Commerce and Culture:

The Contentious Politics of Filmed Entertainment

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Overview of the Manuscript

*Commerce and Culture* is an academic study of the politics of trade in “cultural goods,” specifically movies and television programs, from the 1920s to the present. Its focus is to understand why this trade has been a source of tension, and why it has been restricted, in certain countries but not in others. Defense of the national culture is the usual rationale for restrictions on foreign entertainment. Yet barriers to trade in entertainment media, the manuscript argues, are in fact primarily a product of politics at the industry level.

The theoretical framework prioritizes organized interests inside entertainment industries. This framework explains how two unexplored factors, country size and cultural proximity to the United States, shape the pressures domestic interests exert in policymaking and the postures that states take in trade negotiations. In unravelling these connections between international influences and domestic politics, the study advances a novel explanation of why some governments manage trade in cultural goods while others do not.

The empirical core of the investigation is comparative case studies. These chapters employ historical narrative to analyze international disputes and domestic conflicts over trade and culture across a century’s time. Archival records and documents of the League of Nations, the United Nations, the General Agreement on Tariffs and Trade (GATT), the World Trade Organization (WTO), the European Union (EU), the US government, and other national governments underpin this narrative. Case studies analyze industry politics and national policymaking at key junctures in Britain, France, Germany, Italy, Spain, Austria, Belgium, Canada, Australia, Brazil, Argentina, India, South Korea, and Japan.

One distinguishing feature of the manuscript is to spotlight the primacy of interests in controversies over trade and culture. Many voices in academia and civil society contend that trade in filmed entertainment *should be* regulated and restrained as needed to protect national identity and preserve cultural diversity. While I do not dispute that movies and television programs carry cultural meaning and values, I contend that stakeholders at the industry level—not ideas about trade and group identity—drive the
politics of national choices today as in the historical past. The study is, in this way, an application of “open-economy politics,” a prominent paradigm in political economy, to an area that political economists have avoided: trade and culture.

A second distinguishing feature is analytical rigor: the study integrates economic and cultural factors to explain why different countries respond differently to trade. The central economic factor, I argue, is market size, which determines how large a country’s entertainment industry can grow; culturally, a society’s “cultural proximity” to the United States influences its exposure to foreign entertainment. Cultural proximity in this setup reflects genealogical relationships between languages. While this may sound complex, in fact it is quite simple—simplistic, critics will argue. Yet simplicity helps to strip away the nebulousness of enlisting culture as an explanatory concept. Beneath an accessible narrative sits rigorous social science research.

A final distinguishing feature is the study’s empirical scope, which offers more breadth than previous books on the subject. Designed as a comparative historical inquiry, it is not limited to a few ideal-type cases or one time period. *Commerce and Culture* thoroughly covers a century of international negotiations on trade in entertainment media; it also analyzes a wider range of country cases than previous work, providing rich variation in the policy outcomes of interest. The narrative does not merely detail the ins and outs of conflicts over trade and culture—it makes sense of these contentious politics in a coherent and general theoretical framework.

**Description of Argument, Themes, and Significance to the Field**

At a major Hollywood premiere in Seoul in 1989, Korean film activists scattered tear gas agents and released live snakes in theaters to scare off patrons. The conspirators were not protesting this one film, however. They were protesting U.S. imports, which threatened domestic production—and along with it, the presentation of Korean stories on Korean movie screens. As unconventional as the tactics may seem, the impulse behind them was

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commonplace: American entertainment has stirred resentment around the world since its first travels abroad a century ago. The fervor on display in Seoul has played out, albeit in varied ways, in several places over the years.

*Commerce and Culture* analyzes two arenas of political discord in the globalization of entertainment: international and national. At the international level, film and television have been intractable problems in the trading system. Deadlock over trade rules for audiovisual media nearly derailed the historic Uruguay Round negotiations in 1993. But this quarrel only continued a longstanding dispute. At the inaugural conference of the GATT in 1947, special terms for films were not settled until days before the treaty was signed. Movies were even a sore point in the very first trade talks in the League of Nations, a forgotten opening chapter in the trade-culture conflict.

Beneath these disputes sits domestic conflict. At the national level, producers, performers, and technicians in many places push to restrain imported entertainment. From the modern example of Korea to many older ones, some of this ferment creates its own drama. Whether staged as mass action or pressure-group politics, these campaigns aim to persuade government to limit foreign access to the nation’s screens. But film and television are divisive at the domestic as at the international level. Conflict arises because cinema operators and television stations dislike encroachments on their managerial freedom. These divided loyalties cause friction in national politics.

Animating discord at these two levels is the peculiarity of filmed entertainment, at once commercial good and cultural object. As commodities, movies and television programs are made and marketed for their pleasure value. As cultural objects, they spread ideas and influences. This duality joins the commercial and the cultural in one package: there is the prospect of growing rich, and the potential to move minds.

*Scope and Rationale*

Commerce and culture clash in both international and national polemics over filmed entertainment. In global trade talks dating to the 1920s, several countries have staked the claim that these items are exceptional—not ordinary merchandise but cultural goods that,
per se, justify exceptions to standard trade rules. Even the oratory has hardly wavered over the ages: film prints are not typewriters or automobiles, shoes or lard, pencils or other commodities, nor is programming over the airwaves akin to voice telephony or electronic mail, diplomats have alleged, accentuating the contrast to normal retail devoid of cultural referents. The United States, intent on holding back cultural rationales to block trade, has consistently countered that trade rules remain appropriate for filmed entertainment. National politics often replicate this schism. To build the case for state support and draw allies to its cause, the production sector habitually downplays pecuniary interests, emphasizing the importance of film and television to the nation’s heritage, prestige, or self-image. In rebuttal, the exhibition sector stands for higher principles too, like freedom—in trade, private enterprise, and individual choice, so that buyers may select (and businesses may program) whatever material they wish, whatever its origin.

*Commerce and Culture* interprets and explains these controversies. Part of its purpose is to tell the stories of the strife that this cultural exchange incites. The narrative begins with the first moving picture in 1895 and builds from the advent of feature films, the key juncture that propelled the United States to the top of the global movie industry after 1910. Taking the history to the present, the study investigates the impact of political and technological shifts on international and national conflicts over trade. These catalysts include two world wars; the arrival of sound films; the opening of international trade and the establishment of trade rules; the emergence of television and, later, its commercial expansion in countries where broadcasting began under state control; and the growth of new distribution platforms via cable, satellite, and video.

Beyond the details, the larger object is explanatory. Two central puzzles guide the analysis. First, internationally, some countries have demanded a “cultural exception” in the GATT-WTO regime, while others have accepted binding trade rules for movies and television. Why? Second, nationally, some countries have been more inclined than others to regulate and restrain foreign entertainment. Again, why?
Analytical Approach and Methods

Only comparative analysis of differences across countries and time can solve the puzzles posed above. The study is, therefore, comparative. Its originality is not only to integrate the historical narratives at the international and national levels in one framework, but to account for variation over place and time.

The argument worked out in chapter 4 emphasizes national standing in the global production and exchange of filmed entertainment and domestic interests in the promotion of local material. Internationally, the size of a country’s consumer market and its cultural proximity to the nucleus of global entertainment—the United States, the largest market of all—influence state preferences on global trade rules. Chapter 5 analyzes the positions states have taken on trade in films and television in four sets of multilateral negotiations from the 1920s to the 1990s and finds that these two factors, large markets and cultural proximity, effectively pinpoint the principal sources of agitation for special trade rules for culture, now and in the past.

Nationally, market size and cultural proximity shape the political balance between the production and exhibition sectors, hence the likelihood of policy restraints on imports. The larger the market, the stronger the production sector; the culturally closer a country is to the United States, the more threatened producers feel and the harder they push for policies to favor homegrown entertainment. How this plays out depends on whether the national market is in expansion or decline. Market growth emboldens producers and it also relaxes distributional tensions, because exhibitors can still prosper even if the state compels them to screen national content. Thus, flourishing movie markets in the 1920s, chapter 6 explains, intensified political pressures against film imports—even before the onset of sound gave movies a distinct nationality—leading Britain and several European countries to impose quotas on foreign pictures. Market contraction, however, weakens producers and intensifies distributional conflict as the losses deepen. Chapter 7 exposes

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2 In this respect, the case of South Korea cited earlier is an exception to the general rule. The manuscript addresses this anomaly, and concludes that cultural separation of late provides less insulation than before.
this fallout from television: cinema exhibition crashed as television spread, mobilizing theater owners in rebellion against quotas in the countries that had them.

Stylistically, *Commerce and Culture* integrates text and data. Documents and archival records of governments and international organizations underpin the narrative. In conjunction, tables and figures drawn from datasets I have compiled substantiate key points. A novel method of comparison based on shared ancestry in the languages spoken in different countries, which comes from linguistic family trees, enables me to systematically assess the impact of cultural proximity. Cross-national data on cinema revenues, movie admissions, trade flows, and screen time for national and foreign entertainment stretching back decades provide contextual information. These measures, displayed in accessible visuals, ground my inferences about the interplay of commerce and culture and, as well, add richness to the stories told about political conflicts at the international and national levels.

**Significance to the Field**

Filmed entertainment is a driver of globalization and one of its great paradoxes. Most productions never leave their place of origin, if they earn any play at all, and then a select few gain worldwide circulation. Yet filmed entertainment remains an exception of sorts internationally—an exception to the progressive extension of trade rules to cover all goods and services. As both commercial good and cultural object, it has always been widely marketed and, at the same time, closely managed in trade-restrictive ways.

Internationally, cultural difference has become less of an impediment to trade than it used to be, bringing new countries such as South Korea and now China into the trade-culture controversy. Nationally, new distribution platforms have weakened entrenched interests and broken down protectionist forces in several countries, opening once closed markets, at least for feature films. *Commerce and Culture* illuminates how and why the interplay of commerce and culture—and above all, politics at the international and national levels—has shaped the uneven globalization of filmed entertainment over the past century.