European producers have therefore been unable to build up a sufficient stock of programmes to promote the export market as well as to meet growing internal demand.

MARKET FORCES

Demand

Despite the fact that penetration of television sets already exceeds 100% in European households, there remains potential for growth in the installed base owing to the advent of video games and the decrease in equipment prices. This phenomenon

**Table 3: Television
Public and private TV in the EC**

(% of channels)	Public TV 1985	Private TV 1985	Public TV 1990	Private TV 1990	Public TV 1993	Private TV 1993
Belgique/België	85	15	56	44	58	42
Danmark	100	0	100	0	N/A	N/A
BR Deutschland	100	0	71	29	50	50
Hellas	100	0	32	68	N/A	N/A
España	100	0	85	15	62	38
France	100	0	33	67	38	62
Ireland	100	0	75	25	N/A	N/A
Italia	91	9	50	50	46	54
Luxembourg	0	100	0	100	N/A	N/A
Nederland	100	0	75	25	N/A	N/A
Portugal	100	0	100	0	N/A	N/A
United Kingdom	52	48	47	53	44	56
EUR 12 (1)	11	4	11	10	N/A	N/A

(1) Number of countries which have a public/private TV sector.
Source: CSA, Ambassade de France, Médiamétrie

Table 4: Television
Origin of TV fictions, 1990

(%)	Domestic production	Other EC production	USA production	Other	Total
Belgique/België	2	20	61	17	100
BR Deutschland	22	7	63	8	100
España	4	12	46	38	100
France	35	9	47	9	100
Italia	6	2	78	14	100
Nederland	10	17	50	23	100
Portugal	N/A	12	43	N/A	N/A
United Kingdom	30	1	47	22	100

Source: IATE

is already manifesting itself in countries such as the United Kingdom and Spain where 50% and 39% of households, respectively, possess a second television.

In more recent times, the video recorder has shown a rapid growth (between 1989 and 1991, penetration moved from 40 to 54% in Germany, from 59 to 71% in the United Kingdom and from 35 to 50% in France).

The effect of this development in the installed base of audio-visual equipment on demand for television may in part be counterbalanced by other factors. For example, the Institute Médiamat has noted a 20% reduction in viewing time in the last three years by young Europeans of 14 to 20 years. This may be the result of the development of the electronic games market.

Television viewers are increasingly sensitive to the choice and diversity of programmes (hence, the success of pay TV and specialist channels such as MTV and Eurosport) and the possibility of customising their viewing (e.g. through development of interactive systems).

Supply and competition

The deregulation of the 1980's has led to a wide diversity of channels (3.5 times more channels in 1991 than in 1981) and to a number of pan-European broadcasters resulting from the development of cable and satellite TV. According to a study carried out by the CSA (Centre Supérieur de l'Audiovisuel) in 1992, these can be grouped into the categories discussed below.

The "Generalists" (ARD, DK; BBC1, UK; RAI1, I; FR3, F; and TVE2, E) are principally public channels in competition with the private stations, aiming for a balance between public service (information, education, culture) and commercial ap-

peal for the sake of audience maximisation. The "Americans" (RTL, L; Rete4, I; M6, F; Antenna, GR; and TELE 5, E) were created in the 1980's. These channels have a commercial emphasis and are mainly dedicated to fictional programmes imported from the USA. The "Fighters" (TF1, F; Canale 5, I; and RTL4, NL) attempt to compete with the supremacy of the public channels by an aggressive choice of entertainment programmes.

The "Culturals" (La 7, F; Eins+, DK; and Channel 4, UK) aim to promote a national audio-visual cultural heritage. The "Educationals" (BBC2, UK and Nederland 3, NL) show programmes with primarily an educational emphasis. And finally, the "Basics" (TV1/2, SF; DR & TV2, DK; and Kanal 1, S) have low viewing figures, devote much time to supply of information, show a high percentage of repeats and survive essentially on television licence fees.

The new areas of research and development in the supply of televisual products centre around three main axes: the search for increased viewing comfort and perfection with HDTV; the increase in supply of programmes through the multiplication of channels as a result of digital methods; and the development of interactive methods, a veritable combination of micro-computer and CD technology.

Production process

The digital system has numerous advantages. It is possible to compress up to one hundred times more information on a channel, i.e. between three to eight programmes. The immediate result is a reduction in the cost of transmission of these programmes. The information is evenly recorded (unlike with analogue systems) and blurring between channels presents less of a problem. This creates the possibility of broadcasting the same programme on the same frequency from different

Table 5: Television
Audiovisual trade balance between the EC and the USA (1), 1992

(million ECU)	MPEAA (2)	USA receipts from the EC AFEA (3)	Total	EC receipts from the USA	intra-EC
Cinema	567	158	725	63	150
Television	1 142	259	1 401	81	N/A
Video	808	180	988	101	N/A
Total	2 516	598	3 114	245	N/A
EC trade balance with the USA				-2 869	

(1) Estimation by IDATE

(2) MPEAA: Motion Picture Export Association of America

(3) AFEA: American Film Export Association

Source: IDATE

Table 6: Television
EC TV programmes exported, 1990

(million ECU)		Total
BR Deutschland (1)	ZDF	19
España (2)	RTVE	4
France (3)	Prod. cinéma	67
Italia (4)	Ens. Producteurs	59
United Kingdom (5)	Soc TV	209
	Soc Cinéma	498

Sources: (1) ZDF (1989); (2) RTVE; (3) CNC; (4) ANICA (1988); (5) CSO

points. Digital production, transmission and reception offer a better and more constant quality of image: and with digital TV, it is possible to transmit programmes on mobile and portable TV sets via hertz transmission.

Despite financial and technical obstacles, the race for high definition television has started. This revolution owes much to the development of digital technology, a process of codification and transmission of binary elements. The stakes are high, involving the replacement by the years 2000 to 2010 of 800 million television sets and 250 million video recorders: a jackpot of 250 billion USD.

INDUSTRY STRUCTURE

Companies

Production

The three main independent producers in Europe are Granada in the United Kingdom (270 million ECU turnover in production in 1991), SFP in France (205 million ECU total turnover in 1991) and Bavaria from Germany (46 million ECU total turnover in 1990). They are able to invest more heavily than their smaller competitors, but nevertheless suffer from a high level of indebtedness that has limited their development.

In partial response to this, large communications groups such as Fininvest, News Corp. and Canal Plus, already involved in broadcasting networks, have vertically integrated into programme production.

Transmission and reception

Two main types of companies are involved in the development of new technologies of transmission and reception: electronic

groups such as Philips (NL, 11.9 billion ECU of turnover in consumer electronics in 1991), Thomson (F, 4.4 billion ECU), Nokia (SF, 1.1 billion ECU) in the area of HDTV equipment; and cable operators such as France Telecom that are developing future techniques of transmission.

Broadcasting

In Europe, a hundred or so broadcasting stations figure among the 6 diversified communications groups: Bertelsmann (D, 2.7 billion ECU of audio-visual turnover in 1991) with three channels (RTL Plus, Premier and Vox), focused on the German market; the group Kirch (D), which holds stakes in Sat 1, Premiere, DSF, Pro 7 and Kanal Kanal, is also focused on the German market; Fininvest, belonging to Silvio Berlusconi (2.8 billion ECU of audio-visual turnover in 1991) controls 3 channels in Italy (100% of Canale 5 and Rete 4 and 55% of Italia 1)-it also has involvement in the German market (21% of Tele 5) and the Spanish market (25% of Tele Cinco); and the CLT (L, 1.1 billion ECU of audio-visual turnover in 1991) remains the group with the most extensive presence in Europe: 66% of the Belgian channel RTL TV1, 25% of RTL 4 (NL), 25% of M6 (F), 46% of RTL Plus (D) and 29% of RTL Luxembourg. The last two groups are present in the pay television market. They are: (1) Canal Plus (F) with 1.13 billion ECU of turnover in 1992, which owns 25% of Canal Plus Espagne, 42.7% of Canal Plus Belgique and 37.5% of Premiere in Germany and (2) the Murdoch group (News Corp., 2.3 billion ECU of audio-visual turnover in 1991) has a quasi-monopoly in the United Kingdom with BSkyB.

Strategies

Production

Aware of American leadership in the area of programme production, European producers have increasingly aligned themselves with groups in the United States. Since 1989, the number of joint ventures has developed steadily.

Transmission and reception

France Telecom, having launched the satellite Telecom 2 for broadcasting programmes in D2 MAC, is currently working on digital television transmission systems and HDTV.

In the equipment market, smaller European players such as the Finnish group Nokia are hard pressed to compete with the Japanese electronics giants (Matsushita with 43 billion ECU audio-visual turnover in 1991, Hitachi with 21 billion ECU and Sony with 22 billion ECU). Philips have made a major commitment to the interactive compact disk. Thomson is looking to develop digital technology while still continuing to support D2-MAC.

Broadcasting

Already present in newspapers and publishing, the Bertelsmann group has taken advantage of the opportunities presented by the appearance of the private television channels in Europe.

Kirch, which supplies most of the public German channels with films and series has also followed a strategy of moving into broadcasting via the private channels.

The lead position of the group Fininvest in private Italian television allowed Silvio Berlusconi to invest rapidly in related activities - private channels elsewhere in Europe, international film production and advertising - and to diversify into other media forms such as newspapers and publishing.

The CLT, with its eight channels in five European countries, has a clearly stated strategy: to develop its presence abroad through the profitable specialist channel segment.

Canal Plus (F) is the only operator to have concentrated principally on its original core business: pay television. Today, its strategy is one of vertical integration into cinema production

Table 7: Television
Demand for TV programmes (per year) in the EC, 1990

	Number of hours broadcasted
Movies	50 400
TV fictions	112 000
Other stocked programmes (1)	61 600
Current programmes (2)	336 000
Total	560 000

(1) This includes cultural and documentary works ... (art. 4 and 5, directive "Television Without Frontiers").

(2) This includes sports events, news programmes, shows, gameshows (art. 4 and 5, directive "Television Without Frontiers").

Source: FEMIS (Institut de Formation et d'Enseignement pour les Métiers de l'image et du Son)

Table 8: Television
Origin of TV programmes in the EC

(%)	1990		1995 (1)	
	Hourly volume	Broadcaster budget	Hourly volume	Broadcaster budget
Internal productions	30	54	29	49
Repeat showings	27	0	28	0
Purchases	38	30	37	29
Co-productions	5	16	6	22
Total	100	100	100	100

(1) Estimated
Source: FEMIS

and a search for partners in the development of new technologies.

The other pay TV group, Murdoch's BSkyB bases its strategy on the emulation of the great American success stories (MTV, CNN and ESPN).

REGULATIONS

Production obligations

These vary according to Member States. For example, British channels are obliged to obtain 25% of their hourly volume from independent producers. At the same time, the EC Directive on "Television Without Frontiers" (89/552/EEC) stipulates that "where practicable and by appropriate means, that broadcasters reserve at least 10% of their transmission time, excluding the time appointed to news, sports events, games, advertising and teletext services, or alternatively, at the discretion of the Member States, at least 10% of their programming budget, for European works created by producers who are independent of broadcasters."

Broadcasting obligations

Various national obligations fix European broadcasting volume at between 25 and 60% of total volume depending on the Member State. The "Television Without Frontiers" Directive stipulates that, where practicable, Member States should ensure that broadcasters "reserve for European works, a majority proportion of their transmission time, excluding the time appointed to news, sports events, games, advertising and teletext services."

The Media programme, adopted in December 1990, has 200 million ECU dedicated over 5 years to the European audio-visual industry: up to 85 million ECU in support of distribution, up to 65 million ECU in support of production, 20 million

ECU in support of developers of new technologies in audio-visual production, 10 million ECU for professional development and 15 million ECU for development in countries with limited production capacity. It is implemented by the European Commission.

OUTLOOK

Continued European efforts to make headway in the programme production industry may begin to reap rewards in the coming decade, though the battle is by no means won. It is likely that increasing cooperation with American groups will assist in this process, as would the development of a system of centralised production, favouring the emergence of a major European production group.

Digital technology seems to have found its place as the transmission system for the future due to its numerous advantages. Cable operators, electronics groups and computer giants are set for the race for HDTV and multichannel digital TV. In addition, computer groups are developing multi-media tools integrating voice, text and image.

As for the broadcasters, the market will continue to be competitive, with public channels increasingly unable to survive on licence fees, and TV stations generally suffering from a drop in advertising revenues. In parallel, the trend towards pay stations and particularly, specialist stations (with narrower targets and smaller market shares) is expected to continue.

Written by: LEK

Table 9: Television
TV advertising expenditure in Europe

(million ECU)	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
BR Deutschland	617	666	713	772	827	919	1 040	1 283	1 585	2 125
España	316	308	376	433	549	685	879	1 123	1 415	N/A
France	450	532	538	681	866	1 155	1 441	1 632	1 823	1 917
Italia	516	806	1 103	1 293	1 451	1 669	1 890	2 067	2 288	2 528
United Kingdom	1 463	1 664	1 844	2 017	2 146	2 303	2 783	2 956	2 791	2 816
EC	3 602								10 882	
Channels	41								143	
Income /Channel	88								76	

Source: European Advertising Tripartite

Music recording

NACE 345.2

The combination of difficult economic conditions, maturing compact disc (CD) markets and increased competition from new media (e.g. computer games) have adversely affected sales in the EC for the recorded music sector in 1992. Sales grew by only 0.8% (in nominal terms) compared with 1991. But the few European corporations that lead the industry are building their hopes on the development of new recording media such as the DCC (Digital Compact Cassette) and the MiniDisk.

INDUSTRY PROFILE

Description of the sector

The recording industry ranges from the selection, management and production of artists to the manufacturing, marketing and distribution of "Long Play" or "Singles" recorded on media such as Compact Discs, Vinyl Discs and Compact Cassettes. This sector represented 7.9 billion ECU in 1992 for the EC as a whole. Three European groups, PolyGram (NL), Thorn EMI (UK) and BMG (D), captured close to 50% of the world market; Germany, the United Kingdom and France represent 70% of EC consumption and 23% of the global market.

Recent trends

This sector follows a long term cyclical variation closely correlated to the introduction of new technologies. Vinyl LPs peaked (with 1.2 billion units worldwide) in 1981; cassettes reached a plateau in 1989 (1.5 billion units), and further growth is still expected from CDs (1.2 billion units in 1992). Philips's (NL) DCC and Sony's (JPN) MiniDisk are expected to capture, in their turn, most of the momentum gradually lost by cassettes.

Another underlying trend is industry consolidation in a market where production economies of scale are critical. The acquisition of Virgin records (production and distribution) by Thorn EMI in 1992 was a clear illustration of this trend. Indeed, a large number of independent EC record companies have been

acquired by the "majors" over the past years such as Vogue (F) and Avrep (F).

International comparison

In 1992, the EC represented 32% of world sales, ahead of the USA (31%) and Japan (15%). Consumption patterns remain quite different in these markets; the importance of record rentals in Japan (where there are as many rental shops as record retail outlets) is combined with the highest CD hardware penetration in the world (90%). In the USA, CD penetration is much lower (45%) but portability has proved a key growth factor (the success of the "Walkman" pushed cassette player penetration in American homes to a peak 3.2 units versus 2.3 in the EC).

EC Member States offer a very contrasted picture. In 1992, Dutch consumers spent on average 37 ECU per capita on music recording, benefiting from high CD penetration at an EC record 64%; in contrast, Greek consumers only parted with some 5 ECU per head with 10% CD penetration.

The three leading EC markets, Germany (2.05 billion ECU), the United Kingdom (1.7 billion ECU) and France (1.6 billion ECU) today rank among the top five in the world.

Foreign trade

Because of their trans-national market positions (and the low cost of transport), record companies tend to organise manufacturing independently of market locations; custom statistics are therefore not meaningful. However, two patterns are worth noting. The first one is that most European markets are heavily penetrated by the "international pop" repertoire. This category typically represents 60% of national sales, despite notable exceptions such as Greece, Spain, Italy or even France where national artists make up 40-50% of the markets. Classical recordings fill the remaining 10%. The second pattern is that beyond visible trade of records and tapes, the impact of invisible exports is extremely significant for exporting countries: the Policy Studies Institute in the United Kingdom estimated in 1988 that the ratio of invisible to visible exports for the United Kingdom was 7, thereby generating over one billion Pounds Sterling, i.e. twice as much as films, video and broadcasting combined.

Table 1: Music recording
Consumption by country, 1992

	(million ECU)	% share in EC total	% share in world total
Belgique/België	273.9	3.5	1.1
Danmark	164.1	2.1	0.7
BR Deutschland	2 253.8	28.8	9.2
Hellas	52.6	0.7	0.2
España	501.5	6.4	2.0
France	1 654.2	21.1	6.7
Ireland	52.6	0.7	0.2
Italia	558.8	7.1	2.3
Nederland	553.3	7.1	2.3
Portugal	63.2	0.8	0.3
United Kingdom	1 707.9	21.8	7.0
EC (1)	7 835.9	100.0	31.9
USA	7 578.3	N/A	30.9
Japan	3 699.6	N/A	15.1
World	24 534.2	N/A	100.0

(1) Excluding Luxembourg.
Source: IFPI

Table 2: Music recording.
Evolution of the share of different media.

(%)	1980	1985	1992
Singles	34	36	15
LPs	46	35	4
MCs	20	27	28
CDs	0	2	52

Source: IFPI

MARKET FORCES

Demand

In value terms, music recording is one of the few economic sectors that has enjoyed two-digit compound growth across Europe since 1989 (annual growth was even higher than 20% in Portugal and Belgium). A number of factors have an impact on this level of demand. General economic conditions obviously prevail. Hoare and Govett Investment Research have recently illustrated the close correlation between GDP growth and "music value growth" in Europe over the past 10 years. In addition, it is often believed that younger age groups represent key buyers for this sector. It appears that this was indeed true when older generations had not had the opportunity to buy records in their youth. Recent USA data suggests that music buying habits are carried up the age profile (the share of USA music sales taken by the 15-19 year group has already fallen from 24% to 17% in the four years to 1991, while the amount accounted for by the 30-39 year old group increased from 19% to 23% over the same time period. Europe's ageing population is therefore expected to follow a similar pattern and not to have too negative an impact on the sector's future growth.

Technology changes are obviously critical. The "technological cycle" described earlier seems to peg demand to new hardware development (CD, soon DCC & MiniDisk). The move to CDs has radically altered the balance of sales by media: CDs have grown in the EC by 25% (compounded annually) since 1989 while LPs annually decreased by 41%. The impact of the switch has led to an annual value growth of 11% over the same period.

Indeed, the CD segment still grows very fast in countries where CD hardware penetration is still low (Greece, Portugal and Spain), but strong growth has also been recorded over the past 4 years in the more "penetrated" countries of Belgium, Denmark and Germany.

Another positive impact from new media is that they allow enhanced price realisation for record producers (although this is not true on a per minute basis with CDs lasting much longer than old vinyl LPs). Increased value-added has led to

much higher price points thus helping to increase market values in spite of sluggish volume growth.

Lastly, commercial dynamism cannot be underestimated. Record marketing has become more professional in the EC (e.g. owing to TV advertising, which provided a welcome boost to the French market in 1988). More recently, distribution has played a significant role in helping to build up markets, often competing on prices; Virgin Megastores have opened in most EC countries, and mass retailers such as hyper/supermarkets (which represent 50% of retail market in France) have helped push demand.

Supply and competition

Some 60 CD production plants exist today within the EC. Most of them are owned by major record companies, although some independent companies remain active such as MPO (F) and Nimbus (UK). The music recording industry has obviously become a highly capital intensive business where competitiveness is a direct function of economies of scale, thus driving industry consolidation across Europe.

With retailers gaining in influence on buying decisions, price positioning becomes a more critical element of the marketing-mix. Beyond exchange rate fluctuations (particularly with the USD), a CD could be purchased in November 1992 at £ 12.78 in the United Kingdom, against some 34% more (£ 17.13) in Ireland. This in turn was then 71% more expensive than the equivalent cost in the USA (£ 10.00). Yet, by early 1993, member countries had largely succeeded in realigning VAT rates so that their range has become much narrower. Italy has the lowest rate (12%) and Belgium the highest (19.5%). France experienced a very favourable boost when the rate was brought down from 33.3% to 18.6%, in 1987.

Production process

Technological development is a key driver for this industry. The impact of CDs has considerably rejuvenated the market, fast offsetting the LP's rapid decline. It is generally believed that CD growth is not about to disappear in Europe. This is true even for highly penetrated markets such as the Netherlands. For example, estimates expect CD hardware penetration in Japan to grow from a current 90% to over 140%. A similar revolution is under way with the take-off of two new technologies promoted by two of the electronics giants.

The cassette had become a fantastic worldwide success (in 1988, cassettes attained volumes in the world 50% larger than those of LPs and CDs combined; in Western Europe, cassette recorders reached 230% penetration), which industrialists hope to emulate with new media forms.

DCC (Digital Compact Cassette) has been developed to offer digital quality on a medium very close to the traditional analogue cassette. Its real portability (superior to CD) is key, as is its "back-compatibility" (traditional cassettes can be played on DCC hardware). The Dutch group Philips, allied to Mat-

Table 3: Music recording.
Breakdown by sector, 1992

(million units)	B	DK	D	GR	E	F	IRE	I	NL	P	UK	EC (1)
Singles	4.1	0.8	26.6	0.0	1.3	16.8	0.8	1.1	4.2	0.0	52.9	108.6
LPs	0.0	2.0	5.0	4.1	9.6	0.3	0.1	3.1	0.6	0.8	6.7	32.3
MCs	2.5	1.5	55.6	1.9	21.3	35.5	2.3	21.2	1.8	1.7	56.4	201.7
CDs	14.1	6.5	123.7	1.8	20.1	78.5	1.1	23.6	33.2	2.8	70.5	375.9
Total value (2)	273.9	164.1	2 253.8	52.6	501.5	1 654.2	52.6	558.8	553.3	63.2	1 707.9	7 835.9

(1) Excluding Luxembourg.

(2) in millions of ECU

Source: IFPI

Table 4: Music recording
Breakdown of EC markets by musical repertoire, 1992 (1)

(%)	B	DK	D	GR	E	F	IRL	I	NL	P	UK
International pop	80	69	92	46	47	50	60	44	70	74	86
Classical	10	6	8	N/A	10	10	N/A	8	14	9	9
National	10	25	N/A	.54	43	40	40	48	16	17	5

(1) Germany and the United Kingdom include local music in international pop; Greece includes classical music in international pop; Ireland excludes classical music.
Source: IFPI

sushita (JPN), is the contender for this system. It is estimated that some 26 000 DCC were sold worldwide in 1992, growing to over 157 000 by 1995. Multiple copies are prevented by way of an internal "deteriorating" device. The Minidisk (developed by Sony) also offers recording capabilities (and multiple copying prevention) but is not back-compatible.

Another technology worth mentioning is direct transmission of recorded music along cables, telephone lines or via satellites. Such systems (e.g. DMX/BSkyB or Digital Cable Radio Associates/Warner/Sony), are already operative in the USA.

INDUSTRY STRUCTURE

Companies

The recorded music industry is highly concentrated, with five multinational groups sharing more than 80% of the world market. However, beyond the few independent companies that have managed to survive (e.g. Harmonia Mundi, F or Nimbus, UK), the majors are careful to expand through carefully positioned local presence (for example, Thorn EMI, UK, own 61 record companies in 37 countries). Local labels generally enjoy a large degree of freedom in their management. Overall, the International Federation of Phonographic Industries (IFPI) comprises some 600 members in the EC, 250 in Germany alone.

The five leading groups in the music industry are generally vertically integrated in hardware and/or retail. They are Warner (Time Warner, USA), PolyGram (80% controlled by Philips, NL), Thorn EMI (UK), Sony Music (JPN) and BMG (Bertelsmann Music Group, D).

European dominance is striking: three of the 5 world leaders are EC companies, together representing close to 50% of the world market.

Strategies

The combination of capital intensity with market internationalisation (the majority of European markets are dominated by international pop and classical), means that economies of scale are critical and, fortunately, achievable.

Most players have therefore sought to secure a wider international position, as well as to enrich their repertoire. Vertical integration upstream brings substantial marketing power and flexibility (e.g. Virgin/EMI). Technologically, synergies between Sony Music and Sony's MiniDisk or PolyGram and Philips' DCC are not less significant.

PolyGram

It is the "purest" of all competitors with 83% of its sales in music. Its position is particularly strong in Europe (22% market share, up to 34% in France). PolyGram has been busy building up its international network recently, through the acquisition of several USA companies (A&M, Island Records and, more recently with Motown). PolyGram is strong in the classical department with international labels such as Decca, Philips Classic or Deutsche Gramophon.

It is also one active in the European music mail order business through Britannia Music (UK), Dial (F), Karussell (D) and PolyMond (I). The group has recently started building a position in the music publishing business, as well as in the video production and distribution, with a 6% shareholding in the USA retailer "Blockbuster".

Thorn EMI

The much-publicised Virgin acquisition in June 1992 boosted Thorn EMI's global market share to 17%, thus giving them the third position in front of Sony Music. Thorn EMI is more diversified than PolyGram and only derived a third of its £ 4.4 billion revenues from music in 1993. It employs over 8 000 people.

The group benefits from a strong presence in the very profitable activity of music publishing (EMI Music is a world leader with 25% market share). It is also diversified in TV, VCR and other electronic hardware rental, as well as lighting fittings and security electronics.

One of Thorn EMI's objectives is also to balance its international portfolio, which led them to acquire Chrysalis in 1990.

Bertelsmann Music Group (BMG)

With 11% of the world market, BMG is the third largest European music record company and ranks 5th in the world. Of its 4 billion DM of sales, 50% were achieved in Europe in 1992 compared to 29% in North America. International expansion has, over the recent years, remained a key objective owing to acquisitions such as Vogue and Avrep (F), or joint ventures with Pressing (I) or Stageway and Norsk (N).

More recently, BMG has been expanding its lead in the low-priced CD segment - of particular relevance in eastern Germany - through Ariola Express and Europa labels.

Table 5: Music recording CD hardware penetration and production facilities, 1992		
	Hardware penetration (%)	Production facilities (units)
Belgique/Belgie	50	2
Danmark	20	1
BR Deutschland	45	15
Hellas	10	2
Espana	16	5
France	38	7
Ireland	9	0
Italia	14	9
Nederland	64	7
Portugal	10	1
United Kingdom	45	7

Source: IFPI

**Table 6: Music recording
CD prices and VAT rates by country**

(ECU)	CD prices - November 1992	VAT rates - April 1993 (%)
Belgique/België	18.6	19.5
Danmark	20.6	15.0
BR Deutschland	16.2	15.0
Hellas	15.9	18.0
España	17.9	15.0
France	19.0	18.6
Ireland	21.1	23.0
Italia	16.5	12.0
Nederland	18.4	17.5
Portugal	18.6	16.0
United Kingdom	15.8	17.5

Source: IFPI, Employment Conditions Abroad

ENVIRONMENT

It is worth noting that the main environmentally related issue in the music recording industry only recently surfaced in the USA where the conventional "longbox" CD packaging (an anti-theft measure), unknown in Europe, was recently dropped (April 1993), following an initiative from the Recording Industry Association of America (RIAA). This will considerably reduce consumption and disposal of packaging material.

REGULATIONS

Piracy is the major problem for the industry. It is estimated that, over the last decade, some 10.2 billion ECU were lost in the world as a direct result of piracy, mostly through cassettes but increasingly with CDs.

Although this issue is more relevant in some developing countries and Central and Eastern Europe, the problem has also affected Europe. A major battle was fought and won in Greece where a 1983 Supreme Court decision has led to a reduction in piracy from 75% down to 20% in 1992. Piracy rates are much lower in other EC countries, but its annual cost to German industry was still estimated in 1990 to be close to 68.4 million ECU.

The second largest problem for the industry is related to technological development associated with digital technology. The industry is faced with the challenge of maintaining control of the use made of their property as cable and satellite systems provide new methods of distribution of pre-recorded music. The combination of electronic delivery and the phenomenon of private copying, if left unregulated, will have a dramatic impact on the industry.

The European Community has recently adopted or is in the process of adopting harmonisation measures to strengthen the protection afforded to rightowners, including phonogram producers. These measures include the following:

- Council Resolution of 14 May 1992, on increased protection for copyright and neighbouring rights, by which the Member States have committed themselves to become parties by 1 January 1995, to the Paris Act of the Berne Convention for the protection of literary and artistic works and to the Rome Convention for the protection of performing artists, phonogram producers and broadcasting organisations which guarantee certain minimum levels of protection;
- Council Directive 92/100/EEC of 19 November 1992, on rental right, lending right, and on certain rights related to copyright, which grants to authors, performers, phonogram and film producers an exclusive right to control rental of copies of phonograms and also harmonises at EC level

**Table 7: Music recording
Share of the world market**

(%)	1987	1992
WEA	14.1	19.0
PolyGram	17.3	18.5
Thorn EMI	15.9	17.0
CBS	19.5	16.0
BMG	11.0	11.0
Others	22.2	18.5

Source: Hoare Govett UK Investment Research

protection in relation to public lending, the fixation of performances, the rights of reproduction and distribution for neighbouring rightsholders. The date for entry into force in the Member States is 1 July 1994;

- Council Directive 93/98/EEC of 29 October 1993, harmonising the term of protection of copyright and certain related rights by which authors' rights will last the lifetime of the author plus 70 years and phonogram producers', performing artists' and broadcasting organisations' rights will last 50 years. The date of entry into force is 1 July 1995;
- The proposal for a Council Regulation laying measures to prohibit the release for free circulation, export or transit of counterfeit and pirated goods (COM(93)329) of 13 August 1993. This proposal aims at enabling owners of author's rights and phonogram producers', performing artists' and broadcasting organisations' rights to request the customs authorities to seize for a limited period of time goods which infringe their rights, until an action is brought to court. The proposal is presently being considered by the European Parliament and the Council of the European Union.

The EC has also sought to obtain in its international negotiations with third countries either in the multilateral forums (World Intellectual Property Organisation, or the GATT) or on a bilateral basis (Association agreements with Central and Eastern European countries, partnership agreement with Russia), adequate and effective protection for intellectual property rights.

OUTLOOK

The recent impact of generally poor economic conditions has slowed down the traditionally buoyant growth of the music recording sector in Europe. This is unlikely to last and technological development should offer very positive prospects for the music recording industry in the coming years.

**Table 8: Music recording
Piracy rates by country, 1992**

(%)	
Belgique/België	4
Danmark	1
BR Deutschland	7
Hellas	20
España	2
France	3
Ireland	7
Italia	15
Nederland	9
Portugal	8
United Kingdom	3

Source: IFPI

In geographical terms, European firms have clearly anticipated competitive developments. They have built a strong worldwide position, and appear concerned to build upon the local strengths of their previously independent acquisitions.

Continuing progress in CD penetration for many Member States will probably be reinforced by the explosion of new "recording" digital media. The opening of substantial new markets (e.g. Eastern Europe) will also benefit European producers.

Written by: LEK

The industry is represented at the EC level by: International Federation of the Phonographic Industry (IFPI). Address: rue Belle-Vue 20 Bte 2, B-1050, Brussels; tel: (32 2) 646 7300; fax: (32 2) 646 5395.