

## **Television fiction in the single European market**

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*Jean-Pierre Candeloro*  
Università della Svizzera italiana

*Prof. Giuseppe Richeri*  
Università della Svizzera italiana

### **Abstract**

This article explores the situation of the European industry's television fiction production and circulation in the Common market. The paper presents a historical excursus of the various directives and programmes carried out by EU institutions – in particular *Television without Frontiers* and *Media Programme* – in order to strengthen the industrial-financial condition of its audiovisual system, and to bolster the cultural integration of elements of common sharing and identity. Comparing the latest statistical data relative to national production, importation and exportation of television fiction, the article highlights the positive elements of the support programmes – i.e. the strong increase in television fiction produced in the major EU countries –, but also the difficulties in finding new and effective ways to foster European television fiction circulation in the Community market, and in containing the massive importation of North-American audiovisual products.

*Key Words:* European Audiovisual Industry, Television Fiction, Media Economics, Television without Frontiers, Media Programme, Television & European Union

## 1. Introduction

*Globalization, diversity e identity* are three terms that identify with precision the problems which European countries had to face in the media field when, in the 80's, they decided to speed up the processes of economic (European Economic Community) and political-institutional integration (European Union).

Then it was actually a matter of creating a European audiovisual market to reinforce the companies in the member states as much in domestic as in community and external markets, tackling the problems of diversity and of productive, commercial and cultural fragmentation. It was also a case of protecting this market from the effects of globalization, which was favoring the growth of products from outside Europe in the whole community's consumption of cinema products (from the USA) and television products (from the USA, Japan, Brazil and Mexico). The third problem was protecting and supporting European cinema and television products as factors of national identity, in defense of cultural diversity, as tools for developing mutual understanding among Community countries and for the creation of a shared European identity, distinct from that of each State.

In this, recent European history offers us a very interesting field for observation that we would like to present, focusing on the perceived problems in the field of the media, on the solutions taken and the results achieved. As we shall see, the problems were identified with a fair degree of precision, but the cohesion necessary for intervening with the measures and force required by the dimension of the problems was lacking. Moreover the interventions at times were not sufficiently focused and the available resources, too few for the objectives set, were not always exploited for the good of the "European cause".

The only evident positive result was to help television serial production to take off. Until the 80's this was substantially unknown or marginal in many European countries, but the total production of television fiction has since increased progressively in many parts of Europe. So far, however, the effects of globalization on Europe continue to be very negative, while the fragmentation of markets is still severe, hence preventing cultural results on a European scale. It is enough to underline just two elements: the serious import-export imbalance in audiovisual products and the scant circulation of European audiovisual products beyond the borders of the producing nations.

According to estimates by the European Audiovisual Observatory in 2003 (EAO, 2003), the European Union imported around 9 billion dollars of audiovisual products from the US and exported for a value of 800 million dollars, while from the study on the impact of the second Media Programme, it has emerged that in the first years of the millennium not more than 10% of the audiovisual products made in a European country crossed its borders to reach another European market.

## 2. *Television and the building of Europe*

Television became a focus of attention for European institutions only in the 1980s when, following the initiatives of various member states, television broadcasting by cable and satellite and the subsequent multiplication of channels available started to involve a large part of the continent (Richeri, 1981). The possibility of developing new television channels across borders went beyond the experience of countries like Belgium and Holland and started to involve the larger European partners too. On one hand, it was feared that this prospect could create undesirable interference in

national television systems and destabilise state television channels; on the other, the creation of television channels covering the whole of Europe was viewed favourably. It was the European Parliament which called for a project for a European television channel in order to increase information coverage and the visibility of community institutions.

The European Commission systematically got involved in the television industry for the first time in 1983 when it carried out an in-depth study to understand the situation and tendencies of television in Europe (COM, 1983). The study helped to define the main problems and set out ways of dealing with them. At the centre of the thinking there were four main themes:

#### A. Vertical integration

The European audiovisual industry has many weak points due to the fact that television was born and developed almost exclusively in a monopoly, preventing on one hand the creation of independent audiovisual production and markets (state televisions produced directly or sub-contracted what they needed) and on the other, the use of the cinema industry for the production of television fiction as happened instead in the United States. Essentially, Europe lacked the capacity to produce audiovisual content in large quantities, rapidly and at low cost, and the production of serials, until then unknown to the European audiovisual industry, was seen by many as a form of “Americanisation” of production and hence, implicitly, of “commercialisation”. (Mattelart et al., 1983).

#### B. An increase in demand

The progressive multiplication of television channels offered by new broadcasting infrastructures like direct broadcasting satellites and cable television networks was on its way. As a result, a notable increase in the demand for audiovisual products was expected to supply the new channels that the European audiovisual industry was not able to satisfy.

#### C. The role of the electronics industry

The new broadcasting networks being planned and set up and new forms of domestic audiovisual consumption (video recorders) created strong demand for terminal apparatus produced by the electronic consumer-goods industry (satellite dishes, decoders, converters, etc.) which could, at least partially, help to re-launch a sector that had been declining in Europe for some time.

#### D. The end of monopolies

By then the trend towards the end of state television monopolies and the opening of the sector to private initiative in Europe appeared evident; its possible effects on the audiovisual products market, especially that of fiction, could already be seen in some places. In a short time Italy, where the development of private broadcasters had taken place very quickly and without rules, became the largest importer in the world of fiction products from countries outside Europe (Richeri, 1986).

### 3. *Towards a European television “without frontiers”*

From the combination of these elements, it could clearly be seen that the European audiovisual industry not only was unable to meet the growing demand for programmes, but that the presence of new subjects was bringing greater competition in television systems and that programming was increasingly aimed at acquiring audience and needed some television genres, particularly fiction, which were more suitable than others. In short, the effect was that television operators’ resources for purchasing programmes were increasing, while those for producing directly or sub-contracting were decreasing. It was thus inevitable that purchasers would turn to the international market outside Europe (Sepstrup, 1990). The growing worry in that period was that European viewers would end up mainly watching “American programmes on Japanese television sets.” This prospect was

determined by the quality of the supply from outside Europe in terms of the number of programmes available, the technical and production characteristics, the formats, prices, etc, rather than by the structural weakness of the European electronics and audiovisual industries (Lasagni, Richeri, 1986; Hoskin, Mirus, 1988; Hoskins, Mirus, Royeboom, 1989). The negative effects, according to the opinion prevalent at the time, were not only financial and industrial. The idea that European screens should be progressively “invaded” by American products and, more generally, others from outside Europe, had at least two other strongly negative implications for its political and cultural repercussions. Firstly, television was likely to become a powerful means of spreading lifestyles, visions of the world and collective images for the most part foreign to the various European traditions and realities, whereas it had the potential to be an influential means of increasing mutual knowledge between partners, an indispensable factor in building a united Europe. Secondly, it appeared to be more difficult to exploit television to offer shared contents and promote the creation of a European identity and greater political integration between partners in order to create communication on a European scale (Schlesinger, 1988; Robins, Morley, 1992).

On the basis of this research and the observations that followed, the European Commission defined its strategies, which were made public in the Green Book titled, “Creation of a single market for television and radio” (COM, 1984). The audiovisual industry thus joined in with the work in progress started in the mid ‘80s to create the single European market by 1992. To harmonise the rules of member states so as to eliminate barriers against the free movement of people, products and capital between them, more than 300 directives were needed, of which one of the most controversial was called “Television without Frontiers” (TwF).

#### *4. The production of the European audiovisual industry*

The European initiative therefore had two main objectives in this field: it was not only a question of defining some rules that had to be shared so that what was broadcast in one country could be received in the other European partner countries without trauma, but also of helping to reinforce the European audiovisual industry. In the first case the TwF directive intervened in order to harmonise certain rules that in some countries were less binding than in others, as in cases like modes of broadcasting and advertising content, protecting minors from programmes with violent or pornographic contents, copyright. In the second case, the Community defined support programmes for the production and diffusion of European audiovisual products, in particular in the area of fiction which had already shown worrying signs of weakness. In reality, the Community’s action did (could) not aim to replace the regulatory competences of the individual member states and the directive was formally supposed to be in the area covered by the treaty of Rome. Its sole objective, and its legitimate field of action, was to harmonise national policies and norms so that they respected the objective on which the Treaty of Rome is founded: free movement of goods and services and the creation of a Common European Market. The directive, however, in fact also favoured the presence of European-produced programmes in the television programming of the individual states. Apart from this type of commercial protection, implicit in the directive, at the community level there were also other tools which, without modifying national legislation, especially supported the production of European fiction and its distribution in the common market. This last aspect appears of particular importance if one considers that at the end of the ‘80s, on average fewer than 10% of the products produced in individual member states crossed their national borders to be shown on other European televisions. Favouring circulation in Europe was to have three positive effects in the areas worrying the European Commission:

- a) Meeting the growing demand for fiction with European products, thus reducing the use of products from outside Europe;

- b) Creating a second market for European fiction products, favouring new commercial outlets in Community countries;
- c) Increasing the distribution of European television contents, promoting better mutual understanding and the creation of a shared identity.

### 5. *The “quotas” in defence of European fiction*

The main content of the TwF directive, which concerns us here, regards the quotas of television programming which each member state must respect; in other words, the percentage of European fiction products which must be respected in the broadcasting of every European television channel. This is an aspect of the directive which has drawn much and varied criticism, especially from the smaller states which do not have a national audiovisual industry to protect. It was only after much discussion and difficult mediation that a solution was found, thus allowing the directive to be approved in the autumn of 1989 (Marchetti, 1996, Krebber, 2001). The United States reacted negatively too, and tried unsuccessfully through diplomatic channels to have the quotas which damaged the circulation of American audiovisual products in Europe removed. Article 4 of the directive sets out that:

“Member States shall ensure where practicable and by appropriate means, that broadcasters reserve for European works (...) a majority proportion of their transmission time, excluding the time appointed to news, sports events, games, advertising and teletext services. This proportion (...) should be achieved progressively, on the basis of suitable criteria.”

Article 5 instead concerns the quotas reserved for independent European producers: television networks must reserve 10% of their transmission time or 10% of their programming budgets for European works made by independent producers. The quotas were then to be made more binding in the revision of the directive foreseen for 1997.

Following the directive, national legislations in some cases applied more binding measures than those laid out by the Community (the case, for example, in Holland and France) and prompted some national authorities to impose even severe financial penalties on those who transgressed. In general, the directive was strongly criticised, both by the government and representatives of the American audiovisual industries, who also applied diplomatic pressure to reduce the “protectionist” effect of the decision, and by European commercial television stations for whom easy access to American production simplified programming choices and considerably reduced financial risks. Despite this, the directive was applied substantially in all member states and was up-dated in 1997 without major modifications. In particular, the quotas were respected everywhere, except for a few cases in which penalties were applied.

Our interest now lies in evaluating to what extent European initiatives (the directive and *Media Programme*) were able to solve the initial problems: limited European production of fiction, limited circulation of European products from the producing country to other European partners, the excessive presence of American fiction products in the European market.

### 6. *Media Programme in support of fiction*

Imposing quotas for European fiction on all television programming in countries belonging to the EU has progressively increased the demand for European products, thus providing an incentive for what is directly produced by the main broadcasters as well as by subcontractors and independent producers. European and national institutions, however, have also intervened to encourage the

production of both cinema and television fiction in various ways. The main Europe-wide support programmes in this field are *Eurimages*, a fund created by the Council of Europe to encourage European co-productions, *Eureka Audiovisual*, an intergovernmental initiative designed to promote cooperation between European audiovisual industries and professionals in concrete projects, and *Media Programme* (Marchetti, 1997). This last initiative is the most important community action, both in financial and strategic terms, and covers the whole audiovisual activity from its conception to the development of production projects, television and cinema distribution throughout Europe and the training of the most important professional figures in the sector. The initiative was set up in 1987 with minimal financing and has only been able to play a strategic role since the beginning of the '90s. It has gone through a series of checks, evaluations and fine-tuning to reach its third edition today. The first step was *Media 1* (1991-1995) which had financing of around 200 million euro, followed by *Media 2* (1996-2000) with financing of around 310 million euro. In 2000 it was decided that the new *Media Programme* should be divided into two sectors. *Media Training* has financing of 59 million euro and is for 6 years, while *Media Plus*, which concerns initiatives supporting the development of audiovisual projects and product distribution and promotion, has financing of 454 million euro and is for 5 years (2001-2005). Most of the *Media Plus* financing is for development activities (at least 20%) and distribution (at least 57%).

In all three phases of *Media Programme*, the two fundamental objectives have concerned industrial cooperation on a European scale to reinforce European products both on the domestic and extra-European markets and especially the distribution of European products between member states. *Media 1's* aim was to reach annual distribution of at least 20% of European production outside the producing country. Results, however, have been disappointing, especially in terms of television production and distribution and the various evaluations of the results of successive initiatives have shown the difficulties *Media Programme* has had in general in influencing the structure of the European audiovisual market. The contradiction facing the European Union in the area emerges clearly. The European market is characterised by an audiovisual sector which is very fragmented linguistically, culturally and, as a consequence, professionally and is weak in terms of its industrial structure in that it is prevalently made up of small and medium-sized companies. Encouraging the formation of large companies able to compete with the American ones which still dominate the European market would mean supporting processes of concentration of European production and marginalising many small and medium-sized companies. This would have negative effects on employment and the diversification of the production of the various European partners. Moreover, in order to make any real difference to the market structure, much larger investments than the present ones would be necessary. In that case, however, public intervention would go far beyond what is compatible with the economic "philosophy" which guides the EU.

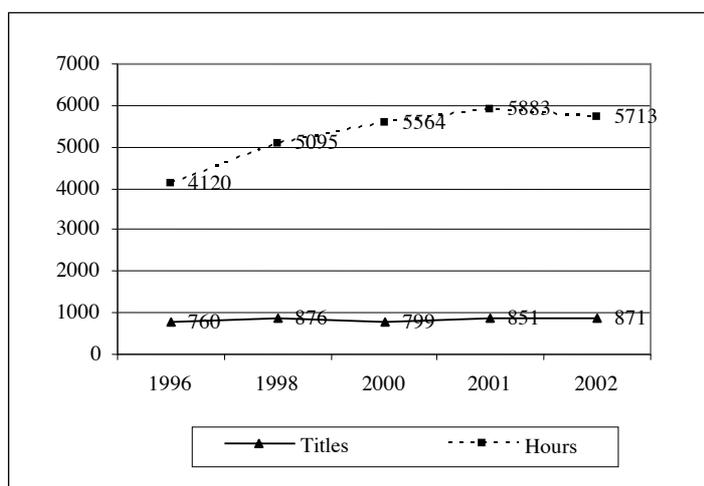
The EU's double line of action, together with national initiatives, has certainly had positive effects and has made a difference to the production and distribution of European fiction in particular. But the sizeable problems in the European audiovisual market and especially in that of fiction for television do not seem to have improved noticeably since 1990. The two objectives which remain distant concern the circulation of European and extra-European products in the European "single" market and the presence of American fiction products in European television programming. Indeed on the television screens of a European country it is still unusual to see fiction from another Community country (with the sole exception of German fiction), while, over the last few years, Europe has progressively increased financial resources for purchasing audiovisual fiction from the US without increasing exports in that direction. It seems that the barriers against the entry of American products are still easily overcome, but that national European ones against European fiction products are still very high.

## 7. The production of fiction

It is a question of financial and cultural strategic importance to increase the circulation of audiovisual programmes produced in Europe within the community television market. This needs to be done with products that can be successful with the various national audiences in order to consolidate a true industrial system of television production with high levels of capital and professionalism. Since the mid-90s, the production capacity of the European television industry has grown considerably and has allowed broadcasters – both public services and private ones – to fill their palimpsests with ever more numerous national products. Long fiction serials in particular (especially soap operas) have expanded for reasons which can be attributed to their unbeatable ability to structure the times in the palimpsest, to engage the loyalty of a large number of spectators for the long term and to create favourable economies of scale without sacrificing production quality.

In the five main European markets referred to – Germany, France, Great Britain, Italy and Spain, representing over 80% of the community market – between 1996 and 2002 the production of television fiction rose from 4,120 hours per year to more than 5,700 (+38.7%) while the number of titles produced rose from 760 to 871 (+14.6%), for a total value of over 3 billion euro.

Table I: production of European fiction in hours and titles (1996-2002)



Source: OEA/Eurofiction

The large increase in European production hides considerable national differences, however:

- Italy and Spain, which in 1996 were the weak links in the European production system, by 2002 had witnessed an enormous development in their volumes of production, taking their production to 761 and 1,029 hours respectively. Between 1996 and 2002 the Italian contribution to the European total more than trebled (+244.3%), while Spain's contribution doubled (124.2%). Since 1999 Spain has managed to set its production capacity above the threshold of 1,000 hours per year.
- The production of Germany and Great Britain, the largest European producers considering the already high levels of production in 1996 (respectively 1,690 and 1,059 hours per year), has grown rather more slowly: +8% for Germany (1,826 hours total) and +38.9% for Great Britain (1,471 hours produced).
- With only 626 hours produced in 2002, France has dropped below its 1996 volume (691 hours). French production emerges as being rather inconsistent: periods of recession (1997, 576 hours;

2000, 615 hours; 2001, 553 hours) alternate cyclically with phases of growth (1998, 621 hours; 1999, 665 hours; 2002, 626 hours). According to Milly Buonanno, the reason for the French difficulties lies in the absence of *daytime* fiction and in the reluctance of broadcasters to take on fiction in long serials (Buonanno, 2002).

The comparison between production regimes in 1996 and 2002 clearly shows how the European sector has changed: the growth of German production until 1998 and its subsequent slowdown, the steady but slow growth of British production, the rapid expansion of the Italian and Spanish industries and the instability of the French one. Between the Anglo-Saxon and the Mediterranean countries it is possible to find notable differences: in 1996, the Mediterranean countries did not make up even a third of total European production, whereas in 2002 4 out of every 10 hours produced in the European market originated from Latin television (42.3%). Whether it is a question of Anglo-Saxon or Mediterranean countries, however, the increase in production-hours is always for the same reason: the increase in national production of serial fiction. France is the only country which did not produce soap operas and long fiction serials until 2002 and it is also the one whose production volume was the least profitable over the years.

The main problems which the television fiction industry has had to face over the last few years are of three kinds. Firstly, in European palimpsests there is the introduction of and growing competition from reality shows and reality games, programmes which seem to have become of strategic priority for broadcasters. Compared to traditional fiction, these television formats have various competitive advantages: they have much lower production costs than the average fiction, they can be at least as, if not more, popular with the public, and the broadcasters can reduce their commercial risks by following international models that have already been tried and tested with success. Secondly, independent television production remains a weak sector with little bargaining power (insufficient financial capacity, loss of rights on its own productions, etc.). Lastly, the producers of television fiction have not yet fully managed to adopt logics of renewal of form and content, preferring to consolidate the static state of the television panorama in which formats successfully tried and tested beforehand prevail, but risk becoming uncompetitive in the medium to long term. The production of television fiction needs, however, also to deal with the difficult situation of European television networks, as shown by the closure of some initiatives – *ITV Digital* in Great Britain and *Quiero* in Spain – the merger, again in Spain, of *VIADIGITAL* and *Canal Satellite*, in Italy of *Stream* and *Telepìù*, to which can be added the financial difficulties of public television in Belgium, Spain, Portugal and Scandinavia and the bankruptcy of the Kirch Group in Germany.

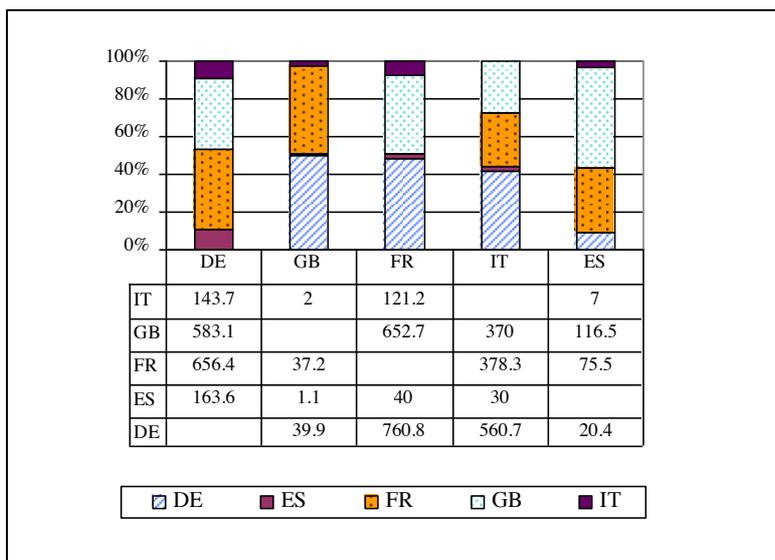
#### 8. *The circulation of European products*

The European and international circulation of audiovisual products – and in particular of television fiction – from Europe is so limited that exports generate only 10-20% of total income as a rule. Despite the fact that fiction has regained energy more or less everywhere, it is important to emphasise how it continues to be essentially a *local* genre. It is in fact strongly focussed on individual national specifics and is able to establish close links only with its own local viewers (subjects, actors, settings, etc.). These elements make up the success of the national programmes but are also its greatest limitation: local fiction, apart from some rare examples, is not competitive on the trans-national level precisely because of cultural distance and the limited familiarity that audiences of second markets have with it. This is a reason why, while the volume of fiction imported and shown by European television channels between 1994 and 2002 rose from 250,000 to over 332,000 hours (+32.8%, including cinema products), the increase is to a great extent linked to the growth of imports of North American products, which went up from 178,000 to nearly 222,000 hours (+23.6%), while the volume of European fiction circulating inside the EU market went down over

the 8 years from 46,000 to 37,000 hours (-19.6%). The state of national exports is therefore rather alarming: from 1997 to 2002 all the European national audiovisual industries saw a dramatic decline in exports towards the community markets. This was less severe in Germany, where exports declined in the period in question by 13.5%, but rather more so in Spain, where the decrease was 49.1% (-227 hours), in France with 52.5% (-1,269 hours), in Great Britain with 63.8% (3,040 hours) and in Italy with 82.3% (-1,274 hours).

In the following table we can see the situation of imports and exports in the largest European countries in 2002, exclusively for television products.

Table II: Origins of European fiction imported per country, in hours, out of 100% of European imports (2002)

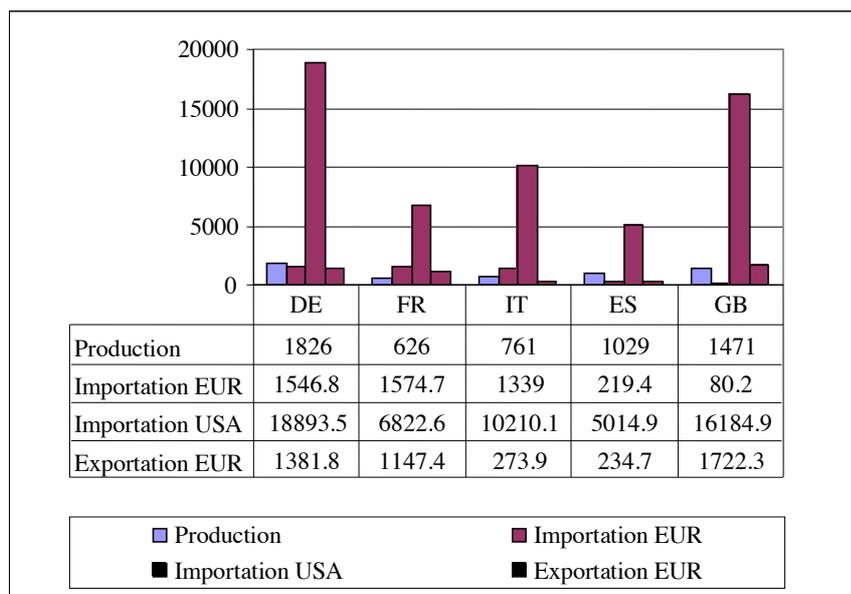


Source: ETS/OBS

According to the data from the European Audiovisual Observatory, the most active country in terms of importing from the rest of Europe is France, with imports totalling 1,574.7 hours of fiction from its main European partners in 2002, followed by Germany with 1,546 hours imported and Italy with 1,339 hours. Particularly weak importers of European products were Spain (219.4 hours) and Great Britain, with only 80.2 hours of European fiction imported in 2002.

In terms of exports, the strongest countries were instead Great Britain (1,722.3 hours), Germany (1,381 hours) and France (1,147 hours), followed at a considerable distance by Italy with 273.9 hours and Spain with 234.7 hours.

Table III: Production-Importation EUR/USA – Exportation in hours (2002)



Source: ETS/OBS

As with the growth in national volumes of production, it is also possible to note considerable imbalances of various types in national imports and exports in most of the markets examined. Let us now look more closely at some characteristics of the national audiovisual markets in question.

### Germany

German television fiction is, for the most part, provided by a limited number of production companies used by broadcasters to produce their 1,826 hours per year (200) of national fiction programming. Germany is the biggest producer of European television fiction and is – after France – the second biggest importer of European fiction with 1,546.8 hours imported in 2002, especially from France (656.4 hours) and from Great Britain (583.1 hours). In terms of exports to the rest of the Community market, with its 1,381.8 hours Germany is second only to Great Britain; France and Italy are the preferred destinations in this sense, with 760.8 and 560.7 hours respectively exported in 2002. The German case is particularly important for the question of national fiction’s exportability: in fact, despite the slight reduction in exports of the last years (-13.5%, the equivalent of 216 hours), it offers the most relevant example of how national fiction can also have success in other European markets, something that contradicts the widespread conviction amongst operators in the sector that national products are fundamentally unable to raise interest across borders. German films and television series circulate successfully in the whole of Europe, in particular in France and Italy, where over 40% of the European fiction scheduled is produced in Germany (48% and 42% respectively).

### Great Britain

The British audiovisual industry, with its 1,471 hours produced in 2002, is in second place in the rankings of the major European producers of television fiction. In 2001 national production surged: compared to the previous year, there was an increase of over 10% (141 hours) in its volume of production. The increase was mainly due to the decision to introduce new serials like *Crossroads* and *Night and Day*. Britain is also the biggest exporter of television fiction; its balance of European exports is the only one in credit of the countries examined. In 2002 Great Britain exported 1,722.3 hours of fiction to the European market, particularly to France (652.7 hours) and to Germany (583.1 hours). In spite of being the largest exporter, Great Britain imports very little from the other European countries – only 80.2 hours in 2002, especially from Germany (39.9 hours) and France (37.2 hours) – preferring to use products from the States (75.7% of television fiction programming),

which are linguistically closer. Great Britain has always been reluctant to co-produce with continental Europe, but since 2001 seems to have made a few small steps towards this type of financing with 6 co-produced titles (3.5% of total volume).

### *France*

In 2002 the French audiovisual industry produced 626 hours of television fiction, 13.4% of its total audiovisual production (4,658). Confirming the tendency of the previous years, almost a fifth of French programming is dedicated to television fiction (18.2%), but national production is not able to cover the numerous spaces foreseen for fiction in the palimpsests, in particular during the day time. Partly because of its industry being in difficulty, partly as an effect of its stricter regulations, it is therefore more open to European products, which represent a good 13.6% (1,574.7 hours) of total imports. The importation of television fiction from the Community sees Germany and Great Britain as its main points of reference with 760.8 and 652.7 hours imported from them. With the 1,147.4 hours of French television fiction on the European markets, French exports come immediately after those from Germany (1,381.8 hours) and Britain (1,722.3 hours). Also for the exportation of French products, Germany is the most important trading partner with 656.4 hours in 2002. Italy comes next with (378.3 hours) and, at a distance, Spain (75.5 hours) and Great Britain (37.2 hours).

### *Italy*

Italy, characterised until the mid '90s by a decidedly precarious production system, has, since 1996, managed to create an industrial system capable of producing three times its initial volume (+244.3%). It has even managed to overtake France, despite initially producing less than a third of the amount produced by the latter. 2002 confirmed the production explosion of the previous year with 761 hours, as a testimony to the success of the national broadcasters' editorial decisions to invest massively in industrial production of serial fiction (*Vivere, Un posto al sole*, etc.). Italy is one of the largest importers of European fiction (1,339 hours, 8.6% of total television fiction imports), with particularly German (560.7 hours) and French products (378.3 hours). Its exports are still very restricted (273.9 hours), and have Germany and France once again as principal destinations with 143.7 and 121.2 hours purchased respectively. Compared to other European systems, Italy's is penalised by the excessive concentration of its production companies: soap operas in particular are contracted out to just two large companies – pan-European ones at that – *Aran-Endemol* and *Grundy Pearson*.

### *Spain*

Although Spain had already crossed the 1,000 hour production threshold in 1999, the evolution of its volume of production is very inconsistent. In 2002 there was a drop of 21.3% (the equivalent of 277 hours) from the previous year, in contradiction to the increase between 2000 and 2001 (+8.9%). Although a prime producer (over 1,000 hours per year), Spain has little to do with the other European markets: after Great Britain, it is the country which imports fewest European products, with only 219.4 hours imported in 2002. Spain is also particularly weak as an exporter with only 234.7 hours exported to the markets in question, even fewer than Italy, despite its considerable superiority in quantity of production. Despite the clear domination of American fiction in all the European palimpsests, in Spain national products enjoy a privileged position compared to the situation in the rest of the Community market, both in terms of quantity and of quality. For every 5 hours of US fiction offered by Spanish television channels there is 1 hour of nationally produced fiction, while in the rest of Europe the average everywhere is below the ratio of 1 hour to every 10. In Spain, moreover, the occupation and success of *prime time* is almost exclusively reserved for domestic fiction: European and American fiction is mostly relegated to *off-peak* viewing time.

In general it should be noted that far more north-American products than European ones circulate in Europe. The data from 2002 highlight a situation that has been consolidated for years, with imports

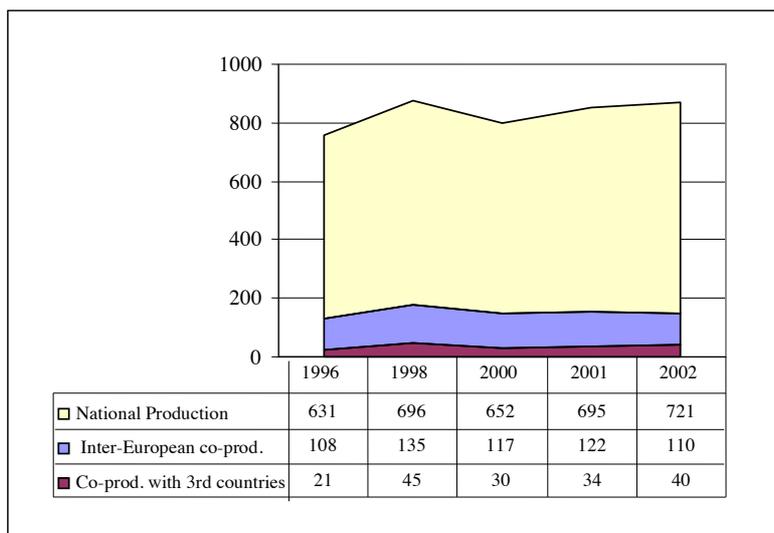
from the US of more than 57,126 hours of television fiction, as opposed to total imports of only 4,760 hours of Community fiction from other European countries. These data show how the imbalance in circulation between American and Community fiction on European televisions is still serious, despite European institutions having paid considerable attention to the problem for many years now.

It can be noted how France, Spain and Italy are the countries which are least dependent on imports from the US, with 59.1%, 63% and 63.1% of their total imports respectively; and that France and Great Britain tend to export more to the other European countries than they produce annually. The reason probably lies in the fact that the catalogues built up in previous years represent a significant part of the sales of fiction. Considerable asymmetry can also be seen in inter-European exchanges: most of the products circulating in Latin countries are in fact of Anglo-Saxon origin (especially German) instead of Mediterranean. This imbalance is not dissimilar to that existing between European countries and the United States.

### 9. The co-production trend

In spite of the numerous international treaties, the agreements between operators in the sector, the support of the various European institutions and the large increase in production costs over the previous years, the volume of co-production (inter-European and with third-party countries) did not increase significantly in the period observed: in relation to total production, co-production in 2002 represented 17.2% of the titles programmed by European broadcasters (150 titles out of 871), almost the same as in 1996, 17% or 129 titles out of a total of 760. As a whole, in 2001 co-production in the five countries examined was worth around €87 million, of which 30% (€25.8 million) approximately came from co-productions with North America and the remainder, about 70% (€61.2 million), was the result of partnerships between European countries (including both the 5 markets examined and the rest of the European Community).

Table IV: Comparison between production and co-production in the 5 main countries examined, in titles (1996-2002)



Source: EAO

After the peak in 1998 (135 titles), inter-European co-productions came down to 110 titles in 2002, with an average production of 115 titles annually over the six previous years. During the 7 years

analysed, co-production with third-party countries – mainly with North America – showed a tendency towards growth. After a three-year period (1996-1998) of rapid expansion (from 21 to 45 titles) there was a slowdown and more recently – from 2001 – another surge. France was an exception with a fall in co-productions with foreign partners too, especially because of the absence of series made with the US and Canada (such as *Highlander* and *Relic Hunter*) and of exceptional operations like *Napoléon*. German co-productions made up the lion's share of the 110 titles co-produced in Europe: 57.3% of these were with Germany (63 titles). France, with 34 titles (30.1%), and Italy (9.1%) come next. When they do take place, co-productions tend to follow the criteria of geographic and cultural proximity – preferring bordering countries – or linguistic affinities: Germany thus tends to turn to Austria and Switzerland, France to Belgium and Great Britain to Ireland.

There are two kinds of reasons for such weak evolution: the complexity and length of negotiations – a characteristic of any initiative involving two or more commercial partners – represent a first natural barrier, to which can be added the greater commercial risk inherent in co-productions. These in fact present a much higher level of uncertainty than traditional national productions, in that it is much more difficult to create alchemy for success between national and international elements. Producing fiction which is recognisable for the local audience in the main reference market, or which has an exotic value for the secondary market is indeed a far more uncertain and complex operation (Buonanno, 2002). There are nonetheless successful titles, showing how European co-productions can be phenomena capable of generating trans-national approval and popularity, such as the recent pieces of fiction *The Count of Montecristo* and *Les Misérables*.

The importance of co-productions, however, does not only concern quality, but also quantity. Thanks to co-productions, national production systems are facilitated by international investments and can contribute to the reduction of the national deficit in exported products and the resulting financial outflow.

## 10. Conclusion

In conclusion, we have seen how the television fiction industry has been favoured by the directive “Television without Frontiers” and supported by various ad hoc initiatives, especially by *Media Programme*. The two main objectives of these initiatives were originally to improve the financial and industrial situations (improving the competitiveness of European products with those from the US) and the cultural situation (increasing the circulation of elements of sharing and identity on a European level). The results obtained indubitably have positive aspects regarding the sharp rise in production of television fiction in the individual countries concerned, but also reveal the difficulties in finding effective ways to increase the circulation of national products in the Community market and in containing, if not reducing, the importation of products from the States. From this point of view the road ahead appears much more difficult and the results far below expectations.

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