## *American Television and the Rise of Local Programming*

Compared with other forms of popular culture, television moves at light speed, changing formats in a constant competitive search for novelty and audience. For some critics, this makes it a kind of fifth column. "It is enough to think of all the people who watch exported North American television programs to realize that this cultural intervention is deeper than anything known in earlier forms of colonization or imperialism," writes Fredric Jameson. "Television in some other (not merely third world) countries is almost wholly colonized by imported Northamerican shows."[34] Only if you are a member of what Peter Berger terms "faculty club international," staying at Hiltons overseas and watching cable, is it possible to believe that U.S. television programming rules the airwaves. Today television is regional or national, and powerfully so, as Al-Jazeera has shown.

A large English-language market, technical invention, and innovative financing propelled the initial export of American programs. That was understandable, because the United States led the world in the adoption of television, buying 36 million sets by 1955 (versus 4.5 million in Britain, only 300,000 in the rest of Europe, and a sprinkling in Japan at that date). When U.S. equipment makers agreed on the NTSC (National Television System Committee) standard and the Ampex Corporation in 1956 demonstrated magnetic tape recording, the export of U.S. programs became possible. After all, hardly anyone else was even making programs. But the initial export market was only in equipment. Foreigners needed sets first, and sets were expensive, several thousand each in current dollars. Critics like Jameson assume that today everyone has a set, but that's still not true: millions of Asians and South Americans do not, and fewer than one in twenty Africans owned a television in 2004.

CBS was first to establish a foreign program distribution subsidiary, followed by ABC and NBC. Learning from the film industry, they licensed programs from independent producers, which they syndicated at home and abroad. *Lassie* made $4 million in foreign revenue by 1958, according to scholar William Boddy, and five of the top ten shows in Japan that year were U.S. series or clones. By 1961 CBS Films was selling about fifteen hundred half-hour episodes in fifty-five countries: *The Lone Ranger* alone showed in twenty-four countries.

But what happened next indicates the general trend. Using their own technical innovations, such as Toshiba's recording system, the Japanese domesticated and then remade U.S. shows. They passed from copying to creating their own unique music, cooking, and comedy formats. Then

Japan used the 1964 Tokyo Olympics to ramp up its national infrastructure. People bought sets to watch the Olympics, and the government financed state-of-the-art transmission facilities. By the 1970s Japan was a net exporter not only of high-quality TV sets, in which it soon dominated the American market, but of cartoon *anime* and the "funniest home video" genre. It imported only hit dramas such as *Dallas* and *Dynasty* (and later *Allie McBeal*).

**PROGRAM DIVERSIFICATION**

Just as movies had, television programming entered a period of product differentiation. The introduction of UHF (ultra high frequency) channels in the 1960s and cable in the 1970s created many, many outlets in the United States, which were on the air at all hours, creating an unquenchable demand for programming. The large English-language market meant that successful programs could be syndicated in the United States and sold in other English-speaking markets, on the logic of film's "second print." If very popular, they could be dubbed and sold in other language markets. Exports to Japan had shown that the best bet was drama, preferably with high production values and known stars. A sporting event or a music show might sell abroad once, but syndicated series developed lucrative repeat audiences.

In contrast to the United States, Boddy points out, most foreign nations subsidized their television systems. The BBC in Britain, CBC in Canada, the RTF and ORTF in France, and ARD/ ZDF in Germany produced programming that had no secondary market. With outlets multiplying, they were then handicapped. The Nielson rating system appeared, showing that viewers liked American drama, such as the miniseries *Roots* (1977) and *Holocaust* (1978).

In the early 1980s, rogue television stations broadcasting from Monte Carlo or islands off Britain further weakened European governments' control of television. These pirates showed American and other syndicated programs, drawing viewers from public systems. When cable and satellite TV joined the fray, the national systems partially capitulated in order to retain some control over their home markets. France privatized the first channel (TF1) in 1987 and then created a regional network (France3), a cable system (Canal+), and a private network, La Cinq. By 1990 the number of worldwide TV broadcasters had so expanded that the demand for programming was voracious. Televisions flickered in living rooms from Texas to Turkey, while in Japanese and Mexican kitchens the tube was on from dawn until midnight. Viewers also began to tune in Bollywood musicals, Egyptian soap operas, Mexican *telenovelas,* and English League soccer. American exports were increasingly limited to the drama syndication, but competition appeared even there.

**THE END OF U.S. DOMINANCE**

By 1995 the introduction of high-quality, inexpensive videotape cameras and editing equipment as well as satellite or UHF broadcasting systems meant that a primitive TV station could be launched for a million dollars. Most African nations set up their own broadcasting systems and produced some of their own programming. The *Economist* noted that wherever "new stations establish themselves they tend to drop generic American products in favor of local productions: audiences still prefer homegrown fare if given the choice. In every European country in 1997, the most popular television programme was a local production."[35] The most popular drama in Jamaica was soon the domestically produced *Claffy,* in Zimbabwe *The Mukadota Family,* and in Nigeria *Mirror in the Sun.* Syria has become a major exporter of television dramas to the Arabic world, rolling out a dozen series that debut during Ramadan each year. War-ravaged Cambodia had three domestic channels and was producing a popular soap opera in Khmer when I visited in 2001. Even the number three station in Phnom Penh, CTV9, broadcast 47 percent local programming by 2002.[36]

To gauge the popularity of American television programs in Japan, in 2000 I assigned fifty seniors in my courses at a Japanese university to survey their families' television-watching habits in seven genres: variety, music, cooking, drama, news, travel, and film. Surprisingly, there were no imports at all in the top five positions of any category.[37] This was not a scientific survey, but it indicates the dominance of local tastes.

Recent trends have further undermined U.S. exports, chief among them "reality television." This was itself an import to the United States. Frederick Wasser writes that executive Jim Platt observed local programs in Australia, the Netherlands, and the United Kingdom that featured real-life police pursuit. This led to *America's Most Wanted,* a Fox hit of 1987. Fox created a marketing conundrum for U.S. producers. They had to respond in their home market, but reality programming was too culturally specific to be highly exportable. Soon France, Germany, and Spain had their own "survivor," "star search," and "roommate" programs, which trounced U.S. imports in ratings. A roommate show called "Big Brother Africa" now draws 30 million viewers from Kenya to South Africa to Malawi, where parliament has banned it for being too racy.

By 2002 Latin America used as much Mexican and Spanish programming as American. Asian and African stations mixed British and French shows with U.S. imports. Indian, Egyptian, and Mexican soap operas undercut the price of U.S. syndications and exploited a growing diasporic language market. U.S. invasions of Afghanistan and Iraq sapped the export market for U.S. news programming. By 2002 there were Spanish-language shows in all of the top twenty-five U.S. markets, and in California there were Mandarin, Cantonese, Korean, Japanese, Yiddish, and Russian channels. Mexico and Brazil had become the world's leading exporters of drama programs.

Meanwhile Fox, Time Warner, and other big program providers had moved on to what they believed was the next big thing, cable. They turned to China, the largest cable TV market in the world, with 98 million subscribers (only 35% of households). They vied with Japan's NHK and others to purchase a foothold, but by 2002 the rate of cable growth in China had cooled to 3 percent per year. Time Warner found it had overpaid for cable licenses that restricted it to diplomatic enclaves in the north and to the southern development zones near Hong Kong, where Cantonese is spoken. But only 50 million Chinese speak Cantonese, while 874 million speak Mandarin. Disney also found its future blocked by a 2000 Chinese law requiring that 60 percent of all cartoons on the air be made in China, and a 2005 proposal to ban any foreign animation between 4 and 9 p.m. U.S. producers must battle it out with Japanese, Philippine, and Taiwanese producers for the 40 percent market.

The promise of cable overseas turned out to be disappointing. Even in Japan only 26 percent of households had cable by 2002. In Germany, the figure was 50 percent—and that was the top rate for Europe. As Eric Pfanner wrote, "No amount of money or will could overcome the fact that Europe remains at least 15 distinct markets, with separate languages, tastes, business practices and regulations"[38] This is true worldwide: when stations broadcast seven days a week, twenty-four hours a day, language differences restrict audience size. In China, aggressive local entrepreneurs using smaller stations and satellite had snatched audience from big foreign companies by 2002. "For all the alarmist talk during the 1980s about wall-to-wall *Dallas* and *Dynasty*," David Puttnam writes, "the threat of all-U.S. TV failed to materialize and the popularity of American programming has, if anything, declined over the last decade."[39] By 2004 cable was everywhere losing ground to satellite television, which had lower land costs.

### LOCAL PROGRAMMING

Seen a *telenovela* lately? Mexican entrepreneurs Emilio Azcárraga and Romulo O'Farrill are largely responsible for making these Spanish language soap operas into a worldwide genre. Televisa, their Mexico City company, produces 90 percent of the *telenovelas* shown in the United States and owns 11 percent of Univision, the major Spanish network in the United States. Its programming reaches every major American market, and the purchasing power of its viewers—$206 billion in 1995—was greater than that of the whole Mexican market ($166 billion). In fact, *telenovelas* have more viewers in the United States than at home. And in the critical eighteen- to thirty-four-year-old market, Univision beat at least one of the Big Four (ABC, CBS, NBC, Fox) every week in the 2005 season—and finished first over twenty evenings. NBC got so desperate that it hired Genesis Rodriguez from Mexico's number two Telemundo to star in a prime-time series. The two Mexican networks export to all nations of South and Central America, as well as Spain, Portugal, India, central Europe, Asia (even Japan is a market), and several Middle Eastern nations. There are Malaysian webzines for *telenovelas.*

Televisa was the largest producer of syndicated export programming in the world by 1990. It also bought *telenovelas* produced in other nations. Each *telenovela* "season" comprises 180 half-hour or 90 one-hour episodes (in series like *Corazon Salvaje* or *Dos Mujeres y un Camino*) and sells for about $200,000, according to the Paris newspaper *Libération.* With a cost of $3 million for 16 one-hour episodes of *Beverly Hills 90210,* program directors love *telenovelas.* The length of each season's syndication and its bargain price have helped *telenovelas* to displace U.S. drama exports in overseas markets.

There are now *telenovela* industries in Argentina, Brazil, Venezuela, and even Cuba. "Argentine soap operas," wrote the *New York Times*'s Moscow correspondent in 2001, "dominate daytime television here."[40] Peru's *Simplemente Maria,* a Cinderella story, began showing in distant Kazakhstan in 1994. By 2004 Brazil's Globo corporation was as big an exporter as Televisa, selling to 130 countries.

If we visit Televisa's studios in the Mexico City suburb of San Angel, we can witness something like the heyday of Hollywood. An army of 6,500 directors, actors, scenarists, technicians, makeup artists, and gofers work in eleven studios, the largest production facility south of the U.S. border. Episodes are designed for easy dubbing, and the filming pace is fast. Three cameras roll, controlled by a switchboard, as each scene is acted. There is a maximum of three takes. Actors don't memorize scripts, but read them from a teleprompter. As an actress named Maribel told *Libération*, "I did a little film work, but the Mexican movies got really bad ... only TV could make me as popular as fast. For us Latin American actors, Televisa, it is our Hollywood."

Emilio Azcárraga Vidaurrea founded Televisa in 1952, and in 1955 started the first Mexican television network, Telesistema Mexicano. During the 1960s he bought up other Mexican TV and radio stations and invested in a variety of North American media companies, including cable. Before his death in 1972, *Fortune* ranked him as the richest man in Central America. His son, Emilio Azcárraga Milmo, made the company even larger, and his grandson Emilio Azcárraga Jean is now expanding it again. In 1998 *Forbes* magazine rated the Azcárraga fortune at $3.5 billion, and since then it has grown considerably.

Televisa broadcasts on four owned and operated nationwide channels. The most prestigious is Channel 2, which brings home half the company's advertising revenues. It features a variety of *Good Morning America*–type shows from 7 a.m. until 4:30 p.m., when it shifts into almost six hours of *telenovelas,* then closes with the news and a movie. Under Mexican law, up to 18 percent of broadcast time may be commercials, and Channel 2 exploits this largesse. Televisa's Channel 4 features cooking, fashion, exercise, and "how to" shows from 6 a.m. until 2 p.m., when it shifts to old American syndications (*The Untouchables, Bonanza, Tarzan*) and major league baseball. However, Channel 5 is the second most profitable channel, showing cartoons from 7 until 9 a.m., followed by Televisa sitcoms until noon. After lunch there are nine more numbing hours of cartoons, all imported oldies (*Captain Planet, Alvin and the Chipmunks, Power Rangers,* etc.). Many appear to be "American," but in fact they are Sony products created in the Philippines. At 9 p.m. Channel 5 concludes with a movie. This powerful channel, aimed at children and homemakers, covers 70 percent of Mexico and attracts a 22 percent national audience share. Televisa's fourth station is Channel 9, received in most of the country via two hundred relay stations; it broadcasts educational programming from 8 a.m. until 2 p.m., when it also launches a series of *telenovelas.*

Because Mexico is a neighbor of the United States, and its television system is modeled on ours, it offers a test case: how much of its programming is United States–generated? On a typical day (Monday, May 22, 1995), Televisa started its four channels at 6, 7, or 8 a.m. and signed off between midnight and 2 a.m. It broadcast a combined 73 hours of programming. Of this, "American" content was 27.5 hours, about one-third.

Of those 73 hours, 6 were movies (*My Science Project, Out of Bounds, Power*). The largest single category of imported U.S. programming was 12 hours of cartoons or children's shows run on Channel 5. This channel also ran two of the U.S.-made movies in the evening. The second largest user was Channel 4, which played *Tarzan, Bonanza, Hulk, The Pioneers,* and *The Untouchables* between 2 and 8 p.m. At 4 p.m. it showed an American film and at 9 p.m. part of a U.S. baseball game. Channel 2, the most profitable, showed only one U.S.-made program, *Wheel of Fortune.* The rest of its programming was Mexican. Channel 9, the educational channel, used no American shows. In sum, "American" programming was in three areas: cartoon shows; old syndications of cowboy, police, and adventure shows; and mediocre films.

Televisa accounts for four of the nine free stations in Mexico City. Of the others, Channel 7 (XHIMT) broadcasts a mix of home shopping and paid commercial shows, with music videos and major sports. Channel 11 (IPN) had only two attractions, a two-hour children's show called *Ventana de colores,* a sort of Mexican *Sesame Street* that was repeated during the day, and old films, such as Clint Eastwood's *Escape from Alcatraz* (1979) and Orson Welles's *Voyage of the Damned* (1976). Channel 13 (XHDF) was Channel 5's rival in cartoons, and it had the popular *X-Men* and *Nintendomania,* both Japanese syndications. In late afternoon it switched to Spanish and Mexican movies and variety shows. Channel 22 was a PBS-type channel that didn't come on until 5 p.m., showing classical music, jazz, and documentaries. Channel 40 (CNI) appeared at 6 p.m. with news, lottery results, and nature shows. Together these five channels broadcast sixty-five hours on Saturday, May 20, 1995, of which fourteen hours were U.S. made, less than a quarter of their airtime. Three old movies constituted six hours, cartoons four hours, the NBA playoffs two hours, and music videos two hours (the latter were 50% American).

This is the television universe for most Mexico City residents, though efforts were being made to sell cable to them too. The cable package looked like what we would receive in an American hotel—ESPN, CNN, Fox, MTV, USA, HBO, Discovery, NBC—except that most English channels were subtitled or dubbed. Multivision had the lead; it offered twenty-two channels, of which fourteen were in Spanish. The other cable purveyor was Televisa-owned Cablevision, which offered twenty-four channels, including Deutschevele, ABC, CBS, Cinemax, the Cartoon Channel, and CABLESPN. Ten of its channels were in English. Both systems were set up on the basics, premiums, or pay-per-view system familiar to Americans. U.S.-made films dominated the pay-per-view category,

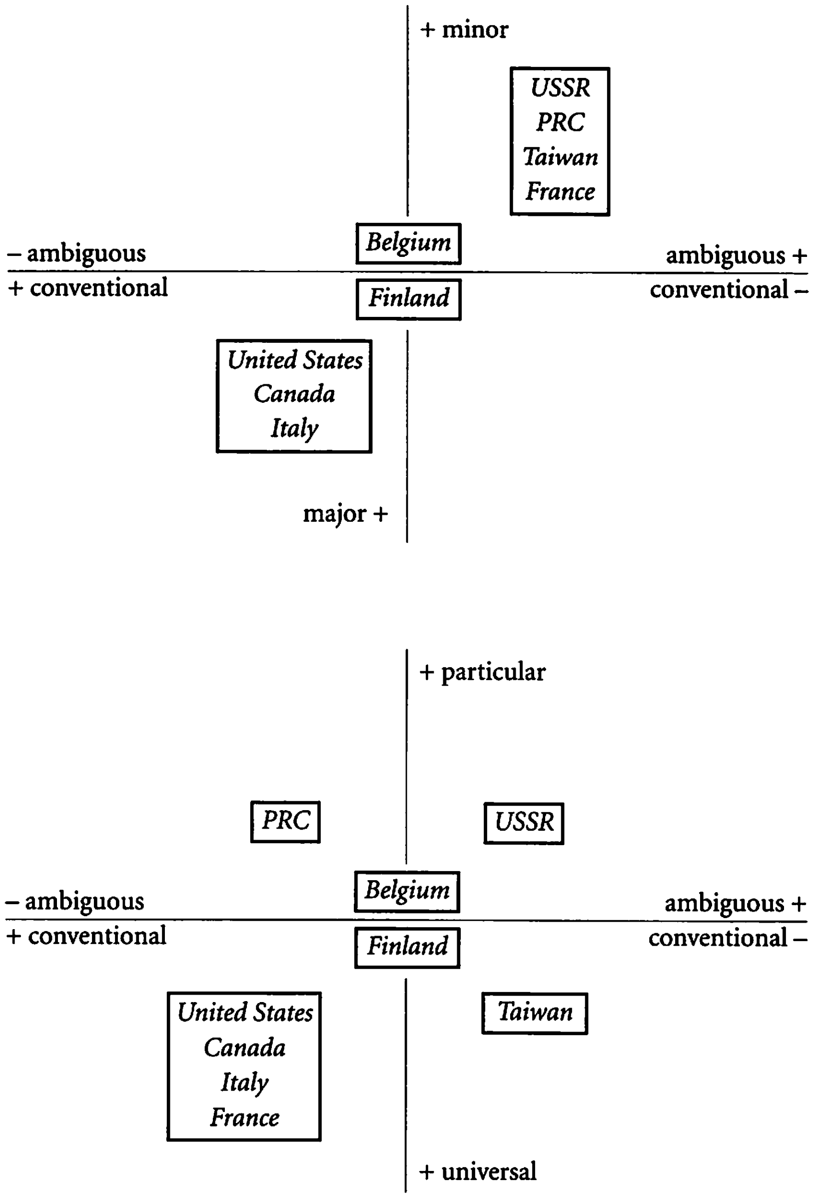


FIGURE 1. Divina Frau-Meigs's study of television narratives shows that even when cultures share a language, they may favor different themes or complexity. The upper figure depicts comparative narrative strategies; the lower figure, cross-cultural narrative options.

SOURCE: Divina Frau-Meigs, "The Cultural Impact of American Television Fiction in Europe: Transfer of Imaginary Worlds or Cultural Compatibility?" a paper presented at the European American Studies Association, Warsaw, Poland, March 21–24, 1996.

taking sixteen of the twenty-four hours available on Multivision and ten of eighteen hours on Cablevision. On two of the Cablevision channels, however, the same film repeated over and over all day. People to whom I spoke said that only rich Mexicans subscribed to pay-per-view.

The "American" programs that most Mexico City residents saw, therefore, fell into three categories. First, there were cartoons and kids' shows dubbed into Spanish. This programming bore an American logo and is reputed by Marxist critics to be especially pernicious, but it is mostly created outside the United States. Second, there were second-rank U.S. films, especially action, police, and horror. Like cartoons, these are difficult for other producers or distributors to generate in sufficient quantity. Both genres are easily dubbed. Given the need to fill the airtime of Mexico City's nine free and forty-six cable channels, this dependence is not likely to change. Third, there are older U.S. action shows in last-gasp syndication, such as *Magnum* and *McGyver.* Other countries, such as France and Germany, produce comparable syndications, but they are not as cheap as the American product, which at the end of its life can be offered very cheaply indeed. Historian of technology David Nye has estimated that it would cost foreign countries ten times as much to produce these series as it does to buy them.[41]

## CULTURAL SPECIFICITY IN TELEVISION DRAMA

Recent scholarship contends that the values in television drama do not simply "transfer" to foreign cultures. Rather there has to be a narrative fit between program and viewer. The eminent French media scholar Divina Frau-Meigs, who has written four books on U.S. film and television in Europe, analyzed a large sample of U.S. television shown in Belgium, France, Finland, Italy, the USSR, the People's Republic of China, and Taiwan. Her methodology, based in communication theory and narratology, assessed the degree to which local programming veered toward the "American model" when it was present in the market. The latter was defined as having "fewer themes per program, strongly emphasized" with "little ambiguity" in character or plot development. An illustration would be an American police show. As Frau-Meigs writes, "Only two major styles emerge out of a combination that could provide several alternatives: either a multiplicity of themes with much ambiguity or a few themes with little ambiguity"[42] (see fig. 1).

As Frau-Meigs shows, the United States, Canada, and Italy tended strongly to few themes in plot and little ambiguity in character. But France, Russia, Taiwan, and China favored many themes and greater ambiguity.

No wonder that the old U.S. detective show *Columbo* is still playing in some of them. Finland and Belgium occupied the middle ground. When the programs were examined for the number of narrative complications, an index by which communication scholars judge a culture's relation to ambiguity, a different pattern emerges. France, Italy, the United States, and Canada were grouped together in the "conventional, universal" quadrant, whereas Russia, China, and Taiwan diverged dramatically. Russia stood alone in combining a great number of themes with character particularity and narrative ambiguity. Most surprisingly, Chinese and Taiwanese audiences were radically different, the latter preferring generalized characters in ambiguous plots, whereas the former wanted particularized characters in conventional plots. Frau-Meigs concluded that "contrary to intuition, geographical closeness as well as cultural and linguistic ties are not as influential as they might seem. The most striking example is that of Taiwan, which should be closer to the People's Republic of China, but is in fact closer to Europe and the USA. This phenomenon is also valid within the European block: Belgium doesn't align itself on France, its cultural and linguistic neighbor." Program exporters have tried to foist off series that were cheap, without regard for narrative style, on developing nations. But the exporter's cultural values were often too jarring. "The American programs," notes Frau-Meigs, "introduce the diversity of Otherness into local representation, but it is an Otherness that is not totally assimilated. If there is indeed contact, there is no proof of successful transfer."[43]

Rather than imposing a Western "fantasy world" on viewers, exported programming seems to take hold in niches of narrative compatibility. In Italy, where male television viewers are obsessed with showgirls called *velinas*, *Baywatch* is as popular as it was in the United States. But in Poland, to which Silvio Berlusconi donated his Raiuno channel after independence, Italy's *velina* television, with its buxom underdressed showgirls, never caught on, especially with devout Catholics. As for American programming, in China and Russia it is only 10 percent of content, whereas in Taiwan it is as much as 50 percent. Shows that were not blockbusters in the United States sometimes rise to fame overseas. *Columbo* is a case in point, but *Seinfeld* has never been as popular, probably because its comedy is culturally specific. And African American comedies like *The Cosby Show* hardly export at all. Indeed, foreigners' taste for multithemed, complex-charactered, and narratively ambiguous programming has worked against the sale overseas of the typical American television drama (there's some evidence that *American* tastes are moving toward the

French-Russian pole). And at the simpler end of the spectrum (soap operas), American exports are undercut by *telenovelas,* which take the extended family as the basic social unit and focus on a romantic couple, a formula more appealing in the developing world.

### CARTOONS

The influential argument about the impact of Disney products made by Ariel Dorfman and Armand Mattelart (*How to Read Donald Duck,* 1971) seems to have been undercut by history. They argued that the basic narrative of Disney cartoons comes from the United States and reflects an imperialist world view. First published in Chile in 1971 during the Allende years, their book shares the revolutionary tone of the period. It is an attempted "unmasking" of children's fantasy literature to reveal "capitalist, bourgeois" values, in much the same way that Marx analyzed Eugene Sue's popular novels. Subsuming a good deal of Freudianism, Dorfman and Mattelart postulate "childhood" as a "utopia" colonized by Disney, with parents, labor, sexuality, and procreation eliminated. In this view, the ducks are all coequals sent by Uncle Scrooge, who is a puppet of unseen capitalist forces, to exploit Unsteadystan, Inca-Blinca, and Aztecland. Their adventures teach them the proper colonialist attitudes and techniques. As readings, Dorfman and Mattelart's are not implausible, and many readers will find the portrayals of Third World peoples shockingly crude and the narratives distressingly nationalistic and ethnocentric. But more distressing still is Dorfman and Mattelart's conception of the foreign reader: "The housewife in the slums is incited to buy the latest refrigerator or washing machine; the impoverished industrial worker lives bombarded with the images of the Fiat 125. . . . Underdeveloped peoples take the comics at second hand, as instruction in the way they are supposed to live and relate to the foreign power centre."[44]

In the Marxian view, readers in "underdeveloped nations" are robots, believing whatever they read to be gospel. Fortunately, other critics have corrected this error. As John Tomlinson writes in *Cultural Imperialism,* "It would be absurd to assume that people in any present-day culture do not have developed attitudes to such a central aspect of their lives (as the relationship between wealth and happiness) quite independent of any [such] representations."[45] In fact, as far back as 1989 M. Barker argued convincingly that three other interpretations of Scrooge McDuck were just as plausible as Dorfman and Mattelart's: in one Scrooge McDuck is a satire on the mania for money getting; a second extends this to a closet critique of capitalism, with Scrooge as "a biting parody of the bourgeois entrepreneur"; and a third reading finds a larger theme about "the ways in which human beings deceive and destroy themselves."[46]

Equally important, television cartoons have not been produced in the United States since the late 1970s, because of the high cost of hand-inking the cells. Despite the increased use of computers and other short cuts, cartoon production is still labor intensive. Low-cost cartooning colonies developed in Seoul, Manila, Barcelona, Taipei, and Bogotá in the 1980s. By 2000 about 90 percent of all "American" cartoons were created in Asia, with the Philippines having recently supplanted South Korea as the capital. "Over the past 10 years, four major animation companies employing more than 1,700 people and several smaller studios have opened in Manila alone," writes Michael Switow. "Familiarity with U.S. culture gives Filipinos an advantage over other Asian competitors in the animation field."[47]

Cartoons are now developed in the following manner. Major studios, such as Sony, Disney, Marvel, Warner, and Hanna-Barbera, send storyboards and voice tracks to Manila. Filipino artists and technicians draw, paint, and film about twenty thousand sketches, mainly by hand, for every thirty-minute episode. The material is then sent back to the United States or Europe or Japan, where the sound effects and music are added. The Disney shows *Timon and Pumbaa*, a *Lion King* spin-off; *Duck Daze* featuring Donald Duck; and *Aladdin*, a spin-off of the movie, are among the cartoon shows produced in the Philippines. Drawing the cells of a thirty-minute cartoon would cost $500,000 in the United States, and $200,000 in South Korea, but it costs only $165,000 in Manila. "Fred Flintstone is not from Bedrock," Switow writes, but from Manila. "So too are Tom and Jerry, the Biker Mice from Mars, Aladdin and Donald Duck."[48] Philippine studios, inevitably, have begun to create their own cartoons: Fil-Cartoons was producing two series for the Cartoon Network by 1996.

The editing and printing of the Donald Duck comic books is even further outsourced. David Kunzle's updated introduction to the 1991 edition of Dorfman and Mattelart's *Donald Duck* reveals the multinational nature of these texts. There are "at least four different Spanish-language editions of the Disney comic," he writes.[49] The Chilean edition serves Peru, Paraguay, and Argentina, but printed only around 800,000 copies a month at its peak in 1970. Of the 4,400 pages of material, one-third was created by Disney studios, one-quarter came from Italy, one-third from a U.S. franchisee (Western Publishing Company), and the rest from Brazil and Denmark. The Mexican series, only 2,200 pages total, received all of its material from the United States. The Brazilian edition, Kunzle notes, is fairly dependent upon Italy for material. Italy supplies 1,000 of the 5,000 pages in the five Brazilian titles. Brazil itself generates another 1,000 pages. Another edition originates in Colombia, serving northern South America. Italy originates over half of the pages in Italian Disney comics, and France half of its own pages. In the final analysis, as Kunzle shows, Donald Duck is only a logo, a franchise.

Like other good franchises, it seems that Donald is adaptive, a different duck outside the United States. Local editors do what they want to sell the product to local audiences, like "fusion cuisine" chefs in the United States. They alter scenes, invent new characters, and change the dialogue. In some cases, what remains of "Disney" is the physical appearance of the characters and the name. In some countries, of course, the product is substantially the same. But clearly "Donald Duck" is *adapted* worldwide to fit local cultures. He becomes "Pato Donald" or "Unkle Donald." As such, he is no longer an ideological vehicle of Disney values, or even of consumerism, but of a hybrid of some of these and the local cultural values.

### *The McDonald's Brouhaha*

Is the world suffering from "McDonaldization"? Critics offer no statistics, no studies, and few facts to back their generalizations. Write George Ritzer and Elizabeth L. Malone, "The most notable and more directly visible cultural impact is the way McDonald's is altering the manner in which much of the rest of the world eats. What and how people eat is a crucial component of almost all, if not all, cultures, but with the spread of the principles of McDonaldization virtually *everyone* in McDonaldized society is devouring French fries (and virtually every other kind of food) and doing so quickly, often on the run."[50] I am not arguing for junk food here, but I do think overseas fast-food emporia deserve objective study and analysis. The known facts would suggest that McDonald's is at least as representative of *modernity* as of Americanism, and that the former rather than the latter is responsible for changes in traditional eating habits.

McDonald's opened its first foreign franchises in the 1960s, and it was soon followed by its competitors. The perception of a rise in "McDonaldization" owes much to a concurrent increase in American tourism, beginning with the 1960s backpackers. Even today, if we venture somewhere that Westerners don't go—Greenland, Nigeria, New Guinea—we find few McDonald's. But "McDonaldization" has become the rallying cry of a wide variety of modernity's foes. Food franchises are undeniably a feature of modernity and globalization, but how "American" are they?

It takes only a minute's reflection to realize that *every society has always had a form of fast food.* On Bali, one pot of food was traditionally cooked in the morning, and everyone snacked from it all day: a fast meal was rice and meat carried away on a palm leaf. In France open shop fronts have sold *crêpes,* sandwiches, and *croque-messieurs* at least since the 1940s. Today *kebab* stands dot every French town, offering carry-away meals. Germans and Austrians can buy chestnuts and *kartoffeln* from street-corner vendors if they need to eat on the run. Mexico is overrun with street-corner taco and burrito vendors. In Japan most people eat boxed meals of rice, vegetables, and protein called *bento* for lunch. *Okonomiaki* and *takoyaki* carts still punctuate some street corners, while *soba, udon,* and *ramen*—once sold by itinerant street vendors—are everywhere available in storefronts. *Sushi* was originally fast food, sold from pushcarts, and there are now robots that turn out 1,200 pieces an hour. Fish and chips predated McDonald's in Britain by a century. North American Indians had *pemmican.*

The idea that Americans invented fast food would be hilariously ethnocentric if it were not so widely believed outside the United States. Equally uncritical is the notion that United States fast food *causes* foreigners to eat faster than they used to. The Japanese have always eaten lunch quickly, and Mexicans are no laggards. Many Europeans simply skip lunch. Some cultures eat faster than Americans do, and some eat more slowy. The pace is governed by factors other than proximity to the golden arches.

Yet there are professors asserting that McDonald's caused the demise of sit-down dining in Japan. A strange charge, since for more than a hundred years Japanese has had words for eating while standing (*tachikui*) and drinking while standing (*tachinomi*). In fact, the oldest bars in Japan are the *tachinomiya* (place to drink standing up), and all railroad stations have had standup *ramen* shops since at least World War II. Historic accounts, drawings, and photos show that the Japanese ate while standing in the street in the 1880s.

Everyone, of course, feels a right to weigh in on the fast-food debate—after all, they eat it!—but almost no one goes out and studies eating. And critics in the United States do not recognize the increase in foreign foods that they themselves eat, tastes that began to return with those backpackers in the 1960s: *tom yum* sauce from Thailand, *fleur du sel* from the French Camargue, Jamaican rum, and Italian tomatoes. Augmented by increased incomes and personal mobility, American tastes led the way to a *modern* preference for a more diverse food palate, which has since spread to the rest of the world. But this modernization has not been accompanied by the spread of "American" flavors. As for McDonald's, it has succeeded abroad largely for the same reasons that it has succeeded at home.

McDonald's tried a "store" (to use company parlance) in Holland in 1960, which failed, and then another in Canada in 1967, which succeeded. It opened its first Japanese store in 1970, and by 1980 it had four hundred there, where they are known as "Makudo." By year 2000 there were four hundred in France. In Italy, home of the "slow food" movement, 500,000 Italians a day were eating at three hundred McDonald's by 2003. That is actually not very many.

McDonald's *is* a success, but is it worth apoplexy? Most overseas McDonald's (and other fast-food franchises) still cluster around the most touristed parts of Tokyo, Paris, London, and other major cities because Americans and other foreigners, uncertain about local restaurants and familiar with McD's low prices and cleanliness, end up eating there. This added business not only perks up sales but gives the franchise an aura of authenticity. If we eat fast food at home, it is not surprising that we find it abroad: Japanese and Chinese and Frenchmen visiting the United States can find their fast food here too. But even in Japan, where it has nearly 1,500 outlets, McDonald's and its cohort have a smaller footprint than critics realize.

Most critics of McDonald's don't understand the basics of fast-food retailing. Here are two of them "deconstructing" McDonald's as it "infiltrates local culture":

> Beijing customers often linger for hours rather than eating quickly and leaving or taking their food with them as they depart the drive-through window, which undermines one of the principal dimensions of McDonaldization—efficiency. Perhaps the biggest difference, however, is that in Beijing McDonald's seeks to be more human by consciously presenting itself as a local company, as a place in which to "hang out" and celebrate important events and ceremonies (e.g. children's birthday parties). Rather than simply a place to get in and out of as quickly as possible, personal interaction is emphasized by employing five to ten female receptionists, who are referred to as "Aunt McDonalds" (similarly Ronald McDonald is known as "Uncle McDonald" in Taiwan), whose main tasks involve dealing with children and talking to parents.[51]

In reality, McDonald's has always, everywhere, welcomed customers to stay a while. That is part of its marketing plan. In small U.S. towns McDonald's is the location of business meetings, Rotary gatherings, after-the-game analyses, and even Gospel sings. Birthday parties with hostesses, special children's sections, and a willingness to let orderly teenagers hang out have been part of its home habit for decades. It sponsors Little League teams and donates to the cheerleaders' uniform fund. The description above of foreign McDonald's could be a franchise in Arlington, Texas, or on New York Avenue in Washington, D.C. Furthermore, drive-through windows, which these scholars think are "efficient," are, like parking lots, very expensive and inefficient for all fast-food sellers.

Here are some statistics from a profile by Stephen Drucker in the *New York Times* that help to put McDonald's in perspective.

- Only 7 percent of the U.S. population stops by daily—and this might be only for a cup of coffee.
- McDonald's accounted for only 15.2 percent of the fast food sold in the United States in 2002, down from a peak of 18 percent in the late 1980s.
- In 2003 the typical customer was a male, from midteens to early 30s, who ate there twice a week. He accounted for 75 percent of McDonald's U.S. business, and he expects—really!—to be served within one minute, though the company meets that expectation only about half the time. He is, obviously, a narrow slice of the U.S. population.
- Half of McDonald's dollars come from window sales, but auto traffic requires more land and parking lots and high-tech order systems. These are more labor intensive and costly than counter sales.
- In 2000 there were about 12,000 McDonald's in the United States, and 8,000 in eighty-nine other countries. There are 1,482 *Makudos* in Japan (by far the largest foreign presence), 430 in France, 63 in China, 2 in Bulgaria, and 2 in Andorra. These were owned mostly by foreign franchisees.
- As for Beijing, only 10 percent of the Chinese population can afford to buy a Big Mac, by McDonald's estimates. The company is there because it wants a foothold in the world's largest market.
- McDonald's spends about $1 billion a year on worldwide advertising. In the 1990s, most of that went for television ads shot by Leo Burnett and DDB Needham in an upbeat "Steven Spielberg style." This advertising is not localized, often produced abroad, and probably less effective than it should be. Its ineffectuality is a sore spot with McDonald's shareholders and franchisees.

- McDonald's customers are *very* picky and attempts to win them to new products fail more often than they succeed. The McLean Deluxe, introduced in 1991 because U.S. critics carped about fat, was a major failure. "People talk thin but they eat fat," says senior vice-president Richard Starrman.

Perhaps the biggest misconception is that McDonald's is the Trojan horse of American ideology. But golden arches out front do not translate to "American" inside, as even its critics note: "McDonald's adapts to each distinctive cultural context and, as a result, is so modified that it is ultimately impossible to distinguish the local from the foreign. Thus, in China McDonald's is seen as much a Chinese phenomenon as it is an American phenomenon. In Japan McDonald's is perceived by some as *Americana as constructed* by the Japanese."[52] Though not a critic, Thomas Friedman made the same point when he noted a Japanese child visiting the United States who was surprised to learn that there were McDonald's here. This is an aspect of what James L. Watson has termed the "transnationality" phenomenon, in which a company becomes a federation of semiautonomous enterprises.

But even transnationality has limits. McDonald's franchisees may add beer in Germany, salsa in Mexico, and soy flavors in Japan, but the essence of McDonald's is its process and logistics. It always has low prices, a clean dining room, efficient service, polite staff, good lighting, lots and lots of free seating, even for noncustomers, and free, clean bathrooms. This may seem obvious to Americans, but in much of the world this is revolutionary. In the rest of the world one simply does not enter a restaurant without buying something, much less use the toilets (for free!)—cleanliness in the latter would be iffy anyway. There are certainly no free seats for doing homework, as in the Nishinomiya Makudo. Even Ritzer and Malone concede that "in both Hong Kong and Taipei McDonald's virtually invented restaurant cleanliness and served as a catalyst for improving sanitary conditions at many other restaurants in the city."[53] The same is true across Europe, not to mention Mexico and South America.

Like a classic French restaurant, McDonald's allows customers to stay as long as they want. When I taught in Vienna in 1993–94, McDonald's had to raise the price of its coffee to the level of Viennese *Kaffeehäuser,* because the latter complained. It seems that elderly *omas,* who were hustled rudely out of the local Meinl coffee shops, discovered they could spend an afternoon at McD. In Mexico, Japan, France, Taiwan, and Poland, I've seen teenagers hang out at McDonald's after school for hours, doing homework or talking. Travelers stop in to read undisturbed, businessmen to call home or telecompute via cell phones. All this in a "clean, well-lighted place"—Hemingway's old man knew how rare they were. It is a value of modernity that is appreciated worldwide.

On one hand McDonald's is accused of standardizing international taste. But aren't clean, free bathrooms a good standard? On the other, when critics discover that McDonald's alters its menu to suit local tastes, it is accused of an insidious capitalist plot: McDonald's "impact is far greater it if infiltrates a local culture and becomes a part of it than if it remains perceived as an American phenomenon superimposed on a local setting," write Ritzer and Malone.[54]

Few critics realize that the chain's great successes, from the Egg McMuffin to the Big Mac, sprang from *local* franchisees, who are encouraged to experiment. And foreign franchisees are not getting hamburger from America; they have to find local suppliers as soon as possible, buying their meat and potatoes, their milk and buns in the area. McDonald's of Austria even taught farmers in Poland and Slovakia how to raise the low-water-content potatoes used in McDonald's fries. McDonald's franchises in Austria buy 90 percent of their ingredients in central Europe.

But there are a dozen other American fast-food chains abroad. As Thomas Frank wrote in the *New York Times:*

> Even more adaptive in terms of food are the smaller American food franchisers (Big Boy, Dairy Queen, Schlotzsky's Delicatessen, and Chesapeake Bagel) that have followed McDonald's and the other American giants overseas. In 1990, alone, these mini-chains opened 800 new restaurants overseas and as of that year there were more than 12,000 of them in existence around the world. However such mini-chains are far weaker than McDonald's and therefore must be even more responsive to local culture. Thus, Big Boy sells things like "country-style fried rice and pork omelet" and has added sugar and chili powder to make its burgers more palatable to its Thai customers. Because it caters to many European tourists, it has added Germanic foods like spätzle to its menu. Said the head franchiser for Big Boy in Thailand: "We thought we were bringing American food to the masses. . . . But now we're bringing Thai and European food to the tourists.[55]

Local entrepreneurs have caught on quickly, blending more local cuisine with fast food's speed, modernity, and service. In China there are three imitators of KFC alone: Ronghua Chicken, Xiangfei Roast Chicken, and

Beijing Fast Food Company. The founders of the latter used to work for McDonald's and KFC.

If we return to the Nishinomiya train station, we can see a Moos Burger (1,500 outlets in Japan), which serves a sloppy-joe concoction, and a Yoshinoya, which serves traditional Japanese food fast (more than 2,000 outlets—more than McDonald's!). In three minutes Yoshinoya serves up a salmon filet, vegetables, rice, pickles, and tea for $4.50. In 1979 it opened its first U.S. shop, and there were sixty-two in Los Angeles County by 2003, with plans for a thousand nationwide.

In Russia there is Russkoye Bistro, which has more than a hundred outlets and serves 35,000 to 40,000 customers per day. "If McDonald's had not come to our country," says Russkoye's deputy director, "Then we probably wouldn't be here. We need to create fast food here that fits our lifestyle and traditions. . . . We see McDonald's like an older brother. . . . We have a lot to learn from them."[56] When I visited impoverished Latvia just after the Iron Curtain lifted, there was one McDonald's with three local imitators. The most successful was called "Little Johnny's," run by former employees of McDonald's, and it was doing a better business than its older brother.

Let's take a wider view. There are far more restaurants in the world now than there were twenty years ago, and there are still many more traditional restaurants than there are fast-food restaurants. One need only wander the back streets of Paris's thirteenth arrondissemont, Tokyo's Asakusa, Marseilles' harbor front, or Vienna's ninth district to realize that outside the tourist precincts, fast food is not that common. And there are still millions of locally owned bars and restaurants. Critics seldom consider the size of the restaurant universe. In Paris there are more Chinese restaurants (1,500 according to a recent article) than fast-food franchises of all types. The mayor of New York likes to boast of his city's seven thousand restaurants, only about a thousand of which are fast-food franchises. In other countries the percentage is even smaller. The twenty square block area of Osaka's Minami-ku is reputed to house five thousand restaurants—and none of them are Western fast-food franchises. Tokyo has more than ten thousand local restaurants. Guangzhou (Canton), China, has seven thousand local restaurants.

In Avignon, France, where I have lived twice, there is only one McDonald's downtown. It draws tourists, French teenagers, mothers with children, and local business people for breakfast, which is hard to find if you want more than a croissant. If you need a bathroom or a quick cup of coffee, McDonald's is the place. But there are two hundred other restaurants and bars in central Avignon, most of them locally owned. After 7 p.m. they do a huge business, while McDonald's is closed. Fast food in Avignon is hardly new. *Plats à emporter* is what the *kabob* merchant in Place Pie sells. On the Rue Carreterie the charcuteries have been selling *patés* and takeout dishes, and the *boulangeries* have been selling *baguettes* and sandwiches for a very, very long time.

Fast-food emporia have another upside. They run management training programs overseas that give local managers the equivalent of an MBA. This knowledge about how to run a business, as the Russians testify, is invaluable. McDonald's, KFC, and Wendy's all sponsor such programs. KFC runs a "university" in Kuala Lumpur, Malaysia, where promising young managers from its South Asian stores learn management skills. The only other institutions there that teach these skills are universities for the rich. Like the cleanliness, however, this training is more modernity than Americanization.

There are other values associated with fast food that we might wish to see more of abroad. By now it is a cliché to speak of the way in which the industry socializes youth to the workplace; provides opportunities for minorities, the handicapped, and older citizens; or sponsors local charities and fund raisers. But it is worth noting that the family-owned "greasy spoon" of yore did none of these. It did not promote sexual equality in the workplace, nondiscrimination, handicapped access, or corporate charity. These ideals, where practiced overseas by McDonald's and its imitators, cynically or not, are new to most developing nations and some European ones. Fairness, compassion, and meritocracy are still a tough sell abroad, however, and are widely resisted, ignored, or resented.

Critics also fail to understand that most fast-food franchises are locally owned. Most of the profit, power, and experience stay abroad. McDonald's selects locations, based on human and vehicle traffic and other considerations. It trains franchisees extensively, then offers them locations. McDonald's owns the land, so there is no chance for franchisee self-dealing in real estate. Its real-estate acumen offers McDonald's as much opportunity for profit as its cut of the franchisee's sales; indeed, to Russia's risky realty market McDonald's has brought traffic analysis and other sophisticated tools now copied by locals.[57] The franchisee must install exactly the shop that McDonald's stipulates and go to work in it full-time. Hands-on management is the norm. These are radically different practices from those that prevail in most of the underdeveloped world. The result is that some urban franchises make $2,000 an hour during peak lunch periods. As for food quality, McDonald's operates an extensive customer feedback and complaint system. There is less than one complaint about food per store per year worldwide, and only three about service. The facilities themselves receive a minuscule number of complaints, according to Drucker.

Saddest of all, critics don't realize that McDonald's is not the world's largest fast-food company. That honor goes to the Compass Group of Great Britain, which owns Burger King, Sbarro, and a host of other brands. Compass serves more airports, company lunchrooms, and school cafeterias than any other company, but it has no single, recognizable logo. McDonald's is second, followed closely by the French firm Sodexho. It seems that while some Frenchmen are criticizing the golden arches, other Frenchmen have a $1 billion a year contract to serve food fast to the U.S. Marine Corps, the UN forces in Kosovo, and American forces in Iraq. In fact Sodexho employs 110,000 Americans; it's a global power, even a colonial one. McDonald's employs only 35,000 French. All facts considered, the McDonald's brouhaha is more about image than substance.

### *What about the Internet?*

Is the Internet mostly Anglophone and available only to the affluent? Is the Internet really enriching? Critics contend that, to their detriment and our advantage, underdeveloped nations don't have sufficient access to the Internet. But a look at the historic development of the Internet and current-use statistics suggest that the rest of the world is right behind the United States. Not only does a nation not have to be affluent anymore to have Internet access, but the narrowness of Americans' Internet use is striking, calling into question its "enrichment" power. Pornography often constitutes as much as 40 percent of North American Internet traffic, on-line file-sharing of music and video another 30 percent, according to some Nielsen/NetRatings. And on-line video gaming has risen to 10 percent, as broadband connections have made that pastime more feasible. These three areas may account for 80 percent of U.S. Internet activity. At some U.S. universities 50 percent of bandwidth is sometimes devoted to video- and song-swapping programs. In July 2003 the most heavily trafficked nonportal, nonnews Internet site in North America was eBay, the on-line flea market.

"We always think of the Internet as being very diverse, democratic—that everyone goes to hundreds of sites every week," says Mark Mooradian, senior analyst at Jupiter Media Matrix, a company that measures web traffic: "In truth, that's less and less the case." North American use has grown particularly narrow. In 1999 more than 60 percent of U.S. users visited twenty sites a month, but by 2000 the same percentage visited only ten sites a month. In July 2001, Jupiter reports that a few top-ranked websites dominated the most popular genres. In news—32.1 percent of surfers went to MSNBC, and the top three news sites—MSNBC, CNN, and the *New York Times*—pulled in 72 percent of the news traffic. To conduct a search, 30 percent of Americans went to Google alone. For weather, 64 percent went to Weather.com. To find a map, 82.4 percent went to MapQuest. In most categories, the top-ranked five sites accounted for more than 90 percent of all searches made by North Americans in 2003. "I guess I feel I've found most of the things of interest to me," writes a man interviewed by the *International Herald Tribune.* "Surfing jaunts tend to feel like bicycling around the block," he adds. "I'm also much more pointed in my Web use—I typically get some durn-fool notion in my head . . . and fire some queries into Google and click until either the subject seemed exhausted or I am." As Joseph Turow, professor at the University of Pennsylvania, told the same newspaper, "people are encouraged to drill down into their areas of concern to such a degree that they get closeted in their own reflections of themselves."[58]

Nor is the world's most wired nation the United States. The champion is South Korea, where 50 percent of households have Internet connections and a much higher percentage than in the United States, one in sixteen, were connected by broadband at the end of 2000. In the United States only one in forty-eight households was similarly connected. Visiting Seoul in 2000, I saw computers everywhere. I was lured into Kinko's to read my e-mail, then learned there were ten thousand cyber cafés in South Korea, many in back alleys and in small towns. What South Koreans *do* with their computers is different than what North Americans do. Seoul mayor Goh Kun ordered up a website called OPEN in 1998 that allows ordinary citizens to trace their applications for building permits, business permits, and alcohol permits through the government bureaucracy. Not only does the system tell on whose desk the application sits, but it requires denials to be explained in writing on line. Kofi Annan is such a big fan that the UN is translating the Seoul software into six languages.

Of course, a good bit of South Korea's high-speed access is devoted to something that critics find deplorable—video gaming. South Koreans are the world's most expert players of interactive on-line games such as FIFA2001 (soccer) and Starcraft (combat). FIFA2001 is popular throughout Europe and Asia, but in South Korea 4.5 million people log on and play daily. That is 10 percent of the population. "A waste," you might say, but it has led to an Internet infrastructure "as sophisticated as anything in the United States," writes Gregory Beals, and it has doubled, to twenty, the number of South Korean firms that write game ware. South Korea has professional video-game players who make $60,000 a year, and pro teams, such as Samsung's "Khan." Korea Telecom Freetel and KTB Network (the nation's largest venture capital firm) are betting that South Korea can be a major player in digital entertainment. In short, this deplorable activity has generated an industry.

Malaysia used its oil wealth from the 1990s to invest in computers. The result is not only a high-tech corridor around Kuala Lumpur but also computers in the smallest towns. Kota Bahru (population 8,000) sits on Malaysia's restive northern border with Thailand, the center of a Muslim renaissance. Yet in 2001 I found three cyber cafés there, two of them run by and catering to Muslim women. In these cafés the women keep in touch with out-of-town family and friends by e-mail. One of them told me, "This is faster and cheaper than writing letters." Her cost was eighty cents per hour. This cyber café also offered classes in Word, Excel, and Access, all in the Bahasa Malaysia language. There were also cyber cafés in the Chinatowns of Penang and Malacca, and in the distant Cameron Highlands. A few months later I logged on from an even more remote location, one of two cyber cafés in Mataran, on the impoverished island of Lombok in Indonesia. In none of these places were other Westerners among the users.

In Malaysia an ambitious NGO (nongovernmental organization) official named Gabriel Accasina has put together a mobile Internet bus program for rural areas. He has eight, twenty-position mobile computer labs that tour provincial schools on a fortnightly basis. "The bus program is typically built around an eight-hour course delivered in one-hour installments to 20 children at a time," writes Wayne Arnold.[59] "It starts with such basics as learning how to turn the computer on and use a mouse, then progresses to basic word processing, e-mail, Web browsing, even manipulating spreadsheets and designing simple Web pages." Muslim clerics opposed the "frivolity" of the program, so Accasina added before and after tests. They showed dramatic increases in the ability to use a computer, but also a significant drop in spelling errors and increased reading comprehension. The computer bus leaves a computer loaded with a mini-Internet and a stack of CDs at every school. At the remotest schools, which cannot be visited every two weeks, Accasina leaves up to ten computers. The UN's International Development Program, which is the cosponsor, has organized a similar initiative for Ghana.

Free enterprise may beat the UN to Ghana. With Ghanaian businessmen as his silent partners, Mark Davies, a former dot-comer, opened BusyInternet there in September 2001. Housed in a former factory, his 14,000-square-foot facility in Accra offers low-cost public access on Pentium III computers with flat screens and satellite connections. It has training facilities, meeting rooms, and photocopy machines. Davies and his partners have more than $1 million invested in Ghana, and they plan to build next in Nigeria, Ivory Coast, and Uganda. This might seem like a risky venture, and it has its critics. But Davies says he was persuaded by statistics from NUA Internet Surveys, which estimated that there were twenty thousand Internet users in Ghana in 2000. "There are 240,000 telephone lines in Ghana for 19 million people," Davies told the *New York Times*. "It takes about seven dials to make some phone calls go through, just across town. We've put in our own link to the national electric grid, our own generator, our own satellite dish for bandwidth. Our philosophy is to say nobody really knows what's right for Ghana, and the technology is sort of culturally specific in terms of how it's implemented and how it works."[60]

Davies is not the first Internet provider in Ghana, just the fastest. The poor telephone system spurred this development. By 2001 there were already four other providers and more than one hundred cyber cafés. Although some of Ghana's Internet traffic still depends on land lines, an increasing part bypasses it. A deep-sea data cable from Africa to Europe is scheduled for completion, funded by forty international telecommunications companies, and Africa One, a private company, has plans to build a fiberoptic cable across the width of Africa. If all these plans gel, Ghana and other African nations may skip old-fashioned telephones.

In Russia, too, dated infrastructure has been an obstacle. There are unbelievable distances to span, so the Internet is basically available only in the East and Southeast. In a typical week of 2001 only 2.5 percent of Russians were on line. That figure grew to 8 percent, or 11 million users, by 2003. The future is unclear. Actually, to say that infrastructure is an "obstacle" in Russia is an understatement. When I traveled there in 1994, there was one antiquated phone line per communal apartment, and sometimes only one per building. There were power surges and dips daily, and my telephone calls were often cut off. Outside of tourist hotels, which had installed their own phone systems, there were public phones that dated from the 1960s and required a one-ruble coin, which cost several hundred rubles to buy. While the spread of the Internet in the West is buttressed by logistical tools, such as credit cards, encryption, UPS, and FedEx, little help exists in Russia. The *New York Times* reports that "it is hard to find viable Internet projects run by capable and responsible entrepreneurs. Everyone in Runet [Russia] dreams of doing an I.P.O. as in the West, but they believe this to mean some rich sugar daddy comes along with a bag full of dollars and that they need not be accountable for this investment."[61]

What do Russians do on the Internet? They log on the entertainment or news sites, much like Americans. According to Russian analysts, current growth in demand is coming from more-remote provinces, which will be hard to service. Another obstacle is that even the best deal—$20 a month for unlimited hours in 2002 (down from $40 in 2000)—is still too expensive when the average Russian earns $50 to $100 a month.

### HOW MUCH OF THE INTERNET'S CONTENT IS ENGLISH?

Sometime in 2003 English ceased to the language of the majority of Internet pages. Computer scientists saw this coming, but critics of globalization did not. Most computers in the United States are set up to display only the Latin alphabet; only a few even display Spanish correctly. Search engines such as Google and Dogpile, unbeknownst to most of us, come in various language flavors. The Spanish versions of most search engines prioritize Spanish sites, the English ones English sites, and so on.

There is a lot of information on the English content of the Internet, less about other languages, but experts agree that the non-English Internet is growing very quickly. One way to gauge growth is the registration of new domain names. Matthew Zook of the University of California at Berkeley follows this information and found that in 1998 about 49 percent of new domain names were registered from the United States. That rose to about 55 percent in 1999, but then it began to drop. By 2001 the United States accounted for only 40 percent of new domain names. Great Britain and Germany were second and third, each with about 10 percent. Canada, South Korea, and the Netherlands followed. The world's second largest economy, Japan, ranked a surprising ninth in new domain names. According to Zook, the total percentage of domains ending in .com, .org, .net, and .edu attributable to English-speaking nations declined from 74 percent in 1998 to 59 percent in 2001. The U.S. share of .edu domains—the websites of educational institutions—was 85 percent in 1998, but within four years fell to 72 percent.

There are other ways to get a grasp on the Internet. Zook also combines information from the CIA, Nielsen/NetRatings, and the Computer Industry Almanac to track the percentage of a nation's population "on line" with some kind of home Internet access. The United States, Australia, Canada, New Zealand, Great Britain, Japan, South Korea, Taiwan, Switzerland, Austria, and the Scandinavian countries have led the way, with more than 35 percent on line since 2001. Germany, France, Italy, Ireland, Portugal, and Malaysia crossed the threshold of 35 percent only in 2004. Poland, Spain, Greece, Qatar, Israel, and the Arab Emirates had 25 to 35 percent on line in 2004. Between 5 and 13 percent of China, Thailand, and Indonesia were on line in 2004, with India less than 5 percent (despite all the hoopla about outsourcing and "flat worlds") and the rest of south Asia less than 2 percent.

Another group that tracks Internet access is Nua Internet Surveys (nua.com). Its calculations are geographic, since distribution of the Internet is, lest we forget, by physical cables. Nua figures that 605 million people can access the Internet, and that 183 million of them live in the United States or Canada. But the rate of growth there has slowed, and equally large numbers of Internet users now live in both Europe (191 million) and the Asian Pacific region (187 million). More than 33 million residents of Latin America and more than 6 million Africans log on. In fact African Internet use has doubled every year since 1998. Starting from minuscule percentages, South Africa, the Cape Verde Islands, and Tunisia now have 7 percent, 3 percent, and 4 percent of their populations on line. Looked at another way, they are only two years behind where Great Britain was in 1997. There is an Internet acquisition curve, and many countries are just getting wired. They will have Internet use levels closer to those of North America within a decade, and the non-English content of the Internet will dramatically increase.

Meanwhile, according to Nielson/NetRatings, the Internet-using population of the United States itself held steady at about 165 million between 2000 and 2003. This is 59 percent of the U.S. population, the same percentage as Hong Kong, though not the highest in the world. Iceland leads the way, with almost 70 percent of its population on line, followed by Sweden (68%), Denmark (62%), and the Netherlands (61%). There are also almost as many Chinese Internet users (counting China, Hong Kong, and Taiwan) as there are Japanese users.

One thing to understand about these ratings is that they are estimates, and that different groups arrive at different numbers. Analyses tend to concentrate on growing and potentially lucrative markets. One such outfit, ClickZ.com, figures 135 million "active users" in the United States in 2005 and 7,000 Internet service providers (ISPs), the largest numbers in the world in both categories. By comparison, Canada had only 8.8 million "active users" and 760 ISPs, meaning that the average service provider has only 11,500 clients (the U.S. figure would be 19,000). By contrast, in 2005 Japan's 37 million active users connected to 73 ISPs (500,000 per outlet). Why should these ISP densities be so different? Well, cyberspace is not "flat." There are geographic paths, cyberspace difficulties, cultural legacies, and economic histories at play in each nation. Zook argues that e-commerce is grafted on to the stock of the economies before and after the dot.com bust. In some respects, the Internet follows paths as old as colonial transportation systems. ClickZ.com has other suggestive nuggets: Malaysia has nearly one-third of its population on line in some fashion, but Mexico a mere 13 percent. Both were colonies, both have oil money—why such a difference? And why does Bulgaria have a whopping 200 ISPs for only 1.8 million users? It is a center of fraud and cybercrime.

But even gauges such as Nua and Nielson/NetRatings are somewhat tainted by a Latin alphabet logocentrism. The newest domain names contain characters and marks (e.g., Thai and Russian) that web-crawling "spiders" are not good at measuring. There are now domain names using the 11,000 Chinese signs as well as other non-Latin characters. English-only browsers do not prioritize these sites in their searches, nor are U.S. computers and browsers usually set up to display these languages.

According to VeriSign, the domain registry, by 2003 English was already not the preferred language of the majority of Internet users, and it was the mother tongue of only 41 percent of them. Then sometime in the fall of 2003, English was eclipsed, falling below 50 percent of Internet content. That was also the point when the number of Internet users in western Europe and the number of Internet users in Asia surpassed those in the United States. At about the same time, VeriSign began accepting domain names in Latin, Greek, Cyrillic, Armenian, Hebrew, Arabic, Syriac, Thaana, Devanagari, Bengali, Gurmukhi, Oriya, Tamil, Telegu, Kannada, Malayalam, Sinhala, Thai, Lao, Tibetan, Myanmar, Georgian, Hangul, Ethiopic, Cherokee, Canadian-Aboriginal Syllabics, Ogham, Runic, Khmer, Mongolian, Han (Japanese, Chinese, and Korean ideographs), Hiragana, Katakana, Bopomofo, and Yi. So the Internet is rapidly becoming even more non-English.

As I mentioned in the discussion of English and "endangered languages," computing is helping to solidify these languages and to save others. Bosnian and Montenegrin are two languages being standardized and taught with the aid of computers. The African Languages Technology Initiative has developed a special keyboard for Yoruba, a tonal language, as well as voice recognition software. Microsoft now markets Windows, Office, and other products in Swahili. It has paid top scholars in Kenya to compile dictionaries and a glossary of 3,000 technical terms in Swahili. In Ethiopia research is underway to computerize Amharic, which has 345 letters; experts at Addis Ababa University have already come up with a text messaging system. Microsoft also plans to adapt its programs for Amharic, Zulu, Yoruba, Hausa, and Igbo. South African researchers are working on Afrikaans, Southern Sotho, Xhosa, Venda, and Tsonga. These languages would surely decline and eventually disappear without this buttressing by the Internet.

The fastest-growing segment of the Internet, however, is in Asia. By 2010 there will be 80 percent more users in the Asian-Pacific region than in the United States. China's 3721 and Foxmail, companies that we have never heard of, may become as large as Yahoo or MSNBC by 2010, and the percentage of English on the Internet will diminish even further. This won't be bad—English will still be instrumental—and both software and logocentrism will probably prevent English-speakers from realizing that they have been eclipsed for some years.

## *Do American Companies Dominate the World Economy?*

In their detractors' imaginations, U.S. corporations are omnipotent forces that bulldoze meek foreigners into buying products, crush native competition, buy off governments, and extract money from underdeveloped countries with strong-arm practices. "By the intermediaries of the great, mostly American-based transnational or multinational corporations, a standard form of American material life, along with Northamerican values and cultural norms, is being systematically transmitted to other cultures," writes Jameson.[62] Critics take this supreme power as a given, designating it by the shorthand "TNC," for transnational corporation. The acronym allows ideological compression: all TNCs are assumed to be alike, regardless of ownership, origin, history, degree of internationality, field of business, sales, and number or location of employees. This blurs the realistic assessment of a company's everyday impact on life.

Among the many problems with this picture, the first is the measure of largeness. How do you measure the size of a company? Measured by market capitalization (the value of its stock), General Electric was the world's most valuable company in 1999, according to *Fortune*, worth $253 billion. Then CEO Jack Welch retired, and suddenly GE was worth only half as much. Measured by sales revenues, GE was only the tenth largest company that year. In number of employees, a measure of "size in *habitus*," it was way down the list (315,000 employees). There are different kinds of "large."

By most measures Wal-Mart was the world's largest company in 2003 and 2004. It led in sales revenue and was the world's largest employer, cutting weekly paychecks for more than 1.3 million people. This is multiple evidence that it is large, including size in *habitus*. But the second, third, and fifth largest employers in the world were Chinese: China National Petroleum (1,146,194 employees), SINOPEC (917,100), and the Agricultural Bank of China (491,000). Haven't heard of them? Critics like Jameson don't fret about their wages, working conditions, or power to standardize life. But any company that employs a half million people is not only "big" but also powerful. Some companies that Americans like to think of as "giant," such as Microsoft, aren't nearly as large in dimensions other than market capitalization or profits. Microsoft had about the same 2002 sales revenues as the cell phone producer Nokia. Is the Finnish company a "giant"? Neither company was among the one hundred largest in the world that year as measured by revenues, which is the ruler I'll use in this section.

The second problem is determining just what is "transnational." Definitions are of some help here:

> A multinational corporation (MNC) or multinational enterprise (MNE) or transnational corporation (TNC) is one that spans multiple nations; these corporations are often very large. Such companies have offices, factories or branch plants in different countries. They usually have a centralized head office where they coordinate global management. Very large multinationals have budgets that exceed those of many countries. They can be seen as a power in global politics. Multinationals often make use of subcontractors to produce certain goods for them. The first multinational, appearing in 1602, was the Dutch East India Company.[63]

General Motors, the fifth largest company in the world measured by 2003 revenues, meets these requirements, yet it isn't as "powerful" internationally as that rank would suggest. Most of General Motors' "power" lies the United States, where Americans buy its products. Its share of the European market was only 9.5 percent and falling in 2004, and those were sales of its Saab, Vauxhall, and Opel subsidiaries. Even with these venerable assets, GM has lost money in Europe every year since 1999, and it has outsourced so much domestic production to Mexico that it might not deserve to be called an American company anymore (its Mexican subsidiaries sell more to the United States than GM sells in Mexico). The best-selling car company in Mexico is Nissan, followed by VW. Are we permitted to have some reservations about GM's power as a TNC?

The "transnational" face of GM pales beside those of DaimlerChrysler and Toyota, which have been the seventh and eighth largest companies in the world for the past five years. Japanese auto makers in particular sell far more outside of Japan than U.S. car makers sell outside of the United States. In fact, Toyota passed DaimlerChrysler in the United States to become number three in car sales in 2003, and if we subtracted light trucks, it would be second, and Honda tied with Ford. The Japanese make 34 percent of the *autos* sold in the United States—and all three best-selling models. This figure would be higher except for quotas that Americans call "voluntary export limits." The truth about many "large" U.S. corporations is that they are potent only in their home market, where quotas and "antidumping" laws protect them from real global competition. They become transnational to buy parts or to find cheap assembly. Selling products in the United States is what they know how to do, but that doesn't mean they can sell them abroad. We might think of them as "incidentally transnational."

The proper measure of a "transnational," in a discussion of corporate power and globalization, ought to be its presence in foreign markets. Volkswagen sells more autos in China than all U.S. car makers combined. That's transnationality. The number two European car maker, Peugeot/Citroën, sells more cars in South America than any U.S. auto maker. These two firms are transnational auto companies.

If we look at the latest available United Nations Conference on Trade and Development figures (2002), we find that its list of "The world's top 100 non-financial TNCs, ranked by foreign assets" contains twenty-five Americans firms. This ranking uses a different measure, direct foreign investment overseas. General Electric led in 2002, having edged past Vodafone of Britain. Ford was third, BP was fourth, and GM was fifth. Royal Dutch Shell was sixth, Toyota seventh, Total-Fina-Elf of France eighth, and Volkswagen was eleventh. But BP is the company that actually sells the most abroad, followed by Exxon and Shell. Other interesting facts emerge from this list: Vodafone is the TNC with the highest percentage of its assets overseas, a whopping 80 percent. By contrast McDonald's has only about 40 percent of its assets abroad, less than Germany's Bertelsmann, which owns a chunk of U.S. publishing. Toyota made $73 billion in foreign sales, while GM made only $48 million.

Only about ten of the twenty largest U.S. companies (measured by 2004 revenues reported in *Fortune*) were significant TNCs when measured by their presence in foreign markets. That's down from twelve in 2002. Others, such as Fannie Mae, Kroger, Cardinal Health Systems, and Berkshire Hathaway, are big at home but not players in foreign markets. The companies legitimately called TNCs are Wal-Mart, General Electric, Ford, GM, Citigroup, Procter & Gamble, Altria (formerly Philip Morris), IBM, HP, Time Warner, Pfizer, and the oil companies ExxonMobil, Chevron, and Conoco. These are also the U.S. firms listed in the UN report's top fifty.

U.S.-based transnational companies "dominate" only a few industries, such as oil, financial services, aviation, and computing. Even there, the world rankings would look very different without the U.S. home market and the oomph it provides. For most U.S. TNCs, more than half of revenues still come from their home market. As a result, most don't export well—especially compared with the world's number two economy, Japan, or number three Germany. However, they are respected and feared abroad because they are more driven by *profitability* than foreign companies.

Among the fields in which U.S. firms do dominate, let's start with entertainment, since according to Jameson, "whoever says the production of culture says the production of everyday life."[64] The following figures are from *Fortune* magazine. The six largest entertainment companies in the world in 2004 ranked by sales revenues were:

| | |
|---|---|
| Time Warner (USA) | $44 billion |
| Vivendi (France, now USA) | $29 billion |
| Walt Disney (USA) | $27 billion |
| Viacom (USA) | $26 billion |
| Bertelsmann (Germany) | $19 billion |
| News Corporation (Australia) | $17 billion |

Missing from the list is Sony, the thirtieth largest company in the world and usually the number one film distributor. It has 50 percent more income than Time Warner and 250 percent more than Disney, but is considered by the *Fortune*'s list compilers to be a "diversified electronics" company. If Sony's "entertainment" revenues were broken out, it would rank with Bertelsmann and News Corporation. If hardware—from TVs to CD players—were included, then Sony would be the world's largest media company.

Even in this market where U.S. firms are so strong, foreign companies command more of the U.S. market than U.S. firms do of foreign markets. The world's biggest recorded music company is Polygram (Netherlands). The record division of Sony controls 19 percent of the U.S. market, and Vivendi Music (still French) accounts for 28 percent—these "foreign companies" controlled about half of U.S. music distribution in 2004. Such performers as Eminem, Limp Bizkit, Sheryl Crow, U2, and Shania Twain worked for the French, who accounted for 22 percent of world album (CD) sales in 2002.

A more pronounced area of U.S. dominance is aerospace and defense, where the only large rival is the European Aeronautic Space and Defense Company (EADS), maker of Airbus planes. Ranked by 2004 sales revenues, the top companies are:

| | |
|---|---|
| Boeing (USA) | \$63 billion |
| EADS (Europe) | \$34 billion |
| Lockheed Martin (USA) | \$32 billion |
| United Technologies (USA) | \$31 billion |
| Northrop Grumman (USA) | \$29 billion |
| Honeywell (USA) | \$23 billion |

The five American companies achieve their rank in this field by working for the U.S. government, hoping that the overpriced systems they sell will later prove exportable, with U.S. aid of course, to client states. Although it is a monopoly and receives EU subventions, EADS at least sustains itself in the civilian sector. Right behind this group is Bombardier of Canada (no. 8, \$17 billion).

Among airlines, American logos are omnipresent, but they do not dominate the business. Few of them are profitable, but neither are their foreign rivals, most of whom receive government subsidies. Indeed, it is difficult to find an appropriate measure of size for an industry that has lost \$32 billion since 2001. In late 2003 the market capitalization of low-cost carrier Southwest exceeded the combined stock market value of American, United, Continental, Delta and Northwest, making it by far the most valuable airline in the world. Of course, it doesn't fly outside the United States, so we can't call it a TNC. The decline of U.S. carriers in this group's rankings has been precipitous, while the French and British are actually making money. The top carriers, ranked by sales revenue are:

| | |
|---|---|
| Lufthansa (Germany) | \$18 billion (loss of \$1 billion) |
| American (USA) | \$17.4 billion (loss of \$1.2 billion) |
| Japan Airlines (Japan) | \$17.1 billion (loss of \$.7 billion) |
| Air France Group | \$14.5 billion (profit of \$.1 billion) |
| United (USA) | \$13.7 billion (loss of \$2.8 billion) |
| Delta (USA) | \$13.3 billion (loss of \$.7 billion) |
| British Airways | \$11.8 billion (profit of \$.2 billion) |

Note that the revenues of these foreign airlines (\$61.4 billion) exceeded those of the top U.S. airlines (\$44.4 billion) by 40 percent.

The United States also dominates the global securities business: the firms of Morgan Stanley (\$35 billion in 2004 revenues), Merrill Lynch (\$28 billion), Goldman Sachs (\$24 billion), and Lehman Brothers (\$17 billion) don't have much competition in stock trading. Stock ownership is not as widespread in other cultures, but where it is practiced, banks are often the agents. Some of them, such as BNP Paribas (\$57 billion in 2004 revenues), are larger than any U.S. securities dealer.

Surely in banking the United States reigns supreme, no? Since *Fortune* now divides banks and financial services companies into categories, I use figures from 2002, the last unified list. The world's largest bank that year was Japan's Mizuho, followed closely by Citigroup. Japan and the United States each had three banks in the top fifteen. The Japanese had more assets than the Americans (due to inflated real-estate holdings), but the Americans made a lot more money. However, the European banks UBS (Swiss), Allianz (German), and Deutsche Bank (German) were all larger than the second largest U.S. bank, J. P. Morgan (which was seventh in the world). Banks we have never heard of, such as Paribas (France), HSBC (Britain), and ING (Netherlands) were larger than the good old Bank of America (before its recent acquisitions).

And when we look at some of those other financial services—such as life insurance—we find that the four largest life insurance companies in the world are Japanese; number one Nippon Life has revenues equal to those of Home Depot. Canada's Manulife is the second largest life insurance company in the United States, but no U.S. firm holds a comparable position in a country overseas.

Pharmaceuticals is another area in which the United States leads the world, but Europeans provide stiff competition, and the 2004 merger of Novartis and Aventus gave France the second largest drug company in the world. Ranked by 2004 revenues, the top drug companies are:

| | |
|---|---|
| Pfizer (USA) | $46 billion |
| Novartis/Adventis (France) | $45 billion |
| Johnson & Johnson (USA) | $42 billion |
| GlaxoSmithKline (Britain) | $35 billion |
| Roche (Switzerland) | $23 billion |
| Merck (USA) | $22 billion |
| Bristol-Myers Squibb (Britain) | $21 billion |

The business of computers and computer services is also an American strength, with IBM, Microsoft, Hewlett-Packard, and Dell in hardware, and EDS, Accenture, and Computer Sciences in the markets for business and specialty software. But more than half of IBM employees in 2004 were overseas, a figure that rose when it outsourced 4,730 highly paid jobs in late 2003 and then sold its ThinkPad business to China's Lenovo in 2004. Dell makes some computers in the United States, but more of them in Taiwan and Malaysia. Microsoft's Xbox game console is made by the Singapore firm Flextronics. Intel is the world's leading semiconductor maker, but with only 16 percent of the world market. It dominates the CPU market with its Pentiums, but Taiwan's Via Technologies, which produces the AMD and Athlon chips, has 40 percent of the CPU market. The rest of the list of firms producing chips for other purposes is Asian and includes Toshiba, Samsung, NEC, and Hitachi. Motorola recently abandoned the business, unable to compete.

In petroleum refining, BP (Britain) was the world's largest company in 2004. But following closely were ExxonMobil (USA) and Royal Dutch Shell (British-Dutch). The British and Dutch firms do more business by far in the United States than ExxonMobil does in Britain or the Netherlands. If there is a global superpower in oil, it is Great Britain. Total of France and ENI of Italy are also multinational refining superpowers, while Sinopec (China) and China National Petroleum dominate what will soon be the world's largest market. The SK corporation of South Korea and Repsol YPF of Spain both have revenues three times as large as Sunoco's. And when it comes to refining the crude, only five of the world's top twenty-five are American, a surprising fact given that the United States uses 20 to 25 percent of the world's oil. Foreigners sell us a lot of oil, and we sell them very little. The fourth largest refiner in the United

States, with 13,000 branded stations, is Citgo, which is owned by Venezuela and directed by its cantankerous president Hugo Chavez.

There are few other bright spots for America's "hegemonic" TNCs. Procter & Gamble is the world's largest "consumer products" producer. Coke is the world's largest beverage company, followed by Anheuser-Busch. But while Coke does an international business, Busch, which controls 50 percent of the U.S. beer market, is ridiculed by foreigner drinkers and whipped in the export market by Diageo. What is Diageo? you may ask. Diageo is a British company that is the world's third largest beverage company and purveyor of everything from Guinness beer to Jose Cuervo tequila. Other beers that we believe are North American—Labatt's, Rolling Rock, and Corona—are owned by Interbrew (Belgium). Miller Genuine Draft, Milwaukee's Best, and Jack Daniel's Hard Cola are owned by SABMiller of South Africa, which had 22 percent of the U.S. market in 2002. The rest of the big beverage companies are also foreign: fourth is Heineken, followed by Carlsberg, Brazil's AmBev, and Scottish & Newcastle. (Pepsico is considered a food company by list compilers.)

The final area in which the United States—the world's largest food producer—has a major presence is consumer food products. But even here Swiss and Anglo-Dutch firms rank one and two. Top food companies ranked by 2004 revenue are:

| | |
|---|---|
| Nestlé (Switzerland) | $65 billion |
| Unilever (Britain/Netherlands) | $48 billion |
| Pepsico (USA) | $27 billion |
| ConAgra Foods (USA) | $22 billion |
| Sara Lee (USA) | $18 billion |
| Danone (France) | $16 billion |

Nestlé, based in Switzerland, owns Ralston Purina and a flotilla of brands that most of us think are American. Nestlé's profits even grew 13 percent in the dismal business year of 2001. When it comes to coercive behavior, Nestlé leads the way, providing milk formula free to nursing African women. Its rivals are Groupe Danone of France and Unilever of Britain, while Pepsi and Sara Lee remain less known outside the United States. The major distributor of food products in the world is Carrefour of France ($80 billion in 2004 revenues), which operates more supermarkets than any U.S. company and is the number five grocer in China.

What about Wal-Mart, the world's largest retailer? It is a huge and powerful company. Some of its overseas operations (Mexico) are successes, perhaps aided by the familiarity of migrant workers with U.S. stores. But after six years in Germany it was still losing money in 2003. Its modest effort in Japan was completely outflanked by the Aeon Corp, Japan's second largest supermarket chain, which opened thirty superstores before Wal-Mart could open one. It was rumored in 2005 to want to buy Daiei, a bankrupt Japanese retailer, to gain some foothold in the second largest economy. But a lack of local cultural and marketing knowledge clearly hobbles the world's largest company as it attempts to expand. Meanwhile Chinese consumers flocked to enormous urban malls that offered more shopping variety than Wal-Mart's big box model did.

Those are the fields of "dominance" of American TNCs. The largest employment-services firm in the world is Adecco of Geneva—also the largest outsourcing company. The largest wireless phone companies are in Asia (China Mobile, China Unicom, NTT DoKoMo) and Europe (Vodafone, T-Mobile). Two of the four largest PR firms are European (WWP Group of Britain, Publicis Groupe SA of France). Michelin (France) and Firestone/ Bridgestone (Japan) are larger than Goodyear internationally, and they own nearly as much of the U.S. market as the leading U.S. tire maker. One-third of the shoes that Americans wear are made in the Guangdong province of China. Mexico and China produce more cement than any U.S. company. The world's leading chemical companies are BASF and Bayer, both Swiss (followed by Dow and DuPont).

In the worlds of grocery retailing, banking, and fashion—all potent areas of cultural transmission—if someone overseas looks up at a store logo, it will *not* be A&P or Albertson's. The world's top grocers in 2004 revenues are:

| | |
|---|---|
| Carrefour (France) | $80 billion |
| Royal Ahold (Netherlands) | $63 billion |
| Metro (Germany) | $61 billion |
| Kroger (USA) | $56 billion |
| Tesco (Britain) | $60 billion |

There are no Kroger stores outside of North America, but Royal Ahold owns the Tops and Stop-n-Shop grocery chains in the United States. Ahold produces its own house brands from corn flakes to catsup, exporting them to the United States. After acquiring fifteen more small chains in 2001, its sales rose 46 percent in 2002—it was by 2004 the largest grocer in the eastern United States. There are Carrefour groceries all over Europe, in Taiwan and China, and even in Argentina.

Among producers of electronics, only one U.S. firm (Tyco, no. 8) ranks in the top ten, and only three among the top twenty. Siemens of Germany is the world leader, but the next seven, and nine of the top twenty, are Japanese. We know their names. Can a nation be a world leader and *not* make electronic products? There are no televisions or CD players made in the United States. Can a nation be a "transnational media power" and not make delivery systems?

The world's top engineering and construction company is not Vice President Dick Cheney's alma mater Halliburton but the French firm Bouygues, which is also a force in European telecommunications. Number two is the French firm Vinci, followed by *nine* Japanese firms. Obviously the French and Japanese do a great deal more in the way of designing shopping centers, airports, and apartment buildings—influencing daily life—in the rest of the world than the United States does.

What about the rapidly growing and life-structuring business of telecommunications? Who dominates the world of cell phones and land lines? The world leader is Japan's NTT, whose revenues surpass those of second-place Verizon. The most promising business of Verizon—cell phones—is half-owned by Britain's Vodafone PLC, which is the world's fourth largest telecom. Vodafone dominates not only the British Isles but Germany and is the world's premiere cell phone provider, with a controlling interest in Japan Telecom. Deutsche Telekom is the world's third largest, AT&T was fourth (in 2004), and France Telecom is fifth. But neither of the U.S. telecoms is international. And they have guaranteed that they may never be by adopting a transmission standard used only in the United States. On the equipment side, Nokia of Finland battles it out with Samsung.

In the crucial field of scientific and control equipment, Fuji of Japan is the world leader (2004 revenues of $23 billion). Can a nation with a large landmass but no world-class railroad companies be considered a world power? The world's largest railroad companies are German, French and Japanese, Japanese, Japanese. Union Pacific just makes the list. Dominance in railroads assures that a nation will produce rail cars and systems, which export extremely well, because developed nations need railroads and subways. Dubai is having a railroad built: Mitsubishi and Kajima are building it.

The world's largest publisher is Lagardère Groupe of France, followed by Dai Nippon Printing and Toppan Printing of Japan. The world's largest metal maker is Mittal Arcelor, which has plants throughout Europe, Asia, and South America. Nippon Steel is second, Norsk Hydro of Norway third, and JFE of Japan fourth. Then comes Alcoa, looking over its shoulder at Baosteel of Shanghai. In specialty metals, America's Alcan sells only half as much as South Korea's POSCO consortium.

If an underdeveloped nation wants to build a sugar factory or an airport, whom can it call? Thysen Krupp of Germany (2004 revenues of $39 billion). At construction sites, the names on the equipment are mostly Asian, such as Komatsu. Japan's Mitsubishi Heavy Industries and Kawasaki make a good deal of it. The United States may be a great farming nation, but France's Alstom was a bigger farm equipment company than John Deere in 2004. Down on the farm there are a lot of European and Japanese machines these days.

Well, what about fast food? In 2004 McDonald's worldwide revenues were second to those of the number one Compass Group of Great Britain. The third largest firm is French, Sodexho Alliance. Together the British Compass Group and the French Sodexho Alliance have revenues 20 percent larger than the two largest U.S. fast-food purveyors, McDonald's and YUM brands (Taco Bell, KFC, Pizza Hut, etc.). So who is selling the world on fast food? Still, the American logos trump those of their British and French peers. In fact, even the American-produced film *Super Size Me* (2004) mistakenly identified both Burger King and Sodexho as American companies.

There are also giant corporations of a genus unknown in the United States, called "trading companies." Most people would agree that the biggest banking and financial services company in the United States—Citicorp—is *big*. But in 2002 the Mitsubishi Trading Company (revenues of $109 billion) was far bigger. Mitsubishi and Mitsui, the second ranking trading company, had combined revenues greater than those of General Motors. Put the trading companies Mitsubishi, Mitsui, and Itochu (no. 3) together, and we have sales greater than those of number one Wal-Mart. There simply are no U.S. companies in this category, but they are *sui generis* global, and they reside in Singapore, Seoul, Hong Kong, and Tokyo. But categorizing businesses is a cultural choice.

One final category in which foreign firms are, oddly enough, larger than American firms is energy companies. Many foreign ones are huge, state-owned monopolies—not very profitable, but very large. The "State Grid" electricity company of China is the forty-sixth largest company in the world, Electricite De France the sixty-second, E.ON of Germany (water and natural gas) the sixty-seventh. Suez, Gazprom, and Veolia (formerly Vivendi) are other unfamiliar names, but they are all larger energy sellers than Duke Energy, America's biggest power company (204th in the world).

## THE *HABITUS* OF THE TNC

It is useful to remind ourselves of the myriad ways in which even true TNCs *must* be local. Surveys show that only 2 to 10 percent of TNC employees abroad are expatriates from the home office, mostly the top executives. Of Carrefour's 28,000 employees in China, only 79 were French in 2005. Pepsi and Apple sent managers to the Czech Republic in the 1990s, but when I visited in 1993 they were already bringing them home, their positions filled with newly skilled Czechs. One Prague headhunter said that "Foreign firms are already trying to get rid of the expats."[65] Local executives were less expensive, and they understood their culture and its needs better.

In 1969 there were just over 7,200 transnational companies in the world, with 60 percent of them headquartered in the United States according to *Global Inc.* By the year 2000 there were 63,000 such companies, a ninefold increase, but fewer than 30 percent were headquartered in the United States. The rest of the world had become transnational too. Some of these companies are bigger than others, of course. Of the 500 largest TNCs, 185 are headquartered in the United States, 126 are based in the European Union, and 108 are located in Japan.

But even the most insulated foreign executives *must* eat some local foods, shop in local stores, walk the sidewalks, drive the streets, use the dry cleaners. They may work ten hours a day, but the other fourteen are spent in local contexts, which affect everything from the language they speak to the clothes they wear (do they dress for Kuala Lumpur or for St. Petersburg?) to the way they sleep (futons or duvets?). Their children may attend international schools that teach in English, but they will also learn the local language and mores from the children of the local oligarchy. If they have to be abroad, transnational families are known to prefer to stay in one country, rather than moving. They put down roots in São Paulo or Singapore. The *Wall Street Journal* noted with a tone of alarm in 2004 that this type of transnational family (think of Carlos Ghosn of Nissan, or Roberto C. Goizueta of Coke) was becoming common at the top of U.S. TNCs, while the pure products of America were rarely tapped to lead foreign corporations. Instead of going abroad, "Americans think about developing their careers in America, where the playing field is very large," says Roger Brunswick, a New York consultant.[66]

Most foreign TNC employees, when they leave one TNC, go to work at another one locally. These are not top executives, but people who also become rooted in a place. In Tokyo and Osaka there are thousands of expatriate Americans, Australians, Filipinos, and Indians who work for whatever TNC offers the best pay and conditions. This is true in Hong Kong, Helsinki, and Frankfurt, too. They move from Procter & Gamble to Carrefour to Royal Ahold NV—these companies all sell groceries and need similar skills. But whether American or Japanese or French or Filipino, these workers *live* a local *habitus.* No matter where the home office is, the TNC's building, cleaning services, holidays, caterers, start time, offices and doors and desk sizes, and secretaries are all local. Sometimes the only uniformity from branch to headquarters is the logo over the door. Procter & Gamble is headquartered in Cincinnati, Ohio, a somewhat provincial midwestern city. Its offices and employees in Paris and Kobe are very different. The *habitus* infiltrates the local P&G offices. Of course, TNCs work hard to keep their foreign offices in synch with the headquarters. But when Procter & Gamble's Asian division, based in Kobe, decided in 2000 to alter its stock numbers (and hence its bar-coding), it took six months to get all the branches, which stretched from Manila to Bombay, to change their software to the new standard. Kobe employees told me that the Cincinnati home office was powerless to speed up the pace.

Some critics tell us that the locale of the parent company is all that matters: its ideology somehow passes abroad, while profits return home. But others argue that the locale of the research center is most important, because it is the intellectual capital of the company. Still others say that physical plant and production are the locus of power. What would they say about Sony's Entertainment Division? The home office is in Tokyo, the "research" in Los Angeles, New York, and London, and the production of CDs and tapes in Taiwan and China. What about Chrysler? It is headquartered in Germany, but its products are designed in Michigan, with many parts produced in Mexico. Rupert Murdoch began the News Corporation in Australia, has his most valuable assets in the United States, and is headquartered in Britain. Transnational corporations are often so decentralized that they resemble logistical confederations.

Nor are transnational companies capable of pulling up stakes quickly. Honda may detest Ohio's worker's compensation laws, but it isn't going to dump its $123 million investment in a new plant at Marysville, Ohio. Procter & Gamble distributes consumer goods to stores worldwide, so it might seem able to shift its operations around, but its supply chain is too complex and too carefully calibrated. As Robert J. Antonio and Alessandro Bonnano have stated, "TNCs are not 'placeless' or 'deterritorialized' phenomena."[67] Many American TNCs, in fact, are charmingly provincial, anchoring their headquarters in the places where they began. Wal-Mart remains in Benton, Arkansas, and Microsoft in Redmond, Washington. McDonald's is still in suburban Chicago, and Coke in Atlanta. Not many TNCs have pulled up stakes, moved elsewhere, and prospered. This has something to do with the way a specific focus is achieved in a *habitus* and a widespread suspicion within companies that their formula might not work from elsewhere.

Another charge against TNCs is that they dictate to foreign governments. This notion is popular among academics who think that corporations are replacing nation-states. Were they watching when Coca-Cola tried to buy the French beverage maker Orangina in 2000? The French government just said no. Orangina is sold in every bar and restaurant in the country, and the government reasoned that Coke would have an instant, nationwide delivery system for all of its products. End of story. In 2001 the European Economic Community said no to General Electric, which wanted to buy Honeywell, *another American company,* because Honeywell had too much business in the European Union. In 2004 Japan booted Citibank's private banking group from the country because it didn't like its business practices. It also threw out Crédit Suisse in 1999. Mexico and Canada have vetoed U.S. companies' moves in numerous industries, from soft drinks and trucking to magazines and pharmaceuticals. Canada's refusal to allow U.S. magazine editions to be sold there is notorious. Other national governments are even stronger. The head of one of Russia's largest companies, Mikhail Khordorovsky of Yukos Oil, was sentenced to nine years in jail when he resisted President Vladimir Putin's attempt to dismantle his company. Nation-states are not disappearing, as TNCs would be first to explain to academic theorists.

Make no mistake: some American companies, such as Exxon and Wal-Mart, have tremendous international clout. And many are highly profitable, which their rivals fear as much as their presence. But they have lots of competition from local companies, which usually know the local markets better, and from other multinationals, which have comparable advantages of scale and cheap sourcing. Then there are nation-states, which have more clout, as the GE and Coke cases demonstrate, than any TNCs. U.S. multinationals may play hardball, but they don't have the game sewn up.

### *Seeing Ourselves Everywhere*

Globalization looks disproportionately "American" to Americans because when they travel they readily recognize familiar products and components of their own lives. They recognize their *habitus.* Critics in particular seem prone to make the leap from recognizing the familiar to declaring it the pattern. Why is this so? Why does so much analysis of globalization insist, for example, on assigning a transcendent level of meaning to logos? Why does the world beyond American shores appear so deplorably "Americanized"?

It is not enough to say that these are mistaken or partial perceptions. These are misperceptions that arise from a particular set of cultural circumstances, which we need to get beyond in order to see globalization for what it is and what it is not. The American traveling abroad tends to see pernicious globalization everywhere, but at home the same person regards the introduction of sushi or French bread locally as a pleasant increase in culinary choices.

There is a great deal of resistance overseas to globalization, some of it ideological, but much of it deeply embedded in local cultures. If we summon to mind the scene that opened this chapter, the logos of Nishinomiya, we will recognize that what we "see" is that part of modernity that we already know, but defamiliarized by its new, foreign context. What happens is that we grasp first the signs that we recognize in our effort to make meaning. Thus Burger King = familiar food. Then inside the Burger King, there are Japanese people! Asian-flavored sauces! But we assimilate them to what we recognize. Now let's reverse the situation. Let's pretend we are Japanese entering a sushi shop in the United States. "Sooo many Americans!" is the first reaction of my Japanese friends. "But what is this Philadelphia roll?" And we answer back, "Of course, Americans like sushi too—we've been eating it for some time. The Philly roll uses cream cheese, and it's not bad!" Our answer reveals that the "new" is everywhere naturalized and adapted, chosen and received, by consumers, by "us." The cultural matrix that dictates how this happens is the subject of chapter 2.