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THE FUTURE OF GLOBAL TELEVISION NEWS

by

Richard Parker

Research Paper R-13 September 1994

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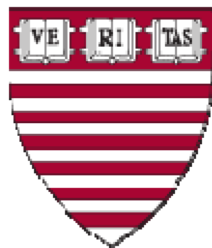
Joan Shorenstein Center

PRESS · POLITICS



· PUBLIC POLICY ·

Harvard University

John F. Kennedy School of Government

The Future of Global Television News

The Complex Challenge of Global Television

Television has, in the past forty years, transformed the ways we think about the news. The medium's immediacy (especially when "live"), the unique way it lets us "see" events ten blocks—or ten thousand miles—away, and its mass accessibility (compared to written news) have all proved unprecedented in shaping how we absorb the news. But having accustomed ourselves to that initial transformation, we appear poised on the edge of another momentous shift.

This new transformation goes by several names, most commonly "global" or "borderless" TV, and many newscasters, media moguls and media critics alike insist" global" represents the future of TV.

But what is "global television"? After" seeing" television's coverage of Tiananmen Square, or the Russian White House, or the Gulf War, it's hard to doubt that some sort of transformation is going on. Each of these distant events was not only changed by being broadcast "live," but because we as an audience were in some sense changed too—aware (as were the event's participants) that what we saw was being seen simultaneously in more than a hundred countries around the world.

This new" global" television coverage—the extraordinary ability to broadcast "live" events into hundreds of millions of homes around the world—has become a part of the events, an essential in the grammar of change itself.

This idea of "global television", of course, is about more than just news reaching a mass, international audience. It includes a technological promise—of satellites and home receiver dishes, of cable and a nearly unlimited number of channels, of high-definition reception and virtual reality and digitization and interactivity. It encompasses too a global programming menu of game shows, shopping channels, sports, movies, sitcoms, "soft" news, even "soft" porn.

But most important, at its core, it implies the foundations for a common global culture, in which we will someday see much the same programming no matter where we live—a final, dialectic completion of the notion of "mass culture". Economically, it implies an equally expansive vision—in effect, that of a capitalist sanctum sanctorum, the ultimate "mass market" not only for global programming, but global advertising, global products, and global consumer spending. Linked together through these common invented "vernaculars," proponents tell us we stand on the edge of an era when (no matter where we live) we will be able, at the flick of a button, to satisfy whatever interest, appetite, or fantasy we might have.

The imminent promise of such a future appears unmistakable, at least to many. Already, for example, more than 120 communication satellites now beam TV pictures to every inhabited continent; the number of TV sets in use has grown to more than 1.2 billion, triple the number just ten years ago; and that perfect emblem of the internationalized, yet individualized, TV future—the simple "home dish" receiver—may soon be almost as small and inexpensive as a television today. CNN International, the current leader in the" global TV news" race, after just seven years in operation, claims its broadcasts can be picked up in 209 countries, containing all but a handful of the world's 5.1 billion population.

A host of anecdotal evidence points likewise toward much the same imminent promise, if in sometimes disarming ways. Consider:

- In Japanese homes today, TVs are more common than flush toilets.

- During the Gulf War, Iraqi troops carted off an estimated 50,000 satellite dishes—leading some CNN staffers to joke that what the Iraqis wanted wasn't oil, but free TV.

- In New Delhi, Shanghai and other large Asian cities, thousands of local" entrepreneurs" have nailed satellite receivers to crowded apartment buildings, making pirated satellite channels—from MTV to CNN—available to millions of local residents.

- Filipino troops recently surprised and captured a guerilla mountain camp because its revolutionary inhabitants were too busy watching MTV.

• "Los Simpsons" is now a top-rated show in Colombia and Argentina, while a Mexican soap opera, "The Rich Also Cry," is winning massive audiences in Moscow.

• The U.S. alone now exports more than 120,000 hours of television programs annually just to Europe, and global trade in programming is growing at more than 15% per year.[1]

Little wonder then that John Eger, a former CBS executive and once head of the White House Office of Telecommunications Policy, could rhapsodize recently on his industry's future:

> [Global TV is] a technology that knows no barriers, no national boundaries and does not recognize any of the artificial divisions between the different people and places of the world. Here is a technology that does not recognize color, creed, race, or nationality. It is a technology that is supernational, acultural, alingual, a technology of sight and sound, of binary digits, that can indeed saturate the world.
>
> It is a technology that creates simply by providing the means—a flow of information and ideas—a force throughout the world that simply will not stop, however we may resist its flow .... [Global TV is a] truly vast and revolutionary change, propelled by our technology towards acceptance of the concept that we are indeed one people on Earth, one family living in one home, a family with common problems, concerns, and interests.[2]

But new technologies and regulatory models haven't ended debates over television's purported global future.

For example, to Silvio Berlusconi, president of the international media conglomerate Fininvest Group (and Italy's richest man), the future for "global television" is decidedly more complicated that Eger would allow. Berlusconi says he agrees with the broadly-popular notion that "the future belongs to global television." But he then quickly insists that its arrival lies off in a distant, and uncertain, future.

"That future will be a long time coming," he says. "Not years but maybe decades, maybe more than a century." And in a direct warning to the Egers of the world, Berlusconi insists in answer to his own questions about the new globalism: "Doesn't Ted Turner's CNN broadcast news for the world at large? Don't Rupert Murdoch's satellite ventures represent a major step toward the Global Village? The answer is no."[3]

Berlusconi's perception about both time horizons and about the implications of current innovations such as Turner's CNN or Murdoch's Sky Channel and Star TV is shared by Peter Fiddick. Fiddick is editor of the prestigious British media journal *The Listener,* and to him cheerful predictions of "borderless television" conceal a quite nationalistic and corporatist struggle over control of new wealth. "Forget the Global Village," he says. "[W]e are demonstrating, in a megabuck frenzy of media activity that spans at least two continents, that despite it all we are little more than a random encounter of parochial nation states ... "

To Fiddick, all too much of the talk about "globalization" is a corporate form of "happy talk," as international media giants go about the process of reorganizing and capturing control of new media markets and assets. Far from inaugurating an era that knows no "color, creed, race, or nationality," something decidedly more mundane—and suspiciously venal—is at work in this "global" expansion of media giants:

> In some cases we see the preemptive strike in action, as some media group stakes out a piece of territory to ensure against having to pay twice the price to retrieve it from a rival at some unknown future date ... Others, more versed in the niceties of mediaspeak, talk of the need to form an integrated network—vertically, horizontally, you name it—capable of giving a flexible response to the demands of the 21st century and so forth, when what they are really doing is more to do with getting big enough to be bid-proof.[4]

Berlusconi is preeminently a businessman, Fiddick a media critic, but both are pointing out that global television—whatever its technological origins—seems destined to be driven by the emerging market economics, and the market actors, that increasingly shape the industry.

To Americans, acknowledging the role of markets and competition in television might seem a commonplace, unworthy of comment. But few Americans understand the novelty of market economics shaping television's development. For much of TV's first forty years (outside the U.S.)[5], the world of television was fundamentally one of government-owned stations broadcasting

frequently on as few as one or two channels. From the 1950s up to the mid-1980s, "economics"—in the sense of competitive market economics—played little or no role, since the governments operated their television systems as public agencies. Sustained by a combination of taxes and viewer fees, advertising and competition between channels played virtually no part in television's global development.

But in the future, what role is economics going to play? As government regulation of national broadcasting wanes, and satellite-based broadcasters sweep across national borders, how will it shape the emergence of global television, and in particular, development of television news—the medium through which the majority in industrialized countries now get the news?

Will competition and privatization of television simply open up new and diverse sources of information? Will direct access by satellite act to erode authoritarian regimes, similar to shortwave radio's role during the Second World War and Cold War? Will a handful of corporate owners emerge to dominate the new world? Will the average citizen in rural Africa or Asia find herself as able to be "informed" about the events and issues of the day as a government official or stockbroker in Washington, Tokyo, or London?

None of these questions offers simple answers. As we shall see, although competitive market economics has a crucial new role to play, the tradition of government involvement in broadcasting is by no means disappearing. Moreover, the technological innovations on which "global" TV has so far been built are already acting to strengthen traditional national broadcasters.

In the following pages, this paper will argue that the prospects for global television—and especially global television news—aren't as simple as John Eger would have us believe. Drawing on Berlusconi's and Fiddick's insight, and on those of professionals in the television industry, the paper will try to show some of the likely patterns that global television will follow over the next several decades, including both the innovations technological change will bring, and the inherent limits—especially those around economics—that will intrude.

At the outset, it's safe, I believe, to assert that the changes this new era in television will bring will not meet the potential the system—technologically—can offer, and that understanding and reflecting on why not will give us the best chance for considering policies that will.

The Intricate Economics of Television

Television is by no means the first vaunted technological "revolution" industrialization has brought us. The electric light, telephone, radio, airplane, automobile, and phonograph are familiar examples of earlier technological transformations that anchor modern Western society. Yet despite their" global" technological" availability" (in some cases, for more than a century), Americans especially sometimes forget that well over half the planet's population enjoys no routine access to virtually any of them. Sixty percent of the world's inhabitants, for example, have never even made a phone call.[6]

Consider the automobile. Mass production of automobiles began in the United States and Western Europe before World War I. By the mid1920s, autos were in use around the world—but at widely different rates. Today, seventy years later, the automobile is most certainly" global"—yet distributed with much the same relative rates as in the mid-1920s. For example, in 1990 there were 1.8 citizens per automobile in the U.S.; in Western Europe 2.6; but for Latin America, the figure was one car per 45.9 citizens, in Africa, 357, and in Asia, 794.[7]

What is true of the automobile holds with striking regularity across a host of other modern technologies that the developed West takes for granted. Whether it's washing machines or air conditioners, stereos or dishwashers, the West's exposure to advertising and easily accessible consumer products (and an implied belief in the "egalitarianism" of access) is consistently belied by global data on household appliance and consumer electronics consumption.[8]

Why—if technology is such a driving force—should this be so? Two factors stand out.

For most people in most countries, personal or household income is the first determinant of access to television (or autos, stereos, or other consumer goods). Indeed, most studies of country-by-country ownership of televisions show how simply such ownership correlates with per capita income. High income equals a high number of TVs per capita; low income equals a low number.[9]

Table 1 gives a global overview of TV ownership, and (for comparison) automobile, telephone, and radio usage, that lets us see this crucial first point about television quite clearly.

But if income plays a leading role in the distribution of basic access to television, government policy toward television has been the other historic determinant of the medium's evolution. As noted, virtually every country (apart from the U.S. and two

Table 1
Key Global Consumer Goods
(Number of People per Car, TV, Telephone, Radio)

	Car	TV	Phone	Radio
OECD	**2.6**	**2.0**	**2.5**	**2.1**
Australia	23.0	2.1	1.8	0.8
Austria	2.8	2.8	1.9	2.8
Belgium	28.0	2.9	2.2	3.0
Canada	2.2	1.8	1.3	1.1
Denmark	3.2	2.4	1.2	2.4
Finland	2.9	3.3	1.4	2.5
France	2.5	2.7	1.6	27.0
West Germany	2.2	2.4	1.6	2.7
Greece	7.0	3.0	2.5	3.1
Iceland	2.0	1.7		
Ireland	4.8	4.3	3.7	
Italy	2.5	3.4	1.5	3.5
Japan	4.2	1.7	1.8	1.2
Luxembourg		1.4	1.4	
Netherlands	2.9	2.7	1.6	2.7
New Zealand	2.2	2.7	1.5	1.1
Norway	2.6	2.6	1.3	2.6
Portugal	8.1	3.7	4.8	3.7
Spain	3.8	2.8	4.1	2.9
Sweden	2.5	35.0	1.0	2.5
Switzerland	2.4	2.8	1.2	2.5
Turkey	45.4	12.2	7.9	
UK	2.8	2.8	1.9	3.0
US	1.8	1.2	1.3	0.5
East Europe	**21.7**	**7.8**	**9.4**	**4.4**
Bulgaria	7.9	3.3	4.5	3.2
Czechoslovakia	5.7	3.0	2.6	3.8
East Germany	4.8	5.8	4.3	2.5
Hungary	6.4	13.0	16.2	6.8
Poland	9.0	4.4	8.5	3.9
Romania	81.1	4.0		6.9
USSR	22.8	9.4	10.3	4.4
Yugoslavia	7.8	2.2	7.6	4.0
Asia Pacific	**139.5**	**20.4**	**24.4**	**6.5**
Brunei	4.8	6.1	6.5	4.2
Fiji	24.7	16.9	1.7	
Hong Kong	29.8	4.2	2.2	1.6
Indonesia	190.6	25.3		8.3
South Korea	50.7	5.2	5.4	1.0
Macao		8.8	4.2	
Malaysia	14.1	9.0	11.7	2.3
Papua NG	121.6	82.9	53.8	15.1
Philippines	179.0	28.0		7.5
Singapore	10.7	4.7	2.3	3.3
Taiwan	15.9	3.2		
Thailand	107.7	10.1	52.6	5.6

	Car	TV	Phone	Radio
Asian Planned	**1106.4**	**1.3.5**	**185.7**	**7.5**
Burma	1,467.9	1313.6	7433.0	13.1
Cambodia	130.9		9.0	
China	1,093.3	100.7	149.8	7.1
North Korea	80.0		8.9	
Laos		434.6	8.2	
Mongolia	31.9	45.4		7.7
Vietnam	29.8	531.3	9.8	
South Asia	**794.9**	**172.0**	**258.5**	**142.0**
Afghanistan	467.1	170.4	543.2	13.1
Bangladesh	3,441.9	325.3	729.4	25.3
Bhutan			65.6	
India	542.4	155.0	191.0	12.9
Nepal	777.3	884.6		34.2
Pakistan	247.6	68.1	164.0	10.2
Sri Lanka	112.5	35.0	128.5	5.8
Sub-Saharan Africa	**357.0**	**695.7**	**345.1**	**10.3**
Angola	67.5	225.0	210.9	22.5
Benin	204.4	260.6	269.0	13.4
Botswana	84.9	52.8	8.1	
Burkina Faso	771.4	213.2	482.1	47.6
Burundi	644.4	4,860.0	615.2	18.0
Cameroon	117.0	209.7		8.4
CAR	195.4	548.0	376.1	17.3
Chad		1,085.1	4.3	4.3
Congo	82.8	298.3	96.7	8.5
Cote d'lvoire	66.6	19.4	712.2	7.9
Ethiopia	1,122.4	607.2	339.9	5.4
Gabon	50.8	81.9		10.0
Ghana	247.6	89.0	178.8	4.9
Guinea	630.0		31.5	
Kenya	182.4	184.3	72.7	11.8
Lesotho	1,580.0	111.7		15.8
Liberia	307.9	55.5		4.3
Madagascar	230.7	187.3	262.9	5.1
Malawi	511.9	162.8	4.0	
Mali	412.6	8,400.0		28.0
Mauritania	239.9	1,810.0	358.3	6.9
Mauritius	33.3	9.4	18.6	3.8
Mozambique	177.9	144.0	233.0	28.0
Namibia				
Niger	450.8	454.8	561.0	19.5
Nigeria	144.8	179.1	366.7	6.1
Rwanda		1,843.7		17.5
Senegal	30.9	449.7	9.3	
Sierra Leone	172.8	120.9	298.3	4.6
Somalia	3,300.0		26.4	
South Africa	11.4	9.1	6.9	2.2
Sudan	706.3	19.5	280.1	4.0
Tanzania	565.0	1,684.6	199.4	10.9
Togo	133.4	190.6	239.2	4.5

Table 1 (continued)

	Car	TV	Phone	Radio
Sub-Saharan Africa continued				
Uganda	530.5	160.0	275.7	10.7
Zaire	354.2	2,100.0	765.5	10.5
Zambia	78.6	69.0	80.8	13.1
Zimbabwe	56.2	64.7	32.8	17.5
Mid East/N. Africa	**73.6**	**23.3**	**32.6**	**6.5**
Algeria	33.4	13.9	27.4	4.5
Bahrain	4.4	2.4	3.4	1.8
Cyprus	5.0			
Egypt	125.5	12.4	35.6	33.0
Iran	33.3	19.2	26.5	4.5
Iraq	70.1	16.5	18.6	5.0
Israel	6.2	3.8	2.6	2.1
Jordan	21.0	14.6	20.5	43.0
Kuwait	3.4	39.0	5.8	3.6
Lebanon	5.9	33.0		13.0
Libya	9.8		4.6	
Malta	369.0			
Morocco	44.2	19.4	69.2	4.9
Oman	10.9	17.3	1.5	
Qatar	3.8	2.9	3.2	2.3
Saudi Arabia	11.6	3.4	8.0	2.9
Syria	124.4	17.1	16.8	4.3
Tunisia	45.3	15.0	25.8	6.2
UAE	7.5	11.5	4.7	3.8
North Yemen	336.6	210.7		46.3
South Yemen	220.5	44.4		7.4

	Car	TV	Phone	Radio
Latin America/Carib	**45.9**	**15.7**	**16.5**	**4.1**
Argentina	7.8	4.6	9.7	1.5
Bahamas	3.5	4.6	2.2	2.0
Barbados	7.5	3.8	33.0	1.1
Bermuda	2.4	1.2		0.8
Bolivia	86.0	13.1	41.4	1.7
Brazil	15.8	5.2	11.3	2.7
Chile	21.4	6.1	15.5	3.0
Colombia	49.5	10.0	13.0	7.3
Costa Rica	12.9	7.9	3.9	
Cuba	533.5	5.0	18.9	3.0
Dominican Republic	62.6	12.4		6.1
Ecuador	163.2	214.4	27.4	3.4
El Salvador	103.6	13.8	38.1	2.5
Guatemala	93.0	27.3	62.0	16.4
Guyana	37.8	23.0	2.1	
Haiti	196.7	214.4		26.8
Honduras	184.1	15.0	86.6	2.7
Jamaica	26.4	9.4		2.5
Mexico	15.5	8.4	10.4	4.9
Neth Antilles	2.7	4.5	4.0	1.3
Nicaragua	109.9	17.0	63.4	3.9
Panama	15.7	6.1	9.4	5.4
Paraguay	73.1	11.9	32.8	4.0
Peru	54.5	43.3	41.1	6.1
Puerto Rico	2.6	3.9		1.4
Trinidad & Tob	5.2	3.5	11.0	2.2
Uruguay	18.3	5.8	7.6	1.7
Venezuela	11.7	7.2	11.3	2.3

Source: *The Economist Vital World Statistics*, by permission.

or three other exceptions) developed its television broadcast system as a government monopoly. Sometimes the system was considered a direct, ministerial part of the government, sometimes (the BBC is one example) a semi-independent public agency.[10]

In the excited talk today about globalization and competition, it's sometimes forgotten how large these public systems still loom. Globally, the majority of people still live in countries where public broadcast monopolies have no domestic private competitors. In Western Europe and Latin America, which began in the late Seventies allowing privately-owned channels as competitors, these public systems still playa major role in broadcast. In most countries with "dual" public-private systems—such as Britain, Germany, Italy, or Japan—in fact, the public broadcaster still is more watched than any private competitor. In revenue terms, moreover, the largest public systems (such as the BBC, Italy's RAI, or Japan's NHK) rank in revenue terms with private media giants such as Cap Cities/ABC, GE, or CBS, even though the U.S. market is substantially larger.[11]

To date, in more than 190 countries that began with public broadcast monopolies, none of those broadcasters has gone out of business.[12] In the 50 or so countries with dual "public-private" systems, when private broadcasting began, there were many who talked of public broadcasters becoming "dinosaurs" that would soon pass away. But as time has passed, that talk (especially in Europe) has grown more muted. Charged with becoming more "competitive," the public systems now accept advertising, use audience research, schedule programming and generally behave as if they were private broad-casters.

As a consequence, although European public broadcasters in the 1980s first saw a sharp drop in audience share when they faced new private channels, more recent information suggests those public systems are now holding their own. With only a handful of exceptions, in fact, the public channels still capture the majority of the European

viewing audience, against aggressive private competition.[13]

This survival—and in many countries, continued dominance—of the public broadcasters is already influencing the evolution of "global" television. Fundamentally committed to their national audiences, with a more complex mandate and agenda, and now increasingly competitive with private national alternatives, they are shaping the markets—and market-entry terms—in a number of crucial ways.

Eli Noam, in his comprehensive *Television in Europe,* underscores this point in a way that applies outside Europe as well. Talking about the Eighties impact of private channels, satellite and cable technology, and VCRs on Europe's public TV, he cautions against viewing their effects simply as a product of technological innovation and private entrepreneurship:

> [T]he introduction of new forms of video distribution destabilized a system whose monopoly status was already under pressure ... [a]t the same time, it would be simplistic to view the availability of technology as a deus ex machina.
>
> Satellites would have become much less of a factor had not several major European countries adopted a political agenda of technology development ... Once [state-sponsored rockets and satellites] were technically operational they had to be put to good use to justify the effort.
>
> Similarly, in several countries cable television was actively pushed by the PTT telecommunications monopolies as part of their expansion into new functions once they had successfully completed the spread of basic telephone service ... Entry into cable provided some protection from potential rivals in the future ... and it served their affiliated equipment suppliers well. .. Such efforts led to a proliferation of video channels, not as part of media or cultural policy, but as a result of economic and development policy in the electronics sector.

Noam goes on to emphasize that the public sector, and national broadcasting, are going to loom large for a very long time.

> Broadcast media are part of our cultural reference and they help to set the political agenda-setting role. Competing groups vie for control over culture because it permits them to influence society. Thus, broadcasting institutions are often embroiled in controversy over values and politics ...
>
> In the process, however, neither governments nor public broadcasters will become obsolete. The latter continue to have important functions, in particular producing or distributing programs that are not adequately provided otherwise. They are experienced organizations with an important mission and wide support, and they will not vanish. They may even improve as the privileges of their exclusivity vanish.[14]

Government's direct hand in broadcasting is far from the only means by which it is shaping television. As Noam mentioned, governments have a myriad of means to profoundly affect the evolution of television well into the next century, at a minimum.

Through their PTT systems, for example, they can control directly (or set standards for) entry, and operation of the cable systems that compete with domestic over-the-air broadcasting. Although there are more private satellite operators now (such as Astra and Panamsat), governments—not private enterprises—will foreseeably launch, operate, and allocate transponder space on the majority of TV-carrying satellites. And through promotion of domestic programming production, and limits on "foreign" programming content, they can shape importantly many of the viewer choices their national audiences will have.

National economic policies will also playa crucial hand in the evolution of 21st century television. The hard-fought struggle right now over standards for high-definition television (HDTV) is only one of a dozen seemingly "technical" issues that represent thousands of jobs and billions of dollars for the winners. In the post–Cold War era, with economics as the new centerpiece for competitive national relations, few governments will treat television in isolation. Who produces the new technology, who owns the broadcast systems and programming, what standards will be accepted are as much an issue today as the once obscure issues of rail track width or electrical voltage standards seemed a century ago—with as economically sizeable implications. Americans who blithely imagine that" global" television will emerge as part of a Ricardian world of open trade and free competition do so at their own peril.[15]

What Are the Economics of Global Television?

If income levels and government policies are acting as crucial forces shaping the environment for "global" television, what are the economics of that system itself, especially as it emerges from its history of government monopoly? The standard textbook, Owen and Wildman's *Video Economics,* offers a trio of important, if economically elementary, points that the apostle as well as the critic of global television needs to keep in mind:

> 1) The first and most serious mistake that an analyst of the television industry can make is to assume that .... broadcasters are in the business to broadcast programming. They are not. Broadcasters are in the business of producing audiences.
>
> 2) It is often said that television stations seek the largest possible audiences, but this is an oversimplification. Advertisers are interested not merely in the size of an audience but in its characteristics ... the age, sex, and income composition of the audience ... Some audiences are more valuable than others.
>
> 3) A television station may be able to increase its audience only at a prohibitive program cost ... Although it is true that stations are interested in achieving as large an audience as possible for any given program expenditure, they do not seek to obtain an indefinitely large audience regardless of the cost.[16]

Although Owen and Wildman here are discussing the highly-commercial American TV market, the points they make—as we shall see—relate directly to how global television is likely to evolve.

First, we must grasp the organizational needs of a new global system, including its chief economic institutions. Second, we need to understand how historically the existing national TV systems have already evolved to incorporate international and multinational dimensions that crucially intersect with plans for the new "global" system.

Structurally, any television system—local, national, regional, or global—will be comprised of four distinct elements, rather than forming a unitary whole. First, there must be a delivery system—designated over-the-air frequencies, and/or a satellite or cable network—that can carry a television's electronic signal from point of origin to a viewer's television screen. Second, a programming system must exist—as a network, independent over-the-air or cable channel satellite broadcaster, etc.—capable of organizing programming and ensuring its placement on the delivery system. Third, a production system—whether linked to or independent of the programming system—must conceive and create the programming (or organize the news or arrange for sports coverage) for the broadcast system to carry. Finally, there must be a financial payments system underwriting all this—through advertising, viewer fees, or a tax of some sort—to allow the various systems, directly or indirectly, to operate.

From the early 1950s when television began, up through the late 1970s, these four requirements were met on a national, not a global level. Governments (again, excepting the U.S.) generally authorized a single broadcast entity to produce, program, deliver, and financially operate single-nation, over-the-air television systems.

The national structure of early TV systems, though, didn't entirely preclude cross-border connections and influence. Small antecedents of a "global" system began to appear even in the Fifties. Programming (usually in the form of movies, or some special event) was occasionally purchased from other countries, and there was some international exchange of news footage, sports events, etc. But all of this occurred within a national context, and the delivery of broadcast material between nations was done by sending videotape or film via mail or courier. (In the trade, such delivery was called "bicycling," hinting at its simple origins.)

However small and technologically primitive by modem standards, the international sale of programming began to lay a crucial foundation for the modem world of "global" television—a rudimentary international TV market.

Government broadcasters around the world operated with limited revenues, and no mandate to produce a profit—in economists' terms, they were "cost-minimizing", not "profit-maximizing," enterprises. As such, they viewed foreign programming as a cost-saving measure when compared to producing their own original domestic programs. But what made such foreign programming so comparatively cheap?

In economic terms, foreign programming's cost advantage reflected two crucial concepts. The first is the concept of "sunk costs", and applies to the seller. Programming offered in the international

market had generally already been produced, shown and paid for in its original market. In television, new programming almost always is preferred by audiences to reruns, so the economic value of such "old" programming plummets in its originating market. (It is not without value—popular series can earn lucrative residual revenues, obviously. But profit-maximizing producers, while holding onto such residual rights, generally move on to create "new" programming in order to earn greater revenues, and profits.)

This leaves a secondary, foreign market where the program has not been shown before. It's here we see the second concept at work—monopsony (i.e., the monopoly power of the buyer of international programming) combined with market value.

Table 2, drawn from a 1993 industry study, shows the average earnings range a program producer might expect, selling a single 30minute program to various broadcasters around the world. (Popularity of the show, whether it's part of a series, what else the producer is offering, etc. can all affect the actual price paid; the table represents the range the producer can reasonably expect.)[17]

Note how selling a program to a U.S. network yields the producer as much as $2,000,000, while selling the same program to a French broadcaster nets between $8,000 and $60,000, and to a Chilean station as little as $1,000.

Immediately, one can see what is a seminal issue for a would-be "global" television industry: while the" global" market for programming may be extensive (i.e., covering a very large number of individual national markets), the value to the seller of those broadcast markets is highly variable.[18]

But why? One obvious factor, of course, is a market's size: smaller markets, with fewer people, should earn less than larger ones—other factors being equal. But, as the table itself shows, other factors aren't equal. As mentioned earlier, there is wide variation in personal income among these countries, irrespective of size. In Africa, Asia, Latin America and Eastern Europe, lower per capita incomes—and substantially fewer TV sets (hence smaller audiences)—not total population, account for much of the low price levels paid for programming.

But income—and per capita TVs—aren't fully explanatory either. Western Europe, Canada, and Japan all have high per capita incomes; even adjusting for audience size doesn't explain why a program's value in the U.S. is four to six times greater per viewer than in other advanced industrial countries.

The television markets of the other advanced industrial countries today are a public/private mix. They are a mix, as seen though, in which government channels still capture the largest audience share, and in which the amount of advertising carried on both public and private channels is strictly regulated. From the Fifties through the Seventies, government-operated TV monopolies had no incentive to bid up the price of programming they purchased, since viewers either watched, or they didn't.

But why should the history of government monopoly affect dual public/private systems today, and help keep programmer income so much lower than in the U.S.? The reality is that in dual systems, an indirect cap is placed on private broadcasters' advertising income. By dividing the market between public and private channels, and with public channels receiving substantial license income, these public channels hold advertising rates below those a private-only market would have. This in turn lowers the income private channels are willing to spend on programming, whether imported or domestic.

Table 3 helps illustrate the point more clearly. A 1991 survey of TV advertising spending globally, it shows how widely that spending, both gross and per capita, varies. In the U.S., TV advertising approached $30 billion annually, with per capita ad expenditures at nearly $120. Japan, with a dual public/private system dating back to the American Occupation, has the second highest overall spending ($16 billion) and per capita expenditure ($101). In Western Europe, where private channels basically date only from the late 1970s/early 1980s, total TV advertising equals Japan's (at $17.4 billion), but is spread across a population nearly 3.5 times larger. Per capita ad spending, as a consequence, is significantly lower—at $40, barely a third that of the U.S. and Japan.

In Europe, lower per capita ad spending levels are compensated for, at least for public broadcasters, by their license fees. In 1991, gross West European license fees totaled nearly $12.9 billion—even as advertising revenues have grown as a percentage of their total income. Moreover, although private competition had taken off in the 1980s, license fees have also risen steadily (both in nominal and real terms) throughout the period, allowing the public systems to hold their advertising rates below what they would have been} had the systems been purely advertising-based.[19] This downward pressure on ad rates

Table 2
Global TV Program Prices
(Range Paid per Half-Hour Program in International Trade)

		Low $$	High $$
North America			
Canada	CBC English	12,000	60,000
	CBC French	10,000	25,000
	CTV	10,000	60,000
U.S.A.	Main network	100,000	2m
	Pay cable	50,000	1.25m
	Basic cable	5,000	250,000
	PBS network	50,000	250,000
	Syndication	30,000	100,000
Central &. South America			
Argentina		1,500	5,000
Bolivia		200	350
Brazil		2,500	12,000
Chile		1,000	6,000
Colombia		2,500	6,500
Costa Rica		500	1,500
Ecuador		1,000	2,200
El Salvador		400	630
Guatemala		330	450
Honduras		200	430
Mexico		2,500	10,000
Panama		300	660
Paraguay		140	250
Peru		700	1,200
Uruguay		300	660
Venezuela		5,000	7,000
Western Europe			
Austria		2,600	6,000
Belgium		3,000	5,000
Denmark		2,000	4,500
Finland		1,800	6,000
France		6,000	60,000
Germany		15 000	80,000
Gibraltar		200	
Greece		1,500	4,000
Iceland		600	850
Ireland		1,500	2,000
Italy		8,000	60,000
Luxembourg		1,300	4,000
Netherlands		3,000	7,000
Norway		1,500	5,000
Portugal		2,000	4,000
Spain		7,000	35,000
Sweden		2,500	6,500
Switzerland		2,500	5,000
Turkey		1,500	3,000
UK	BBC/ITV	20,000	100,000
Channel 4		15,000	70,000
	Satellite	1,000	70,000
	Cable	2,000	4,000
Eastern Europe			
Albania		200	250
Bulgaria		500	1,000
Czechoslovakia		600	1,250
Hungary		800	1,000
Poland		750	1,500
Romania		700	1,000
USSR		1,000	5,000
Yugoslavia		1,000	1,500
Asia &. The Far East			
Bangladesh		200	
Brunei		250	500
China		1,000	2,000
Hong Kong		1,000	1,500
India		1,000	1,500
Indonesia		700	1,200
Japan	NHK	10,000	40,000
	Commercial	15,000	150,000
South Korea		750	1,500
Macau	1,400	1,700	
Malaysia*	1,000	1,600	
Pakistan	400	600	
Philippines	1,000	1,700	
Singapore	700	800	
Sri Lanka	300	400	
Taiwan	600	750	
Thailand	600	1,500	
Oceania			
Australia	ABC	9,000	45,000
	Commercial	20,000	100,000
New Zealand		1,500	6,000
Middle East			
Abu Dhabi		500	875
Bahrain		500	650
Cyprus		250	300
Dubai		600	875
Iran		750	1,500
Iraq * *		800	1,000
Israel		500	1,350
Jordan		600	800
Kuwait		1,000	1,200
Lebanon		300	500
Malta		100	300
Qatar		600	875
Saudi Arabia		1,500	2,000
Syria		400	650
Yemen (North or South)		500	1,500
Africa			
Algeria		200	600
Angola		200	600
Bophuthatswana		500	700
Egypt		1,000	1,200
Ethiopia		200	600
Gabon		200	750
Kenya		200	750
Mauritius		175	200
Morocco		300	500
Nambia		400	425
Nigeria		1,500	3,000
Seychelles		125	175
South Africa		2,000	7,000
Swaziland		100	200
Tunisia		500	700
Zambia		200	300
Zimbabwe		200	250
Caribbean			
Aruba		80	100
Bahamas		200	250
Barbados		200	250
Bermuda		100	200
Cuba		400	450
Dominican Republic		200	600
Haiti		100	200
Jamaica		100	200
Netherlands Antilles		100	200
Puerto Rico		1,500	7,000
St. Maarten		100	120
Trinidad & Tobago		300	400

*If telecast prior to Singapore

**Prices which could be commanded during normal times

Source: *TBI Yearbook 93,* by permission

Table 3
Worldwide Television Advertising Expenditures

Region/Country	Population Millions	1991 Adv. Exp. US$M	Adv. Exp. Per Cap US$	Forecast 1992 Adv. Exp. US$M	Forecast Real Growth 92 v 91 %	Forecast Real Growth 93 v 92 %
Africa						
Kenya C	(24.4)	(3)	(0.1)			
South Africa C	35.3	311	8.8	337	8.3	6.4
Zambia	(81.0)	(0)	(0.0)			
Zimbabwe C	(9.8)	(5)	(0.5)			
Total	**77.6**	**311**	**4.0**	**337**	**8.3**	**6.4**
Asia/Pacific						
Australia C	17.1	1,257	73.5	1,231	-2.1	-0.7
China	1,135.0	88	0.1	107	21.4	21.3
Hong Kong C	5.8	485	83.6	507	4.6	6.4
India C	827.1	134	0.2	149	11.2	5.7
Indonesia C	179.3	109	0.6	152	39.5	21.4
Japan P C	123.5	12,466	100.9	12,778	2.5	2.4
Malaysia C	17.9	153	8.5	166	8.2	5.8
New Zealand P C	3.4	204	60.0	214	5.1	4.5
Pakistan C	(113.7)	(39)	(0.3)			
Philippines *C	61.5	126	2.0	141	11.8	17.5
Singapore C	2.7	112	41.5	127	13.6	7.4
South Korea *C	42.8	880	20.6	1,051	19.4	9.9
Sri Lanka C	(17.0)	(4)	(0.2)			
Taiwan C	20.4	688	32.7	809	21.1	23.6
Thailand C	57.2	306	5.3	332	8.4	8.4
Total	**2,493.7**	**16,988**	**6.8**	**17,763**	**4.6**	**4.3**
Europe						
Austria	7.6	261	34.3	289	10.6	-2.0
Belgium P C	9.8	397	40.5	412	3.9	1.1
Cyprus	(0.7)	(2)	(3.1)			
Denmark	5.1	158	31.0	183	15.8	8.7
Finland	5.0	160	32.0	154	-3.7	-0.6
France C	56.4	2,369	42.0	2,393	1.0	1.4
Germany	77.6	2,233	28.8	2,548	14.1	7.3
Greece C	10.0	310	31.0	377	21.5	21.2
Ireland	3.5	92	26.3	94	2.0	1.8
Italy	57.7	3,608	62.5	3,767	4.4	3.3
Malta* *	(0.4)	(4)	(11.4)			
Netherlands C	14.9	385	25.8	407	5.7	4.2
Norway	4.3	39	9.1	61	55.9	71.6
Portugal P C	10.5	228	21.7	248	8.6	7.0
Spain	39.0	2,466	63.2	2,399	-2.7	-0.2
Sweden	8.6	80	9.3	141	76.4	25.3
Switzerland	6.7	153	22.8	153	0.1	2.8
Turkey	58.7	320	5.5	361	12.7	15.9
United Kingdom P C	57.4	4,176	72.8	4,264	2.1	3.7
Total	**432.8**	**17,435**	**40.3**	**18,249**	**4.7**	**4.2**

Table 3 (continued)
Worldwide Television Advertising Expenditures

Region/Country	Population Millions	1991 Adv. Exp. US$M	Adv. Exp. Per Cap US$	Forecast 1992 Adv. Exp. US$M	Forecast Real Growth '92 v '91 %	Forecast Real Growth '93 v '92 %
Latin America/Carribean						
Argentina P C	(32.3)	1251)	17.8)			
Bolivia C	(7.3)	(47)	(6.4)			
Brazil P C	(150.2)	(1,826)	(12.2)			
Chile C	13.2	123	9.3	132	7.1	2.8
Colombia C	33.0	272	8.2	392	44.3	0.9
Costa Rica * C	(2.8)	(38)	(13.4)			
Dominican Republic C	(7.1)	(38)	(5.3)			
Ecuador PC	(10.6)	(27)	(2.6)			
Guatemala P	(9.2)	(11)	(1.1)			
Mexico C	86.2	800	9.3	882	10.2	8.1
Panama C	(2.4)	(32)	(13.3)			
Puerto Rico * P	3.5	316	90.3	302	-4.3	1.0
Trinidad & Tobago C	11.3)	(9)	(7.2)			
Venezuela C	19.7	335	17.0	402	20	25.0
Total	**155.6**	**1,846**	**11.9**	**2,110**	**14.3**	**8.6**
Middle East						
Bahrain* *	(0.5)	(5)	(9.8)			
Israel * *	(4.6)	(20)	(4.3)			
Oman**	(1.6)	(5)	3.1)			
Qatar* *	(0.4)	(3)	(8.5)			
Saudi Arabia * *	(14.9)	(50)	13.4)			
U.A.E. **	(1.6)	(22)	(13.4)			
Total						
North America						
Canada	26.5	1,369	51.7	1,435	4.8	4.4
United States P C	250.0	29,580	118.3	29,255	-1.1	0.3
Total	**276.5**	**30,949**	**111.9**	**30,689**	**-0.8**	**0.5**

Country Codes:
P = Production costs included in expenditure totals, agency commission excluded.
C = Agency commission included in expenditure totals, production costs excluded
P C = Both production costs and agency commission included in expenditure totals.
** = Neither production cost nor agency commission details are given.
P* = Production costs included, agency commission details not given.
*C = Production cost details not given, agency commission included.
No sign means both production costs and agency commission excluded from expenditure totals.

Sources: The figures in this table have been taken from two worldwide reports of national population and advertising expenditure data. Zenith Media Worldwide figures are without brackets and Starch INRA Hooper figures are in brackets. NB: All the Zenith figures in the 1991 expenditure column are for 1991, whereas ALL the Starch INRA Hooper figures in the same column are for 1990 only. For this reason the latter are NOT included in the region totals.

by the public systems in turn placed an upward cap on the rates the private competition could charge, since the publics still held major audience share.

Table 3 also lets us grasp clearly how small a role advertising plays in television outside the U.S., Europe and Japan—a crucial factor in the possibilities for" global" television's growth. Note how in Asia, for example, Japan plus Australia (with 6% of the region's population) accounts for over 80% of TV ad spending. Or, how all of Latin America, with a population 50% larger than the U.S., amounts to 6% of the U.S.'s TV ad revenues. Or, most strikingly, how Middle East ad dollars total barely $100 million, while African TV ad spending (apart from South Africa) is virtually nil.

As we shall see, the size of the ad market outside the industrial West, Japan and Australia is a minor fraction of the monies spent inside the world's industrial core. While deregulation is bringing rapid growth to many of these markets, their ad base often is no larger than a single U.S. metropolitan market. Would-be "global" broadcasters aren't wholly dependent on advertising, but advertising is no small part of their strategy for profitability. Thus, once again, we are brought back to the realization of the role income, and government policy—not just toward TV, but economic growth—are going to play in any future for "global" television. Far from being a matter simply of technology driving a global future, we are forced to wrestle with some of the oldest questions the world has faced.

Market Tiers in the "Global" Market

When Americans talk about "global television," the first image that usually comes to mind these days is CNN International. Now visible in more than 200 countries, it seems the very model for what is commonly meant by "global" television. In fact, it is only one part—albeit a vanguard—of the market.

Since CNNI's creation eight years ago as the international offshoot of the U.S.-based CNN, it has been joined in the global TV race by the BBC's World Service Television, and collectively by MTV's European, Latin American and Asian efforts. On a regional basis, there are even more new systems operating: Rupert Murdoch's Sky Channel and the EBU's Euronews in Europe; the Middle East Broadcast Center in the Arab world; in Latin America, Televisa's Eco and both CNN's and NBC's Spanish-language services; in Asia, Star TV; and in Africa, the South African-based M-Net. In addition, there is almost daily talk of new "global" or regional satellite-based competitors, ranging from Japan's NHK to French-language broadcasting into Francophone Africa.

With so much apparent activity in the" global" TV field—and new entrants seemingly anxious to enter, it's helpful to distinguish at least three separate concepts that often intermingle when" global" television is discussed.

The first is "international" television, the oldest of the three categories, which suggest simply the transfer of television programming (or program license, etc.) through sale or barter, between at least two countries. This particular form of trade dates back to the mid-Fifties, and has already been discussed in some detail.

Second is the idea of "multinational" television, which suggests a more kaleidoscopic set of relations that includes much wider program transfer, the coproduction of programming, regional (rather than national) broadcasting, and transnational ownership of broadcasting and production facilities. For the most part, this newer form began in the Eighties, with the technological and regulatory changes that characterized the decade.

Finally, there is the "global" television of the Nineties, with an expansive multinationalism that promises to make all, or at least a great portion, of the planet's TV audience available to a set of individual broadcasters.[20] It certainly includes many of the features of multinational television, but in scope vastly transcends the regional ambitions of multinationalism.

"Global" TV may be the topic of the hour, but of the three categories, "international" television is by far the largest in economic terms. Beginning in the 1950s, America built on its experience in theatrical motion picture exports by selling movies to foreign broadcasters. In turn, European, Japanese, and smaller markets sought export markets for their own motion picture industries.[21] By the early 1960s, this process gradually began to include trade in television programs, particularly of domestically-popular American TV series.

From its inception forty years ago, however, this "international" trade in programming has been far from "global" as we commonly use the term. First it was (and remains) overwhelmingly a bilateral, trans-Atlantic affair, in economic terms. Second, it has been a decidedly one-way trade: measured in dollars, this "international market" has been one of Europeans buying U.S. exports.

International trade data show this concentration and flow pattern quite clearly. In 1989, for example, total world trade in TV programming amounted to $2.4 billion. On the export side, that trade was concentrated in very few hands: U.S. exports alone accounted for 71 % of the total. The import side, in turn, was similarly concentrated:

Western Europe imported over half of all exports, and three-quarters (or $1.3 billion) of U.S. shipments. (By comparison, total U.S. imports of foreign programming, whatever the source, amounted to barely $160 million—or less than 2% of U.S. programming hours.)

Put slightly differently, if one ignored the U.S. and Europe as TV program importers, the remaining 150 or so nations of the world (with nearly 88% of the earth's population) together in 1989 made less than $700 million in international programming purchases—barely a quarter of the global total.[22] One could more rightly refer to this not as "international" trade, but a EuroAmerican market, with only a distantly secondary global component. Or as one U.S. television executive bluntly put it, "This business is about as 'global' as a one-way New York-to-London plane ticket is a trip around the world."[23]

The good news for Hollywood (and U.S. balance-of-payments) is that the demand for programming is still expanding rapidly. From 1987 to 1995, chiefly as a result of new European channels, the increase will be from under $1.5 billion to nearly $5 billion—a more than threefold increase in nominal terms.

Although the U.S. has been the most prominent beneficiary of this explosion, future market growth holds major problems. Within the overall global growth curve, the U.S. share of total market is declining, even while growing in dollar terms. The most rapid growth is occurring among non-U.S. (especially West European) exports, which will effectively double their market share over the same period.

It is this shift—of U.S. sales growth slower than the total market, and the appearance of a sizeable competitive West European export market—that is prompting new attention to what we have defined as the "multinational," as distinct from the "international," market for television. The implications, as we shall see, reach well beyond the old trans-Atlantic trade.[24]

The Shift to Multinational Programming

"Multinational" broadcasting isn't by itself a leap into a new era of globalism for television. Nor is it simply replacing the older international trade. Rather, it is supplementing the older form by forging a new category in television trade among nations.

Its emergence in the Eighties directly reflects a tectonic shift in the trans-Atlantic trade which characterized the older—but very much still ongoing—"international" market. That shift was caused primarily by two changes in the European TV environment—first, the privatization and commercialization of TV itself (which we've already examined), and second, the rise of the European Community with its quest for an integrated, continental market.

With the arrival of competitive broadcasting and viewer choice, broadcasters discovered that an old shibboleth—that Europeans readily accepted foreign programming, even when dubbed or subtitled—was little more than a myth. Given the opportunity, viewers showed a decided preference for original programming in their own language, with characters, plots and styles that reflected national—rather than Hollywood's—culture.[25] This discovery, however, has presented a challenge to the broadcasters, since the cost of original production has been decidedly higher than purchase of American reruns.

A recent Annenberg Center study summarized the economic dilemma facing European broadcasters: "If considered as a single unit, the [European Community] may represent the largest media market in the world ... However, Europe's media industry is fragmented by culture, language, taste, and regulation ... [consequently] there is no truly pan-European media market, and European media groups are relatively weak." One significant measure of that market fragmentation, the study notes, is that 85% of all European television programs are never transmitted beyond their original linguistic group.[26]

For these broadcasters, with new channels and viewing hours proliferating, the question is how to satisfy popular demand for domestic programming to such relatively small audiences. The answer has become "coproduction" and "outside production," the watchwords of the new "multinational" approach.

By dividing costs and responsibilities through "coproduction" (among production divisions or subsidiaries of two or more broadcasters, often from different countries), producers could divide the costs, and hence the risks, associated with program production. Moreover, by using independent producers to generate the programming, costs and risks could likewise be reduced for the broadcasters.

Measured in dollar terms, it is easy to see just how significant "multinational" programming is becoming. In 1992, coproduction and outside production represented more than $2.8 billion of West Europe's programming purchases; imports were $2.15 billion. By 1995, the gap will grow—multinational programming to nearly $5.3 billion, while imports will rise only modestly, to $2.7 billion.

Another measure of the spread of "multinational" coproduction comes from a survey conducted by the trade journal *Television Business International,* in association with the William Morris Agency. Conducted in late 1989, the survey—which was extensive, but by no means comprehensive—found 78 active coproductions in France, 82 in the U.K., 52 in Germany, 42 in Italy, 61 in the U.S., 25 in Canada, and dozens more scattered among the smaller states of Europe.[27]

(The mention of 61 U.S. coproductions is evidence that the new "multinational" programming wave is far from an exclusively European phenomenon. As European television has grown, American producers—accustomed under "international" trade to "owning" the market for exported programs—have recognized the threat posed by the "multinational" alternative, especially since the "multinational" threatened to become, more accurately, "multi-European" in scope.)

A second factor has been at work in the U.S. reaction to the growth of "multinational" production. For years, European cultural critics had denounced the "Hollywoodization" of European cultural life—first through movies, and then through the heavy purchase of American programming by European public broadcasters. One of the most powerful arguments against privatizing European television came from those critics who feared that more channels would open; floodgate to American sitcoms and melodramas such as "Dallas" and "Dynasty." The French particularly—personified in Minister of Culture Jack Lang—goaded the European Community into looking carefully at setting restrictive quotas on further imports of U.S. TV shows. In the end, as set forth in eventual EC reports and guidelines, the threatened "quotas" proved to be far from restrictive, and so loosely drawn as to be ineffectual, but the warning was heard on both sides of the Atlantic.[28]

The Relevance of International and Multinational Experience

Why are these two markets—in "international" and "multinational" production and trade—so important in understanding the evolution toward a "global television village"? First, because their form—i.e., their heavy reliance on the European and American markets—let us see once again how important income is in shaping TV markets. The affluence of Europe and the U.S. has meant that, for the past forty years, the "international" trade has really been primarily a bilateral, trans-Atlantic trade in fact. Nonetheless, although economically minor, international trade has allowed broadcasters outside this axis to become experienced in program exchange. Thus, the claim of novelty for at least one part of what proponents cite as a "new" globalism is instead well-established and quite familiar, even though small economically.

Second, because focusing on "multinational" programming can also let us see that the new technology and regulatory environment of the Eighties—which supporters cite as laying the ground for "globalism"—is spawning a process that is decidedly more complex.

As European broadcasters discovered in the Eighties, the demand for foreign programming—once a decent quality, locally-produced alternative is available—is substantially less than they had imagined, and less than critics of "Hollywoodization" had so vocally feared. This represents no small challenge to proponents of a "global" TV future, because it suggests that rather than serving to unify separate national markets, the changes of the Eighties are actually strengthening national broadcast systems, even as the number of broadcasters per country grows.

Indeed, focus on "international" and "multinational" markets can let us see a central fact almost never underscored in the discussion of "globalizing" television: the vast majority of programming is produced, aired, and remains in a single country. In the United States, of course, this has always been true: barely 2% of program hours broadcast come from overseas, mainly British imports. But the same has always been true of the lucrative Japanese market as well. And as noted earlier, when the EC set out to consider quotas on foreign (i.e., U.S. TV) imports, it discovered—after a decade of channel and broadcast hour proliferation—that 85% of all broadcast hours in Western Europe are conceived, produced, aired in—and never leave their country of origin.

These conclusions aren't limited to the huge

trans-Atlantic market either. If we look at aggregate programming expenditures globally, we are likewise led—contrary to the image of an emerging “globalism”—to the same conclusion. By comparison to the $2.4 billion trade in international programming, for example, the sum of spending by broadcasters on their domestic programming is more than $70 billion. (If measured in purchasing power parity, the number would be even larger, exceeding $80 billion a year.)[29]

In short, on the eve of a presumed new “global” era for television, domestic—not international, or even regional—broadcasting is surprisingly powerful, if measured in terms of programming. The changes brought by the Eighties may have made foreign programming more technologically available than ever before, but the evidence is that actual use of such programming in the schedules of most broadcasters is quite small—forty years after the “international” programming trade was first created.

Mass Medium or “Office Intercom for the Elite”?

Given all the evidence pointing toward an increased strengthening of national TV markets, will CNN International—with its global role as both news gatherer and broadcaster to the world—be able to overcome tendencies that seem to push against, not toward, globalization?

CNN certainly thinks so. Ted Turner has repeatedly insisted that his vision for a world TV news network was always driven first by idealism—”the salvation of life on earth,” as he once put it—rather than making money.[30] In more recent statements, CNN’s President Tom Johnson has continued to echo his chief’s ideas:

“Our vision is global,” Johnson told an interviewer last year. “During the next five years, our highest priority will be given to the expansion of the CNN International network itself. Beyond that, we look to establish some new strategic alliances which may enable us to serve in the language of the regions such as Germany, Japan, and Russia. Our aspiration is to be able to report from virtually any point on the globe, to every point on the globe.”

But how exactly does Turner’s vision get translated into the gritty economics of business? Robert Ross, as head of TBS International, is charged with making that vision a business reality. As he explains, the demand side is more than just a simple matter of competing “global” networks:

> There may be room for one or two, even three, global English-language networks. But clearly there’s room for some regional ones. There’s going to be a Spanish-language network in South America, there’s going to be a news network in Japan in Japanese, there’s probably going to be a French one which will go into French West Africa, and there will probably be an Arabic one. And our long-term thinking is to try to take a 30 to 40 percent interest in each of these, help them set it up and operate it, and at the same time to make each one a news supplier to the others, thus lowering news-gathering costs.[31]

The growth of CNN International’s reach since its founding eight years ago is constantly being remarked upon (while Ross’s description of a very different” global” vision, defined by multinational corporate ownership rather than single-source broadcasting—is simultaneously ignored or glossed over, a matter we shall turn to.) From a small base its first several years, the number of countries receiving CNNI by 1990 reached 80, and by late last year, the number exceeded 200—approaching virtual” global” saturation.

But as critics and competitors are quick to point out, CNNI’s “reach” is substantially broader than it is deep. In a world with 5.1 billion people, the actual number of viewers claimed by Turner amounts to less than 65 million—slightly more, that is, across the entire world outside the U.S. than inside.[32] In many of the countries serviced by CNNI, in fact, apart from a virtual handful of elite households and government offices, luxury hotels catering to Western business travelers and tourists are the core of these “local” audiences.

Put slightly differently, in the U.S., CNN reaches an impressive 60% of U.S. households. Outside the U.S., however, if we calculate CNN International’s claimed” audience” as a percent of the world’s total five billion population (not counting the U.S.), it amounts to slightly more than 1%.

There is an easily-missed subtlety, as well, when CNNI talks about its 65 million “audience” or “reach”, not always understood by a layperson. “Audience” as used here doesn’t refer to a group of TV viewers actually watching a given program at any given moment, or even a group who watches a channel over any set period of time. Rather, it refers to the number of people who, if they turned on their

TV sets and tuned to the channel, could watch it. This use of the term is hardly unique to CNN—rather, it is standard in most discussion of cable or satellite viewing, and even some terrestrial over the air; but it is significantly different from, say, a Nielsen rating of an "audience" for a given TV program.

Put another way, PBS could fairly claim—if talking about its" audience" as CNN International does—of "reaching" almost 90 million households, or 230 million viewers, since most American households are capable of receiving their local PBS affiliate. No one, of course, gives the slightest attention to such figures, since on any given evening PBS is actually quite happy when it draws 3–4 million actual viewers for its programming.

This discrepancy between the quite large-sounding "audience" or "reach", and actual viewership leads a professional such as Rich Zharadnik, editor of the trade journal *Television Business International* to distinguish between what he calls CNNI's "influence and business". Zharadnik credits CNNI with an initial success in achieving influence and recognition, while insisting the jury is still out on its future as a lucrative business. "CNNI," in his view—in a memorable phrase— isn't headed toward winning a mass market global viewership, so much as it is destined to be "the office intercom of the global elites."33

The gap between" audience" and actual viewership, though, isn't the sole reason why Zharadnik (and many other professionals) are skeptical about CNNI's global growth horizon. The issue—as CNNI's ability to transmit a signal that blankets the globe demonstrates—is not of technologically-feasible supply, but fundamentally of economically-viable demand. Having proved that TV signals can be sent around the physical world, the questions are the real-world socio-economic gatekeeping issues that have faced commercial television broadcasting since the beginning: who will watch, who will pay (and how much), and why?

Whether one looks at CNNI, BBC/WTV, StarTV, MBC, Sky, or a proliferating number of other would-be satellite-based transnational broadcasters these issues remain the same. Concentrating on 'CNNI to begin with can quickly bring those issues into focus—and suggest why both the popular vision of CNNI and the much different sketch of what Robert Ross sees as a viable business opportunity remain to be decided.

How the Globals Hope to Make Money

In 1993, the world's sixteen largest national TV broadcasters routinely reported incomes over one billion dollars. The largest, Japan's NHK, reported $3.9 billion. CNNI, by comparison, the largest of the global broadcasters, reported slightly in excess of $100 million. Granted, the "globals" are the most recent entrants in the world television market; the question is how they plan to grow anywhere as large as their domestic cousins.

To answer that question requires examining the multiple sources of presumed future revenues, and their likelihood for growth, in order to assess the economic potential underlying CNNI's (or BBC/WST's or the regional satellite broadcasters') future. At present, CNNI's revenues derive essentially (apart from parent company support) from four principal sources: I) hotel fees; 2) rebroadcast fees; 3) direct viewer fees; and 4) advertising.

Hotel fees, in the first instance, obviously start from a small audience and income base. CNNI, for example, relies on 1300 hotels in Europe as its core market, while BBC/WST reports being in fewer than 350 hotels globally.[34] Hotel viewer fees also face a decidedly low upward growth horizon, because such fees are paid almost exclusively by international chains and luxury hotels catering to an English-speaking market of business travelers and tourists. Given the small absolute number of such hotels, especially outside the developed industrial world, full saturation of such a market still leaves any would-be global broadcaster with revenues in the few millions of dollars—hardly a significant economic achievement, or rationale for the long-term focus of billion-dollar-plus enterprises like Turner Broadcasting or the BBC.

Rebroadcast or "carriage" fees—where CNNI or BBC/WST is paid by a local broadcaster or cable company for the right to carry the network's news as part of its regular programming—likewise faces a relatively low level of revenue growth, especially as one looks beyond the small number of industrial countries which comprise the bulk of its viewing base. The low fees paid by most countries for broadcasting rights to programming in international trade—amounting again to oftentimes a few thousand dollars per program (as shown in Table 2)—leave CNNI able to command, even in larger, affluent markets—decidedly less revenue than the parent CNN can hope to capture from even a small portion of its home U.S. market.

In Western Europe the difficulty CNNI faces

has to do with several factors: the existence of well-developed and highly-watched over-the-air local news broadcasters, both public and private; the still-low penetration of both cable and satellite, and—in cases such as Germany—the problem of "reverse carriage" fees, in which CNN or other program services are charged, rather than being paid, to be carried by the country's cable system.

How Big Are the Home Satellite and Cable Markets Globally?

The potential for upward growth of such fees, of course, depends a great deal on the audience share a "global" broadcaster is able to capture in competition with domestic alternatives. But here again, the ability of a true" global" network faces a decidedly large challenge.

In the mid-Eighties, when CNNI was launched, the conventional wisdom was that technological change—embodied in the potential of home satellite dishes and cable—was about to transform the global market for TV viewing, increasing immensely both the total global viewing and the number of channels available to these viewers. The prevalent view was that these sources of viewing would steadily, and rather quickly, erode the nationally-based, over-the-air systems which preceded them.

But a decade later the evidence for cable and satellite's reach, and their ability to displace, seems less decisive. Of course, this is not the case in the world's most lucrative market—the United States—where satellite as a direct delivery system to homes has been decisively beaten by cable: today cable is in over 60% of American homes, and passes nearly 80%; satellite home receivers are in use in less than 3% of homes, by comparison. (There is talk of a "renaissance" in DBS in the American market, beginning toward the end of the decade, fueled in large part by the apparent willingness of Hughes Aerospace to launch a new generation of satellites, but few experts in the field believe such a system can displace the entrenched cable system, and its economically- and politically-powerful owners.)

Outside the United States, however, even in affluent TV markets, neither cable nor satellite-to-home broadcasting has achieved anything like the American model. In Western Europe—in aggregate dollar terms, the world's second largest TV market-acceptance of both home satellite and cable is lagging well behind U.S. penetration rates. The issue is hardly one of supply—well over 100 separate European channels are broadcast by satellite. Yet one recent report places home satellite reception at approximately six million households, or 5.4% of total TV households, with Germany and the U.K. over two-thirds the total.[35] Although higher than comparable U.S. figures, the recent growth spurt has been heavily influenced by dish purchases in the former East Germany.

European cable has done better, now reaching an estimated 30 million homes, or 26% of regional households. But, as with satellite, these figures are heavily weighted by Germany and the U.K., and with minor exceptions (the Benelux countries and Switzerland), much of Europe remains virtually untouched by cable. France, for example, has a combined satellite/cable penetration rate of 6% of households, Spain 9%, Italy less than 1%; even the U.K., with the second largest number of satellite and cable connections after Germany, has barely an 18% penetration of its TV households. Some researchers aren't predicting that European acceptance of cable and satellite will reach anything approaching U.S. levels until after the turn of the century.[36]

In Japan, the world's third largest market (and home to vibrant TV and electronics industries), the European experience holds true. With more than 41 million TV households, fewer than 15% have elected either satellite or cable options, although both are widely available.

Similarly, throughout much of the rest of the world the spread of both cable and satellite-to-home broadcasting is proving sluggish at best, when compared to the size of the total TV household market (let alone total global population).

In Latin America, for example, both satellite and cable usage are best described as "fledgling." Brazil reports 1% satellite penetration of its 30 million TV households (out of 150 million population), and a higher cable percentage, probably under 6% (signal-pirating is extensive). Mexico, the region's second largest country, has less than 10% combined penetration. Colombia reports under 9% combined; Venezuela, under 5%. From there, the percentage penetration by satellite and cable drops in other countries to less than 2%, at best.

The Middle East and Africa don't even reach Latin American levels. The Middle East Broadcast Corporation, which broadcasts a pan-ArabWorld signal via satellite from London, estimates perhaps 400,000 home-receiving dishes throughout the region. In Africa, reception of South Africa's M-Net signal, which blankets the continent, is picked up by an inconsequentially small number of

dishes. "Apart from white farmers and government officials," says *Television Business International* editor Rich Zharadnik, "it's hard to tell who's watching."[37]

More recently, the Asian market has been seen as a potential gold mine for home satellite reception. Two recent stories in the *New York Times* illustrate what seems to be the seemingly vast opportunities awaiting satellite transmission among the 2.6 billion residents of Asia.

One, about India, tells the story of the "dish wallahs," individual entrepreneurs who install a satellite dish atop an urban apartment building, then run cabling to individual apartments, and sell the programming received for a monthly fee.[38] The story is almost a model for how the promise of "global television" is often described, with talk of the "thousands of apartment buildings, and millions of their inhabitants in major Indian cities" that receive everything from CNNI to MTV. But, in fact, when the story offers actual numbers—in a country of 850 million—the best estimates turn out to range from 3–5 million viewers.

More recently, the *Times* has discovered a similar phenomenon in China. In a front-page story, "Satellites Bring Information Revolution to China", the newspaper celebrates "the hundreds of thousands of satellite dishes that are sprouting, as the Chinese say, like bamboo shoots after a spring rain."[39] It goes on to emphasize the government's consequent loss of control over TV viewing and the extensive popularity of satellite TV viewing among the Chinese masses. But as in India, the actual numbers of such viewers—4.8 million households, among more than one billion Chinese—tends on modest reflection to deflate the imminent character of the satellite-based "revolution" captured in the story's headline, especially since the dish alone sells for more than the average Chinese's $360 per capita income.

A study by London-based CIT Research suggests that direct-to-home satellite penetration of the Asia-Pacific will in fact grow, but from a current base of 1.8% of TV-equipped homes to an estimated 6.2% by 2002.[40] Even if one allows for substantial underestimation (although projections by Star TV and others don't vary widely from such levels), the compelling point is that far from being a means of mass communications, in the sense at least one associates with TV satellite-to-home television is likely to retain a decidedly up-market enterprise.

Who Will Pay for Satellite and Cable TV?

For the would-be global network, such low penetration figures lead to two other difficulties. The first is associated with viewer-based revenues. By the late 1970s, as early satellite programming was taking off in the United States, programmers such as HBO found that freelance "pirating" of their signal by home-satellite viewers could seriously threaten potential revenues; to solve the problem, they began to encrypt their signals, limiting viewership to those who paid for a "descrambler" attached to the home dish.

The conflicting desire of satellite-based TV to maximize audience, and at the same time to be paid for the audience it reaches, can be seen in the indecision of BBC/WST, the "other" would-be global network, about how it will eventually be paid for the programming it provides.

World Service Television is a Thatcher-era-born attempt to bring the BBC into the world of commercial, and profit-driven, broadcasting. It receives no direct funding from the parent corporation or the British government, and so has been launched most prominently in Asia, in partnership with the Hong Kong-based satellite broadcaster, Star TV. (Owned until last summer by Hutchison/Whampoa, a Hong Kong conglomerate, Star has since been sold to Rupert Murdoch, which may eventually jeopardize WST's position, given Murdoch's competing interest in Sky and Fox.)

Whatever the future with Murdoch, WST so far claims to be pleased with its initial penetration of the Asian market—11 million households, according to research commissioned by Star, are able to receive the programming. The service appears to be especially strong in India, where WST President Chris Irwin says they have quickly outpaced CNNI in popularity, and now reach 3.3 million households.

But Irwin is also acutely aware of the challenge facing a "global" broadcaster such as the English-only BBC/WST in its hopes of collecting viewer fees. Doordarshan, the Indian government broadcasting monopoly (with more than 40 million viewer households and more than $120 million in ad revenues) has already announced plans to set up three Hindi-language satellite channels of its own—offering news, sports, and entertainment. Meanwhile a new private satellite TV service, called Zee TV, has begun broadcasting an exclusively Hindi-language channel. "We have audiences everywhere," says Subhash Chandra, Zee TV's chairman. "[Unlike BBC/WST, we can reach] the villages where people don't speak English," a

condition that accurately describes, not incidentally, 90% of India's potential TV audience.[41]

This willingness on the part of both public and private national broadcasters to confront the "globals" with vernacular, nationally-based alternatives goes to the heart of the problem the "globals" are facing in building both audience and paying subscribers. Having utilized the rapidly-falling price of satellite communications to construct international networks, they are seeing challengers emerge, using the same technology, but with a much narrower single-country (or single-language) focus, albeit often with the potential to reach huge potential markets, such as India and China.

Irwin, coming from the BBC's environment of public service broadcasting, insists that he welcomes the challenges, and sees them benefitting all parties. "One thing is clear," he says, "the days of state broadcasting monopolies are gone." But he then goes on to observe,

> That is not to say that the days of national broadcasting are over even if monopoly is no more. Neither the BBC nor any other international broadcaster can replace the indigenous broadcaster ... The instinct for self-preservation is as strong amongst broadcasters as amongst anyone. BBC World Service Television may have beaten Doordarshan by five days with pictures of last October's earthquake in the Uttar Karshi district. My guess is that next time Doordarshan won't be quite so slow off the mark, on this or on other stories of consequence for India. Its credibility ultimately depends on it being able to cover the news on its doorstep.[42]

Irwin's point about Doordarshan can be multiplied throughout much of Asia. National satellite systems are taking off in the region's mid-sized countries: Thailand is scheduled to launch a satellite that will broadcast exclusively in Thai, and both Korea and Malaysia will have their own vernacular systems aloft soon thereafter. China, meanwhile, has two satellites of its own on order, and Indonesia is set to launch its third-generation Palapa-C1 in 1995.

The proliferation of satellite alternatives, especially those targeted in local languages, cuts to the very heart of the growth strategy foreseen by the "globals." That strategy was never meant to actually see satellite-based viewing turn into mass communication as we casually understand it, but instead to "skim the cream" off the growing (but still relatively small) TV-watching portion of the vast Asian audience. Current figures indicate that among Star's viewer footprint of 2.6 billion, 25 million households have incomes above $30,000 a year, a number expected to double by the year 2000.

Hugh Williams, Irwin's deputy at BBC/WST and head of programming, is quite frank about the future limits for the would-be "global" news broadcasters. "We accept the fact that we will in some sense always be a secondary service," he says, when competing with local news broadcasters. Even in Asia, where BBC/WST is proud of the eleven million households it now reaches, he acknowledges that actual active viewership at any time is closer to 2–3% of those households, and that "viewer subscription, not advertising, will be the big piece of our future revenue."[43]

But the emergence of satellite-driven national systems is reshaping that future. Julian Mounter, Star's CEO, is already trying to recast the company's operating strategy by describing its structural evolution into the form of what he calls a "jellyfish"—with separate movie, news, business, entertainment, and children's channels, each in turn translated, in "tentacle"-like fashion, into six of the region's main language groups. But he acknowledges the very real problem he faces, even if such a strategy—presenting a thick web of technical, financial, and consumer acceptance problems—can be implemented. "The question is how long a lead time we have until the broadcasters in the 38 countries wake up to the competition from us," Mounter admits. "We have to continue driving our reach to such a size to provide ourselves with the financing to buy better programming."[44]

If Not Viewers, Will Advertisers Pay for Global TV?

Making advertising work on a "global" system is the second of the two great questions facing viability of the medium. Faced with multilingual, multinational audiences, the argument the satellite-based broadcaster must meet is not merely of audience size, but efficient reach.

The dilemma Star faces in attempting to find a market position that is financially profitable—as distinct from technologically feasible—is by no means unique to the vast, but relatively undeveloped economies of Asia.

In Europe over the last decade, attempts to establish true "pan-European" broadcasting and advertising

alike have faced manifold problems. During the early 1980s, particularly during a period when Saatchi & Saatchi and a few other giant ad agencies were driving international consolidation of the industry, there was enormous talk of the imminence of "global" advertising that would form the revenue base for "global" broadcasting. Coca-Cola, Procter & Gamble and other consumer producers with a high brand identification were thought to be models for a revolution in consumer advertising that would profoundly reshape the entire advertising market.

A decade later, the promise of such a "global ad market" is decidedly dimmer than its advocates had hoped. As a Coca Cola executive recently commented, "We're not in the business of looking for a global, or even regional, strategy per se any more. We're concentrating on national, or sometimes common-language markets such as Germany and Austria. For us, globalism is still off in the future."[45]

The heart of the limits faced by both advertisers and programmers in Europe—and throughout the world—is linguistic. Satellites can deliver programming and advertising instantaneously and simultaneously across the more than two dozen languages spoken in Western Europe, but the viewers—as repeated market research shows—want their television delivered in local tongues. Contrary to a history for both motion pictures and early TV broadcasts that relied heavily on dubbing of foreign (often U.S.) programming, an affluent and culturally confident Europe now—despite all the talk of Euro 92 and common markets—to be more linguistically divided than ever before.

One study entitled "The Last Frontiers of European Television," for example, concluded:

> While national boundaries have been eroded by technology, and deregulation and privatization have generated more and more channels, pan-European broadcasting projects have failed to hit the mark. .. [B]roadcasters have stopped thinking in ambitious pan-European terms and begun concentration on language markets. Of the ten advertising-supported satellite-delivered TV channels with pan-European ambitions currently in operation, none is remotely near the break-even point.[46]

Other researchers have turned up related findings particularly limiting to the hopes of the would-be" global" or "super-regional" broadcasters (such as CNNI or BBC/WST) that broadcast primarily in English.

Asking a representative sample of 4,500 Europeans first to rate themselves on their English-language abilities, then to translate a series of sample English phrases or sentences, the study produced, in its words, "sobering" results: "the number of people really fit for English-language television turned out to be less than half the expected audience." In countries such as France, Spain, and Italy, the study found, fewer than 3% had excellent actual command of English; only in small markets, such as Scandinavia and the Low Countries did the numbers even exceed 10%.[47]

These barriers to common programming and advertising run contrary to the widespread impression—held by many American, and not a few European cultural figures—that the opening up of European television in the 1980s would in turn open floodgates through which would pour a vast river of American programming. Part of the core assumption of many versions of "globalization" in fact have keyed off the idea of any increasingly homogeneous programming market. Much of the concern about concentration of media conglomerates such as Time/ Warner, Bertellsman, and Berlusconi have in fact emphasized the effect of concentration on narrowing ultimate viewer choice, even as a vast new demand for programming was being generated.[48]

In fact, the sharp increase in the number of European channels (from about thirty in the early 1970s to almost 150 today) has significantly increased domestically-produced European programming, rather than overwhelming European with Hollywood's output. By late 1989, one study, looking askance at the protracted debate the Europeans had engaged in about whether to formally limit program imports—finally set forth in the EC's "Television Without Frontiers" directive—concluded, "One can't help but wonder what all the fuss [was] about." Using carefully-weighted ratings that measured not only hours of programming but audience penetration, the study—based on 70 channels in 18 countries—found that the average European content in European television was 68 %. An EBU study published three years later (but using slightly different coefficients) found that 85% of European programming was not merely European, but limited to its country of origin (thus excluding intra-European imports).[49]

By late last year, a comprehensive survey of prime-time viewing around the world underscored

just how significant the role of domestic, as distinct from international, programming has become. Throughout Western Europe, for example, the survey found that viewers consistently choose to watch domestically-produced programming in their own language.

What is overwhelmingly clear from the study is the near-universal preference for domestic programming at peak viewing hours. The exception seems to be in televising theatrical movies where Hollywood's popularity still can gamer audiences world-wide, and the continued willingness of broadcasters to use cheap imports to "fill out" their schedules in non-prime time hours. As the study itself concludes,

> ... despite the continued expansion of the international television market, opportunities for program sales to overseas markets were far from limitless. Indeed, the anticipated flood of U.S. programming onto foreign stations had failed to materialize and a growing number of indigenous producers were finding ready local buyers for their output.[50]

Stated more formally, what we observe empirically is the following:

1) As markets controlled by state monopolies are transformed into competitive markets including both private broadcasters and commercialized public broadcasters, the total number of broadcast hours, programs, the price paid for programming, and advertising spending experiences a substantial one-time lift.

2) The market then appears to stabilize at a rough new equilibrium level in terms of the number of broadcasters, hours, and ad revenues. New national broadcasters appear slowly, and existing broadcasters may in some cases fail (such as France's Le Cinq). Having taken a one-time jump in revenue and expenditures, at this new equilibrium, the broadcasters look for cost savings and controls to accommodate much slower growth in ad revenues.

3) Competition intensifies, as cable and satellite broadcasters enter markets, and attempt to capture market share from the terrestrial channels. Outside the affluent countries which constitute the majority of domestic TV revenues worldwide already, though, viewer ability to pay for these services is extremely limited. And even in the affluent countries, in Europe and Japan, willingness to pay for cable and satellite options nowhere seems ready to approach existing U.S. levels of acceptance (with a few, isolated exceptions).

4) Faced with terrestrial, satellite and cable competition, the main terrestrial broadcasters (both public and private) focus on improved volume and quality of national-language programming. Viewers show a decided preference for this, over imports (with the exception of certain, generally American movies) .

5) In such a market, "global" broadcasting finds itself at a distinct disadvantage, particularly when it fails to broadcast in an audience's native language. This does not mean a failure for satellite-based broadcasting, but rather that it is used more generally by nationally- or language-based broadcasters to target specific national or linguistic audiences.

Is Technology a Globalizing or Localizing Force?

Alvin Toffler, the futurist and author of *The Third Wave,* was invited to keynote a recent convention of international television executives. Old-fashioned, over-the-air, locally-based or network broadcasting, he firmly proclaimed, was "doomed," destined to become "a faint, forgotten blip in the image archives of tomorrow." Instead, the future belonged to a high-tech world of electronic interactivity and vast programming options, a world in which the individual viewer would be the producer. In place of "mass" media, Toffler assured his listeners, the next century belonged to its opposite, something he colorfully christened "individeo."

Les Brown, one of television's sagest critics, was in the audience, and found himself growing more and more frustrated. "My own reaction," he recalled later, "to Toffler's address was that it was good theater but questionable fortune-telling. Futurists tend to be more at home with technology than human nature, and it struck me that Toffler doesn't understand the dynamics of broadcast television at all." Brown is part of an emerging group of thinkers about global media who not only view the future as a determined one of "globalism," but see localism—embodied in the old-fashioned, over-the-air broadcaster—as having a much longer future than anyone ever expected.

"Broadcast television," Brown now believes, "has an edge on everything else in the marketplace today—or tomorrow—because, when it is working right, it is a complete service, responsive to the needs of its audience and capable of reacting to events." To Brown, the great difficulty facing would-be" global" satellite services, or even most cable systems, is that most of them are in fact not news services, but entertainment-based, and

as incapable of interrupting themselves for a news bulletin as a video cassette. Any American watching HBO or MTV on January 16, 1991 would not have know that the country had gone to war in the Persian Gulf. Nor would they have known last May of the rioting in LA. I doubt that many residents of that city, behind their locked doors during those tense three days, were diverting themselves with cable programs or home video movies. Everyone in LA needed to be plugged in to the outside and for the most part they plugged in to through the local broadcast stations.[51]

Brown's comments are worth pondering for a moment. Although he excludes news specifically from his explicit criticism of the new wave of satellite and cable technology, he implicitly includes them in a crucial way when we think about the model of "global" news systems such as CNN or BBC as the "future" of television.

First, in looking around the globe, an explosion obviously is going on—in the number of televisions, viewers, hours watched, channel choices, and variety of sources. For news broadcasting in particular, the good news is that TV viewers throughout the world want more news—-but also want it delivered in their own language, by newspeople who look and sound like them, and with an emphasis on local and national coverage.

No one can deny that the traditional national networks in the U.S. and the rest of the world are being challenged. But it is also the case that, measured in audience shares, they are withstanding the challenge. In the U.S., for example, despite all the attention given to CNN, it rarely draws one tenth the viewers watching one of the network's regular evening news broadcasts.

Outside the U.S., where new private channels have sprung up to challenge the traditional state broadcasters, what's striking is how many viewers continue to choose public broadcast news as their first choice over any of the new private alternatives. In Britain, the number one news program is on BBC 1, in France on TF 1, in Germany on ARD I, in Italy on Rai, in Spain on TVE I—all the supposedly "withering" public broadcasters threatened by the private—sector upstarts.[52]

This preference for established and recognizable news sources appears to be universal, and present would-be "global" news organizations with a set of significant challenges themselves. CNNI's president Peter Vesey has moved away from what was once seen as the direct competitive challenge his satellite based global service once posed to the old fashioned terrestrial national news organizations. He now says that was always just a "misunderstanding" of the role CNNI and BBC/WST could play: "Nothing we are doing could supplant the role played by the BBC or ITN in the U.K. or the German and French national broadcasters in their territory," he now insists.

In five major West European countries where CNNI is available to viewers, a recent market survey found that the nationally-based news programs overwhelmingly dominated their local markets, in some cases with individual programs capturing 30% or more in their market. (One sees this impediment at work even when language itself is not at work, but culture is: in British cable homes which receive both CNNI and the British-produced Sky News, Sky consistently outstrips its American competitor, even though most neutral observers consider Sky an inferior information source.[53])

An obvious alternative to an English-language "global" service is, of course, to tailor such a service into the vernaculars of the countries that lie beneath the footprint of whatever satellite carries that service. One example might be to produce a "finished" news program, consisting of a series of stories about news events around the world, but then "customize"—by dubbing or subtitling the program—into the various languages of the countries served.

Such an experiment is, in fact, underway in Europe right now. Earlier this year, the European Community launched "Euronews," a five-language news channel, carried by satellite, and available currently to several million European viewers. The fact that such a system exists demonstrates its technological feasibility—but the problems Euronews is already plainly showing also underscore how economics and competitive

interests themselves act to gatekeep what is technologically feasible.

From the start, key members of the European Broadcast Union declined to participate in the service: the BBC opted out because of its interest in World Service Television; the two big German public broadcasters, ARD and ZDF, likewise passed because they in turn were actively involved in creating a new, German language news channel. That leaves the two largest language groups in Europe without domestic contributors to the channel, although "Euronews" broadcasts in both languages.

The "Euronews" channel itself is peculiar to watch, with a string of news stories running without an anchor person, and simultaneous narration provided off-camera. Less than a year old, and operating on a $63 million European Broadcast Union grant (with scant advertising), viewer acceptance seems extremely weak, at best, according to insiders.

Geoff O'Connell, news director at the pan-European satellite service Superchannel, is one among many skeptics who doubts whether "Euronews" is ultimately viable, given the EBU's own previous failure at "Europa," its last attempt at pan-national programming—and Superchannel's own frustrations with a smaller-scale version of multi-lingual news. O'Connell freely admits that Superchannel's much more modest efforts didn't work, and pinpoints the reasons: a multi-lingual format "meant the product suffered, there were no on-screen presenters, one had to be reasonably neutral and you end up spending a lot of your cash just on translation." Peter Vesey of CNNI laconically says much the same thing: asked whether "Euronews" would work, he said simply, "News is very expensive and you can go broke very quickly."

It is that issue—the economics of news—which again and again seems now to be shaping the evolution of the technologically-feasible into the practically-enduring. CNN itself can be credited with much of the current revolution not just in the technology, but the economics, of news gathering and broadcasting. Facing a comfortable, decades-old oligopoly of three dominant networks, Ted Turner transformed American television news not just by using a technologically-new delivery system (where most of press attention and public commentary focuses), but in economically reshaping the cost of the news machine itself. Eschewing multimillion-dollar anchors and highly-paid correspondents, with thickly-staffed support organizations, he embodied the idea of "lean management," hiring at low wages, and remaking work rules that had grown evermore complacent and expensive over nearly 40 years of broadcasting.[54]

But, as in all newly-competitive marketplaces, the innovator has had to watch as both older and newer competitors adopt and adapt a new leader's initial advantage. Just as over the 1980s, American manufacturing down-sized staffing, installed computers, robotics, and just-in-time inventory practices, and turned to new work rules as a response to international competitors, so too American networks and overseas broadcasters—who might once have felt threatened by CNN and the perceived imminence of "global" competition—have turned to their own "lean management" style to guarantee survival (and profits) in an era of rapid change. And for these CNN competitors, the news from American manufacturing is good: last year, after more than a decade of battering, American autos began once again to gain market share against their once-seemingly invincible Japanese challengers.

What's happening globally, in the face of a potential challenge from "global" broadcasting, is a powerful reworking of the existing national, usually terrestrial over-the-air, systems.

In real measure, the reworking had already begun in places like Europe before the advent of satellite broadcasting, as the domestic television markets were rearranged by the introduction of private channels and new demands for "commercialization" of existing public channels. It is here, in the introduction of competition through the redefinition of property to include the right of private use of public airwaves, that perhaps the real revolution lies.

But competition for acceptance by viewers requires a more complex idiom than technological "feasibility" suggests. Robert Ross, CNN's president, now acknowledges this: "CNNI in English is going to appeal to 2, 3, 4 percent of the market," he told a recent interviewer.[55] By itself, 2–3–4% of a global audience numbering several billion will leave Ted Turner a much richer man than he is today—if that is what CNNI ultimately achieves. In the meantime, however, not just Turner, but all would-be "global" broadcasters will have to adapt themselves to the reality of a world divided by language, income inequality, and government and private domestic broadcasters willing and ready to compete for their own audiences with the same technology and innovative capacities that has brought Turner and his CNN empire to where it is today.

Turner himself clearly recognizes this challenge, behind all the talk of global idealism and interest in the major questions of pollution,

poverty, and war that still shape the daily lives of all too many of the earth's inhabitants. CNNI is already being" customized" in Spanish for Latin America, and in Germany, Turner has settled for a minority partnership in a German-language cable news channel instead of what he once promised would be a "Deutsche News Network (DNN)." Fitfully, he is building his international empire piece by piece, adapting as circumstance allows.

But this is not the one-world vision John Eger offered his listeners of "no barriers, no boundaries ... [no] artificial divisions between the different people and places of the world." To the contrary, it is rooted in those very divisions, a recognition that for the time being "global" broadcasting will follow a pattern of multinational corporate expansion and alliance, bringing with it the age-old questions about culture and property and ownership that have marked the capitalist world since its birth.

In such a world, as this expansion takes place, the kind of technological fervor—what one pundit wryly christened "technoholism"—too often linked to the future of television will, as always, need to be tempered and reformed by the cooler claims of economic constraints. No doubt a hundred years from now, more people will be watching more channels that include more sports, entertainment and news than ever before—including international shows and information seldom seen before by many viewers. But just as likely, those same people will still live in nations, with borders, and governments, and nationally-rooted broadcast systems that provide most of what they see.

In news especially, the desire to know what is going on nearby, what is happening to our neighbors, what our own leaders and economy are doing, will always outdraw the distant plane crash or rumble of war or parliamentary folly. And to be told those things by people who sound like us, who look like us, who act like us likewise will endure.

In that sense, it may ironically be that the very technology which gave rise to the great promise of "global" TV—through a process of economic and cultural transmutation—will actually spawn an unprecedented growth in "local" broadcasting. Linked together by that very technology, local broadcasters will find new and innovative roles to play, unimagined in the "global" debate that assumed their demise. Stranger things have happened. It wasn't long ago that the giant mainframe computers of IBM and a handful of other multinational giants seemed ready to define the "Computer Age," only to be struck down by the lowly Pc. If the "Global Television Age" seems destined to share its time in history with the computer, its companion's experience offers a salutary lesson in the need for modest claims about what lies ahead.

Endnotes

1. These anecdotes are from "Tuning In the Global Village," *Los Angeles Times*, October 20, 1992, Section H ("A World Report Special Edition").

2. John Eger, "Prometheus Revisited," Inaugural address, Institute for Humanistic Studies, Tokyo Institute of Technology, October 7, 1991. Eger is former Senior VP, CBS Broadcast, and Managing Director, CBS Broadcast International, as well as former Director, White House Office of Telecommunications Policy. For a more academically sober, but nonetheless highly optimistic, assessment of global television's potential, see the late MIT sociologist Ithiel de Sola Pool's *Technologies without Boundaries* (Cambridge, 1990).

3. Berlusconi, in *Los Angeles Times,* p. 2

4. Peter Fiddick, "The Global Village," *Gannett Center Journal* (Winter, 1989), pp. 92 and 99-100. See also Anthony Smith, *The Age of Behemoths: The Globalization of Mass Media Firms* (New York, Twentieth Century Fund, 1992L for a careful, and critical, look at multinational corporatization of media.

5. American TV, of course, has not been a perfect model of laissez-faire competition, by any means; on the role of the FCC (and the federal government in general) in the economics of U.S. broadcasting, see Bruce Owen and Steven Wildman (Cambridge, MA, 1992L *Video Economics,* for a representative account.

6. Cf. Chris Irwin, "Address to the New Delhi Press Club," March 5, 1992 (BBC mimeo). Irwin is head of BBC World Service Television.

7. *The Economist Vital World Statistics* (New York, 1990L pp. 234-5. Data are for 1986-88, the most recent available.

8. Even in the U.S., patterns of dispersal heavily follow income lines. C£' Anne Wells Branscomb, "Who Owns Information," in John Pavlik and Everette Dennis, *Demystifying Media Technology* (Mountain View, CA, 1993L ch. 6.

9. Even in the U.S., income has been a crucial factor in rate of dispersal for communications technology: see John Carey, "Looking Back to the Future: How Communication Technologies Enter American Households," in Pavlik and Dennis, pp. 33-39.

10. Noam gives an excellent summary of this pattern. Cf. Eli Noam, *Television in Europe* (New York, 1991L especially Ch. 1.

11. In 1991, TV broadcast revenues were the following (in billions): NHK, $3.9; GE, $3.2; Capital Cities/ ABC, $3; RAI, $2.9; CBS, $3; BBC, $1.7. Turner Broadcasting reported $1.14, of which CNN International was only $28 million. Cf. "Top 25 Public Broadcasters" and "Top 25 Private Broadcasters/, *TBI Yearbook* 93 (London, 1993L pp. 346-347 for size comparisons.

12. Singapore, with the proposed sale of SBC, and Mexico, with the sell-off of Imevision, appear set to become the first later this year. C£' "Sale of the Decade," *Television Business International* (hereafter cited as "TBI"L May 1993, pp.24ff, on Mexico, and *TBI Yearbook* 93, p. 161, on Singapore. Brazil, though operating a public system, historically has been dominated by private TV, particularly the giant Globo.

13. Cf. Charles Brown, "Public Service Blues/' *TBI,* May 1993, pp. 64-72.

14. Noam, *Television in Europe,* pp. 8-9.

15. For an insightful look at the politics and economics of "technical" standard-setting, d. U.S. Department of Commerce, *Globalization of Mass Media* (Washington, DC, 1993), esp. pp. 37-42.

16. Owen and Wildman, pp. 3-4

17. "Global Program Price Guide," *TBI,* May, 1993, p.76.

18. And because sales effort is obviously not cost-free, the rational program producer will concentrate selling efforts in those markets first designed to yield the maximum revenue. The smallest markets will in fact either be ignored, or left to defray the program seller's costs by allowing buyers to initiate contact, either directly, or by transacting the sale at some public marketplace where seller's costs are distributed over multiple potential buyers. Cf. the National Academy of TV Arts and Sciences, International Council, *Almanac* (New York, various years), for an extensive listing of the global TV trade fairs each year.

19. Cf. "New Ways of Paying for Television in Europe/' *TBI Yearbook* 93, pp. 353-356, for an overview and country-by-country analysis of license and advertising for public broadcasters.

20. A more expansive definition of "global" television is offered by Negrine and Papathanassopoulos, although the terminology is slightly different-they use "internationalization" to describe what I call "global." Cf. R. Negrine and S. Papathanassopoulos, *The Internationalization of Television* (New York, 1990), especially pp. 1-2.

21. Five countries—the US, France, Italy, Britain, and Germany—account for 80% of all films that all

countries import for television broadcast. Cf. UNESCO, *World Communication Report* (Paris; 1989), pp. 160-161. The percentage is for non-socialist countries, prior to collapse of the Warsaw Pact.

22. Of course, given the extremely low sale price of programming to countries outside the industrialized core, low dollar volume in such trade understates the potential audience reached in these 150 or so countries.

23. Off-the-record interview with author May 5 1993.

24. Cf. Jean-Luc Renaud, "'Fortress Europe' Won't Be What Many Believed," in *Television/Radio Age International,* April, 1989, pp. 71-77, for an excellent summary of the shifting European market for U.S. and European-programming.

25. This discovery of a preference for domestic programming is widely documented, and discussed later in this paper.

26. Anton Lensen, "Concentration in the Media Industry: the European Community and Mass Media Regulation" (Washington, DC: Northwestern University, Annenberg Washington Program, 1992), pp. 5, 8, 10.

27. Barrie Heads, "Co-productions: A Guide to Who's Doing What," *TBI,* October, 1989, pp. 126-134.

28. Cf. the European Community study, "Television Without Frontiers" (Brussels, 1991), as well as a critical review of EC policy in Lensen.

29. On European programming, d. Lensen; on global programming, d. Frost & Sullivan, "US and International Programming Markets" (New York, 1991) p. 2. Inevitably some small portion of this domestic programming does enter international trade, but the order of magnitude stands.

30. Quoted in Lewis Friedland, *Covering the World* (NY:Twentieth Century Fund, 1993), p. 22.

31. Johnson and Ross, in Friedland, p. 36.

32. Author interview with Peter Vesey, Vice President, CNNI, February 25, 1994.

33. Zharadnik, in phone interview with author, April 15, 1993.

34. On CNN hotels, author's phone interview with Peter Vesey, Vice President, CNNI, February 25, 1994; on BBC hotels, author interview with Hugh Williams, BBC/WST Director of Programming, April 22, 1993.

35. *TBI Yearbook 93,* p. 332

36. Jean-Luc Renaud, "Still Room for Growth On Cabled Continent," *TBI,* December/January 1993, pp. 44-45.

37. MBC data from William Kennedy, Executive Director, MBC, interview with author, May 4, 1993; Zharadnik, interview with author, May 5, 1993.

38. Barbara Crossette, "Dish-wallahs Bring Satellite TV to India," *New York Times,* April 7, 1992, p. 3.

39. Nicholas Kristof, "Satellites Bring Information Revolution to China," *New York Times,* April II, 1993, p. 1.

40. *TBI*, April 1993, p. 150.

41. Marcus Brauchli, "A Satellite TV System Is Quickly Moving Asia Into the Global Village," *Wall Street Journal,* May II, 1993, p. 1.

42. Chris Irwin, "Address to the Delhi Press Club" March 5, 1992.

43. Author interview with Hugh Williams, London, May 4,1993.

44. Mounter, quoted in "If You Wish Upon a Star," *TBI,* May 1993, pp. 44-50.

45. Author interview, off the record, with senior Coca-Cola executive, April 19, 1993.

46. Evans and Renaud, "The Last Frontiers of European Television," *TBI,* October 1989, pp. 68-76.

47. Lintas, Europe's largest media buyer, commissioned this study. Cited in Heads, "Co-productions."

48. Cf., for example, Smith, *The Age of Behemoths.*

49. For 1989 study, see Jean-Luc Renaud, "Europe's Domestic Reality," *TBI,* December/January 1989-90, p. 43; for EBU study, see Lensen.

50. Cf. "Ready for Primetime", *TBI,* May 1993, pp. 52-62.

51. Les Brown, "Why Broadcast Television Keeps an Edge," *TBI,* July/August, 1992, p. 11.

52. Cf. "Grinding News Into Profits," *TBI,* July/August 1992, p. 30.

53. Audience research by Continental Research, quoted in "Grinding News Into Profits," p. 30.

54. See especially Friedland, pp.13-17 on how Turner restructured the costs of his network.