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THE UNITED STATES' CULTURE INDUSTRY: IS NETFLIX A TOOL AT THE SERVICE OF ITS FOREIGN POLICY?

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ABSTRACT

The film industry has created mass phenomenon and worked as a channel to spread messages apart from entertaining the public. Nowadays, this industry is merged with the increasing digitalization of society, which has changed the way of consuming and producing content.

With its innovative approach, Netflix has been able to respond to the growing necessities of the consumers, placing itself in a powerful position being a distributor of content in 190 countries, including drama, comedy, animated and live action movies, foreign language, docuseries and documentaries, reality shows, talk shows, and stand-up comedies.

To understand its political influence, we cannot overlook the importance of soft power and culture as key concepts.

Accordingly, this work will analyze those broad concepts and then focus on the specific case of Netflix, starting from its beginning in 1997, until now. In order to evaluate its expansion strategies that have converted a movie renting service into a streaming giant with 232.5 million subscribers and a a market value of $143.48B.

Lastly, current or future competitors will be analysed, as well as the role of China, what are its strengths and weaknesses regarding the film industry and some plausible outcomes.

I.   Introduction

1. Motivation

Due to globalization, and the constant interconnection and exchange of information among states, society has a further knowledge of foreign cultures, traditions, and customs than before. Imperialistic tendencies haven't died but transformed, and in the current international scene, having influence through peaceful means is key to the enhancement of a nation, and therefore, the main goal of states is to spread and promote their image abroad.

Nevertheless, there is one country that has spread its values way more than the others; and that is the United States. It may be unconscious but most people would feel a sense of familiarity when visiting the city of New York, seeing those yellow taxis and hearing the name of some of its most notorious locations, like Brooklyn, Manhattan, the Bronx… and it is not a coincidence, as we've been watching those streets and hearing their names constantly in hundreds of movies and series like *How I met your mother, Friends, Seinfeld…*

Images or ideas come to our minds when hearing the names of different states like California, Florida, Texas, or Hawaii. In most part, this image is composed by stereotypes

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but also with a factor of idealization, as what is portrayed on the screen is generally the good side of these places.

Not only places but also different periods of time have been the protagonists of film productions, the image of a world war triumphant nation, with successful businesses in a blooming land of opportunities, and the fight for civil and democratic rights, perpetuating thus, the admiration to the American institutions.

We have grown up watching high school shows and knowing how the American education system works and how important is to get into a reputable college, especially those part of the illustrious Ivy League; as well as the judicial system, represented in shows like *Criminal Minds, CSI, Suits…* and even the healthcare system; which can be observed in shows like *Grey's Anatomy, The Good Doctor,* or *House,* for instance.

These productions may seem like mere comedy or drama at first sight, but they make us more aware of the American institutions, ideals, and way of thinking and living even though we're not watching purely political content. This familiarization makes us more sympathetic to the United States as a whole, and that's the result of exercising power.

It is an undeniable fact that the United States is a nation with a strong patriotic sentiment that is manifested through different channels; American enterprises are present all across the world and their firms differ from Mc Donald's to Amazon, to Nike or Disney, and the U.S. footprint is observable most of the time; it's crucial to understand the geopolitical interests and the massive influence that these facts imply.

Considering all the above, it could be argued that a huge political and economic power is behind that Netflix button that is implanted in the latest TV remotes; that's why, the specific case of the streaming giant, pioneer, and leader of its sector is worth of study.

2. Hypothesis

The hypothesis is posed to find out to what extent is the American Multinational "Netflix" a tool of soft power for the promotion of the United States' values and ideas; whether the American firm is actually producing propagandistic content as some opinion journalists may argue[1] or if their political message is not that clear.

3. Objectives

First, getting a general understanding of the concept of soft power and its specific expression through culture; and analysing how culture has been conceived throughout history and the numerous channels through which culture is manifested.

Second, comprehending the American nation, their needs, and priorities, and how they have been exercising their soft power through shows and films, becoming the biggest media producer.

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[1] Jesús Ruiz Mantilla. "Netflix, Ese Eficaz Y Deseado Aparato de Propaganda." El País, October 11, 2019. https://elpais.com/cultura/2019/10/11/television/1570787688_140902.html.

Third, considering the current economic and societal context in which on-demand services are born, making an analysis of the tendencies and necessities of the new generations.

Fourth, analysing Netflix's trajectory, their expansion strategy and media selection and production; in order to determine if its catalogue responds to the interests of the U.S. Foreign Affairs Office.

And finally, based on all the gathered information, being able to provide some possible outcomes in the future and whether the current situation could be disrupted in the near future.

4. Methodology

In order to answer the hypothesis of this work, several types of sources have been considered; from historical writings about theories of international relations, with the aim of analysing this matter from its roots, to opinion publications from reliable communication media made by contemporary scholars, political scientists, or journalists among others.

With respect to the objectiveness of this work, different perspectives have been addressed, exposing different assertions and their counterarguments, enabling thus, a conclusion based on rationality and critical thinking.

The structure of this work is deductive, starting from broad concepts about political power, culture, and multinational enterprises and blending those notions within the specific case of Netflix.

Combining political, sociological, and entrepreneurial approaches in order to obtain the most complete analysis possible.

Among the bibliography, primary sources will be composed of governmental documents, speeches, reports, and original works; while secondary sources will be opinion articles, review articles, political commentaries and dissertations or thesis.

II.   Defining power and its dimensions

From the beginning of time, power has been what has made the world go round. Ancient Emperors, Kings, dictators, the Church, State leaders… all of them have made or still make use of power in order to impose their ideas and values to the masses.

Everyone knows what power means, but few would be able to describe it as it is such a wide concept that many scholars throughout time have contributed with their definition and criticized previous power theories. From Weber's definition of power in 1922 as "the ability to exercise one's will over others" (Weber, 1922), Robert Dahl, who defines power as "the capacity of A to make B do something that wouldn't otherwise do." (Dahl, 1957), to Foucault's concept of biopower, as a power that exercises a positive influence on life, using strategies of surveillance, reward, punishment… (Foucault, 1976).

Power encompasses so many factors that the author Steven Lukes proposed a tridimensional view of power; considering the processes of non-decision-making, the latent conflicts, the control over the political agenda and the subjective interests; that

would allow to make a normative, theoretical and empiric analysis of the concept of power. (Lukes, 1974)

We could also revisit the different schools like the realists, the pluralists, etc. Nevertheless, as it has been mentioned before, power is a very broad concept, and trying to gather all the definitions that it has been given would be counterproductive in this study; as we must focus on a specific scope of power; **soft power.**

1. Soft Power

In 1990 Professor Joseph Nye coined the term "soft power" in his book *Bound to Lead: The Changing Nature of American Power,* and refined it in his subsequent publications, *The Paradox of American Power* in 2003 and *Soft Power: The Means to Success in the world,* in 2004.

To define it in short: soft power is the ability to get what you want without using coercion or payment, using the attractiveness of a country's culture, political ideals, and policies.

Nye's concept of soft power has been subject to an exhaustive critical analysis, made mainly by realism advocates, one of its main critiques being that soft power stretches the concept of power so much that its core meaning is lost in a concept that is too elastic and diverse, (Nexon, 2009) alluding to what philosophers describe as a "categorical mistake", overlooking amalgamated differences by bracketing phenomena together.

The eternal debate between the international society, realists, emancipatory theorists, etc. would only distance this work from its purpose, therefore it's necessary to bear in mind what is undeniable, even though the realist theory was the most shared by scholars during the interwar period, the international panorama has changed drastically after the 20th century, and we now find ourselves in a scenario where international organizations, multinational enterprises, failed states, etc. participate in the international affairs, and those actors are not contemplated in the realist approach; so even though war is still the greatest evil, it is important to not overlook all the factors that can trigger it.

Indeed, the realist view of power only focuses on the visible face of power relations and neglects the multiple (visible and non-visible) processes that affect the production and expression of power.[2]

Regarding the "categorical mistake" critique before mentioned, stretching the concept of power is not amalgamating phenomena, but covering all its magnitude; social elements such as laws, norms, institutions, procedures, etc. are all interconnected and form a greater concept; therefore, the circles converge.

"Power is also like love, easier to experience than to define or measure, but no less real for that." (Nye, 2004, p. 1)

As the world keeps evolving, international relations keep shifting and wars are still going on, but after two great wars, states try to impose their hegemony using other means, and what was developed in a battlefield is now projected through television,

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[2] "BİLGİN, PINAR, and BERİVAN ELİŞ. "Hard Power, Soft Power: Toward a More Realistic Power Analysis." Insight Turkey 10, no. 2 (2008): 5–20. http://www.jstor.org/stable/26328671.

opinion publications, the radio, or social media. Cultural wars vary from defending political, to social, economic, or religious ideas; since using what people hear, watch, or read, paves the way to make their ideas appealing to the mass public. It's not a coincidence that the countries which project their lifestyle, culture, history, gastronomy etc. to the rest of the world through the media are the ones that receive more migrants and tourists; they are using their power to be appealing, promoting their values instead of imposing them; and that is pure soft power.

But where can the roots of these concepts be established? Nye states that soft power emanates from domestic values, public diplomacy, education, and culture. This work will focus on the latter; as a society, individuals can easily identify what symbols, customs, ceremonies, or practices are part of their culture, but it's harder to describe such a broad concept, that's the reason why this work's aim is to examine it in-depth and scrutinize its dimension.

2. Cultural diplomacy

One of the main strategies of States to promote their values is employing cultural diplomacy. It consists of the dissemination of ideas, values, traditions, and other cultural aspects abroad. Some examples could be language exchanges, cinematographic and musical exportation, tourism, or cultural activities among others. Cultural diplomacy is a branch of public diplomacy and is at the service of the foreign policy of States.

Cultural diplomacy has been exercised by countries like the US through their film and music production, spreading their political ideology, especially during the Cold War, but it's not the only example, as countries like Mexico via its gastronomy, its folklore and arts; Japan through its cuisine also, anime and videogames, Turkey with its soap operas, among many other examples; constitute the final proof that culture plays a key role in the public diplomacy. [3]

III.   Culture: the pillar of human societies

Just as the concept of power, culture is also a complex notion that encompasses many scopes, not to mention that there are hundreds of definitions of culture. Humans are both cultural creators and cultural products; individuals participate through all the process of production, perpetuation, transmission and sometimes, destruction of cultural artifacts and norms; ergo, the cultural is something inherent in human nature, and has many facets and perspectives worth of study.

To begin with, it is necessary to understand the definition of culture; from the concept *cultus* in its Latin definition, which means to cultivate; the land and the soul; culture is something vivid and alive, constant, and practical.

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[3] Villamuera, Jaime. 2021. "¿Qué Es La Diplomacia Cultural, Ganar Influencia a Través de La Música O El Cine?" El Orden Mundial - EOM. September 7, 2021. https://elordenmundial.com/que-es-diplomacia-cultural/.

In the 19ᵗʰ century, the term 'Culture' or 'Kultur' was employed more and more often in Britain and Germany

Poet and cultural critic Matthew Arnold described culture as 'the study of perfection' and placed it in juxtaposition with 'anarchy' which was the prevalent character of England's new democracy during the 19ᵗʰ century. He recommended culture as the great help of our present struggles, the tool to make men live in an atmosphere of sweetness and light. (Arnold, 1869)

English anthropologist Edward Tylor provided the classic definition of culture in its book *Primitive Culture*: "Culture… is that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society" (Tylor, 1871, p. 1)

Freud defines culture as "the sum of productions and institutions that distance our lives from our animal antecessors and serve two purposes: protecting men from nature and regulate the relations among men." (Freud, 1989, p. 88)

As can be seen, culture can be approached through different perspectives, in light of its sociological, political, and historical aspects.

Furthermore, the Austrian psychologist argued that culture has made life in community possible, by setting the conditions that allow individuals to abandon the natural state of war in which they live[4]. This assertion poses a new question: does culture unite or divide us?

1. A unifying or a divisive force?

Two of the most widespread ideas are Samuel Huntington's notion of 'The Clash of Civilizations' and Joseph Nye's 'Soft Power' concept.

On the one hand, Huntington asserts that the greatest source of conflict in the new world order will be culture; the main conflicts in the global atmosphere will be starred by nation-states and civilizations; the latter being a cultural entity. A civilization is the highest cultural grouping of people, and their differences are not only real, but basic. Differences in culture and values are a source of conflict and the notion of a possible "universal civilization" is a Western idea, expressed in the political realm through the efforts of the United States and other Western powers to impose their ideas concerning democracy and human rights, as modern democracies have been originated in the West, and when they have been developed in other countries it was because of colonialism. (Huntington, 1996)

On the other hand, Nye recognizes the global society, according to him, the shifting nature of culture is commonly attributed to globalization and Americanization, but globalization is not homogenizing the cultures of the world, that's the result of modernization. The author embraces the liberalist conception of culture, as something vivid and not static, and cultures are constantly changing and borrowing from other cultures, acknowledging thus, its intrinsic universality. (Nye, 2002)

Hence, whereas Huntington conceives culture as a source of conflict among different civilizations, with irreconcilable differences, maintaining relations between

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[4] Sigmund Freud, *Civilization and Its Discontents* (New York: W.W. Norton, 1989).

them that will often be antagonistic, Nye understand cultures as interconnected and constantly adopting things from each other; and even though there are clear differences, this phenomenon wouldn't be possible if cultures were in constant conflict and were completely opposed.

Huntington's approach perpetuates the idea of "The West vs. the rest"; and makes us question whether the world is geared towards an increase of interconnection and cooperation or to an inevitable future of conflict due to irreconcilable discrepancies. It is true that ongoing conflicts are the result of historical and religious differences, that there are still winners and losers, that the United States and Western powers have imposed its will in more than one occasion, and that the global arena is not a fairy-tale world.

Notwithstanding, Nye's approach is more in accordance with the current scene, as just with a simple look, it's possible to contemplate that cultures are often mixed and influence each other; for instance, many European cultures have been influenced and affected by the Islamic world , and the American culture is produced by and aimed toward a multiethnic society altered by constant immigration. The living proof can be found in our everyday lives, how migratory flows, cultural exchanges, shared values… etc. make individuals much more aware of the different values and peculiarities of different cultures, appreciating and embracing them rather as seeing others' cultures as inferior or primitive.

Nowadays, the concept "global culture" is frequently mentioned, referring to a phenomenon in which humanity as a whole participates in a set of shared cultural values, nevertheless, this view is not entirely correct, as this would mean a homogenization of cultures, and therefore the loss of national and local idiosyncrasies. Thus, the conception of "global culture" as the disappearance of different cultural traits, is mistakenly attributed; the reality is that the possible problems between different cultural areas, should be addressed with a global focus. [5]

Culture varies depending on religious grounds, geographical situation, national identity, and even social stratum, it is worth stressing the "working-class culture", and the "middle class culture" which acts as a transmitter between national, regional, and universal culture.

2. High and Popular Culture

Within the concept of culture, two subcategories can be found: high and popular culture.

High culture consists of literature, art, and education, and encompasses the cultural objects with the highest aesthetic value, appealing to the elites. This notion appeared during the European Renaissance, as a result of a growing individualization of the cultural production.

During the sixteenth and seventeenth centuries, the development of royal courts, and a growing bourgeoisie expanded the art consumption and paved the way for the

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[5] Rodolfo Stavenhagen, "La Cultura Popular Y La Creación Intelectual," *La Palabra Y El Hombre* enero-marzo, no. 57 (1986), https://cdigital.uv.mx/bitstream/handle/123456789/2239/198657P5.pdf?sequence=2&isAllowed=y.

emergence of musicians, painters, sculptors, writers, poets… etc. who became major figures recognized by their patrons.

In the eighteenth century, Neoclassicism and Enlightenment marked the cultural world and laid the foundations of Western art and culture. *"Le siècle des lumières";* opposed to the rococo aesthetic of the prior artistic era; exalting the classic Greco-Roman figures of culture, art, and philosophy; thus, artists and consumers of art would be required to have knowledge of the field.

In the nineteenth century, Romanticism arose as a rupture with the stereotyped rules of the classic culture; following a period of political revolutions (the American Revolution, French Revolution, First Industrial Revolution) this artistic movement was characterized by subjectivity and emotional sensitivity, evasion of reality, and nostalgia.

Production and access to art required specific learning and training through educational institutions, faculties, and conservatories; arts were developed and directed to niches, and designated to specific contexts; this cultural model, product of pure reason remained as a shared vision in Europe.

Subsequently, with a growing middle class and an increasingly complex and differentiated civil society, along with several technological and cultural innovations; popular culture sprang out, a new cultural field in which entertainment, sensuality and emotion took a big role. This new bourgeoisie sought a new artistic and aesthetic content that could approach the common people. [6]

Popular culture constitutes "those artifacts that are most actively involved in winning the favor of the public and thus in shaping the public in particular ways" (Brummett, 1991). The emergence of a new cultural panorama wasn't safe from critiques as some academics like Gabriel Tarde in the late nineteenth century, and Ortega y Gasset in the 1920s considered the rise of masses as a threat to high culture and the values of humanity. And it is true that at first sight, one could think, how does entertainment media influence the international affairs of states? And in fact, many intellectuals do disdain popular culture alleging that it provides mass entertainment instead of information, hence, having very little political effect. Nonetheless, this view is rather simplistic, as this popular entertainment often contains subliminal messages about values and political ideas that end up having a big influence on the consumers. Alexis de Tocqueville pointed out in the 19th century that in a democracy there are no restrictions of class or guild on artisans and their products. Popular taste prevails. (Tocqueville, 1838)

The great rock concerts had an essential role in the movements contesting the Vietnam War or defending other causes and drew audiences of thousands of people; posters, advertisements, radio announcements and other media forms were deployed to define nations and their enemies in WWI, and not to mention all the Hollywood productions that serve as publicity for the US Defense Department[7], among other examples that we will address later on.

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[6] Theotônio dos Santos, "High Culture and Popular Culture," in *History of Humanity : Scientific and Cultural Development*, vol. VII (1994; repr., London ; New York: Routledge ; Paris, 2008), 377–80.
[7] Weldes, Jutta. 2015. "So, How Does Popular Culture Relate to World Politics?" E-International Relations. April 29, 2015. https://www.e-ir.info/2015/04/29/so-how-does-popular-culture-relate-to-world-politics/.

The rise of popular culture is closely related to the rise of prosperity in North America and Western Europe after World War II, most households started to own televisions and the youth had an income increase also due to the possibility of having part-time jobs that allowed them to spend money on leisure. This increase also led to the emergence of companies dedicated to appealing to the tastes of mass consumerism, like Hollywood studios, record companies among other corporations[8]

2.1 Mass culture

French thinker Edgar Morin was one of the few intellectuals that addressed the concept of mass culture by doing one of the most in-depth analyses in his book originally titled *L'esprit du temps. Essai sur la culture de masse* (1962). He described mass culture as the culture of the 20th century, and as the result of an improvement on the working conditions and general wellness of workers, the emergence of massive communication media and an increase of leisure and private life.

He asserts that through mass culture, it began a rupture of the differences among social classes and promoted a homogenization of customs. The author conceives mass culture as an heir of the western societies' culture and as a mixture of popular and bourgeois tastes and creating something new. A new culture that is produced by its own consumers and is regulated by the market and users' tastes and preferences. (Morin, 1962)

Authors like Mario Vargas Llosa regard the decadence of high culture and the increasing influence of mass culture as the disappearance of aesthetic values, beauty canons, hierarchy, and order. It leads us to a confusion where everything can be art, and nothing is. He argues that the great classic works have allowed him to understand better politics, human relations and the notions of justice and fairness. Therefore, if society considers culture as pure entertainment, what happens with the rest? Are we able to construct a strong society based on pure entertainment to deal with the societal problematics?

According to him, defending high culture isn't something that only concerns the elites, but is defending fundamental pillars like freedom and democratic culture.[9]

In response to the criticism that regards mass culture as degrading, Edgar Morin argues that mass culture overgrows the imaginary aspect and influences information, as the main themes of fiction, as adventure, love, and other aspects of private life, also impact on information and acquire more importance every time.

Gilles Lipovetsky responds that in the image and entertainment society, it's difficult to make individuals participant of the high-level culture; in addition, it is not essential to develop social life. Capitalism is the creator of this culture, and the creator of publicity, which can annoy us, but we cannot conceive democracy and freedom of expression without it. The modern man as we know it, owes everything to the foundations of high culture: philosophy, literature, history... Nevertheless, high culture is a way, but it

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[8]Jason Dittmer and Daniel Bos, Popular Culture, Geopolitics, and Identity (Rowman & Littlefield, 2019).
[9] Vargas Llosa , M. (2012, July 3). ¿Alta cultura o cultura de masas? Letras Libres.
https://letraslibres.com/revista-espana/alta-cultura-o-cultura-de-masas/

is not the only one, we must re-design the way of teaching to adapt to the new era and culture. [10]

Political life also participates in the field of mass culture, electoral campaigns become televised battles, and the personal traits of the candidates play a key role regarding their popularity among voters. (Morin, 1962)

Consequently, mass culture is the product of the dialectic production-consumption, in a context of a global dialectic which is our current society.

3. A turning point: The Fall of Berlin Wall

"From Stettin in the Baltic to Trieste in the Adriatic an iron curtain has descended across the Continent" (Churchill, 1946)

The Berlin Wall constituted the political boundary that separated the Communist Regime of the Soviet Union and the Liberal system of Western states; the disjunction between the victorious states of the Second World War due to irreconcilable differences within their political and economic systems. And led to more than 30 years of indirect (and direct) conflict between the two superpowers that ruled the international scene at the time: the United States and the Soviet Union.

The previously mentioned notions of "clash of civilizations" and "soft power" appeared in the aftermath of the Cold War.

The 9th of November of 1989, the world witnessed a major event; the fall of the wall of Berlin; a wall that not only divided the German city in two areas, but also the major symbol of the bipolarity of the international order; the opposition and conflict of two antagonistic ideas; the liberalism backed by the United States and Communism, supported by the URSS.

One of the direct consequences of the fall of the Wall, was the acceleration of the globalization process, as a group of countries was incorporated to the international scene, the years immediately after were seen as the triumph of capitalism and liberal democracy. The Western world enjoyed a level of economic progress and civil liberties unknown to date.

But the Wall fell for both parts, and while in the Eastern area it highlighted the ideological vacuum as a consequence of having been handled by a police regime, in the Western part, it showed the lack of ethical values in a society inebriated by materialistic abundance. [11] The social, political, and economic reorganization was displayed in the cultural expressions of the time; in 1999 an art exposition in the city of Weimar reflected the artistic creations of Eastern Germany as of a totalitarian state, similar to the Nazi regime. These comparisons hindered the process of integration of the ex-soviet republics
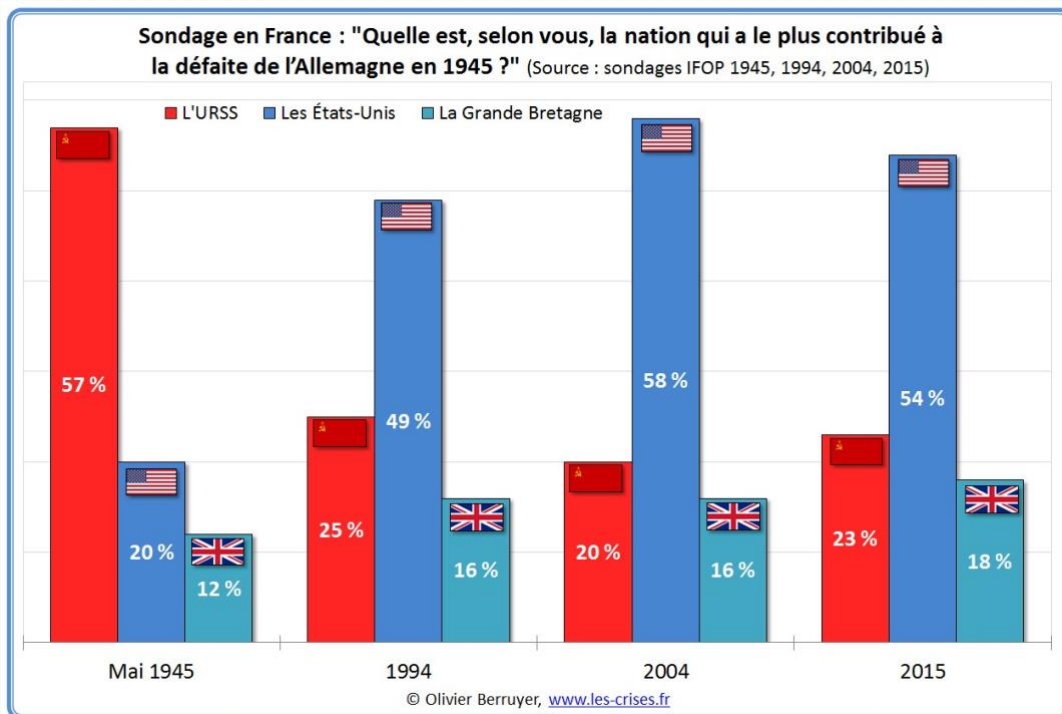
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[10] Lipovetsky, G. (2012, July 3). ¿Alta cultura o cultura de masas? Letras Libres . https://letraslibres.com/revista-espana/alta-cultura-o-cultura-de-masas/
[11] Alejandro Llano, "El Muro Que Cambió La Historia," Nuestro Tiempo, November 2009, Universidad de Navarra .

into the cultural sphere and maintained a monopoly of the American and Western cultural industry. [12]

The triumph of the American superpower as the major symbol of a liberal and capitalist society could also be observed in the public opinion. The creation of numerous warlike movies by American producers influenced the perception of historical events for the public eye; a practical example is a survey done in France, in the years of 1945, 1994, 2004 and 2015; asking the interviewees, who was the biggest contributor of the allied victory of the Second World War,[13] where we can observe a clear change of mind of the public, an increase of U.S. popularity during the years after the Cold War and the period of time when the United States remained as the only superpower.

Table 1: "Who is, according to you, the nation that has contributed more to the defeat of Germany in 1945?

Sondage en France : "Quelle est, selon vous, la nation qui a le plus contribué à la défaite de l'Allemagne en 1945 ?" (Source : sondages IFOP 1945, 1994, 2004, 2015)

■ L'URSS ■ Les États-Unis ■ La Grande Bretagne

	Mai 1945	1994	2004	2015
L'URSS	57 %	25 %	20 %	23 %
Les États-Unis	20 %	49 %	58 %	54 %
La Grande Bretagne	12 %	16 %	16 %	18 %

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Source: *https://www.les-crises.fr/*

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[12] Carlos Delgado Mayordomo. 2019. "El Muro Que Cambió El Arte Contemporáneo." Abc. ABC.es. November 15, 2019. https://www.abc.es/cultura/cultural/abci-muro-cambio-arte-contemporaneo-201911150141_noticia.html.

[13] Ballejos, G. (2022). Poder Blando: ¿qué es y cómo influye en los medios audiovisuales? Centro de Estudios Estratégicos de Relaciones Internacionales, páginas 1-4.

The political victory of the United States as the biggest superpower increased its international influence through its music, art, and TV production. To understand how this country took the opportunity to spread its culture especially among the younger generations using the media; it's crucial to consider a channel that was a key factor influencing the young generations of that time, through the innovative combination of the music industry and TV; the Music Television, commonly known as the MTV.

4.   The rise of TV and the MTV era

As mentioned before, after the Second World War, television started to increase in importance, being a gadget that was present in most American households; during the last years of the Cold War and the years after, the television world was going through a multichannel transition, between the mid 1980's and the late 1990's. Prior to this transition, the television broadcast was led by three main networks: The National Broadcasting Company (NBC) , The American Broadcasting Company (ABC) and Columbia Broadcasting System (CBS).

The main American television networks are owned by even larger corporations; for instance, the NBC is owned by Comcast, the ABC is owned by The Walt Disney Company and the CBS is property of Paramount Global (previously known as Viacom Inc.) These three conglomerates along with Warner Bros. Discovery constitute the telecom giants of America, and they expand their influence across the world; with channels, streaming services and media productions that are broadcasted everywhere.

Due to the confluence of the VCR[i], the remote control and the cable television technology, this era gave viewers more choices to decide what to watch and when they wanted to watch it. This era was later followed by the Second Golden Age of Television, which started in 1999. It's still being discussed whether its end was in the mid-late 2010s or early 2020s; but we will address this subject further on.

American television is closely linked with consumerism, drawing people's attention to large corporations that promote buying things, experiences, and services. Since its deregulation in the 1990's it has been a boom of production by big TV corporations; small production enterprises fell apart and television became a big business where producers were aiming for the most profitable option, leaving in a second level the goal of informing and entertaining that it had in the beginning. [14]

But what was this so-called deregulation that caused the expansion of the television business? At first, the television industry was regulated by The Federal Communications Commission (FCC), which was established by the Communications Act of 1934. The members of this commission were appointed by the president and subject to the approval of Congress. The FCC enforced limits on chain broadcasting, ownership, and content regulation.[15] Its aim was to avoid monopolies and defend the public interests and necessities by controlling the content that was being broadcast.

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[i] videocassette recorder
[14] Bergman, Tabe. (2018). American Television: Manufacturing Consumerism. 10.16997/book27.k.
[15] Caterino, Brian. "Federal Communications Commission." In The First Amendment Encyclopedia, n.d.

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This content regulation was backed by "The Fairness Doctrine"; this principle commanded broadcast networks devote time to contrasting views regarding matters of interest; as lawmakers concern was that the three main networks had a monopoly control of the audience, this policy was introduced in 1949 in order to ensure that the media coverage of controversial matters was balanced and fair.[16] However, there was clear opposition to this doctrine as it infringed the First Amendment of the American Constitution, that guarantees freedom of press; in 1980 the FCC released a report arguing that this doctrine harmed the public interest and violated constitutional the right of free speech.

In 1986 the FCC removed restrictions, and through the Telecommunications Act of 1996, allowed telephone companies to enter the cable telecommunications market.

In 1987, the content regulation policy was subject to vote in the Congress with the aim of codifying it, with the opposition of the FCC; the bill passed in principle, but it was later vetoed by President Ronald Reagan[17]

Nevertheless, even after this deregulation television was still subject to a conservative agenda regarding cultural matters. Even though television has progressed over the years with the representation of a range of topics like homosexuality, racial minorities, etc. In matters that affect directly to the elites, that is to say, issues like economy, television remains adamant to maintain the status quo.[14]

In the end, neoliberalism is America's core ideology, and its main belief is that the private interests can do everything better than the state; but this mantra can end up being problematic, as American society's myths taught in school and by the media; in the words of Jacques Ellul: The greatest threat is that propaganda is not seeking to attract people but to weaken their interest in society; they encourage people to play, to be entertained and not be concerned with matters like politics, as they are not worth the trouble. (Ellul, 1988)

Television encompasses the public and private spheres, individual identity, and public policy; it creates a sense of verité and projects the American society's culture and life. It is a two-way mirror, in which America's society is portrayed and observed by itself.

In 1981, the industry took a turn with the launching of Music Television (MTV) the MTV introduced the music industry into the television realm, influencing heavily in the society of the time. This content was specially directed to the youth, what was called the MTV generation.

In its early years, MTV's content policy was heavily marked by cultural values of the time, they were conservative and influenced by the religious community, they avoided topics that were considered taboo like homosexuality, violence, and gender stereotypes. So, even though MTV could be regarded as a liberal network, at its beginnings, it followed a strict line, with the belief that addressing these kinds of matters could oppose to their public's morals.

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[16] John R. Vile), "Fairness Doctrine," in The First Amendment Encyclopedia, n.d., https://mtsu.edu/first-amendment/article/955/fairness-doctrine.

[17] Ronald Reagan Presidential Library., "Fairness Doctrine," Ronald Reagan Presidential Library and Museum, accessed June 7, 2023, https://www.reaganlibrary.gov/archives/topic-guide/fairness-doctrine.

The MTV reached its peak in the 90's decade, the so-called MTV generation was composed by twenty-somethings who struggled to find a cultural niche for themselves; a generation marked by uncertainty; who wanted to do better than their parents but thinking that prospect was not assured.

The U.S. was a country more conscious of its role in the world, even though this consciousness exists since the Second World War, from 1990 there is no Soviet Union. Therefore, the United States is the only superpower in the world, for that reason, there is a dominant vision and an expansion of the neoliberal capitalism, and "The American way of life" across the world. [18]

But this decade was also marked by cultural wars, within the United States; all those conservative policies that had ruled the content production during the 80's were losing influence, and American society was diving into a more open society, the MTV had a key role as it was the channel that linked music and marketing, the niche and mass culture; and transformed underground and marginal into mainstream, promoting and expanding black music like R&B and Rap in the last years of the 90s decade. [19]

In conclusion, the society of the 90s was shaped by the American hegemony in the international arena due to the aftermath of the Cold War; social issues like racial minorities, homosexuality, sexual explicitness, and representation of violence, which were previously hindered by conservative measures; were then spread; using videoclips streamed in the MTV as social revindications. Led to a more plural and open society but still very linked to the patriotic sentiment.

5.   American Culture and Society

To fully understand the main values that are promoted through American-made productions, we must consider different perspectives, from the emergence of the American modern society to its morals, doctrines, beliefs, key historical events, and political life. As, even though the US is regarded as a Western country and is normally placed under the same umbrella as European countries, societies differ a lot; and it's crucial to regard them separately, as they have been subject to different historical and political processes that have shaped the general way of life of their societies.

The United States is regarded and promoted as the main defender of democracy, following the American Revolution (1775 – 1783), the creation of a constitution in 1787 and the ten amendments that compose the Bill of Rights; containing many rights that are, to this day, considered fundamental to America.

Nevertheless, some critics may argue that the American Revolution was not purely a revolution as its leaders were high-class aristocrats that led the revolution to gain economic control of prosperous colonies. It was a limited independence war with no

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[18] Bustamante, L. (24 de setiembre de 2020). Interviewed by Ada Reátegui [Communication via telephone]

[19] Frédéric Martel, Mainstream, Enquête Sur La Guerre Globale de La Culture et Des Médias (Flammarion, 2011).

social consciousness; things were still done in the same way but with more room for maneuver without the control of the British empire. [20]

Furthermore, in Europe, as the cradle of Enlightenment, this movement had a bigger impact than it had in the newly born nation of the United States. So, this could explain a lack of political awareness among the lower classes and a big dominant religious practice within the American society.

In spite of these critiques, the United States has been the protagonist of major milestones that have also shaped the perception of its current society; fast forward to the 20th century, the victory of allied powers of World War I, the roaring 20's; which was an era of social, artistic and cultural dynamism, the Crash of 29, followed by the Great Depression, the Second World War and its aftermath; the Cold War, which encompassed many key events like the Space Race; the Civil Rights Movement in the United States between 1954 and 1968; the assassination of president Kennedy in 1963, the moon landing in 1969, the Vietnam War, the 'yuppie'[ii] culture of the 80s, the AIDS crisis… are just some of the examples.

The American nation has gained an immense influence at a very fast pace, although it is a young nation compared to the European nations, their traditions, values, and customs are regarded as common knowledge; in the words of the author Joseph Nye: "The American culture is inescapable, the influence of the music industry, the CNN, the Internet, and Hollywood has a global reach." (Nye, 2002, p. 11)

As known, the United States is a nation with a strong patriotic sentiment; this sentiment has been reinforced with the successive immigration waves. In addition, there is a strong sense of individual success and the separation of political life and economic management.

It's notable the lack of participation of the State in the economic scope; the market is regulated by the norms of capital, and the American state's sole purpose is to serve the economy, without interfering; in contrast to the European States, which promote economic measures, social aids, and public services financed by the State. [21]

There is a debate whether the American influence and the promotion of their values such as liberties, individualism, capitalism etc., provokes a global Americanization.

It is a truism, and can be observed in the examples set above, that, for a variety of reasons, USA values and stereotypes are worldwide known, that the expansion of their businesses has expanded the culture of fast food, fast consumption, fast work, and fast life in general; but can we attribute this fast pace to an unstoppable process of globalization and digitalization? Or are we following the example of the American giant?

In his book *The Paradox of American Power: Why the World's Only Superpower Can't Go It Alone,* political scientist Joseph Nye argues that the idea that globalization equals Americanization is common but simplistic. Sometimes, the emergence of new

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[ii] a fashionable young middle-class person with a well-paid job.
[20] Samir Amin, "Samir Amin: La Ideología Estadounidense," Al Ahram Weekly, no. 638 (May 21, 2003).
[21] Ibid.

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behaviors is addressed to a process of Americanization when in fact, it is the result of mere modernization.

Another concept deeply rooted in the American mindset is that of meritocracy. The European notion that every citizen deserves a decent housing is not shared in the United States, as they consider that a house shall be earned, with sweat and effort. Following this system, the most valid people should be the ones that hold the most important positions in a society. [22]

The "work hard and you'll succeed" mantra is linked with another crucial platitude which is The American Dream. The bliss that attracts thousands of migrants seeking for a better future, in the land of opportunities, where destiny is decided by oneself.

5.1 The American Dream

It is not only the aim of American nationals to achieve that ideal life full of success but also the aspiration and hope for thousands of migrants that leave their country seeking for better life conditions and numerous opportunities. The United States is the biggest immigrant receiver with a number of more than 40 million immigrants living in its territory. Mexico is the top country of origin representing the 25% of the total number of migrants, followed by China and India which represent a 6%. [23]

We trace back the beginning of this idea to 1931, during the Great Depression crisis, when historian James Truslow Adams popularized the term "American Dream" referring to the idea of material success. The American dream is defined by the Oxford Dictionary as "the belief that America offers the opportunity to everyone of a good and successful life achieved through hard work" [24]

In Jim Cullen's *American Dream: A Short History of an Idea That Shaped a Nation*, Cullen stresses the idea that America is a nation of dreams in the plural; by analyzing the chronological evolution of the American life idealization, starting from the seventeenth century Puritans, who conceived North America as the Promised Land, with the base of their faith in the individual conscience, and not in corrupt institutions; seeking a community of solitary souls.

The second dream is embodied in the Declaration of Independence, in the eighteenth century, the American Dream was disengaged from religion and became a dream of freedom and liberty.

The third dream which Cullen traces back to the nineteenth century, consists of the possibility of upward social mobility, in the context of a rough and tumble world of westward expansion and commerce, the idea of the "self-made man" was popularized.

Fast-forward to the 1960s and the social movements of Civil Rights, we can find the moment when Cullen sets the fourth dream, one that is the longing of equal treatment before the law; the fight against racism, posing Martin Luther King Jr. as its biggest exponent.

[22] Alain Martín Molina, "Comprender La Sociedad Estadounidense Desde La Perspectiva Europea," *Nuevas Tendencias.*, no. 91 (2013): 78–79.

[23] Budiman, Abby. "Key Findings about U.S. Immigrants." Pew Research Center, August 20, 2020. https://www.pewresearch.org/short-reads/2020/08/20/key-findings-about-u-s-immigrants/.

[24] Oxford English Dictionary, "The American Dream," in Oxford Advanced Learner's Dictionary, n.d.

In fifth place, the author speaks about the dream of home ownership; the desire to acquire a private property in a good neighborhood, as the tangible representation of ascending the social ladder.

Lastly, he defines a modern American dream, "the dream of the Coast" the dream of good life in California, linked to the Gold Rush and Hollywood, he poses this last dream as the mythification of celebrities, the land of the dreamers who want to become successful with little effort and the importance of leisure. (Cullen, 2003)

By analyzing this evolution, he highlights how a noble dream decayed into a shabby fantasy.

5.2   Between Hollywood, Silicon Valley & Wall St.

As mentioned before, the biggest producer of cinema, Hollywood, has been a key player in shaping the perception of the public regarding warlike conflicts. It's not a casualty how Western movies portray cowboys like the good men that try to exercise some control over the wild American Indians.

Needless to say, there are film and TV productions about US State Forces, the Federal Bureau of Investigation (FBI), the Central Intelligence Agency (CIA), along with productions about successful businessmen, eminent lawyers, and judges, without leaving behind the leisure and fun, the portrayal of groups of youngsters that seek their dreams in a big city.

It's not only the mythification of historical events and American lifestyle through Hollywood productions, but also, the mythification of the Hollywood world itself.

A love letter to the cinema industry: *Once Upon a Time in Hollywood* tells the story of a group of actors in Hollywood in the 60s, during the "New Hollywood" or "American New Wave" era, where the industry was living a period of Renaissance; with a wave of new actors and filmmakers that changed the cinematic panorama. This movie portrays the inner history behind the film production, and is developed in a context of constant change, during the decade of Civil Rights and Hippie movements. A movie that portrays in a sympathetic way how films were made, but also addresses de issue of the brutal murder of Sharon Tate by Charles Manson's cult, which is an important part of the dark story of Hollywood and a key event that shaped the mentality change of the population. But with an end that differs from reality, as Tarantino's way of giving poetic justice to such an obscure event. [25]

On another note, the cradle of technology is located in California, and its name is Silicon Valley. In this cluster, we can find the biggest tech companies of the world, among them, the GAFAM; which stands for Google, Amazon, Facebook, Apple, and Microsoft. Their enormous growth in the last years correspond to their big invest in development and the acquisition of emergent corporations. But these corporations are not the only ones,

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[25.] Quentin Tarantino, Once upon a Time in Hollywood, Film (Culver City, California : Sony Pictures, 2019).

as their recent competitors, are the NATU (Netflix, Airbnb, Tesla, and Uber). Young businesses that are growing at an astonishing pace. [26]

Silicon Valley represents technological development, innovation, information, and big data management. These businesses have changed completely our lives and keep offering innovations that will make us live in an increasingly digitalized world.

Many films try to portray the story of how a group of computer scientists became some of the most influential and wealthy people in the world, an example could be The Social Network, which narrates the story of Mark Zuckerberg and his company, Facebook. [27]

A story about the development of a start-up with the aim of connecting students of Harvard, that led to a company listed on the stock exchange. The reflection on success, innovative ideas, greed, the management of business growth, interpersonal issues... illustrate the tough path that most of the successful businesses of Silicon Valley have gone through, turning an innovative idea that may seem disruptive at first into a prosperous business.

One of the most notorious representations of the hectic pace and insatiable ambition of the finance world is the movie *The Wolf of Wall Street*. The story of a middle-class man who became a big fish of finances, due to his exceptional talent for the job.

This movie perpetuates the idea of a material-centric life, the importance of money and power, and even though the main character does some questionable actions, his professional success demonstrates how he could teach some lessons.

The flip side of the coin are the productions that instead of praising these aspects characteristic of the American lifestyle and values, make a critique and also portray the problems that come with that kind of mentality, the undeniable hierarchy present in the country, the materialistic approach that sometimes moves away from the ethical values and the exaggerated individualistic conduct that can lead to a stubborn and unempathetic and society.

By way of illustration, a show like *The Office*, which represents a mockumentary of American corporate culture, critiques to the hierarchical system, the work dynamics, racial differences, women's stereotypes etc. in America, are addressed under comical situations.

6. The Fall of TV

During the last years, television has been decreasing its influence; polls show that ratings are on decline especially among the younger generations, some of whom don't even own a TV. The usage of apps and devices to watch shows and films has brought the audience's attention. The median viewer age of famous TV shows stands over 35 years, which means a challenge for brands to reach the millennial and teen audience. Those abandoning traditional TV opt for streaming platforms like Netflix, Disney +, YouTube... Etc.

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[26] Isabel Sebastiá, "¿Qué Son Las Empresas GAFAM?," El Orden Mundial, October 13, 2020, https://elordenmundial.com/que-son-empresas-gafam.
[27] Fincher, David. 2010. The Social Network. United States: Columbia Pictures.

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This tendency can be observed in a study carried out by the Nielsen Company in the United States from July 2021 to July 2022 where we can see an increase of the streaming viewing compared to the decreasing broadcast and cable TV.

Figure 1 Share of TV trended. Source: Nielsen.com
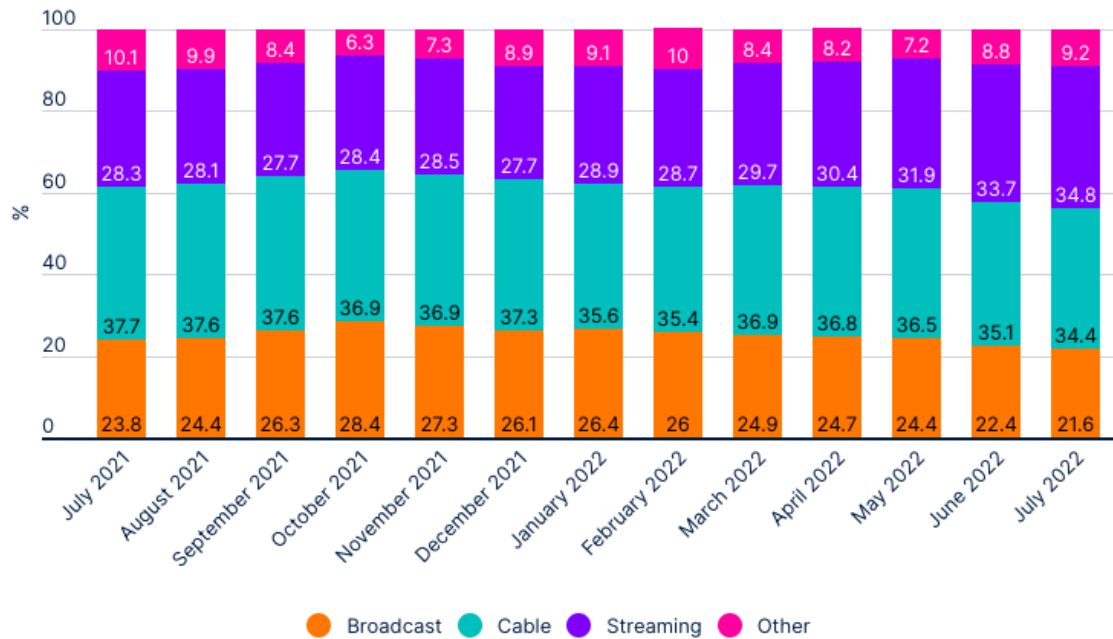
And this trend is not only noticeable in the United States, but in many other countries too; as another example, a study carried out by Ofcom, the regulator and competition authority for the communications industries in the United Kingdom, showed that broadcaster content represented a 61% percent of all viewing in 2020. But among 16-to-34-year-olds it only made up a 32%, and among 16-24-year-olds it was a 26%. This figure decreased in 17 percentage points in three years as the broadcaster content viewed among 16-34-year-olds made up a 49% in 2017. On the other hand, the subscription-based video on demand (SVOD) figure amongst this age group ascended from 11% to a 29% in that same period of time.[28]

[28] Ariane Bucaille, "Traditional TV Wanes: Television Is about to Dip below Half of All UK Video Viewing," Deloitte Insights, December 1, 2021, https://www2.deloitte.com/xe/en/insights/industry/technology/technology-media-and-telecom-predictions/2022/tv-viewership-decline.html.

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Figure 2: Average minutes of viewing per day, all individuals, all devices (2020) Source: Ofcom
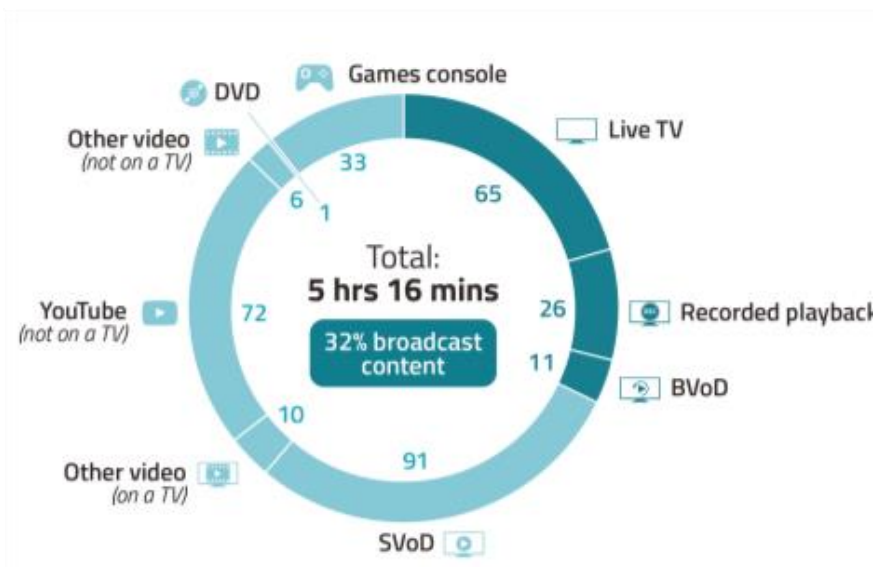

Figure 3 Average minutes of viewing per day, all aged 16-34, all devices (2020) Source: Ofcom

6.1   Instant Culture

The declining popularity of traditional television along with the increasing demand of streaming services is closely linked to the extended approach of getting what we want in the moment; this tendency is what's known as culture of instant gratification. The representation of the phrase "Everything you want… Right now!"

It's enough to take a look at the things that surround us and shape our lifestyle: fast food, fast fashion, fast weight-loss diets, quick order shipping... within reach we have access to apps that provide us for everything we could desire and instantly; a movie, a

cab, a food order, an article, or even a date. We no longer need to wait for the things we want, and though it seems convenient, it's affecting a human virtue: patience.[29]

This matter could be addressed through a philosophical lens, reflecting on the decay of the values of patience and perseverance or it could be considered as an technological advance that allows us to satisfy our needs in the moment.

Either way, we must address the entrepreneurial perspective; as, in order to understand the peak of the before mentioned NATU enterprises, we shall consider what they all have in common; they adapt to the highly demanding society and satisfy their needs within a few seconds. Netflix offers a wide catalogue of varied content to entertain the consumer, Airbnb provides hundreds of diverse accommodations all around the world, Uber takes customers to their destinations within minutes and Tesla mixes digitalization and the motor industry, assisting drivers with the latest technology.

This trend is increasingly obvious in the younger generations, which are regarded as "digital natives", individuals who were born in a digitalized era and live in an environment of constant flow of information; people for whom the internet and electronic devices are natural components of their lives. Common tendencies of these generations are acquired at a young age, as studies show that 63% of children between 7-12 years old use mobile phones, with a 31% of these owning a tablet.[30]

The internet and new communication technologies have extremely changed the scale, scope, and speed of human connections. There's a new approach to consumption, essentially, the possibility of having unlimited access to products or services is what creates value. Consumers expect to receive products and services anywhere and at any time, for consumers that are always connected online, the online-offline barrier doesn't exist. [31]

Therefore, the role of businesses in an on-demand economy with the aim to attract "right now consumers" is to become "right now brands" this means that they need to understand mobile behaviours to create optimized experiences, content and marketing that deliver real-time value. [32]

Considering the above, it is easy to understand the changing tendencies of consumers that imply the decline of traditional media. Why turning on the radio and listen to songs we may not even like when we can have access to thousands of songs on music streaming apps like Spotify? Why turning on the TV at a certain time to watch a show when we can have access to any show or movie whenever and wherever on Netflix? The answer seems logical, but, has our spoiled society created the need to have instant

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[29] Samuel, Alexandra. "What's so Bad about Instant Gratification? - JSTOR Daily." JSTOR Daily, February 7, 2017. ***https://daily.jstor.org/whats-bad-instant-gratification/***

[30] Alexei Dingli and Dylan Seychell, Who Are the Digital Natives? The New Digital Natives (Berlin: Springer, 2015), 9–10, https://doi.org/10.1007/978-3-662-46590-5_2

[31] Francis, Tracy, and Fernanda Hoefel. "'True Gen': Generation Z and Its Implications for Companies." McKinsey & Company. McKinsey & Company, November 12, 2018. https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/true-gen-generation-z-and-its-implications-for-companies

[32] Solis, Brian. "Impatience Is a Virtue: How the On-Demand Economy Is Making Mobile Consumers Impatient." Forbes, November 20, 2017. https://www.forbes.com/sites/briansolis/2017/11/20/impatience-is-a-virtue-how-the-on-demand-economy-is-making-mobile-consumers-impatient/?sh=6554cbd8344c.

solutions to all our problems or did these technological products shape our approach to life by increasing our demands?

It could be argued that humans adapt to the conditions they have to live, and different generations have disparate concerns and aspirations. Technological innovations have come to a point where they seem surreal, but innovation and development are inherent elements of human nature as it if it wasn't for that, people would still live as nomads. Whenever circumstances shift, human necessities do as well, and when life conditions improve so do our standards.

Accordingly, enterprises like Netflix have leveraged the digital era to display a world of possibilities to the consumer, it may have seemed an ambitious approach to offer such a wide quantity of contents always available, but nowadays it constitutes a reality and consumers take it for granted.

But there has been a long process of development to transform a service of DVD renting to the most powerful streaming service, and a film production company itself. To scrutinize the elements that triggered the success of Netflix, it's essential to look through its history.

IV.   The Case of Netflix

Netflix has changed the way of watching shows and movies, competing directly with film producers. It is part of the NATU companies, which, although they are young enterprises, they are currently set at the same level of multinationals like Google, Amazon, Facebook, Apple, and Microsoft. In a world of competitiveness and metadata exploitation, these enterprises have a bright future ahead. Firstly, let's take a look at its chronological evolution.

1.   History of Netflix

We set the starting point in 1997, when Reed Hastings and Marc Rudolph decided to found a movie rent service via internet, costumers could order their movies and receive them at their homes. The idea arises in response to a fine that Hastings had to pay due to his delay in returning the DVD of *Apollo 13* to the video club. A year later, *Netflix.com* is born.

In 1999 Netflix adopts a subscription model, with a monthly fee, customers could have unlimited movie rentals; a year after the platform includes a recommendation system, utilizing the users' ratings of their past rentals.

In 2007, having achieved more than 5 million subscribers, Netflix starts its streaming service; this meant a turning point to the company as it experienced a tremendous growth, surpassing the 20 million subscribers three years later.

It was at that moment, in 2010 when the company started its international expansion, first to Canada and subsequently to Latin America and the Caribbean. The expansion to the European continent was made consecutively starting in 2012.

In the year 2013, Netflix takes a big step and includes its own content; with the show *House of Cards* being one of its first original productions, and also a big success, with 12 Emmy nominations, and winning 3 of them; it became the first Emmy-winning show produced by a streaming platform.

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Netflix continued producing original contents with outstanding numbers and huge revenues; the company took a step further in its expansion and is currently present in 190 countries.

In 2020, in spite of the economic stagnation, streaming services like Netflix were benefited due to the quarantine and the increase of demand. Consequently, the platform exceeded 200 million subscriptions. [33]

Having their contents provided in 190 countries and invoicing millions of dollars each year, it's an undeniable fact that Netflix has sufficient power to play a role in the international scene, considering this an idea worth of further analysis.

2. Netflix as an International actor

It is a fact that Multinational Corporations (MNCs) play a significant role in the global economy and hence, in the international scene. Although MNCs represent less than 1% of the total number of American firms, they control a very large fraction of the GDP, imports, exports, and private-sector employee compensations.

Following the Forbes' 2023 ranking of "The Global 2000", Netflix is located in the 223rd position with a market value of $143.48B[34]

According to the Organization for Economic Co-operation and Development (OECD) in 2018, it is estimated that MNCs comprise half of global exports and nearly a third of the global GDP (28%).[35] Thus, controlling such a large part of the global monetary flows; it's inexorable that these firms also hold political power. Hereunder, we can find a chart that represent the shares of outputs, GDP, exports, imports, and employment that are controlled by MNCs or Multinational Enterprises (MNE) in the global economy in the year 2014.

[33] Neira, Elena. 2021. "Netflix, La Que Inventó El Modelo Que Ahora Todos Copian." Business Insider España. Business Insider España. August 5, 2021. https://www.businessinsider.es/netflix-invento-modelo-ahora-todos-copian-905723.

[34] Andrea Murphy and Hank Tucker, eds., "The Global 2000 2023," Forbes, June 8, 2023, https://www.forbes.com/lists/global2000/?sh=7e14739c5ac0.

[35] OECD, "Multinational Enterprises in the Global Economy," *Oecd.org* , May 2018, https://www.oecd.org/industry/ind/MNEs-in-the-global-economy-policy-note.pdf.
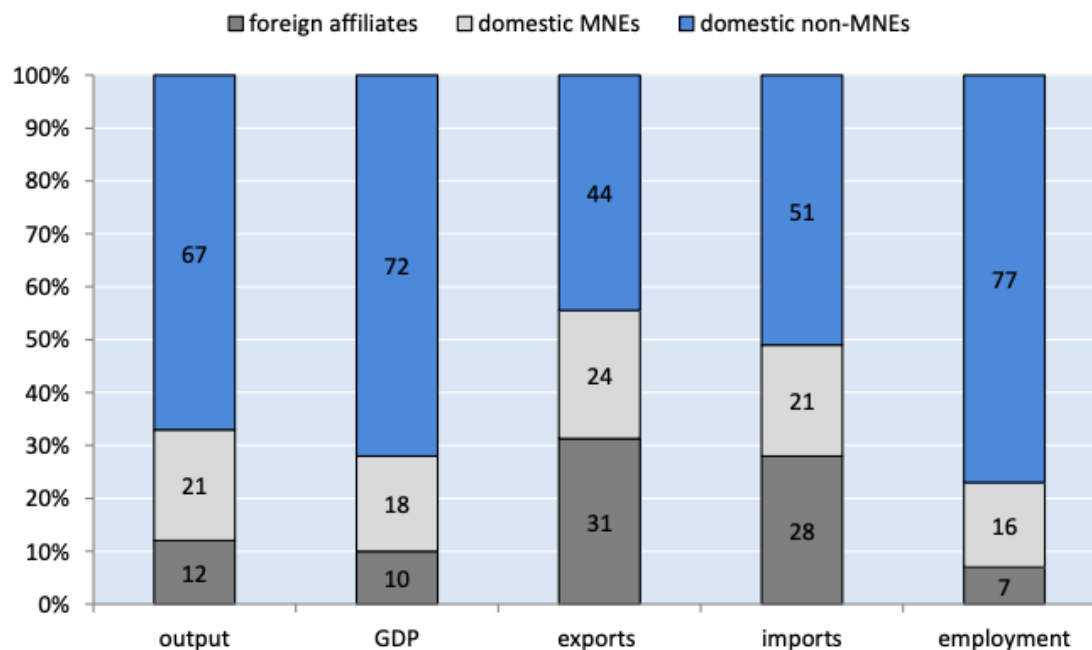
Figure 4 The Importance of MNE in the global economy, 2014. Source: oecd.org

Regarding the political influence that MNCs have at the global level, scholars have recognized three main channels whereby these corporations exercise their influence over the political agenda.

Firstly, firms can affect directly on the policy making by engaging in political activities like lobbying, openly supporting political campaigns, or pressing political leaders in order to satisfy their needs. Furthermore, they can establish informal relations with political leaders that can provide information and persuasion.

Apart from this dialogue with the political elites, the use of communication channels to reach the general public is also crucial; enterprises may make use of journalists, press publications, or public demonstrations. In the case of Netflix, this firm is a speaker by itself; there's no need for intermediaries when they can promote their messages through their own content.

Secondly, MNCs can adopt a role as instruments of the state, thus, governments use MNCs to further the national interests, by strengthening sanctions through multinational production networks, (a clear and current example is the sanction system imposed on Russia by American and European companies), facilitating capital transfers among firms in order to strengthen national monetary policies, or letting MNCs foreign affiliates to cooperate in the intelligence gathering (Nye, 1974, p. 157)

Lastly, MNCs can influence the political agenda-setting with their mere presence abroad; their privileged view can serve as a tool for political leaders to get assistance in identifying issues, designing policies, and prioritizing goals. [36]

Concerning the relations between Netflix and national governments, there have been various responses in the different nations which reflect their local policies and their political and bureaucratic traditions.

Within the 27 member states of the European Union, the European Commission compel Netflix and other streaming giants to play by new rules. The most significant piece of the EU legislation addressing this matter is the Directive 2010/13/EU, known as the Audiovisual Media Services Directive, which governs the coordination of EU and national legislation on all audiovisual media, including broadcast TV and streaming services.[37] With the objective of preserving media pluralism and cultural diversity, combating hatred, and protecting consumers.

On another note, the French government issued a decree which specifies an investment obligation of 25% in local content. In Italy, there's no legislation yet but a unilaterally established legislation is expected, in which the Italian government will impose an investment obligation oscillating from 12.5% - 20% of the streamers' local revenues.

Australia is also a proponent of the regulation of streaming services and establishing a quota for local content, nevertheless, this could be an arduous task, and regulations can help little, as Australia shares the language with two big media producers: The United States and the United Kingdom, whose shows end up encroaching on the country's cultural identity.

The case of India is more severe, as the streaming sector is regulated by the Ministry of Information and Broadcasting, which ensures that any content prohibited by any law, disrespects religion, sovereignty or integrity of India or promotes any kind of violence against the state, won't be streamed. [38]

Meanwhile, in the United States these streaming services are not required to fulfil any content quota or invest in the national audiovisual production; the only body that collects and catalogue these works is the the National Audiovisual Conservation Center (NAVCC).[39] Nonetheless, these regulations in the United States seem pointless, as not only Netflix, but also its main competitors: Prime Video, HBO Max, Disney+ and Hulu are all US capital firms.

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[36] In Song Kim and Helen Milner, "Multinational Corporations and Their Influence through Lobbying on Foreign Policy ," December 2, 2019, https://www.brookings.edu/wp-content/uploads/2019/12/Kim_Milner_manuscript.pdf.

[37] European Commission. "Audiovisual and Media Services." Shaping Europe's digital future, July 15, 2022. https://digital-strategy.ec.europa.eu/en/policies/audiovisual-and-media-services.

[38] Frater, Patrick. "International Report: Governments Set Boundaries for Streamers." Variety. Variety, July 2021. https://variety.com/2021/global/global/netflix-europe-avms-regulation-streamers-1235009148/.

[39] Irene Calboli, "Legal Perspectives on the Streaming Industry: The United States," American Journal of Comparative Law 2022 70, no. 1 (October 21, 2022): i235, https://doi.org/10.1093/ajcl/avac021.

To respond to these local demands on each place, Netflix has implemented what's called a *glocal* strategy, that is to say, producing global-reaching content but tailoring its promotion to adapt to the idiosyncrasies of each country, as well as streaming locally produced content.

This strategy is not only profitable but also appealing to the public, and it's Netflix's distinctive hallmark compared to its competitors.

The major example of the success of locally produced content is *Money Heist.* The Spanish show, which was bought by Netflix from the Spanish TV channel Antena 3, won the Emmy award for best drama series and invoiced 46,1 million of euros in the year of 2020. [40]

It was the most-watched non-English series in 2018 and one of the most watched Netflix shows overall. Their figures were outstanding but also its political impact.

Money Heist, is full of political messages starting from the official soundtrack of the show which is "Bella Ciao", a popular Italian song that was adopted as the anthem of the antifascist resistance. The show represents the image of Robin Hood heroes that challenge the status quo of the state. This is why it has been subject to criticism by some authoritarian leaders, like the politician Ibrahim Melih Gökçeh, ex-mayor of the city of Ankara, alleging that it could trigger social uprisings. [41]

This show's influence across the globe has been observed in different protest demonstrations, one remarkable case was in 2019, in Chile where riots caused by the raise of the subway fare, higher cost of living and increasing unemployment and inequality were filled with Dali masks and red jumpsuits, which are the main symbols of the show.

Also in the Middle East, where citizens and artists through social media used the series' emblems in countries like Syria, Lebanon, Iraq, or Palestine during 2019. [42]

After the success of Money Heist, Netflix opted for other local productions, which were also a success; the French series *Lupin,* South Korean *Squid's Game* and British show *The Crown* are some of the most remarkable examples.

But Netflix hasn't been limited to fictional content, as its most recent stake are the documental and docu-series formats. In its catalogue, we can find a variety of

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[40] Fernández, Juan M. "El Verdadero 'Botín' de 'La Casa de Papel': Su Productora Ha Acumulado 22 Millones de Beneficios." El Español. El Español, December 5, 2021.

[41] ABC PLAY. "Turquía Estalla Contra 'La Casa de Papel'" Diario ABC. ABC.es, April 16, 2018. https://www.abc.es/play/series/noticias/abci-casa-papel-turquia-netflix-201804161258_noticia.html?ref=https%3A%2F%2Fwww.google.com%2F.

[42] Qassem, Sarah Mohamed. "Oriente Medio Protesta Con Máscaras de Dalí Mientras Canta 'Bella Ciao.'" Atalayar, December 19, 2019. https://www.atalayar.com/articulo/sociedad/oriente-medio-protesta-mascaras-dali-mientras-canta-bella-ciao/20191219114437143717.html.

documentaries, from successful businessmen like Elon Musk or Bill Gates, politicians like Obama, Trump or Macron, artists and musicians, to true-crime stories.

This strategy could be a solution to cover all kinds of consumers' interests in a way that results less expensive than a film production; also providing a sense of truth and information which is valued by their customers.

In addition, Netflix promotes a lot of content with LGBTQ+ and racial representation; matters that have been heavily criticized by the most conservative sectors alleging an advertising of the liberal political agenda. In spite of the criticism, Netflix seems to maintain the safeguarding of integrity, inclusion, and representation as some of their core values.

3. Competitors

As mentioned before, Netflix is the leader and precursor of the streaming sector, with 232.5 million subscribers[43] and being present in 190 countries. Nevertheless, its competition is constantly increasing, and its privileged position is not guaranteed. Netflix has several open fronts, not only as a streaming platform but also as a film production company, as Netflix has been regarded as Hollywood's growing competitor.

Among Netflix's main competitors we can find streaming platforms like Disney+, platform owned by Disney Inc., HBO Max, owned by Warner Bros Entertainment, and Prime Video, owned by Amazon. These enterprises offer the same type of service; a subscription-based model with unlimited access to a wide catalogue of content; that could be from third-parties or content of their own.

From the entrepreneurial perspective, seems that Netflix could be replaced by one of its competitors, especially after some decisions like a subscription fee rise, their control of shared accounts and the idea of including ads in the platform, which have cost them the loss of 2.5 million subscribers in the first quarter of 2023. [44]

Regarding the political implications, it wouldn't affect essentially if Netflix were replaced by one of the before-mentioned competitors, as all of them are owned by American conglomerates. What could actually threaten the United States' hegemony in the film production industry would be the growth and expansion of Asian film industries, like India or China.

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[43] Maas, Jennifer. "Netflix Subscribers Q1 2023: Password Crackdown, Ads." Variety. Variety, April 18, 2023. https://variety.com/2023/tv/news/netflix-subscribers-ads-password-sharing-q1-earnings-1235586770/.

[44] Iván Martín Barbero. "Llega La Debacle a Netflix: Pierde 2,5 Millones de Usuarios Desde El Inicio de 2023." Cinco Días, April 28, 2023. https://cincodias.elpais.com/cincodias/2023/04/28/smarttv/1682667552_646234.html.

In the case of India, the Bollywood's film industry seems to be facing its biggest crises due to the arrival of streaming services to the country. Box-office receipts are in decline and their productions are getting little to no revenues. The pandemic had a key role in this situation and it's clear that after decades of storytelling, Bollywood seems to be at an inflection point. [45]

On the other hand, China is said to have a blooming film industry; unlike Hollywood whose projection is globally focused, China relies on the domestic audience. China has the ambition to follow the example of prominent Asian film industries like Japan or South Korea, that have successfully exported their contents to audiences beyond their national boundaries.

Chinese products still struggle to achieve an international success, academic discussions about Chinese films and film festivals have concluded that this could be addressed to the protective legislation and policy of censorship, along with the lack of innovative content, piracy, and intellectual property along with digitalization and its effects.[46]

Nonetheless, these difficulties aren't decisive as, China's massive and youthful market is sufficient to hold back the expansion of global conglomerates like Netflix (Kokas, 2018) the world of film production, social media and mobile technology converge, and China is already thriving in some of those sectors; Netflix could see itself at stake, especially after the popularization of Chinese streaming platform, iQiyi.

Although Netflix has been successful in entering the global markets but has only been able to provide limited content in China, through licensing deals with the platform iQiyi; in this way, the Chinese platform leverages Netflix's content to expand its user base in the U.S.[47]

The European expansion of the Chinese platform has alerted Netflix, as their main productions are already subtitled in English and Spanish; iQiyi holds a wide catalogue of movies and shows, along with entertainment programs and anime. The platform provides these contents freely, (including advertisements) and has the option of a subscription fee as well, 3.4€ for the standard version and 6.8€ for the premium one; with almost 120 million subscribers and 500 million active users, it has been called by some analysts "the Chinese Netflix".

The growing competitiveness in the sector and the idea of a new hegemony in the film industry keep American film producers alert and poses the content distribution as a big tool of national promotion, thus, there's possibility of a new wave of national promotion through shows and films, but this time it won't be coming from the United States.

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[45] Mouriquand, David. "Is Bollywood Going Bust?" Euronews. Euronews.com, October 11, 2022. https://www.euronews.com/culture/2022/10/11/indias-bollywood-facing-its-biggest-ever-crisis.

[46] Wing-Fai Leung and Sangjoon Lee, "The Chinese Film Industry: Emerging Debates," *Journal of Chinese Cinemas* 13, no. 3 (September 2, 2019): 199–201, https://doi.org/10.1080/17508061.2019.1678235.

[47] Aynne Kokas, "Chilling Netflix: Financialization, and the Influence of the Chinese Market on the American Entertainment Industry," *Information, Communication & Society* 23, no. 3 (August 30, 2018): 407–19, https://doi.org/10.1080/1369118x.2018.1510534.

V.   Conclusion

Taking into account all the information gathered throughout this work, it can be affirmed that the soft power exercised by the United States through its media production industry is undeniable, and that it's been a practice that has been present for a long time and seems that it will remain as an influential cultural power.

Regarding Netflix, we must bear in mind that it is an American multinational, therefore the U.S. footprint will be indelible, as these corporations not only participate in the economic scene but also in the political agenda and have a privileged position to engage relations with the government and public institutions. As an American enterprise, the American values will be present and supported, as their identity sign and a way of strengthening their status.

Currently, Netflix tries to portray the American society as open and inclusive; embracing social equality without leaving behind the patriotic sentiment; and although it is true that there are some shows, like *Orange is the new Black,* in which we can find some criticism to latent problems like racial discrimination, homophobia, lack of public healthcare… these critiques are most of the time covered by humour or found subliminally.

Hence, we must admit that self-criticism is present to some extent, even though these judgements won't be harsh, because that would work in detriment of the U.S. and of their own.

Netflix's approach doesn't seem imperialistic or propagandistic as some may argue, as, certainly, most part of their content is a promotion of their national production; but their new approach of supporting local products and fulfilling the national quotas in the different countries, show how they have managed to leverage the opportunities of expansion and innovation, at the same time they satisfy national governments by investing in their local industry, even if that meant giving up some space that could have been occupied by American-made content.

Therefore, the economic interests prevail, and the promotion of national interests and values is not as evident as it was some years ago; providing customers with what they ask for seems to be more important than maintaining a homogenous catalogue with the intent to safeguard the position of the U.S. as the leader of the sector.

What the future holds cannot be asserted, but surely, this position won't remain static, as we've observed, international relations are in constant movement; as it can be observed, the film industry is another reflection of the hegemony of States in the international scene; and even though we cannot predict with certainty what the future may hold, it is a matter of time that a state like China, a growing superpower could unseat the United States. For now, that outcome doesn't seem so unrealistic as some may argue, as China, surpassed the box office total of North America for the first time in 2020.

China has a big cinematographic industry but due to its content control policies, its global reach seems to be hindered; censorship and restrictions of content diminish their attractiveness to the international public. As it is stated in the book *Why Nations Fail,* the development of inclusive economic institutions is crucial to form a rich nation that and doesn't concentrate disproportionate power in the hands of a small group and is based on

pluralism; inclusive political institutions create vicious circles that lead to powerful forces. (Acemoglu & Robinson, 2012)

Thus, investing more in this industry and analysing it from a global perspective, setting strategies and reforming policies, the cinema industry could become a big soft power tool for China; there's a need of legislative reformation that is able to respond to a global expansion, addressing the global needs and being able to adapt to different countries and their values and ideas; this may seem more complex as it won't be a short process, but, as mentioned before, it is a blooming industry, and if it's correctly leveraged, it will certainly change our perspective and everything we've been used to.

In such case, the American promotion would be way more obvious, as their leadership position would be at stake; not only a commercial but also a political battle would be developed due to the big influence that a corporation in such position can exercise globally.

Nevertheless, as there are many influencing factors, and social sciences are never exact, these are only a few displayed cases in a huge scenario of possibilities; in the end, political, economic, and social changes throughout this time, will determine the final outcome.

VI.   Bibliography

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