

Regaining the Initiative for Public Service Media

Gregory Ferrell Lowe & Jeanette Steemers (eds.)

RIPE *a* 2011

NORDICOM

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Preface

This is the fifth RIPE Reader published by the Nordic Information Centre for Media and Communication Research at the University of Gothenburg in Sweden [NORDICOM]. As always, the experience of working with Ulla Carlsson and her team has been productive and enjoyable. The RIPE community is grateful for the consistent quality and increasing importance this series has achieved since the first book was published in 2003.

We thank the chapter contributors for their work and patience during the thirteen months this volume has been in production. Our editorial demands were often high, and sometimes complicated. Every author gave her or his best professional effort to address every request for further development. Together we have produced a tightly focused and cohesive result.

The fifth Reader is the final result of the RIPE@2010 conference, which was about *Public Service Media After the Recession*. The title of this Reader reflects the focus of discourse during the conference, the importance of *Regaining the Initiative for Public Service Media*. This is also the most global Reader produced, reflecting the growing interest in public service media beyond its historic grounding in Western Europe. We want to thank the sponsors and hosts. The fifth conference was hosted by the Communication and Media Research Institute [CAMRI] at the University of Westminster and sponsored by the BBC together with the UK Office of Communications, Ofcom. The conference was excellent in every respect, intellectually, professional, socially and as a cultural experience. Our thanks, as well, to the staff of the Tate Modern for the open gallery tour and a delicious gala dinner.

On behalf of the conference host and sponsors, we want to especially thank the Conference Planning Group [CPG] and RIPE Advisory Board [RAB], and their home institutions for the funding and other supports necessary to their involvement. In alphabetical order, the CPG members for the RIPE@2010 conference were Helen Normoyle for the BBC and James Thickett for Ofcom, Alessandro D'Arma and Peter Goodwin for the University of Westminster, Gunn Enli for

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the University of Oslo, Norway, Michael Huntsberger for Linfield College in the USA, Eva Pujadas for Pompeu Fabra University in Spain, Phillip Savage for McMaster University in Canada, and Alan G. Stavitsky for the George Turnbull Center at the University of Oregon in the USA.

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Finally, we all want to especially thank Helen Cohen at the University of Westminster and Charlene Prempeh at the BBC for making everything happen – on time and in proper order. Thanks very much indeed for your good and effective work in herding this bunch of cats!

This fifth RIPE Reader is funded by CAMRI at the University of Westminster and the Graduate Studies Programme in Media Management at the University of Tampere.

We are pleased to announce the RIPE@2012 conference will take place in Sydney, Australia on 5-7 September. The sixth conference is sponsored by ABC Australia and will be hosted by the University of Sydney.

November 2011

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Regaining the Initiative for Public Service Media

Gregory Ferrell Lowe & Jeanette Steemers

Even in its heartland, the institution of public service broadcasting [PSB] is in trouble. That has long been the case in countries where the institution wasn't strong to begin with. In the United States PSB only started after 1967 and has been under attack by the political right ever since (Stavitsky & Huntsberger 2010; Avery 2005; Engelman 1996). In central and eastern Europe where democracy is more recent, popular support has typically been weak and political meddling high because of historic association with state broadcasting (see Broughton-Micova in this volume; also Jakubowicz 2006a & 2004). That is also the case in parts of southern Europe where there was military dictatorship (Lowe & Nissen 2011). But today the problem is most striking in northwest Europe – the historic heartland of PSB.

In Germany PSB corporations have been forced to withdraw online services and embrace a version of Britain's public value test (Radoslav & Thomass 2010; Schultz 2008). The BBC has been radically challenged since the election of a Conservative-led coalition in 2010. Under the pretext of economic austerity and within a mere 48-hours, the Government imposed a licence fee freeze until 2017, along with additional responsibilities for funding the BBC World Service, S4C and BBC Monitoring. All of that was done without public consultation or Parliamentary involvement (for analysis, see the chapters by Levy and by Goodwin). In Finland a challenge to the licence fee has been percolating since 2009 (Ala-Fossi & Hujanen 2010; Ala-Fossi forthcoming). In this volume, Lars Nord's assessment of debate over public service media [PSM] in Denmark, Norway and Sweden would suggest some concerted effort by the commercial sector to hamper PSM development. Right across Europe the public sector in media is caught in 'a perfect storm'. Although dark clouds are nothing new, the magnitude of this storm is stronger and more threatening.

The 60+ experts who convened for the RIPE@2010 conference in London concluded that longer-term trends and pressures have converged to a remarkable degree in the context of economic recession. The public sector is being

challenged on every front at once. Publics and politicians alike have come to see the commercial approach as the ‘normal’ way to organise broadcasting (Bardoel & d’Haenens 2008). There are strong pressures to downsize PSM organisations, limit investment options, restrict online and digital operations, narrow remits to genres and for audiences that are not commercially attractive, and to mandate increasingly intrusive assessment procedures (for insight on this later point see the chapter by Donders & Pauwels). The principles of public service in media no longer resonate very widely, and there is growing criticism about a decline in PSB distinctiveness as these organisations compete aggressively with commercial rivals (Picard’s chapter is important here). Even among traditional allies, especially academicians and proponents from non-governmental organisations [NGOs] who have ‘fought in its corner’, support for PSB is flagging and scepticism is growing.

Although there is nothing yet to suggest this storm is catastrophic, the situation has the makings of a crisis because so many tangents have come together simultaneously and in the context of the worst economic crisis since WW2, a crisis that is challenging the public sector as a whole everywhere in the West (Stop! 2011; Stratton 2011; Whelan 2011). A potent combination of regulatory, financial, commercial and technological challenges encourage an idea that, as an institution, PSB is in serious decline and perhaps past its sell-by date.

And yet one must be careful about drawing definitive conclusions from a select category of cases. Although PSB is in trouble in its Western European heartland, the situation is different in countries we characterise as ‘frontiers’ in its development (*Politics in Emerging Markets* 2011). In emerging markets we find marked growth in the popularity and profitability of newspapers (*Back to the Coffee House* 2011) and different formulations of PSB are emerging. This is evident in China, Eastern Europe and the Middle East (see the chapters respectively by Chin & Johnson, Broughton-Micova, and Sakr). Moreover, even where a PSM presence has not yet emerged there is a broadening constituency that sees potential benefits in developing this (see the chapter by Juarez & Lowe on the situation in Mexico).

One key question considered in this fifth RIPE Reader is how PSM will develop in places lacking any history of PSB? It is somewhat ironic that frontier countries are drawing on concepts, arrangements and experiences from PSB’s heartland – precisely where PSB institutions are gravely challenged. Every case of development in public media has something important to contribute in realising amendments to or alternatives for a viable public service sector suited to conditions in the 21st century. That is a shared concern in countries with long histories of PSB and those without much or any history of PSB. This situation reflects the complexity and global interconnectedness not only of media today, but also of general dynamics in contemporary societal development.

Wherever humans live, global influences and local differentiation constitute one characteristic tension. There is shared interest in managing the balance between individual rights and collective responsibilities, pluralistic values and the common interest, diversity within and between societies, and the need for cohesion in the face of increasing fragmentation and polarisation. All of this underscores the principle that national media systems are social institutions. As such they are not uniform in character. However as public service institutions they do deal with issues of fundamental importance to fulfilling common purposes. These concerns relate to the need today for provision of quality news and information, ambitious domestic content that inspires knowledge and culture, and facilitating grassroots activities that both bring people together (bonding) and reflect the diversity of backgrounds and experiences (bridging).

That is why this RIPE Reader incorporates a wider purview as an outgrowth of proceedings from the RIPE@2010 conference that convened in London 8-11 September. As sponsors, the BBC and Ofcom chose the conference theme, *Public Service Media After the Recession*. This was equally of interest to the host, the Communication and Media Research Institute [CAMRI] at the University of Westminster, a faculty with a rich history of policy and industry research. Conference discourse was framed by a 'steering question':

Is the economic recession the cause of anything new in media policies and attitudes towards public service media, or rather an environmental circumstance that has strengthened already pre-existent trends? Related to this, do the trends we see in media policy affecting PSM reflect changes that are likely to be permanent?

Based on the substance of individual research, contributors were assigned to workgroups keyed to topics that included the future of journalism, opportunities for public participation, analysis of public service funding models, assessment of PSM performance measures, and trends in media policy. This community concluded that economic recession has not created anything new, but has fuelled and also conjoined already evident pressures to roll back PSB incumbents in Western media markets.

We don't accept the notion that all PSM adversaries are 'enemies'. Attacks on PSM have been fuelled by concerns that are often legitimate and these have been sharpened by economic turmoil in media industries as a consequence of steep declines in advertising revenue and consumer spending. Moreover, PSM merits criticism for sacrificing distinctiveness in the pursuit of competitive success. Furthermore, the move to become PSM corporations has landed the institution in a more exposed position where its opponents are no longer just rivals in television and radio, but also powerful commercial players involved in publishing, the press and new media businesses (see the chapter by Goodwin).

In Europe the public sector's rivals have been encouraged by the election of governments further to the right on the political spectrum.

Unfortunately the institution in its heartland has been more reactive than proactive and has not yet presented a coherent and convincing strategy that is attuned for relevance in the 21st century. Across Europe and North America it is fair to say that PSB has lost or is in danger of losing the initiative. Conference participants agreed on the need for focused and concerted effort to regain the initiative. In the rest of this chapter we work to clarify what this means, and to deepen discussion about the co-related need to gain the initiative in countries lacking a genuine public service sector, and further the need to maintain the initiative in the heartland and at the frontiers.

What constitutes a 'crisis'?

First we need to clarify the terminology that grounds the book conceptually. We have been talking about a 'crisis' in PSM, but that is an ambiguous term¹. A situation is not inherently a crisis because companies find something difficult to manage (Smith & Elliot 2006). A crisis is partially determined by the breadth and complexity of impact. An event impacting only one department of a company is not inherently a crisis for the firm, and neither is a condition affecting one or two companies a crisis for an industry (Mitroff & Anagnon 2001). When considering PSM as one sector in a dual European system it is questionable to assert that the media industry as a whole is in crisis. However, it is fair to say that the broadcasting industry as a whole *is* in crisis because radio and TV are mass media in an increasingly fragmented marketplace with a proliferation of platforms. Moreover, it is fair to characterise European PSB as being a sector in crisis because the impact is broad both in the range of challenges posed and the potential consequences for institutions that represent a significant and domestic half of an increasingly international whole.

Some may disagree, characterising difficulties in this sector as an internal matter only affecting people employed by PSM organisations. That would overlook the fact that this is a key node in the audiovisual industries of many countries – especially in PSB's heartland (see the chapter by Bennett & Kerr for insightful analysis). In Britain, for example, spending on content by channels with PSB obligations (BBC, ITV, Channel 4) represented 54 per cent of the £5.4bn total in 2010, compared with 29 per cent spent by commercial sports and film channels, mainly for rights acquisition (Ofcom 2011). In smaller countries with unique languages such as Finland and Norway, PSB is the main provider and contractor for native language production (Berg 2011). This is even more the case for minority-language services (Moring & Godenhjelm 2011). In many countries PSB is an irreplaceable source of quality news and

current affairs on which the domestic democratic process depends (Trappel, Nieminen & Nord 2011).

The retreat of PSB, or in the worst case its collapse, therefore must have far-reaching consequences for society and also for the media industry in respective countries. What is not clear is whether such a crisis uniformly exists across Western Europe. Certainly some institutions in Britain and Scandinavia are in a much better position than others, even if they also face strong challenges. This is pertinent to the third factor in determining crisis.

So far we have tackled two factors: breadth of impact and negative externalities. According to Koivisto (forthcoming), time constitutes a third factor. Crises unfold in stages, from a beginning that may be sudden or emerge over time, to a period when the situation is acute and then, one way or another, to an end – which can also be sudden or drawn out (Smith & Elliot 2006). For European PSBs, an era of disruption, instability and uncertainty began in the 1980s when commercial competition took off. This competition forced PSB organisations to improve their services and prioritise audiences. The question now is whether competition has gone too far, whether we have reached a point where negative externalities are critical. The answer might be yes to the extent that PSB reactions to instability have often prioritised competitiveness at the expense of distinctiveness and therefore, ultimately, of legitimacy. Wherever this situation is acute it can only be a matter of time before “the end”, unless there is some “new beginning” (Jakubowicz 2006b). Any new beginning will inherently require regaining initiative where that is in danger or has already been lost.

Boin et al (2004), and also Coombs (2007), argue that whether an event or condition qualifies as a crisis is more a matter of perceptions about potential consequences than accrued damages at a particular point in time. If a crisis is perceived before the situation becomes acute, steps can be taken to avoid the worst – provided that an organisation is both able to recognise a crisis in the making and has the will to act. The longer the firm is in denial the more likely a catastrophic failure. The character of crisis develops over time, even when triggered by a sudden event. Paraskevas (2006) observed that the Greek word ‘krisis’ implies the *requirement* for making decisions. As Koivisto (forthcoming) puts it, “One characteristic of a crisis is that it doesn’t resolve itself”. Denial and delay are contrary to the best interests of the public media sector. The situation today is at least crisis-prone and crisis-laden, even if not yet acute everywhere.

The final significant factor determining a crisis is in some sense an outgrowth of acceptance and the need for making decisions: *a crisis creates opportunity*. Those who are struggling to handle a crisis situation find it difficult to recognise opportunities for revitalisation, learning and development, but these are always present to some degree – often abundantly (Kovoor-Misra 2009). The tendency, however, is to fixate on the internal situation rather than focusing

on relations with the external environment. That tendency is worrisome for PSM due to a PSB heritage of internalised perspectives.

The financial challenges facing PSB today are not unique, although some of the dynamics are. A key dimension is this institution's dependency relationship with government. This is nothing new, but the situation today demands much more of these companies (see the chapter by Picard). Perhaps the greatest opportunity for crisis-ridden PSB in the heartland rests in subjecting every idea, value, activity and relationship to critical scrutiny with a keen focus on what everything means to, for and in the service environment (Drucker 2007). The objective is recognising viable opportunities to revitalise the enterprise. PSM institutions can no longer even assume the support of left-leaning political parties or traditional supporters. Moreover, engaging in critical dialogue with supporters is insufficient. The future of PSB hinges on the degree to which the institution is successful in building *new* interest and support, especially among those who have grown indifferent or never recognised its relevance in the first place.

An essential response must be jealous regard for the absolute necessity of independence from the control of either government or business interests. The public media sector is only legitimate to the extent that its rationale, priorities and operations are focused on the interests of civil society. This underpins the legitimacy of the whole enterprise. Renewing essential ideals and effectively articulating the purposes of public service in media in ways that are pertinent today and convincing now is just as important as ending services that are not needed or sufficiently distinctive. In fact, that is the only way to figure out what is unnecessary and insufficiently distinctive. All of this will require hard-nosed analysis of criticisms, complaints and proposals related to PSM. As the chapter by Steven Barnett demonstrates, what is needed today is well-reasoned argumentation derived from analysis of empirical evidence to illuminate unwarranted assumptions and counter 'information modulation' (i.e. spin) that is often presented as indisputable fact.

It is crucial to understand that a crisis is not only an event; it is a situation that poses "a serious threat to the basic structures or the fundamental values and norms of a social system" (Rosenthal et al 1989: 10). Regaining the initiative for public service media is the primary challenge right now because what is most at risk isn't a particular organisation but rather an enterprise possessed of an ethos that has been committed to the public interest in media. Equally, gaining the initiative to build PSM is crucial where media have been agents of state propaganda or self-interested commercial priorities. In both cases the longer-term focus must be on doing what is needed to not only gain or regain initiative, but to *maintain this as a continual project of legitimisation*. And by that we don't mean marketing – we mean the constant toil required to continually align PSM with its operational environment in ways that serve the genuinely public interests of the people paying the bills and depending on its services.

Gaining, regaining and maintaining the initiative

Central to our understanding is the idea that public service media operate in different contexts. This governs what responses are required. Although recession is raging in the West, the situation is different in economies that are growing. Support for PSM is even less certain at the frontiers than in the heartland of its origination. Just as there is no uniform crisis, there is no uniform solution. But there is a core issue that cuts across contexts, which is bedrock to establishing the legitimacy of the public service approach today. In this section we begin by clarifying the term ‘initiative’, and then discuss the variations on our theme: gaining, regaining and maintaining.

There are two senses in which the term ‘initiative’ is understood. The first emphasises energy combined with aptitude and implies deliberate action. Here the term is closely associated with momentum – a cumulative series of actions creating movement in a particular direction that is difficult to stop. In the second sense, the term is associated with legislative procedure. The idea here is that an individual or group makes a proposal for how to settle a problem or redress a need – they propose an initiative for decision. Both senses describe deliberate decisions and intentional action, implying a necessary combination of independence and volition.

In saying that PSB needs to gain, regain and maintain the initiative, depending on the context, we stipulate both senses of the term. In the heartland of its historic development PSB has lately been in a reactive stance in many countries, set on its heels by a storm of converging pressures. In countries where there is no PSB heritage and proponents typically struggle against state broadcasting legacies, it has been difficult to take the initiative – much less achieve momentum. What the two situations (broadly construed) have in common is the need to take action in deliberate fashion, to encourage movement in a particular direction, and to develop proposals that are convincing for settling problems and redressing needs that only a public service ethos in media stands a fair chance of accomplishing, precisely because of its ethical intentions.

The strength and complexion of the public sector in media varies from country to country. For the public service sector to have a viable future in Western Europe it is essential to articulate viable strategies for regaining the initiative where that has been lost, and for maintaining initiative in those areas that are crucial to its remit for the future of PSM. That will not be easy because where PSM has been successful in taking the initiative there is always pushback from the private commercial sector. Success in the drive to become PSM enterprises accounts for attacks on their involvement in online and digital media, calls for limitations on genres (away from entertainment), and for top-slicing licence fees or otherwise facilitating contestable funding.

At the same time there is internal stress and resistance. One persistent criticism in this series of RIPE Readers is the noted tendency for PSB organisations to mainly care about their institutional self-interests. The real work that needs doing, and because it is key to regaining and maintaining the initiative that will ensure a viable PSM future, is the sweat and tears required to elaborate and articulate a genuine public service interest in media. There has been considerable discussion about enabling better public participation, yet this is difficult, and in many cases dialogue with the public remains sorely lacking (see the chapter by Bakker). But this is necessary for strengthening the PSM remit, however complicated and challenging. A very good place to start is with open debate about PSM, which has so far been dominated by political and commercial elites. The public has only been a target in this, as in much else in media historically.

Without evidence of strategic development that is clearly focused on renewing, revitalising and legitimating the core values that authenticate a genuine public service ethos, proponents of PSM cannot make convincing arguments to validate continued funding and support. Convictions are based on principles, indeed are derived from them. Regrettably, the public service sector in media seems too often adrift conceptually and astray operationally. This implies that for PSB to regain the initiative, and beyond that to maintain initiative, its executive managers must take the leadership role in areas that are core to public service identity, and that lie primarily in *the philosophy of the enterprise*. Argumentation must focus on contributing to the development of knowledge, the appreciation of artistic, cultural and scientific accomplishments, and the ability to assist citizens in exercising political, economic and social choices on an informed basis. Yes, it is all quite familiar. The challenge is figuring out how to articulate what is in a sense too familiar so that it is fresh, vibrant and comes alive today. If it doesn't resonate it can't communicate.

At base, the problem is a crisis of legitimacy. All else that is problematic follows on from that. This begs the question: Why is legitimacy in crisis? That can only be figured out by assessing social realities in the environment. And it can only be handled by responding effectively to changes. Responding is entirely an internal matter of will and capability. Society will not defend an enterprise that cannot make an effective case for its continuation, especially in the current climate where so many public services and entitlements are at risk. Moreover, by virtue of being a public sector institution PSB *deserves to be challenged*. This is neither unmerited nor unfair.

The core question is how defensible is the PSM enterprise? How credible is it that scarce public resources are more deserved here than in other institutions such as health care and education? That PSM is in trouble is nothing new – this is the new normal. At issue is where it *deserves* to be in trouble, where it can and needs to be *defended*, and how to carry out the necessary work of *revi-*

talisation. That work requires ‘creative destruction’, in Schumpeterian terms. Some things will have to end to create something new. There is only so much resource, after all. Aspects that are worthy of defence are embedded in the public service ethos; they are worth defending because they are genuinely in the public interest and the evidence lies in the extent to which they generate social benefits (positive externalities). They are ‘public goods’ and ‘merit goods’ in the fullest sense: they are *goods*.

The importance of this is indicated by growing interest to develop a public service media sector where this has not existed. While the situation in the West is a cause for concern, countries that have relied mainly on state broadcasting or largely non-regulated commercial broadcasting, or some combination, are realising these options are at least insufficient, if not counter-productive, for achieving next-stage development in their societies. There is growth of interest in a ‘third sector’ in media, one that is public service in complexion and oriented to meeting the needs of civil society. It is interesting to observe that the conceptual foundations and historic arrangements of PSB are influential, and at the same time that these are not being mimicked but re-contextualised. In such contexts the central issue is about taking the initiative in the first place, rather than regaining something in danger of being lost.

China represents a pivotal case (see the fascinating chapter by Chin & Johnson). In the People’s Republic of China public media are state-owned and still in thrall to the Chinese Communist Party [CCP]. How, then, can a public service ethos exist within a state-owned sector? The answer is in a ‘pick and mix’ approach regarding the tenets of PSB. Where this has been seen in the West as a sector separate from the state and a supporter of democracy, in China the emphasis is on a Public Cultural Service. Chin and Johnson see this not only as a response to the rapid commercialisation of Chinese life, but also as an attempt to engage with a rural population that has been economically and culturally marginalised. Yet these outlets still serve as a mouthpiece for the CCP, which defines what the public interest is with little reference to the public. Despite the high-toned and well-intentioned rhetoric, these media continue to support state ideology and therefore cannot be an independent or impartial source of information and news. This contradicts public service media’s core role of enabling the public to scrutinise state power. Only time will tell whether China’s government will eventually trust its own citizens enough to allow, even to encourage, independent public service media.

Efforts to introduce PSM in Mexico represent a second category of challenges, one in which the dominant paradigm has been a highly commercialised model imported from the USA, while featuring an oligopoly with close ties to state interests (see the chapter by Juarez and Lowe). There hasn’t been much emphasis on a public service ethos in Mexico and similar contexts. Moreover, these have generally been poor countries with limited finances. It isn’t realistic

to think they could finance a traditional PSB institution. But here the idea of ‘public service publishing’ is attractive. Public service content can be separated from a centralised PSB institution, which has little chance of emerging in such contexts. Drawing on the concept of ‘Content Hubs’ (Raats & Pauwels 2010), Juarez and Lowe suggest that webcasting portals offer a viable means for securing universal access to public service content produced by a variety of sources that could be far more independent of political interests and less threatening to commercial broadcasting networks.

Complications regarding the appropriateness of Western models are also evident in central Europe. Sally Broughton-Micova chronicles how the governments of Slovenia and Macedonia took the initiative to build PSB after Yugoslavia collapsed, and how this was largely foiled because the private commercial sector was given priority due to the difficulty of funding a comprehensive broadcasting system from the public purse, and because of the historical experience of state broadcasting. Hence, PSB was “born into crisis” and the situation remains in flux, although with encouraging signs. Macedonia and Slovenia, as examples, have pursued a limited mandate that prioritises local languages and culture, and in genres that cannot be provided by commercial operators. The generalist and full service PSB mandate isn’t realistic. At the same time, partnerships are pursued with independent producers and overseas broadcasters to provide for greater programming pluralism. While political independence is still an issue, smaller countries with limited resources are developing new models.

Public service initiatives in the Middle East are being adapted for the needs of newly liberated countries (Tunisia, Egypt and Libya) and those tentatively undertaking media reforms (Jordan). Even before the Arab Spring, *Al Jazeera*, the pan-Arab broadcaster, was pitching itself as a public service initiative, although it is actually owned by the Qatari Government. In an engrossing chapter, Naomi Sakr underlines the blurred divisions between state and non-state media, suggesting that the idea of PSM is likely to be misinterpreted in regions where state, public and government are often conflated. She suggests a necessary focus on the citizen as beneficiary because there is no history of stable media institutions operating in the public interest. Rather than state media masking new identities as ‘public service media’, according to Sakr many “believe that a new age of media freedom means fostering a proliferation of community and small media alongside private commercial ventures”. Large, centralised public service institutions in the Western European mould are not appropriate for Arab countries because they would all but certainly become a branch of government rather than act in the public interest.

The managerial challenge of continual alignment

In each case in varying contexts, the essential task is the same, however: to *appropriately align* PSM with societal conditions and operational realities in the 21st century. To be viable, PSM must create conceptual resonance to muster and maintain support. And it must have structural stability to fulfil whatever is required in its remit. It must therefore cultivate *mutually beneficial* relations with *every stakeholder* that has a degree of real influence in determining its future, while at the same time nurturing independence in order to serve the legitimate public interests of civil societies beyond the interests of the state and the market. In this PSM must not sacrifice its distinctiveness in the scramble for competitive success. This demanding package of requirements is the managerial work of continually ensuring proper alignment between the organisation and its operations with society and its distinctive, evolving needs. That is essential for gaining the initiative in countries where there is no history of PSB, and equally where the sector needs to regain the initiative. In all cases maintaining initiative is the everyday work of executive management, and certainly of pivotal importance for steering operations at every level.

Public value tests (ex ante evaluation) for new services provide one means of either reducing or enhancing PSM's ability to regain the initiative. These challenges offer an invaluable opportunity for strengthening PSM if these firms use this to take the initiative (see the chapter by Donders & Pauwels). This focus concurs with the importance of developing greater competence in case making and the importance of legitimating (see the chapter by Picard). When commercial television began in the late 1980s PSB firms reacted with new initiatives for channel reforms and new launches, and in the mid to late 1990s with successful initiatives in new media services. The problem, however, is that much of that happened without sufficient effort to establish clear justification of the public service value of these initiatives, and without sticking to core values. The priority and emphasis was to compete with the commercial sector. More than twenty years later PSM in Europe is now required to justify new services in terms of both their public value and their market impact. Instead of seeing this as an unwelcome intrusion, visionary executive teams should see this as an invaluable opportunity for building relationships, developing concepts, and making the case for PSM today.

On the other hand it is clearly true that taking the initiative can cause complications. David Levy provides an astute comparison of PSB policy-making in Britain and France, where the BBC and France Television [FT] have taken very different approaches to the policy-making process and the challenges posed by the EU's state aid framework, in particular. The BBC is accustomed to the regularity of its Charter Review process and accomplished in negotiation. FT is more subject to presidential whim, as vividly revealed when President Sarkozy

decided in 2008 to end advertising, which triggered a financial crisis FT was poorly equipped to handle. A key difference, says Levy, is that the BBC often takes the initiative, while in France the initiative is usually taken by external political forces.

Lest one become too celebratory about the BBC's vaunted capabilities, however, it is useful to be aware of challenges to its institutional authority. A variety of reports and measures by UK regulatory authority Ofcom, have made recommendations about reforming BBC governance and accountability, public value testing commercial approaches to PSB provision, a publisher model for content, and top slicing the licence fee. Analyses of Ofcom policies cumulatively indicate that the BBC has lost much of its historic autonomy and capacity for self-determination (see the chapter by Lunt, Livingstone & Brevini). This suggests that PSB broadcasters can only maintain the initiative to the degree that policymaking processes and priorities permit that.

Journalistic culture is certainly a defining dimension of the PSB ethos that requires preservation and demands development in the PSM context. At its best, PSB provides a distinctive alternative characterised by impartiality, accuracy, balance and a properly critical view of events, taking a position that is clearly on the side of civil society. As Steven Barnett argues effectively, the core value of impartiality is crucial to the public interest today. Impartiality is a marker of unique and strong distinction in an era when companies like FOX deliberately take a highly partial and politicised view of everything.

Success in efforts to gain or regain the initiative for PSM depends to a significant degree on building mutually beneficial relations with independent commercial operators involved in content production. This is to say that PSM can't achieve its aims by viewing everything and everyone outside its traditional purview as the enemy, or by taking a narrowly political focus in efforts to revitalise the enterprise. Certainly there will be areas where it is essential to compete forcefully and relentlessly, but there are obvious areas where collaboration is equally essential (see the chapter by Bennett & Kerr). Such collaboration is beneficial not only for the PSM operator but also and ultimately for the media culture of a domestic market as a whole, because it facilitates the cultivation and development of the PSB ethos in the PSM era. Via commissioning practices, the PSB ethos "circulates as a set of values or moral economy" that brings new forms of collaboration to the public service experience. These researchers suggest that independent content providers and digital agencies are vital in efforts to regain the initiative for PSM. This in turn reinforces the leadership potential of public service media in domestic audiovisual markets.

Organisation of the book

This book is divided into four sections, reflecting the varied and distinctive narratives of PSB around the world. The first section concentrates on policy case making in the heartland of PSB's historic origination in Northwest Europe to determine what the issues are and to excavate the crisis of legitimacy. Part two provides analysis of how policy makers and PSM organisations have responded to environmental pressures, with a focus on evaluating and regulating performance. Part three looks at how the PSM initiative is being taken in countries where the enterprise has been marginal or non-existent, begging the question of how much can be learned from these new initiatives that may have utility in the heartland. The fourth section looks at challenges facing PSM operators in efforts to regain the initiative in practice.

This volume represents a significant development in the RIPE initiative. Previous volumes have concentrated on Western Europe. Indeed, all the conferences have taken place here. This fifth RIPE Reader incorporates research, analysis and discussion about PSM in other parts of the world, and links directly to a decision to convene the 2012 conference in Sydney, Australia. The theme will be *Value for Public Money; Money for Public Value*. We look forward to welcoming colleagues from around the world in their respective efforts to gain, regain and maintain the initiative to build public service media in the 21st century.

Note

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I.

Policy Case-Making
in the Heartland of PSB

The Changing Nature of Political Case-Making for Public Service Broadcasters

Robert G. Picard

The topic of this book, regaining the initiative for public service media, is a call to action instigated from the results of the recession caused by the global economic crisis that has led to cutbacks, reductions in services, and retrenchment of public service media [PSM]. But I think it also partly reflects an uncomfortable feeling that PSM is being overwhelmed by a scope and degree of change in society in general and media policy in particular that signal a lessening of support and the loss of historic protections. Its role and place is not nearly as secure, and this contributes to uncertainty and loss of direction within many PSM organisations.

These factors are significant because they are creating internal attitudes and reactions that impede the ability of many PSM organisations to achieve a task of vital importance: they must reconsider their roles and functions in society, make robust and persuasive cases for continuance and expansion in the scope of their activities, and adjust to media conditions that characterise the 21st century. If the challenges are not addressed, public service media will be increasingly out of step with contemporary social development and can only become marginalised and therefore increasingly vulnerable to attacks, not only on various operations but also on their very existence.

This chapter addresses the crucial need for political case-making as the essential challenge to legitimate PSM in the 21st century. This work should be the first priority for regaining the initiative where it has been lost and for establishing the legitimacy of PSB where it has not before existed – or has been fragile and unstable. This is about politics; but it is not about politics as usual.

Politics is a process of collective decision-making within political institutions (Kaid & Holtz-Bacha 2007). Government is the preeminent political institution, but there are other influential constituencies. Today these include markets, property owners, and the electorate in its many and diverse configurations – as citizens, customers, members of non-governmental bodies, as well as lobbies and the representatives of industry sectors. A variety of constituencies are in-

creasingly wielding greater power in decisions about PSM funding, strategies, operational boundaries, and performance expectations. Although PSM may not want to be subject to the empowerment of non-governmental institutions, their political economy now involves relations with them, desired or not. This suggests that political case-making can't be as effective as necessary today if it is only or even mainly oriented to government. Effectiveness requires case-making for consumers, competitors and independent producers, and directly to the electorate as citizens.

The concept of case-making originates in theory about efforts to influence governmental decisions. In a broader historical view it goes right back to the classical philosophers concerned with the art and science of persuasion, i.e. rhetoric, which was also a topic of keen interest during the Enlightenment. Here I am mainly focusing on the contemporary view. Case-making has always involved the complicated but necessary work of negotiation, which requires putting forward one's views and challenging the arguments made by others, usually in opposition, in order to garner support for a particular view and position. Given the way government works today, case-making often focuses on governmental decisions via representation through lobbying, meeting with key decision makers, testifying before committees and commissions, and using a variety of public communication tactics to garner support (Lilleker 2006; McNair 2003; Simons 2001). Its roots reflect a government-centric approach in which political communication is concerned with shaping deliberations and influencing decisions in public bodies and regulatory authorities. That is expected in democratic societies. But democratic political process works differently and more broadly today in many societies, and thus contemporary understanding accommodates the significance of non-governmental political arenas, which require other and more complex interactions and negotiations (Feher 2007).

In this chapter I take this broader understanding and focus on social persuasion (Simons 2001). Making cases to non-governmental actors requires more types of public communications, interacting effectively and regularly with a broader range of constituencies, especially with audiences as customers as well as citizens, engaging deliberately and in a non-confrontational manner with those holding oppositional views, working to find and establish common ground, and taking the necessary steps not only in talk but in action to ameliorate the legitimate concerns of rivals. Unfortunately, public service broadcasters have so far generally demonstrated unpreparedness in practice and discomfort in principle with these requirements. The sector has lost the initiative in many countries and has been mainly in a reactive mode and defensive stance. To regain the initiative for PSM this must change, or else the prognosis for the 21st century will be increasingly uncertain and unstable.

A damaging recession and unsatisfactory response

This recession has revealed illusions that were dearly held by many PSB supporters who wanted to believe the sector was not about business and therefore not subject to economic and market forces. That this is an illusion is evident in cuts to programme budgets, staffing and services, decreasing support for license fees and opposition to increases, and increasingly sharp attacks on the foundations of PSB's legitimacy in modern media markets. The economic crisis has also diminished the revenues of commercial media, which has in turn exacerbated complaints that public service media enjoy unfair financial and competitive advantages in developing new audiovisual services both within and beyond broadcasting.

Responses to the recessionary climate have been revealing. Advocates suggest PSM should be protected from any need to reconsider the breadth of operations, from more tightly focusing activities, and from needing to confront questions about their role in societies today. Mainly the response has been defensive and self-interested, a perspective that clearly hampers their abilities to see opportunities for revitalising these organisations and transforming the enterprise to something aligned with conditions today. Instead of engaging the possibilities, these organisations have largely engaged in public criticism of cuts, lamented the need to implement reductions in staff and production, and have demonstrated an attitude of great wariness and caution. Personnel grumble about redundancies and cost-saving measures without giving enough attention to how other media are also being affected, or indeed to the situation that is impacting the public sector generally. Journalists in the BBC, for example, perceived the company's efforts to alter its pension system as a personal attack and an attack on journalism – thus leading them to strike, which is not without irony given that they were reporting on widespread and similar pension reforms in public bodies across the UK and everywhere in Europe. They felt they deserved to be treated as the exception.

There is an implication in much of the discourse that recessions are abnormal and PSM firms have been particularly afflicted. Although economic downturns produce painful consequences, recessions also create conditions that can be beneficial for enterprises and industries. They are part of the 'self-correcting mechanism' of a capitalist economy. Recessions force firms, even entire industries, to refocus on their fundamental activities and eliminate organisational inefficiencies. They hammer firms that have paid inadequate attention to their balance sheets or relations with customers, forcing them to postpone or surrender growth strategies. That creates new opportunities for competitors. The process is disruptive, to be sure, and painful for many – perhaps most. But although recessions are detrimental for specific companies and their employees, at least in the short run, they also provide opportunities for firms and

professionals that are able to grasp them to reposition themselves for improved competitive advantage.

The second fallacy – that PSB companies have been unusually affected by the economic downturn compared to other broadcasters – is not born out by the facts. Most PSM companies have fared much better than their commercial counterparts because of advantages inherent to their funding via license fees and/or state budget allocation. Public funding provides more stability than advertising because it is not as subject to fluctuation. This is not to deny that in the past several years the commercial revenue of all broadcasters, public broadcasters included, has been affected by the recession. But the overall situation for PSB has been comparatively better than for those relying entirely on market-derived revenue. Television advertising revenues in Eastern Europe plummeted 21 percent, and Western Europe tumbled 18 percent, in 2009 and 2010 compared to their 2008 levels, rapidly stripping them of financial resources (Euromonitor 2011). In fact, the recession has also revealed the higher vulnerability of PSM firms that rely more strongly on commercial income.

The recession has forced governments to reconsider financial support for all public services, and this has had a significant impact on vital aspects of support for PSM from publics and policymakers alike. The importance of this and other changes merits consideration.

Weakening support and protection

Although PSM companies frequently reach more viewers than commercial broadcasters and are often highly appreciated, the breadth and depth of support has been deteriorating. They are playing a less unique and central role in the lives of many people today as a consequence of expanding choice in media and concurrent changes in use preferences and patterns. This is an expected outgrowth of changes in media policies that created commercial competition and encouraged development of new audio-visual platforms. The availability of commercial broadcasting and multichannel distribution via cable, satellite, digital broadcasting, and broadband networks have reduced the public's reliance on PSM providers and facilitated the shift to non-linearity in some media use. Competitors have served various functions at least as well as PSB, especially in entertainment fare, and have therefore increasingly become acceptable substitutes, in some case even preferable. In many nations, there has been a knock-on effect. These broader changes are co-related with growing resistance to license fee increases, and encourage efforts to use a portion of such revenue for other purposes (Picard 2006).

The development of a commercial sector in audio-visual provision has created issues that are forcing society to re-evaluate the continuing utility of some historic competitive advantages enjoyed by public service broadcasters. Com-

mercial firms have become increasingly vocal in attacking these advantages, arguing that it is counter-productive to support efforts to create an audio-visual market through deliberate policy choices only to then allow that market to be dominated by a protected player – and one that is typically the oldest and among the biggest operators in the market. In many nations, conservative political parties have become especially supportive of this argument. While not yet abandoning public service broadcasting, there is growing evidence of efforts to limit their advantages and constrain their scope of activities. In Germany, for example, the new remit for public service broadcasters, Rundfunkänderungsstaatsvertrag (Germany 2010), continues the trend of limitations in online activities. Competitors to PSM had argued that their strength would cause harm and make successful online operation by commercial audio-visual and print media firms impossible (Weberling 2011). The evidence for this is scant. Even a highly commercial market such as the United States with a weak PSB sector has been unable to produce a highly successful online news and general information provider. Nevertheless, the German decision indicates diminished support for public service broadcasting, even in a nation where it is still highly valued and has been historically dominant.

Loss of direction

As one views public service broadcasters in what the editors of this volume have characterised as “the heartland of PSB”, it is clear that many have lost their sense of direction and lack a clear vision for the 21st century. There are a number of causes for this malaise: the inherent sluggishness of established large firms, the speed of change in the media environment, instability in the environment, and detachment from the audience. But I would contend there has also been a lack of dynamic leadership. The challenges are not new, and have been thoughtfully discussed for at least ten years (see Lowe & Hujanen 2003; Picard 2005; Lowe & Bardoel 2008; Almqvist & Thomas 2008; Lowe 2010). PSB executives do not appear to have paid much attention, nor have many demonstrated clear resolve to take the lead in necessary efforts to fix the sector’s problems. Of course there are notable exceptions – such as the work of Arne Wessberg in repositioning YLE (Finland) and broadening the horizons of the EBU, Christian Nissen of DR (Denmark) in leading the EBU Digital Strategy Group, John Birt in gaining support to launch BBC Online and Greg Dyke in launching the Freeview digital platform as a joint activity with the private pay operator Sky TV. But these are the exceptions rather than the rule.

If there was any doubt, today’s situation makes it crystal clear that PSM is not an autonomous institution. It is interdependent with other institutions and impacted by external circumstances. It is more important than ever for this

sector to make a convincing case for its legitimacy today, and especially for its claims on public financing. It is vital that the case should be clear, coherent, and self-critical. It will not be convincing if all one hears is the stale, shop-worn arguments that have been vocalised for decades. Pertinence must be the guiding principle and appropriateness the defining objective in establishing contemporary relevance. Lacking this, efforts to promote PSB or PSM will be disparaged and dismissed.

That a new vision and case for PSB must be made is obvious given the goal of transitioning to PSM. There is a good case to be made for achieving that, and no doubt historic problems that legitimated PSB persist (e.g. market failure). The fundamental problem is that the case is not being made or not being made effectively. A related problem is that it is not being made in terms that are relevant for contemporary conditions. A final problem is that making the case is not the end of this mission: there is a persistent requirement to follow-through in developing new organisational capabilities, competencies and structures to fulfil the promises a convincing case has made.

Making the case for PSM in the 21st century requires addressing the concerns of each relevant stakeholder. Proponents must engage in a necessary critical evaluation of the roles, functions, and operations of PSM in the light of *every* criticism levelled against it, and fairly consider their positions with an *open* mind. This is the only sure way to regain the initiative and to ensure the continuing legitimacy of the enterprise; and it is equally essential in countries with a limited (or no) heritage in public service broadcasting that now desire to establish public service media.

Context and Discourse in Policy Choices

Organisations are created to serve needs. Public broadcasters were specifically created to provide quality content that serves social needs. PSB is expected to provide its publics with a range of distinctive news, information and entertainment content. It is clear that PSB is no longer the only mechanism for achieving the objectives.

When PSB was created in the early 20th century it was typically seen as the only viable means for establishing universal domestic broadcasting¹. These firms were created as institutions in an era when the state was the preferred and a central actor for ensuring the construction of large-scale infrastructure to achieve universality in the provision of public services. This is evident in the establishment of the post, telephones, railways, water, sewage, and electricity. Decisions to handle broadcasting as a public service were congruous with the context, and especially justifiable given concerns about its tremendous power for influencing social life and shaping public opinion. Discourse that legitimated

the establishment of public service broadcasting was in tune with the general tenor of the times.

That operational environment was characterised by scarcity on the one hand (limited spectrum, limited resources, and a limited number of potential providers) and idealism on the other (intentions to use broadcasting for education, cultural enlightenment and social cohesion, along with desires to protect the public against propaganda and suspect ideologies). It was also partly the result of negotiated agreements with publishers who opposed advertising-supported broadcasting. There were many strands and diverse constituents comprising the discourse that enabled the establishment of PSB in principle and as a monopoly in practice. Intervention was legitimated on the principles of market failure, the virtue and rectitude of non-commercial operation, and the accountability of broadcasters to the public. For the first fifty years, roughly speaking, government remained the most crucial institution. Making the case for each developmental stage was focused within relatively small governing and regulatory arenas and primarily involved PSB managers interacting with their governing councils and parliamentary representatives.

PSB companies developed organisational structures to support these efforts, characterised by offices with specialists whose work involved chronicling performance, preparing assessment reports, gathering required information for deliberations, and creating principled arguments to persuade decision-makers regarding any proposed change in PSB funding or operations. At the BBC, for example, handling these functions is still the responsibility of a Director of Policy and Strategy who oversees regulatory relationships with the BBC Trust, Ofcom, the Government and the European Commission and Parliament. For the most part these efforts were effective and efficient.

It is obvious that the historic context in which the key relations were cultivated and the organisational mechanisms were crafted is no longer characteristic. A variety of media and communications activities now serve the public interest and provide public services to different degrees under varying arrangements. This is an era of media abundance, as John Ellis has observed (2000), and it is an era in which the nature and meaning of public has become quite different (see Lowe & Jauert 2005, for example). PSB and commercial broadcasting, newspapers, and online services provide news and commentary that facilitate democratic processes, and provide ample entertainment. Even marketing and advertising can be understood as serving a public interest by creating awareness of goods and services, facilitating competition, and lubricating exchange that benefits a general economy.

Moreover, it is no longer possible to argue that public service media only do things that serve the public interest, or that commercial media are only about making money. Today's realities account for more varied policy tools employed to achieve public service outcomes. These include provision of public services

by the state or state-related enterprises, regulating the behaviour of private enterprises, and allocation of subsidies or provision of incentives to firms of every kind to encourage the fulfilment of public service purposes.

PSM is not relevant today simply because of its longevity or the good service produced by PSB in the past. Although those factors help explain the general store of goodwill these institutions have often enjoyed, they are insufficient to maintain relevancy because of profound shifts in media markets. The legitimacy of the institution must be renewed and this can only be achieved by establishing what PSM contributes in the *current* context that is *unique*. The sector must develop a contemporary discourse that is convincing in explaining what it is and why it is important today. This is not a mere matter of producing better marketing materials or ‘developing the brand’. This requires engaging in lively conversation and reasoned debate to clarify *with society* what is wanted and needed in media, to identify what the public service sector can provide that is distinctive and essential, and to make a convincing case for public service media as part of the solution.

In this light, non-governmental arenas are crucial for successful case-making. Unfortunately the organisational functions needed to effectively support the more complex work that is required today are poorly developed (at best) in most PSB companies. PSM institutions must either take deliberate action redress the lack – to prepare and actively engage the work necessary for regaining the initiative – or they run the considerable risk of becoming marginal at best and obsolete at worst.

This is not unfair or too much to expect. The historical record clearly shows that the case for PSB has *always* rested mainly on environmental foundations, and not only on conceptual principles. A new context demands discursive development. It is only development to the extent that these firms are able to make a convincing case in the light of many and complex variables:

- An abundance of choice among sources
- A reduction in public reliance on *all* established public sector institutions (church, state, parties, unions, and PSB)
- Decreasing acceptance of ambiguous social service objectives
- Privatisation of many public services
- Mounting costs for media consumers
- Increasing commercialisation of PSB via subsidiary operations
- Opposition of commercial media firms to historic competitive advantages enjoyed by the public service sector
- Increasing discussions about the role PSB in electoral politics.

Whatever happens with and for PSM can't depend entirely on governmental desires. Discourse about PSM involves more stakeholders than in the past, and the vocabulary they respectively speak privileges issues and ideals that weren't elemental for PSB. In fact, central themes today were eschewed by PSB as a matter of principle, e.g. competition, consumerism, markets, popularity, etc. This is not to say historic ideals are unimportant. It is to say that discourse based mainly or only on those themes doesn't resonate in the same way today, and in many cases also feels disingenuous given PSM's involvement with a great many things that are not within the traditional purview of PSB, i.e. games shows, commercial subsidiaries, the international format trade, and so forth.

Especially in Europe, the argument for public service media appears to be ineffective partly because these companies still primarily engage with government. Conversations are conducted between Establishment elites with insufficient effort to engage other constituencies that also have a bearing on decisions and legitimate concerns about the roles, functions, and operations of public service media. In addition to oversight boards, government regulators, and parliaments, the general public, competitors, advertisers, and political parties are also expressing significant interests in PSM development. Effectiveness in case-making therefore requires far more effort to influence their perceptions with their diverse interests, and very often in the framework of distinctive vocabularies. For PSM to engage with this diversity of stakeholders it must invest the funds and ensure the talent necessary to first create the capacity and then build the mechanisms necessary for effective communication in varied arenas.

This is essential to achieving the end goal: *a new negotiated settlement for PSM in the 21st century*. It is therefore crucial for regaining the initiative because, at base, that is the work of re-establishing relevance. This depends on development of discourse about PSM, which in turn requires establishing many and strong linkages with a variety of institutions and players. It is up to public service organisations to undertake this task because they have lost the initiative. It is their discourse that has lost salience and has less impact; the opposition has the initiative today, and they are doing quite well in their efforts to stymie PSM. Engaging with the general public, competitors, NGOs, media scholars, all political parties and media critics will not turn everyone into supporters. But it will improve internal understanding and that is necessary to construct a convincing case. And it will clarify what doesn't need to be the business of the public sector anymore, and therefore what can be stopped. It also will underscore what remains absolutely relevant and is therefore vital for future development. Taking the initiative for public service media requires addressing the criticisms against it. Doing so will deflect some of harshest opposition by clarifying new boundaries and cultivating fresh links to enable the varied advantages inherent in co-existence and as avenues for mutually beneficial co-operation. Moreover, it will establish where competition between the public

and private sectors is essential for the full range of media services needed by audiences, societies, and markets.

This is crucial because the roles of government in determining media structures and managing sector relations are diminishing. Government everywhere is focused on more pressing concerns than what to do about public service media companies. They are struggling to handle crises associated with massive debt loads, changes in credit ratings, pension and health care costs that are no longer affordable, mounting unemployment and co-related social unrest, and changes in national economies. These issues are understandably more salient because they are absorbing huge financial resources, causing austerity measures, and it is already clear that missteps have significant effects on elections as well as composition of current governments.

The public is also increasingly reticent about providing additional funding, and there are questions even about the levels of current funding provided for PSM. Households where wage earners are trapped in unemployment, where mortgages are being foreclosed, where students are expected to pay far more for tuition and cost of living increases, where inflation is growing, where families are suffering with diminished disposable income as they take on greater financial responsibility for health care costs, educating their children, caring for aging parents, paying taxes and preparing for their own retirements, have their hands full. How much of their patience is reasonable to expect for PSM companies asking for more money?

The recession did not cause all of the problems that PSM faces; not even most of them. But it has clarified the need to come to grips with contemporary realities, to think carefully, critically and constructively about what PSM is and is not, about what their position rightly ought to be in contemporary contexts, about where and how they will position themselves in order to re-establish legitimacy as they simultaneously engage in the same struggle as governments and publics in the demand for reorienting their thinking about wants and needs.

Challenges of institutional longevity

The situation for PSB institutions is in good part due to the length of their existence. Although they have achieved significant operational development over the years, the fundamental social pact that was fashioned for their creation went relatively unchanged and, in many respects, unchallenged until recent years. This situation typically leads to policy drift as institutions self-perpetuate on the basis of past purposes. The initial purpose of PSB was to provide broadcast communications where none was available, where the costs for universal service were too high for a purely commercial system, and to fulfil public service intentions that are not commercially viable. With the exception of the later

aspect, this is not relevant today. But the role of PSB in creating broadcasting, laying the foundations for a broadcast market that others now exploit, and in building new digital infrastructure that also benefits competitors, reveals the significance of the sector not only in the provision of content but in developing the platforms and markets for media services to flourish. These functions will continue to have significance as technologies evolve, so long as PSM is permitted to play a pioneering role.

Discussion about functions beyond broadcasting programmes and providing media services is largely missing in contemporary discourse about PSM. For the most part, arguments have been rather abstract and amorphous. This problem has been compounded because public broadcasters in a number of nations have used public service arguments to gain advantage over other entrants, rather than specifically to legitimate the enterprise per se (Søndergaard 1999). This issue is salient because all institutions become self-interested and self-protective over time.

The problem is compounded by institutional inertia that effects the perceptions and activities of organisations. Inertia is rooted in the legacy values with structured routines, systems and processes that all organisations develop to ensure predictability and reliability. Patterns of thinking and structures of practice make it difficult for the organisation to adapt to changing environmental conditions and learn new ways of thinking and operating (see March & Olson 1989, Hannan & Freeman 1984, and DiMaggio & Powell 1983 for seminal research on these issues). Inertia leads to path dependencies in which decisions are guided by previous decisions in existing structures, which is precisely the problem most PSB institutions are encountering today in their efforts to adjust to contemporary conditions. This is as great a problem in case-making as in any other area of operations.

The challenge is compounded by “strategic drift”, a situation in which organisational strategies that were conceived and implemented in one context continue despite an altered external environment. Over time the organisation’s strategy ‘drifts’ in the sense of becoming increasingly divorced from environmental realities (Grundy 2005; Johnson 1987). A common reason is that strategies are mainly devised and implemented to benefit the organisational bureaucracy or corporate culture, both of which tend work against strategic innovation. As a result, the company loses alignment with the operational environment, and loses direction. Unfortunately much of what PSM wants to do in the 21st century, and its case for doing that, was established in the 20th century and has not been revitalised.

Contextual phases of PSM case-making

In my view, in the majority of nations with a history of PSB the enterprise has experienced three contextual phases of case-making. This is important to review because the institution has become progressively less equipped to handle changes that characterise each phase.

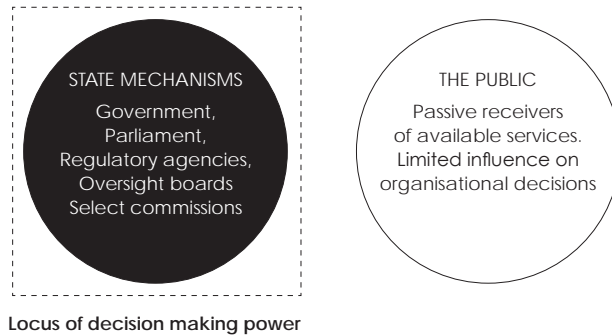
The first stage was primarily government-centric and involved persuading parliamentarians, government, and – later – regulators to support the establishment and early development of PSB. At its inception, the case for PSB was made to government elites by societal elites and their fellows, often holding governmental positions. The case was based on normative assumptions:

- Social order and control are necessary in society, the development of which is uneven and the stability of which is regularly at risk
- Broadcasting can have powerful social and political effects and therefore should be entrusted to a government-supported social service and kept out of less trustworthy private hands
- Education, news, information and uplifting entertainment are needed to improve the public and its capabilities
- The market cannot effectively service these purposes, at least on any universal basis

Iconic individuals played pivotal roles in this initial phase by articulating an engaging vision, building consensus, persuading the powerful and the public of its efficacy, and then guiding it through policy processes and implementation. Lord John Reith in the UK is the most notable example for his passion, erudition, rhetorical brilliance and ability to navigate the political environment to build support for the approach, and then to lead in the implementation of what he defined as ‘public service broadcasting’ (Leishman 2008; McIntyre 1995; Boyle 1972; Reith 1924).

Desires for additional services, increased financing, and operational changes arose as economic, technical, and social changes unfolded in the 20th century. Case-making for PSB regarding the changes happened within the government-centric environment in which the public had little direct influence and was external to the process (see Figure 1). The state mechanisms were the primary locus and executor of decision-making power.

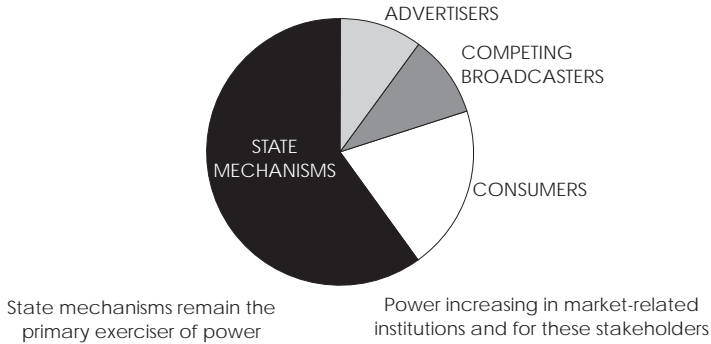
The rationale legitimating the inception and continued operation public service broadcasting was effective in meeting the objectives: that it should be socially beneficial for society as a service to the public, and that governments should support the institution and (later) facilitate the expansion of its operations. Public service broadcasters rose to the occasion and did this quite well as radio seasoned and television matured. However, those involved in making

Figure 1. The government-centric phase in case-making

this case were (and remain) somewhat alienated from the production personal responsible for its fulfilment. That is evident in derisive characterisation of those involved in case-making as ‘suits’ and ‘policy wonks’.

This initial phase of PSB case-making lasted until private commercial broadcasting was approved as a cost-effective way to increase services, grow competition and expand programme choices. This happened at various times in different contexts, but began in the mid 1950s in Britain (and Finland) with the establishment of advertising-supported public service channels, later followed by fully commercial private channels. This development introduced two elements that PSB organisations disliked: 1) markets in which they had to involuntarily participate and 2) audiences possessing the power to choose as consumers. Over time these elements increasingly forced PSB firms to compete with commercial players in media markets, which was typically resented, and to conceive of audiences as active choosers (and eventually as customers) rather than only as citizens or, more generally, as passive audiences (Picard 2005). This signalled a shift in the locus of power from easily identifiable and addressable government institutions and administrative processes to a far more amorphous and complex range of entities (see Figure 2). Influential decisions were made not only made by governments, but also by private sector companies and audiences. Of course government still had considerable power in this area of decision making, so the shift was modest in this phase.

As conditions evolved during this phase, it became increasingly accepted that government could not fund every socially beneficial activity. First the willingness and then the ability to fund an expanding array of PSB services waned. Politicians and regulators warmed to the idea that they could establish an environment in which additional benefits could be achieved through private broadcasting. Most PSB operators opposed the authorisation of additional broadcasting services. With the emergence of cable, satellite and digital channels, the primary refrain in PSB case-making could be summarised as ‘anything

Figure 2. Diffusion of power phase in case-making

that diminishes the position of PSB harms it and therefore society, so anything that helps competitors should be resisted'. At the very least, the fundamental arguments of PSB enterprises against private services and consumer choice were self-serving. At worst, they were syllogistic fallacy. The discourse and the processes in which the debate took place in this phase revealed PSB as entrenched organisations with self-interested agendas.

As society, technologies, and economics continued to change, a third phase characterised a more dramatic shift of power to market-related forces. Public service broadcasters responded by developing public service media enterprises, playing larger roles in multiple markets and engaging in a range of commercial operations in order to supplement revenues from licence fees and state grants. The majority of PSM operators are today partly funded by advertising, syndication sales of programming, direct sales programmes to the public as consumers (e.g. via DVD sales), and a variety of merchandising activities. As pay television and digital distribution activities expand, PSM companies are seeking ways to benefit from them as well.

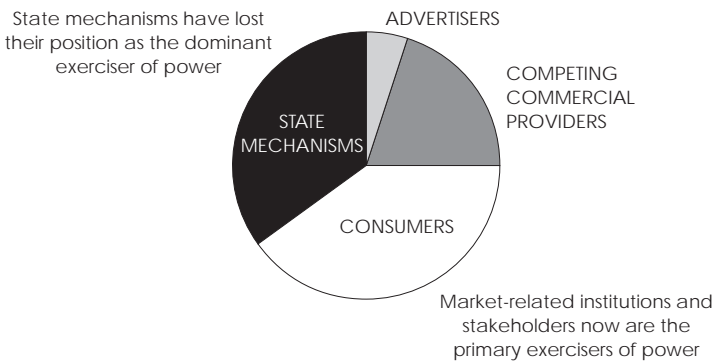
All of this both reflects and encourages increasing power of audiences as consumers, which affects their relationship with PSM as a more direct consumerist relationship. The growth of consumer-funded private broadcasting services as a consequence of large commercial investments in satellite, cable, DTT, and broadband platforms, increases the roles of private interests and choices in this environment. PSM companies are participating through joint ventures with private firms in many countries.

Regionalisation and globalization are also affecting the content. The European Union has created new layers and mechanisms of governance with multiple arenas in which discourse and decisions involving broadcasting take place. At the global level, the importance of organisations such as the World Trade Organisation, the World Intellectual Property Organisation, and the International Telecommunications Union are active in public debates and influence

decisions. Competing providers are exercising greater power, as well, with significant impact on PSB firms. This has been especially evident as newspaper publisher joined the attack. Case-making in media policy happens at multiple levels today, domestic, European and global, in both public and private sectors. Much of the case being made is against PSM have not yet been effectually countered by these institutions and their proponents.

The most significant development, in my view, is the growing power of consumers to influence the conditions of broadcasting. They have great choice among providers and content today, and augment broadcasting with various other audio-visual products from alternative sources. Not only are they not passive receivers, consumers are paying increasing amounts of their disposable income to pay for media products and platform services. In co-relation with this, they have growing expectations about what they should get for the money (see Figure 3). In this phase, reliance on traditional means for case-making and with familiar constituencies is not nearly as effectual because it primarily engages state mechanisms that are diminishing in significance.

Figure 3. The contemporary phase of case-making



The rising power of consumers is particularly significant because many are beginning to consider license fee payments as an enforced subscription. This perception is growing as PSM and regulators argue that computers and mobile phones that can receive television broadcasts should be required to pay license fees. Broadcasters have never seriously made the case for public service broadcasting directly to consumers, and they have not been doing nearly enough in making the case for public service media. They will have to do both and with a far more compelling and convincing argument than the simplistic notion that this is wholesome and nutritious for the soul. Making the case for consumers is an essential task today. Although PSB remains the most watched broadcaster in many nations, most are as regularly attracting only between 30-40 percent of the audience and the audience they attract is aging. As digital terrestrial televi-

sion, video-on-demand, and IPTV increase viewing options, PSM will have to make a clear and convincing case that license fee support is still warranted. This requires development of new thinking in unfamiliar territory. Developing a convincing case today depends on greater market and consumer intelligence because private interests and the power to choose are of such significance. PSM companies and their associations must develop mechanisms for regularly engaging with a broad range of constituencies, including especially competitors and consumers. Obviously the framing and reasoning of the case will differ according to the interests, vocabulary and intentions of each constituency.

As I said earlier, the objective for PSM is to establish a new negotiated settlement. That can only be achieved to the extent that it explicitly, deliberately and persistently involves every relevant stakeholder. It will be a complex process, and is likely to be stressful and sometimes unpleasant. But this is work that must be done for PSM to be sustainable in the 21st century. Competitors need to see the benefits of having PSB operate as PSM. Because of their funding differences it is sometimes easier for the public sector to risk opening new digital markets, and this can produce benefits for commercial competitors over time, as has been repeatedly shown. PSB firms were tasked with exploring new broadcast technologies that include very high frequency broadcasting [VHF], digital audio broadcasting [DAB], and digital terrestrial television [DTT]. PSM has played an important role in developing services and establishing standards online, as well. Commercial competitors benefit when “the rising tide raises all boats.”

But PSM operators must also be aware that they can exploit and control new technology or emerging markets in ways that create serious disadvantage to other players. Thus, developing co-operative as well as competitive relationships in new distribution platforms becomes critical to establish the understanding and trust that is essential. PSM also needs to understand that commercial companies are no longer mainly owned by individuals, but rather by the general public whose pension funds and investments are invested in those companies. When they strive against the sector they can do a disservice by working against the public’s legitimate interests in its own future.

All organisations exist to serve purposes and it is a hard truth that no organisation is immortal. When an organisation no longer serves the purposes for which it was created and for has received resources, if it cannot evolve to serve new and even different purposes, or if it cannot make a convincing case for continuance as the context changes, the organisation deserves to disappear. It has fulfilled its purpose and any further expenditure is a waste of scarce resources.

Proponents and managers who are responsible for the future of a public interest in media must create a case that is clear and convincing under contemporary conditions. They must engage with a variety of stakeholders, especially with all that are critical of the enterprise. They must re-evaluate traditional

perspectives, revitalize existing organizations, reconstruct relevance and re-position operations. The prime directive is to establish legitimacy today. This means ensuring that those who lack a broad vision for the future development of society and its media system do not succeed in relegating the institution to serving outdated and diminishing purposes with narrow functions and limited worth. Accepting the challenge to provide genuine service to the public with fresh vigor and renewed ambition is the necessary path for gaining or regaining the initiative for public service media.

Note

1. However in the United States – for technical, geographic, and philosophical reasons – broadcasting was established as a commercial activity without pursuing universal service.

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Losing the Battle, Winning the War

Public Service Media Debate in Scandinavia 2000-2010

Lars Nord

In an ideal world, developments in media technology would be mainly considered as new opportunities for public service media [PSM] to fulfil its democratic functions. In the real world, private interests have harshly criticised public service activities on new media platforms for distorting media markets. This chapter analyses the debate about public service media expansion on new platforms in Denmark, Norway and Sweden between 2000 and 2010, working to identify the key themes and rhetorical strategies used by the critics, and formulating possible counter-strategies that could be useful for public service media to regain the initiative in new media development.

This study focuses on arguments and positions expressed in this matter, and assesses the findings in the light of national political and media contexts. The comparative study of three Scandinavian countries contributes to a more general discussion of whether criticism of PSM is consistent and convincing. Of particular interest is answering whether the line of attack by commercial operators and their lobbies is part of any supranational 'grand strategy' that pays little regard to national distinctions, or if it is echoed and adjusted to specific conditions in particular countries. The study is based on qualitative textual analysis of arguments about public service new media activities – explicitly and officially expressed – by commercial media organisations in Denmark, Norway and Sweden between 2000 and 2010. The material was mainly collected from printed official documents and the websites of commercial media. In the case of Sweden, documentation was supplemented with personal interviews conducted between 2007 and 2011.

The focus of this chapter is not about what public service media could or should do in ideal terms, but rather on what it should not do in practice according to commercial competitors. This perspective does not prioritise dealing with the potential of public service media, but with the implications of proposed restrictions. Although the cases are Scandinavian, media policy today is not only conducted at the national level but is also an important topic at the EU

level, where the European Commission has considerable influence. This suggests that our findings are of some generalisable importance. Generalisability is strengthened by investigation of the extent to which private media players are co-ordinating their arguments and criticism of PSM.

Digitalisation and the convergence of media platforms have altered the conditions for public service companies. Today the core challenge is successfully transitioning from public service broadcasting to public service media (Nielsen 2010; Debrett 2009; Bardoel & Lowe 2007). The emerging digital media system is characterised by complex, continuous competition on many platforms both targeting and accounting for an increasingly fragmented audience (Carlsson & Harrie 2010; Roppen et al 2010).

Furthermore, questions may be raised about whether PSM 'flagships' are the only media institutions in the digital media landscape offering the audience content fairly characterised as having public service value, and to what extent. Convergence and digitalisation raise crucial questions regarding the kinds of information that should be provided as a public service, and whether there are special characteristics that should distinguish a PSM news web site from a newspaper web site.

It is by now quite clear that multimediality is not primarily a technological problem but rather a complex mixture of management, market and operational challenges. Depending on the manner in which these challenges are handled, PSM might merit criticism from commercial competitors. On the other hand, there is the distinct possibility that how these challenges are handled can actually improve the grounds of their legitimacy. Thus, digital media technologies mean more to public broadcasters than multiple channels and flexible delivery; they offer serious potential for renewed legitimacy by engaging communication in new ways (Debrett 2009: 813).

In concluding, questions are raised about the effectiveness of commercial media criticism in the three countries. The emphasis is on what steps public service companies have taken and which steps could be taken next to succeed in efforts to regain the initiative for PSM in media policy processes.

The same old blues...

Criticism of public service media is as old as the enterprise and follows various paths. Its nature and origin have also varied in different periods. But ideological arguments based on liberal theory begin with criticising the idea of public service as giving people what they need instead of what they actually want as being paternalistic. In this perspective PSM reduces the choice of consumers and threatens the right of expression because content is controlled by elite perceptions – in most cases characterised as being elites, as well. Argumentation for

'free markets' emphasises the use of public money to pay for the practice, and the subsidisation of these companies. The result is market distortion and unfair competition. Another common theme is ineffective management in wasteful public service media companies (Katz 2005; Keane 1991).

In recent years, however, commercial media lobbies have mainly emphasised their argument about 'distortion' of the market, also sometimes framed as 'disturbance'. Although the legitimacy of public radio and television is widely accepted, i.e. broadcasting per se, the refrain today is that these companies should limit their online activities to re-broadcasts of aired content and not develop other activities or services on new digital platforms.

The critique was intensified at the EU level in 2004 when a White Paper to the European Commission titled named *Safeguarding the Future of the European Audiovisual Market* was published by the three leading commercial media associations (lobbies) in Europe: *The European Publishers' Council* [EPC], *The Association of Commercial Television* [ACT] and *The Association Europeenne des Radios* [AER]. This document framed the issue of unfair competition on the basis of subsidised funding alongside competition for advertising revenue, and thus market distortion. In the period, *the European Newspaper Publishers Association* [ENPA] also argued that PSM competition for advertising on the internet was a violation of European Competition legislation, and demanded a better definition of public service broadcasting. They also argued that digital media development was blurring the lines between public and private media companies.

Still, the EU must abide by its treaty obligations and the premise that must be honoured is declared in the Protocol to the Treaty of Amsterdam (1997), later confirmed by EU commissioners of Information Society and Media. In brief, public broadcasters have the right to do and to develop what is necessary to fulfil remits that are the competency of the member state to determine. This certainly includes activities other than traditional broadcasting. Moreover, the scope and means of financing these activities are for the Member States to also decide, although the results must not adversely affect trading conditions. In an updating of its position on the funding of public broadcasters issued in 2009, the European Commission argued for the *ex ante* control of significant new services launched by public broadcasters, and the need for clarifications on pay services and control of 'overcompensation' (Papathanassopoulos & Negrine 2010). This essentially means financial resources afforded for PSM should be only what are necessary to fulfil their remits.

Northern Lights

The three Scandinavian countries have similar political traditions, based on consensual democracy, multiparty systems and a strong welfare state. Denmark,

Norway and Sweden also display similar media market conditions and developments. These countries are often considered rather ideal for comparative research in media and communication studies due to similarities, which at the same time display a variety of political interventions in the press, radio and television with regard to public service financing, organisation and regulation (Roppen et al 2010).

The strength of public service broadcasting is one distinctive feature of Scandinavian media systems (Hallin & Mancini 2004; Holtz-Bacha 2004). Despite the fact that all three countries have been ruled by governments of different 'colours', they adhere to the arms-length principle in which government must not intervene in content or daily operations. All three utilise license fee systems and agree that PSB needs to have sufficient funding to fulfil the remit. But PSBs in Scandinavia are hardly 'above' politics as Parliaments still have significant influence over the appointment of board members and directors. Furthermore, public service broadcasters have been relatively successful and audience market shares for radio and television have not decreased as much as in many other European countries (European Audiovisual Observatory 2010).

Scandinavian public broadcasters' activities on the internet vary. The success of PSM websites is most evident in Denmark (DR), followed by Norway (NRK) and Sweden (SR and SVT).¹

Table 1. Top ten media web sites in Denmark, Norway and Sweden (2009, week 44)

Denmark		Norway		Sweden	
Web site	Unique visitors	Web site	Unique visitors	Web site	Unique visitors
dr.dk	1,072,985	VG Nett	1,254,281	aftonbladet.se	4,773,937
ekstrabladet.dk	1,003,512	dagbladet.no	693,311	expressen.se	2,031,520
tv2.dk	941,989	nrk.no	454,371	TV4 nya medier	1,658,385
bt.dk	550,239	aftenposten.no	315,970	svt.se	1,637,992
politiken.dk	456,874	Nettavisen	286,559	dn.se	1,311,208
jp.dk	405,522	TV2	240,059	di.se	1,161,550
eptn.dk	289,394	ABCnyheter	199,084	sr.se	826,620
borsen.dk	233,920	kjendis.no	135,323	e24.se	811,614
berlingske.dk	233,878	e24.no	131,452	svd.se	769,252
business.dk	163,913	seher.no	124,886	gp.se	391,144

Unique visitor (or user) = unique web browser. Traffic data for svt.se includes svtplay.se, svttext.se, playrapport.se and playprima.se.

Source: Carlsson & Harrie (2010).

When comparing content on the four websites, similarities in content are obvious. The Danish public service web site has the strongest market position, followed by the Norwegian public service web site. The two Swedish public service web sites, representing independent PSB companies (SR for radio and

SVT for television), are lagging in popularity and are also to some extent competitors on the web. Thus for commercial media, PSM could be expected to be perceived as a more serious threat in Denmark and Norway than in Sweden.

Public service internet activities may generate universal commercial media criticism based on well-known arguments favouring 'free' markets. Still, it is reasonable to believe that varying national political and media contexts influence the degrees to which this argumentation is effective. A liberal government has been in power in Denmark for ten years. In Norway and Sweden, centre-right governments and social democratic governments have been variously empowered during this period. Politically, support for expanding public service activities on new media platforms could therefore be expected to be weaker in Denmark than in Norway and Sweden.

The commercial media scenes in the three countries display many similarities, but also significant differences. Newspaper circulation figures have always been less impressive in Denmark than in Norway and Sweden. But when we compare newspaper company revenues between 2000-2007 we find that Sweden is far behind; here revenues increased only by 11 percent during this period, while increases in Denmark and Norway were around 25 percent (NORDICOM 2009). Thus, market pressure seems higher for Swedish newspaper companies.

The dominant commercial broadcast players in Norway and Sweden are 'hybrid' companies, TV2 and TV4 respectively. Both are private companies operating under public service-like charters and are financed by advertising. In Denmark, the equivalent TV2 is a public service company owned by the state, and also financed by advertising. Consequently, if commercial media developments are considered, it is easy to find grounds for criticism of public service new media activities in all three countries even if national media contexts vary. In what follows the debate on public service media in the three Scandinavian countries is examined.

The case of Denmark

The debate about PSM on new media platforms in Denmark is mostly influenced by the rapid development of DR's web sites and expansion into new areas of content. Thus, private media criticism is fuelled by the popularity of DR on the web. The confidence and strength of this criticism must also be seen in a political context, where a liberal media policy is dominant.

The main features of the public service media policy are designed by a consensus-seeking process, in which a document called the media-settlement (*medieforliget*) is produced. This procedure was introduced as a tool of media policy in 1991 and is periodically updated. The media-settlement of 1996 gave both DR and TV2 the possibility to establish online-media. This permission

was renewed in settlements during 2000 and 2006, despite increased protest from newspaper companies and independent online media, neither of which were happy about PSB competition in new digital markets.

Online services were condoned in the public service mission, and therefore eligible for funding by licence fee revenue. From 2000, these online activities were established as 'a third medium of PSB', validated as a new channel together with radio and TV. Still, the online activities have a budget of only 80 million Danish Kroner (DKK and approximately 9.8 million EUR)². Of that total, 60 million can be used for producing content. A large part of the funding is tied to long-term agreements within the institution, making it hard to fund the development of new services (Mortensen 2008).

DR has strongly developed on new media platforms, not only providing national, regional and local news but also offering public information, and sites for health and games. In 2006 DR introduced more than 90 sites to provide news and information at the county level. In 2009 these were closed due to heavy criticism from local newspapers (Nielsen 2010). But the national newspaper organisation, *Danske Dagblade Forening* [DDF] argues that even the regional websites should now be closed. Regarding DR's net activities in general, commercial media organisations have not principally rejected the idea that public service media without commercial content ought to be forbidden. They agree that in principle PSB should be on the Internet. One example is the DDF answer to the European Council on "the remit of public service media in the information society":

The Association thinks it is important with a public service sector (DR, TV2 Denmark A/S and TV2/Regions) of high quality, and DDF acknowledges that the public service sector should have the possibility to develop further in accordance with media technology progress and media user expectations (*DDF answer 2006.11.23*).³

Two years later DDF sharpened its stance, however, claiming that DR has been expanding in an unjustified way. According to an article in a DDF publication about this issue, DR is accused of using state-support and privileges in an inappropriate way:

On the Internet, DR has misused its governmental subsidies and political status and conquered new areas, thus prevented the free media market from both making profits and securing continued press pluralism needed for the democratic process. Please note that nobody imagines DR without a website. Of course they should have one, and DR should basically operate within reasonable conditions. However, covered by grey zones, DR has moved into specialized Internet areas, very far away from its basic broadcast missions (*Dall 2008*).

In this perspective, public service provision on the internet is acceptable in general, but not when the PSB operator is engaged in arenas where commercial interests are strong and their business models are challenged. In another article in the same publication, the focus is on changing commercial trends within in the whole media sector and the way public media destroys private media business opportunities.

The challenge for private media, facing public service on the Internet, is that we only have our own money to invest. To put it simply, the survival of the private media companies is at stake. We are facing a transformation process where both media use and media revenues are moving from printed media to digital media. Internet is the platform that can guarantee public service for private money also in the future (Kamber 2008).

Another category of criticism is based on the fact that PSM online is accused of ‘stealing’ news from the private sector. Following this argument, high quality journalism in print media is threatened by PSM. DDF worries about the future viability of newspapers and refers to academic research at the University in Odense and various public commissions that consider newspapers essential for the media “nutrition chain” (cf. Lund et al 2009b). DDF has claimed that the dominant market position of DR on the internet will be as problematic as the early DR dominance in broadcast markets (Roppen et al 2010).

The Danish example illustrates that PSB successfully took the initiative and became successful on new media platforms. But at the same time, the case indicates that PSM success has stimulated sharpening criticism in a variety of areas, especially over popular content and services that aren’t directly associated with public broadcasting per se. This has generated heavy criticism from private media businesses and newspaper umbrella organisations. Faced with this criticism, and threats of government interventions, PSM in Denmark has stepped back and closed parts of previous successful initiatives on new platforms.

The case of Norway

Norwegian debate revolves less around the success of public service digital media activities than on perceptions of a gradual but consequential commercialisation of PSB. One of the most disputed aspects is the decision to allow advertising on NRK’s web sites. Norway’s governments have been more positively inclined towards PSM operations and the private media critique is not as intense as we see in Denmark.

Competition in online news was strong in the Norwegian market from early on because a new company was established especially for this, called

Nettavisen. The national press felt compelled to develop online newspapers that were costly and before the net achieved a mass market. After the dotcom crash in 2000, major Norwegian publishers continued to invest in the online market for news and other services. NRK had limited funding for developing online services and before 2000 there was no significant news provision on *nrk.no* (Krumsvik 2009).

Norway is an interesting case in the Nordic context. In 2000 NRK asked for, and was granted, permission to publish advertising on the company's internet pages, although the content was public service-like and could therefore also be supported by revenues from the license fee. This mixed revenue model remained until 2010 when the Government changed the regulations in response to commercial sector pressure. NRK Aktivum is an incorporated subsidiary of NRK, and responsible for all commercial activities: advertising, sponsorship of programmes, spin-offs including books and DVDs, and interactive activities such as mobile-phone services. But as the net-bubble burst in 2000, NRK was left without the expected revenues from advertising (Lund et al 2009).

In 2003, the advertising on the NRK web pages lead the commercial broadcaster TV2 to make a complaint to ESA (Efta Surveillance Authority), claiming that NRK was spending licence fee on internet (and text-TV) content, thus causing unfair competition for TV2. The Norwegian government adjusted the policy in a number of ways. They crafted procedures for ensuring that NRK Aktivum doesn't receive licence fee funding, introduced an editorial charter stating clarifying the purpose of NRK, and made it possible to evaluate what NRK does and whether the money is appropriately spent on public service activities. Furthermore, an *ex ante* procedure was introduced for approving new activities by NRK. The main principle is that new activities shall be closely connected to the broadcasting activities of NRK. Another important decision is that NRK can publish in broadcasting and online services, but in all cases the content must be free of charge (Lund et al 2009a; Moe 2008; Mortensen 2008; Stortingsmelding nr 30, 2006-2007).

In Spring 2009, The Norwegian Publishers' Association, *Mediebedriftenes Landsforening* [MBL] asked its member companies to comment on the competition from *nrk.no* regarding advertising on the internet. Many Norwegian newspapers said they lose revenues in online competition with NRK.

It is a problem that the state operator sells ads on the net in competition with commercial media companies. We argue that the role of NRK on the Internet should be investigated (Ivar Rusdal, MBL director, 03.09.2009).

The NRK strategy plan for 2002-2006 was titled *Anything for Anyone. Anytime*. The broadcaster was supposed to announce possible ad revenues for the internet during the period, but it was difficult to find information in the document

confirming the role of nrk.no as an independent PSM platform. The same is true for the current strategy plan (2007-2012). This document declares that NRK also should be available in new channels, but gives no detailed information about the possible NRK functions in new media.

The Norwegian public broadcaster's previous flirt with commercial activities should hardly be perceived as a step towards a more market-orientation. It is hard to think of the small revenues generated from advertising on the web-site as fundamentally changing the business environment. However, one can think that by allowing advertising NRK was giving away a slogan and stance marketed by DR and SR/SVT to distinguish their companies – «free from advertising» (Lund et al 2009a).

Politically, NRK has strong support from a majority of political parties, only really excepting the right-wing populist *Fremskrittspartiet*. Political support is manifest by the charter and confirmed on a yearly basis as Parliament decides the level of license fees and the development of new channels and services. The former non-socialist government (2001-2005) made a distinction between central NRK public service activities as radio and television and supplementary activities such as the internet and text-TV. In the new public broadcast charter from 2007 such distinctions have disappeared, although advertising is not allowed on any NRK platform (since 2010).

There is an evident pattern in the criticisms of private media sectors concerning public service activities on new platforms in Norway and Denmark, but the focus is contextual. In Norway the emphasis is more on possible effects of the commercialisation of NRK than on actual public service expansion into new areas. The long period when advertising on the web was allowed put the public service company in an unfavourable position in public debate.

The case of Sweden

In Sweden the division of public broadcasting into separate radio and television companies create different conditions for the development of digital media operations. The two companies provide web sites offering numerous services, not the least of which is web TV for free. But these sites are less popular than those offered by the main private media companies. The criticism of PSM came comparatively late in Sweden as this was not in line with domestic policy positions. On the other hand, there are great similarities between private media arguments and EU Commission positions.

There was no political opposition to hinder the development of Swedish PSM. SVT and SR separately established web sites, and the content has been closely linked to their respective radio and television programmes. Their web pages are to a lesser extent independent full service news pages. Access to

radio and TV programmes is one of the most important features. For web TV, SVT is the most popular service in Sweden via its *SVT Play* function.

In the Swedish internet market, SVT and SR rank among the 10-20 most visited sites. In contrast to NRK, neither broadcaster ever wanted to enter the commercial arena. In Sweden this has been considered self-evidently a breach of the ideals of PSB, and these extend to new media. The former Director General of SR, Peter Örn, has said that in Sweden there was a sense of 'puritanism' in this respect (Nord 2008).

The Swedish Newspapers' Association, *Tidningsutgivarna* [TU], has a rather low profile in public debate during the first years of PSM activities. As public broadcasters have further developed their online services, the publishers' association has become more concerned about what this may imply for the future of newspapers. As a result, TU has now asked for government regulations in the online field. In 2008 when SR and SVT introduced new web sites, the former TU director Anna Serner complained:

Public service should definitely be on the Internet with the highest possible quality. But it is also crucial for the survival of local and regional newspapers how much supplementary and extra service that is offered by public service media on the net. Public service is developing local and regional web sites. They offer a lot of material not associated with radio and TV programs. Thus, we need specific regulations defining the limits, and when a public service activity becomes a new service or not. (Serner 2008)

Although TU has sharpened its tone towards PSM, some leading publishers have recently argued more for future co-operation instead of conflict. So all newspaper companies are not entirely behind TU's position here. Tomas Brunegård, the director of the second largest morning daily, *Göteborgs-Posten*, wrote the following in a debate article in 2010:

Public service was once upon a time a definition of national broadcast media. Today, this definition has been expanded to include Internet and mobile platforms competing with the regional and local media companies. We do not want to stop that development – but we believe that private media companies offer as good public service platforms as do the local and regional web sites of SR and SVT. Let us cooperate. Our door is open. (*Dagens Nyheter*; 2010.02.13)

In 2010, there have been some remarkable new signs of co-operation between public service television and regional newspapers. In the first half of the year both newspapers in the city of Östersund offered SVT regional news as an 'embedded' service on their web sites. The test period will be evaluated, but SVT is interested in developing this co-operation with all other news media

in the country (personal interview, Hamilton 2011).⁴ The primary motive for the co-operation is to reach larger audiences, as regional public service TV news is not offered in cable and satellite distribution. The private newspapers have explained the new partnership by their interest to develop TV on their web sites. Consequently, public service companies are now more open to co-operation with commercial media. SR has also recently declared their willingness to similarly 'open up' its website. So the Swedish print media industry is divided on the issue.

Ex ante evaluation (i.e. a public value test following developments from 2005 in the UK) was implemented by the Swedish government in 2010 and will be tested in a trial period. All initiatives for new radio, television and internet channels must be announced by public service companies and approved by the government before they can launch. TU supports the test period, but would like to see this handled more comprehensively, wishing that "other services of great importance" should be announced because they may have markets impacts. The Director of SVT, Eva Hamilton, suspects that the centre-right Government has been acting in the interests of commercial media:

The Government had to do something as long as we are members of the European Union. But there were different levels possible when implementing the public value test. The Government could have used a lower level and still be in line with EU recommendations. So we wonder, why didn't they?
(Interview, Eva Hamilton, 2011-01-24)

To conclude, the Swedish debate on public service on new platforms has intensified year by year. Public broadcasters' in Sweden have been careful not to provoke private media interests, but have gradually strengthened their positions by introducing new services in stepwise fashion and encouraging small-scale co-operation with regional newspaper companies. The criticism of public service media is just as strong here as in Denmark and Norway, but the more 'puritan' operations of SR and SVT seem a so-far rather successful strategy. Perhaps it is fair to say that in Sweden, at least, the initiative has not yet been lost for PSM. But this is still to be proven when a new charter is decided from 2014. We certainly expect commercial media lobby activities to be intense.

One conflict, three cases

The comparison of commercial media arguments against public service media activities on the internet net in the three Scandinavian countries indicates that the same essential argumentation has been prevalent since 2000. As in most other European countries, argumentation is premised on free market principles to

criticise public service expansion in activities on new media platforms described as an unfair distortion of national media market conditions. Commercial broadcasters and newspapers, developing their own on-line services, claim that PSM hinders, erodes and destroys private media business opportunities by investing public money in the internet, and offering content not related to broadcasting. They claim that many public services could actually have been provided by the private sector but have never developed because the PSB operator has a too dominating position. The frequency and intensity of similar argument in all three countries suggests the relevance of understanding the critique as a ‘grand strategy’ where influences from the wider European debate are used in each national context with slight adjustments to account for domestic conditions.

Interestingly, arguments focusing on journalism and publicity considerations are not that often heard, although sometimes addressed in the discussion in Denmark. Most of the time, however, this criticism has been expressed at local and regional levels where public service web sites have not only been accused of destroying advertising opportunities, but also blamed for ‘stealing’ newspaper articles and re-using the material on the public web sites. Thus, local newspapers claim, public service net services are a threat to the quality of journalism and, in the long run, to the survival of local and regional newspapers.

Generally speaking, the most intense commercial media criticism between 2000 and 2010 is characteristic in Denmark, and that debate is carefully followed and referred to in the neighbouring case countries. Public service web sites were launched at the same time in all countries, but the success and broader development of PSM in Denmark distinguish them. DR’s web site is number one in the market; DR offers an independent online news services, and a number of side activities that are not closely associated with traditional broadcast content. The dominating position for this public broadcaster on the internet, as well as the speedy development of other online activities – and not least on local and regional levels – likely explains why debate in Denmark has been both more intense and emotional. The political support for public service also seems somewhat more diffuse in Denmark, as the decade long liberal government has argued for further privatisation and liberalisation, although such proposals have not been implemented.

In the case of Norway, NRK was temporarily the most commercially oriented organisation of these PSM operators in Scandinavia. It was a controversial political decision in the beginning of 2000s to allow NRK to sell advertising on its web site. The lack of commercial success, and the strict lines required in the separation of public money and commercial revenues collected via the subsidiary NRK Aktivum, probably account for fewer ‘grey zones’ and complaints about unfair competition. There has been strong criticism of public service internet activities, of course, and mainly from private broadcasters, but hardly to the same extent or at the same intensity as we have seen in Denmark. Norwegian

newspapers and their organisations have not been as active as their Danish counterparts in attacking this. This is likely due to a combination of a less ambitious decentralisation of public web site content and greater economic stability for newspaper Norwegian companies. Moreover, Norwegian political parties have different views on models for financing public broadcasting, although basically agreeing about other conditions.

Sweden has the least successful public service web sites in Scandinavia. We think this is partly because leading newspapers were more ambitious on the internet from the beginning, and partly because separating radio and the television public service companies created a market disadvantage in the development of effective online platforms. Over time, these PSB companies' web sites have improved substantially, but have continued to be based on broadcast activities. Thus, the issue of public service on the internet was not at the top of the national media policy agenda until recent years when decreased revenues for newspapers and increased competition for audiences changed market conditions. The Swedish debate in this matter started later than in Denmark and Norway, but has become increasingly similar in recent years. There is no political conflict regarding basic conditions for public service media in the future, but many different views on specific details (Nord 2008).

Accordingly, it is safe to conclude that public service expansion on new media platforms will stir market-oriented criticism whenever private sector business interests are perceived to be in jeopardy. Nonetheless, these cases suggest that the intensity and accuracy of criticism varies due to the actual history of development and the directions taken in the development of PSM. The good news, perhaps, is that divergent national contexts offer distinctive possibilities for coexistence and co-operation between public and private sectors in media, as well as varying conditions for the development of effective PSM policies suitable for the digital age. Prospects for further conflicts or collaborations between private and public media also seem to depend mainly on the characteristic designs of media policy with regard to online activities.

Commercial media criticism has had an impact everywhere. It's clear that all three case countries are implementing procedures for *ex ante* evaluation that give commercial competitors insights into desired public service expansions on new platforms, and improved possibilities to stop or alter these plans. Second, domestic regulations have changed in response to heavy commercial media criticism. In Denmark the public service local web sites were closed and in Norway advertising on the public service web site was banned. In the case of Sweden, direct commercial media influence is not as easy to detect, even if public service broadcasters' claim that improved conditions for private broadcast media is a result of intense lobbyism.

The public services companies in the Scandinavian countries have reacted somewhat differently in their responses, depending in large part on whether

each needs mainly to maintain or regain initiative in the media policy processes. DR adopted an expansive strategy in offering a wide range of content on the internet that have tested the limits by providing a large number of services but often without clear connection to broadcast content. This expansive strategy has been successful because their web site is the most popular online news service in Denmark. Still, the expansive strategy has proven risky in the long run because commercial operators consider this provocative and aggressive. Further political controversy is to be expected.

The Norwegian public broadcaster, NRK, is currently engaged in a de-commercialisation strategy. After almost a decade with mixed revenues on new media platforms, NRK has to re-brand itself as a true alternative to commercial media. The years with advertising revenues were not that economically successful, however, and NRK may have different strategic options available for future internet operations. This case is likely to be of continuing interest and potential divergence.

In Sweden, SR and SVT have developed more moderate strategies for their online activities. The most successful introductions have been in podcast radio and web TV with an additional interactive channel for broadcast content. These moderate strategies have nonetheless generated criticism, although it has come more gradually. But this picture is by no means extreme or universally opposition to PSM. On the contrary, both public broadcasting companies have declared their openness to further co-operation with private media on the internet, an initiative that has gone relatively well so far, in order to strengthen public access to news and information and high quality journalism.

When comparing the tenor of debate in the three case countries, the overall picture shows PSM is generally facing substantial problems in defending their positions on digital platforms. The core problem, we suggest, is that they have not been successful in explaining a clear and convincing need for a strong public service presence on the internet. On the contrary, public value arguments have been constantly overshadowed by private media argumentation, and this tends to be much more aggressive in nature and certainly more successful in setting the political agenda.

However, losing the battle is not the same as losing the war. As this overview of national debates in three countries indicates, there are possibilities for public service companies to regain the initiative. It is however crucial to understand that success in these efforts depends both on the trustworthiness and perceived relevance of commercial media criticism, and on the degree to which PSM strategies are able to effectively face down such criticism in innovative ways.

When comparing the events taking place in the Scandinavian countries it is clear that focusing on the development of defensible public service content on new platforms is a winning strategy, as obvious as this might seem, rather than trying to operate in controversial 'grey zones' where the public value

may be contested or when private media revenues may be jeopardised. A strong and decisive web television strategy may force commercial competitors to offer the same platform for free, for example, while testing the borders of what counts as public service with games and advertising will only fuel further complaints. In the first case, public service media stand a fair chance of regaining the initiative in the market, while in the second case it is quite likely such initiatives will be soon lost. In this view, then, a key requirement for regaining and maintaining the initiative is being true to the public service ethos that legitimates the institution.

Finally, the basic conflict about online activities analysed here is widely relevant, being as prevalent in the rest of Europe. The same trends in argumentation and policy designs impacting PSM can be observed everywhere. The experiences from Denmark, Norway and Sweden show that digital media operations are highly controversial now and will probably be so in the future. Market arguments hinge on free media principles and these are heard more often and, seemingly, also more convincingly than those calling for public value considerations in light of media's democratic functions. Despite this gloomy forecast of public service development, it is worth noting that there are some general lessons to be learned from the Scandinavian examples – especially important when one remembers that historically the situation for PSB here has been the strongest and surest anywhere. If online competition between public and private media is more based on the functions offered than on the areas of content, then public service media is more likely to be less controversial. This is particularly true for small media markets where PSM is the biggest broadcast media player and a market leader.

In fact, almost everyone accepts the validity of a public service media presence on the web today. At issue is strong disagreement about what it should offer on the web and how it should be financed. The best way to effectively meet what is clearly a concerted private media critique and set of complex challenges is to provide genuine public service content that is easily accessible, clearly distinctive, and as innovative as possible. The key to regaining the initiative lies in using the legitimate brand heritage of public service broadcasting rather than copying private media characteristics.

Notes

1. Sveriges Radio (SR) and Sveriges Television (SVT) are two independent public service companies. For more information on the Swedish broadcast scene see Hultén (2004).
2. Exchange rate 2011-05-30 (forex.se).
3. All quotes originally in Danish, Norwegian or Swedish translated by author.
4. Interview with SVT Director Eva Hamilton, 2011-01-24.

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High Noon

The BBC Meets “The West’s Most Daring Government”

Peter Goodwin

This book starts from the premise that public service broadcasting [PSB] is in crisis; hence the need for it to regain the initiative. This chapter examines that premise in relation to the BBC, and concludes with a (probably controversial) suggestion about what will be necessary for public service media [PSM] to regain the initiative in the UK. Of course the BBC is not a ‘typical’ public broadcaster (whatever that might be). It couples a very long history of coexisting with commercial competition for audiences with complete lack of dependence on advertising. It is large in comparison with most of its international fellows and, as we shall see, it has an active tradition of innovation and adaptability. So the observations I make, and the conclusion that I draw, cannot be projected completely or in any straightforward way to other countries. But the BBC’s apparent strength makes it, at the very least, a suggestive test-case.

My starting point is an initial scepticism about the idea that public service broadcasting in general, and the BBC in particular, currently face a greater threat than ever in the past. To make such an assertion that it does will require a sober historical awareness, and with some clear reasons as to why today’s threats are of a different order compared with yesterday or the day, year or decade before. My initial scepticism stems partly from my own work on a slice of UK broadcasting policy history.

Well over a decade ago I published a book called *Television Under the Tories* (Goodwin 1998), a study of broadcasting policy during the last period of Tory government under Margaret Thatcher and John Major (between 1979 and 1997). Because I’m a rather disorganised writer and researcher it took a very long time to write, and indeed I’m embarrassed to admit that I began it in 1990 when Margaret Thatcher was still prime minister.

When I began the book I intended to document a successful and ideologically driven slash-and-burn assault on the established public service institutions and ecology of British broadcasting. When I eventually completed my manuscript, what struck me most forcefully was the persistence of those very institutions

and that ecology. There had indeed been very serious attempts to junk them, and these did indeed produce some important changes, but by and large the institutions proved remarkably adaptable and resilient. Most of the Thatcher government's radical initiatives on broadcasting misfired. In the last years of the Major government the Tories more or less gave up and learned to accept (and possibly even grudgingly warmed to) what they earlier seemed to despise.

The BBC is the most obvious of the great survivors (not neglecting the commercial PSB providers, especially ITV at the time). After Margaret Thatcher's second election victory in 1983 there was a very serious attempt to either radically change or, some could argue, effectively destroy the BBC. This culminated in 1985 with the establishment of the Peacock Committee, which surprised many in decisively rejecting the Government's chosen instrument – advertising – and instead proposed what then seemed wild-eyed indeed: subscription funding and a public service broadcasting council. I will need to come back to this history.

The period from 1983 to 1986 was arguably the last high point of serious threat to the BBC. Suggestive of its seriousness (and a warning to anyone who proclaims today's troubles to be the BBC's terminal crisis) was the title of media journalist Michael Leapman's book that was published at the time: *The Last Days of the Beeb* (Leapman 1986). In hindsight it is clear that much to the contrary those were not the last days. In fact, the BBC has consistently navigated its way through generally choppy and occasionally tempestuous waters, remaining serenely afloat. After the Thatcher government's highly controversial but ultimately rather ineffectual attempt to reform commercial television with the franchise auction that was enshrined in the Broadcasting Act of 1990, it was widely expected that the Major government would once again try something radical with the BBC. But when it came to the crunch, the Major government approached BBC Charter Renewal in a distinctly friendly way and studiously avoided the nostrums of the free-market think-tanks which had proved so attractive to Tories less than a decade before¹.

Essentially the same thing happened under New Labour. There was a very high profile falling out with the BBC by Tony Blair's government in 2003 over the (non-existent) Weapons of Mass Destruction. This led to the exit of both the Director General (Greg Dyke) and Chair of the corporation (Gavin Davis) in early 2004. But the outcome was the appointment of Michael Grade as the new chair of the BBC Governors – a man earlier dubbed the 'Pornographer in Chief' by the *Daily Mail* when he ran Channel 4. This was no compliant placeman. His nomination did not cause any great calamity for the BBC; quite the contrary.

In short, then, it's clear that since the establishment of the Peacock Committee in 1985 British governments of Labour and Tory complexion alike have either steered clear of a radical attack on the BBC or failed in efforts to follow through on such attacks. There are several reasons that are important to

observe. An important reason is due to the fact that attempts at large-scale, free-market reform in the British television field were discredited by the unfortunate experience of the ITV franchise auction in 1991, which was the Peacock Committee's unexpected offspring. The Conservative Government had claimed that whatever else might be said for or against it, the auction process would at least produce a transparently fair result. In practice, however, the outcome of the bidding – with many bids failing to meet the quality threshold and some bids deemed too high – was deeply opaque and generated an outcry from the press (see Goodwin 1997: 112-116).

A second reason concerns the behaviour of the BBC itself. The corporation has in general been rather better at following the political zeitgeist than it is given credit for by its critics. Producer's Choice and the current geographic move to Salford are useful examples. One might not like the results, but they certainly demonstrate savvy in seeing which way the political wind is blowing and setting one's sails accordingly.

More important, and I think altogether more noteworthy, the BBC has been an innovator and is an industrial leader. Important recent examples include its early establishment of extra digital channels and its extensive website development that was way ahead of commercial rivals. Moreover, in 2002 the BBC effectively rescued digital terrestrial television in Britain after the collapse of the government-mandated commercial pay service, ITV Digital, by leading the establishment of the enormously successful free-to-view DTTV service called Freeview. These moves show capacity for taking the initiative with imagination, generally with results that have been crowned with success.

Lastly, one must acknowledge that the BBC has remained highly popular. The most striking evidence for this is that throughout the post-Peacock period BBC1 has decisively overtaken ITV1 as the UK's most watched television channel.

Given these facts and the results of my analysis, is there good reason to believe that the BBC is now facing a bigger threat than any time since at least the first half of the 1980s, thirty years ago? Two possibilities come to mind, namely a decline in the corporation's traditional political skills and the consequences of this deep economic recession.

In recent years there has been a vague sense that the BBC may have lost its deft political touch. The most obvious *prima facie* example of this is the corporation's recent troubles over high salaries paid to its own executives and on-screen talent, the most notorious example of which was a contract in the millions of pounds for the popular presenter, Jonathan Ross. It is undoubtedly true that the BBC took a lot of flak about this from both press and politicians. But three points should be noted, which taken together demonstrate that the BBC continues to be rather deft in dealing with politics.

First, high executive pay in the BBC was to a considerable degree part of a previous political zeitgeist in which it was accepted as common sense that

public organisations needed ‘proper managers’ and these would presumably have to be remunerated at levels that are competitive with pay in the private sector. If the BBC was temporarily caught out on this by a changing political climate, it is certainly not alone: the same situation characterises local government and other public bodies, for instance the now-scrapped UK Film Council. Similarly, ‘competitive’ payment for on-screen ‘stars’ has been a feature of UK television since the establishment of commercial television in 1955. Until recently the rising pay for BBC on-screen talent caused as little general concern with the public as the soaring wages of top soccer players.

Second and despite these caveats, as soon as the BBC faced substantial press and political criticism over the issue it responded by publishing figures on top on-screen talent and executive pay, negotiating down some prominent talent contracts (with suitable informal publicity) and reducing the size of its top executive team and the pay of its Director General as well as other senior executives. The corporation responded to a changed political climate in sufficient time and to a degree that disarmed its critics.

Third, the level of press and political criticism the BBC has faced in recent years over such issues is not new. One of the inevitable results of having a competitive, combative and (one would like to think) iconoclastic national newspaper press is that a prominent public institution like the BBC inevitably faces constant sniping, and this may be enhanced by the more general commercial ambitions of the newspapers’ owners.

In fact, then, there is no obvious evidence that the BBC has lost its deft political touch. On the contrary, as we shall see later, the real danger may well be not in any lack of responsiveness by the corporation towards government, but rather over-adaption.

The second possible reason for a dramatic change in the BBC’s fortunes that merits consideration is the deep economic recession. If we ask what effect this recession might have on the BBC, the inescapable if superficially surprising answer is that far from having a damaging effect on the corporation’s situation, it might even leave it in a healthier state. Media that are funded by advertising are highly affected by the recession because those revenues fell far more rapidly than the rest of the economy. But the BBC is not advertising funded but by the licence fee, which is a flat rate tax on each household that owns a television. Unless recession produced some significant rise in the rate of non-payment – for which there is no evidence – then we would expect the revenues of the corporation to remain unaffected by the recession. In fact, we might expect some of its costs to actually decline owing to the general downward pressure on, for instance, talent costs as a consequence of the decline in revenues for advertising-funded media. So the *direct economic* consequences of the recession have not been harmful for the BBC. The *indirect political* consequences are, as we shall see, a very different matter.

So, if the BBC remains as politically skilful (and also as successful) as ever, and if the recession has had no direct damaging consequences for the corporation, what, if any, new factors might put it under such grave threat as to qualify as a crisis? I want to suggest three major factors, two that are new-ish and one that is very new. Taken together, these three factors place the BBC in the firing line in a way that has not been seen since the establishment of the Peacock Committee:

- a. Real changes in the television environment that give a superficial new plausibility to some of the old Peacock nostrums
- b. The ideological, commercial and political problems of the move from Public Service Broadcasting to Public Service Media
- c. The politics of the Conservative-Liberal Democrat coalition, which took office in May 2010.

The first two of these factors has been building up for a decade or more. The third is altogether newer. I examine each factor in turn.

Changes in the British television environment

As earlier noted, the Peacock Committee was established in 1985 by a government that was ideologically committed to the ‘free market’ with a prime minister who envisaged advertising as the source of BBC funding. The Committee’s most prominent members were convinced free-marketeers. Despite this complexion, their 1986 report decisively rejected the advertising option. Instead, the Committee made a large number of other recommendations, many of them straying far outside their narrow brief to address ‘the financing of the BBC’. Many of these recommendations such as independent production quotas and auctioning ITV franchises were soon put into operation by the Thatcher government. But in the Committee’s view their recommendations were for the ‘short term’ – for Stage One of a three stage process that would take place over a couple of decades. In Stage Three, the long run, they anticipated a ‘multiplicity of choice’ (in channels and payment methods) that would lead to a ‘full broadcasting market’ (Peacock 1986: 136). Stage Two, the most crucial in their view, “is likely to begin well before the end of the century” (i.e. before 2000) when the Committee recommended that “subscription should replace the licence fee” (Peacock 1986: 147).

Their recommendation of a medium-term subscription future for the BBC was almost immediately sidelined by the government, and never resurfaced. There are various reasons. On the one hand the Thatcher government was undoubtedly disappointed to have its favoured option of advertising for the BBC so decisively rejected, but on the other hand there was a lot in the Com-

mittee's wide-ranging Stage One recommendations for a free-market reforming government to sink its teeth into. But surely another important reason was related to a general perception that saw the subscription as a wild proposal in 1986. After all, this was three years before Rupert Murdoch launched Sky's UK service. A handful of areas had the beginnings of broadband cable infrastructure, but build and take up were both deeply disappointing to commercial pioneers and their political backers (see Goodwin 1997: 64).

So the Peacock prescription of a subscription-funded future for the BBC vanished from mainstream political discourse as soon as it was advanced. There have been a few persistent advocates since that time, most notably David Elstein and David Graham. But it has remained a fringe view, which puts it in a rather different category from another apparently abandoned Peacock prescription: the competitive allocation of at least some PSB funds across a range of broadcasters, i.e. contestable funding. This has remained within the mainstream of policy discourse – albeit so far unsuccessfully. Most recently, for example, it was a centerpiece in Ofcom's reviews of public service broadcasting in the UK (Ofcom 2009).

Could subscription for the BBC make a similar, and possibly more decisive, re-entry? I think the answer must be yes, but not because of any intrinsic merits. On merits the idea is as deeply flawed today as when Peacock first advanced this notion. Subscription for the BBC, then and now, would remove an important public service provider from the significant part of the British population who could not afford to subscribe, or felt it was not worthwhile. And now as then, subscription would put the BBC's funding on a directly competitive and therefore essentially commercial basis, with all the anticipated effects that must have on content character and priorities.

Despite these two entirely valid objectives, which are in my view fundamental, subscription financing for the BBC is likely to be on the policy agenda in the near future because the British television environment has fundamentally changed since 1986. Subscription revenue is now the dominant method in this system overall. As the dominant method, subscription first overtook advertising revenue in 2006. In 2010 it constituted 41 percent of television industry revenue as against 30 percent for advertising and 23 percent in public funding (the licence fee). In the first quarter of 2011, the two big pay-tv operators in the UK had a total of 13.9 million subscribers (10.1 million for Sky; 3.8 million for Virgin Media). That is well over half of total UK households (Ofcom 2011: 99). Subscription financing has become the norm rather than the exception, and has continued to grow despite the great success of free-to-view multichannel television via the digital terrestrial Freeview package. This situation provides fertile ground for a revival of the Peacock's "subscription future" for the BBC. What seemed to be wild-eye futurology in 1986 can be portrayed, at least, as something altogether more commonsensical a quarter of a century later.

Problems with the shift to PSM

Any strategy for the maintenance of public service broadcasting must embrace the internet, and immediately as that happens this inherently means that public service *broadcasting* becomes public service *media*. For most readers of this book the transformation into public service media will seem a thoroughly desirable objective. As Jo Bardoel and Gregory Ferrell Lowe put it in their introduction to the 2007 RIPE Reader, this is “the core challenge” today (Lowe & Bardoel 2007: 9). No doubt it has been a core challenge. But what has been overlooked is that the attempt to extend public service broadcasting into public service media has raised two huge and connected problems, one in the realms of political ideology and the other in the realms of political practice.

Public Service Broadcasting is the product of a unique historic conjuncture in Europe. PSB institutions, led by the BBC, were established in the 1920s in radio, and cemented a generation later with the addition of television. In PSB the ‘public service’ complexion was inextricably connected with the practice of ‘broadcasting’. There weren’t PSN (public service newspapers) and there wasn’t PSC (public service cinema). One can debate what brought about this historical conjuncture, and the reasons why the institutions it produced have had such persistence and such wide political support. But whatever the answers to such debate one can’t escape the simple fact that so far as media is concerned public service has, for three quarters of a century, been uniquely confined to broadcasting – that is to radio and television. It is not uncommon for other media (particularly newspapers) to claim a public service function, which is certainly valid, and commercial privileges along with occasional subsidies to finance that. But in European democracies it is only within the sphere of ‘broadcasting’ media that one finds explicit public service *organisations*.

Free-marketeers have long seized on a contradiction between broadcasting that is generally quite regulated and other media that are comparatively unregulated. Their argument has generally proposed that PSB and broadcasting regulation were the product of spectrum scarcity, and therefore as spectrum scarcity disappears then instead of broadcasting (and PSB) one could simply have ‘electronic publishing’ – i.e., electronic media would be defined, organised and handled in the same way as newspapers or books². This argument has been countered by others that point to market failure as an inherent attribute of broadcasting, despite the lessening of spectrum scarcity (for example, Graham & Davies 1997). However valid this counter argument it still leaves a nagging question: what’s so special about broadcasting?

Any public service broadcaster who uses the internet and therefore extends from broadcasting into other electronic media immediately thrusts this logical question into the realm of practical policy debate. In creating public service media these corporations are venturing out of a powerful, historically rooted

political consensus that only legitimates public service in *broadcasting*. In moving online these organisations attract not only opposition that is ideologically based (in the political sphere), but also opposition from a growing range of media companies who now perceive PSM operators as direct rivals. In the pre-web era newspapers were not direct rivals because their product was very different from the television news programmes produced by public service broadcasters. But as this industry has also developed online services they rely on the same combinations of text and moving pictures as TV, often to such an extent that a newspaper website is virtually indistinguishable from the news website of a television channel.

The BBC has been a successful pioneer in developing internet-based services, and its website quickly became the UK's most visited site for content. But it has paid a price as a succession of both internal and external reviews have forced it to cut back internet services. In 2003 the former Labour Government appointed Philip Graf to conduct a review of the market impact of BBC Online. Following his report in 2004, the BBC axed a number of its web services because these were deemed to be inappropriate for a PSB provider in the market. In 2007 the corporation abandoned its web-based education service, BBC Jam, for fear of damaging potential commercial rivals. Attempts to pioneer archive services, such as Project Kangaroo, have been held back or abandoned lest they be seen as stifling commercial activities of other operators. The BBC's recent strategy review has led to further reductions in web services, and the Coalition government's Secretary for Culture, Media and Sport, Jeremy Hunt, has picked out the apparently innocuous case of a BBC website for angling enthusiasts as an example of web activities that are hampering the development of commercial alternatives. Within the bigger-scale media world we have seen James Murdoch characterising the BBC's web activities as having a "chilling effect", and opposition to some of the BBC's web activities even from the Guardian Media Group.

For the BBC to survive in an increasingly web-based and digital world it needs to develop new web-based services. That is obvious. But in doing so it as obviously awakens a set of powerful new opponents and opens its self to a quite basic vulnerability in its legitimacy.

The coalition government

The Conservative-Liberal Democrat coalition government that resulted from the May 2010 General Election was a surprise to virtually all observers. But had they been asked to imagine beforehand that such a coalition would pose any new threat to the BBC, I hazard to think most would have been unable to conjure that. As we have already remarked, the last years of the previous

Conservative government under John Major in the 1990s were perhaps surprisingly lacking in hostility to the corporation. The new Conservative Prime Minister, David Cameron, had gone out of his way to distance himself from the “nasty” face that the party had acquired under Margaret Thatcher. If the Conservatives still harboured any basic hostility to the BBC, surely their new Liberal Democrat partners would temper this. The Coalition Agreement seemed to reinforce this picture by opening its section on culture, media and sport with the phrase, “we will maintain the independence of the BBC...” (Cabinet Office 2010: 14).

But judging on the basis of its performance so far, there is in fact reason to believe that the coalition poses a very serious threat to the corporation. Partly this comes from the coalition’s general political orientation, and partly from how it has behaved so far towards the BBC. Let’s deal with the general politics first.

The central pillar of this coalition, enthusiastically embraced by Conservatives and Liberal Democrats alike, is the desire to cut back public expenditure in order to reduce the deficit. This has already resulted in a wide range of cuts, and will result in more. One important point to note about these cuts is that they are not seen by the coalition as a temporary and unfortunate necessity. On the contrary, David Cameron has explicitly said the cuts will not be reversed in better economic times, or after the deficit has been reduced. These cuts in public expenditure, justified initially by the size of the deficit, have become the cornerstone of a longer-term strategy to roll back the scale of public provision in the UK.

These cuts condone a programme of drastic changes in the structure and financing of a range of public services. In healthcare, the coalition is promoting a shift in budget allocation for hospital services towards general practitioners, thereby opening the way to large-scale privatisation of some significant services. In primary and secondary education, it is promoting ‘free’ schools that are independent of local government control. In higher education, it is completely shifting the funding of University teaching from taxation to individual tuition fees. It couples this with a stated desire to promote an open market in higher education that will include for-profit providers. It is worth noting that some of these measures defy pre-election pledges by one or the other coalition partner.

Electioneering emphasis on the National Health Service as being “safe in our hands” was a key appeal in David Cameron’s presentation of himself as being a distinctly non-Thatcherite Conservative. Yet the coalition’s current policies on healthcare clearly raise legitimate fears for the future of the NHS. An even greater reversal is evident in the Liberal Democrats’ shift on higher student fees. During the election they had made a point of campaigning against them. Now as partners in the coalition government they support shifting the whole burden of funding higher education to student fees. So the formation of this

coalition seems to have generated a dynamic of wide ranging and innovative pro-market and anti-public service 'reform', which goes far beyond what might have been expected from either partner individually. An editorial in the assertively free-market magazine, the *Economist*, noted this phenomenon soon after the election, celebrating the coalition as "The West's most daring government":

The Conservative prime minister failed to win May's general election outright and governs precariously in coalition with the Liberal Democrats. Yet as it approaches its 100th day, the government is turning out to be searingly ambitious in taming the state. It wants to cut public spending more steeply than almost anyone expected. And it intends to make sure that whatever state is left is more local, flexible and responsive to the people who pay for it. (*Economist* 12 August 2010)

The editorial concluded by gushing: "Britain is in for a breathless and convulsive few years ... the election in 1979, loosed Margaret Thatcher on a waiting world. By producing a ruling coalition that is as radical in redefining government as it is in cutting it, the election of 2010 may prove another turning point" (ibid).

Some indications of what this radical approach might mean for the BBC were apparent early on. The new Secretary of State for Culture, Media and Sport, Jeremy Hunt, was interviewed before a live audience of television professionals in August 2010. Hunt opined that the BBC must "live on the same planet as everyone else". The BBC had "to understand the rest of government, apart from the NHS and international development, is looking at average cuts of 25 percent". Pressed by his interviewer as to what these remarks said about the BBC's status, Hunt made clear that for him the corporation was a public body funded through his department³.

The immediate implications became clear short weeks afterwards when the government rapidly "negotiated" a new licence fee settlement with the BBC. In return for keeping earlier planned increases in the licence fee the BBC agreed to use the proceeds to pay for the whole of its World Service, which was previously funded by the Foreign Office out of general tax revenue. In effect BBC funding had, in one stroke and without public discussion, been cut by a similar percentage to governmental departments where the coalition was already wielding its axe. Hunt had done to the BBC precisely what he so bluntly promised he would do⁴.

It is the combination of the three factors outlined above that presents such a threatening prospect for the BBC. The corporation needs to expand online to have a long-term future, yet this expansion brings down the wrath of a growing range and number of powerful rivals and highlights a destabilising weakness in its ideological base. The ubiquity of subscription today makes that approach to funding a credible political proposition that we can expect to eventually come.

A shift from licence fee to subscription would have much in common with the shift from taxation to fees for higher education, with similar anticipated effects. And the coalition government clearly sees the BBC as part of the state-funded public sector that it is determined to reduce, and for which it is plainly open to every sort of free-market scheme to secure – with no going back.

Can the BBC regain the initiative?

BBC Charter renewal is some years away and a lot can happen between now and then. The UK could quite possibly have a new government with the coalition proving to be a one-term wonder, swept out of office in the general election of 2015. Alternatively, it might lose the radical edge that so delights the *Economist* – in the face of public unrest and outcry it has already retreated on a number of issues from the wilder right-wing schemes. Moreover, News Corporation, one key non-governmental opponent of the BBC that looked so threatening during the RIPE@2010 conference, has been severely politically weakened in the UK as a result of the phone-hacking scandal and its mishandling of that.

But it would be unwise to bank on beneficial developments. Two of the three factors I have suggested will threaten the corporation over the long-term because they touch on structural trends in the communications industry. Those are not going to change as a consequence of any elected government. And even if News Corporation's power has been greatly curtailed there are plenty of other contenders in the industry that protest the BBC is straying into their territory and 'helpfully suggest' that the time is right for making that transition from the poll-tax licence fee to subscription funding – an approach that the majority of Brits already use for other media services.

And the third factor, the free-market 'radicalism' initiated by the coalition, could well survive an election defeat of the current coalition. As the *Economist* also pointed out, Thatcherism survived Thatcher and, indeed, survived the Conservative defeat in the 1997 election. Tony Blair's New Labour was premised on an acceptance of many Thatcherite 'innovations' in approach to policy. Today's Labour opposition seems set on a similar course, studiously avoiding commitments to restore coalition cuts and what it calls "knee-jerk responses" to other coalition policy measures. Moreover, one of the coalition's most 'radical' reforms, their approach to financing higher education, has its roots in the partial funding by fees that were initiated by the Blair government, and then built on the conclusions of a committee that was established by the government of Gordon Brown. The new round of rolling back public services that has been initiated by this coalition could very well outlast it if things are left to the rhythms of uncertain electoral outcomes.

This brings us to the question of whether the BBC can regain the initiative in the UK? There are big problems that raise concerns about the answer to that question. BBC top management demonstrated weakness in its first bruising encounter with the coalition government. In September 2010, mere months after the formation of this coalition, the BBC's Director General, Mark Thompson, was photographed going to a meeting at the Prime Minister's office to discuss a season of programmes about the government's spending cuts. The photograph revealed that he was carrying a BBC internal email from Helen Boaden, the BBC News Director, saying that in her lunch with Andy Coulson, the coalition government's Director of Communications, he had expressed concern "that we give context to our Spending Review Season" (*Guardian* 2010). For the Director General of the BBC to be discussing such editorial matters with the government was, to put it politely, inappropriate. It looked all too like an attempt to avoid political conflict with the BBC's new paymasters.

When, in the very next month, those paymasters imposed what was in effect a substantial licence fee cut after only a few days of exclusively private negotiations, Sir Michael Lyons, Chairman of the BBC Trust, lamely responded "The BBC is not government funded, but these are pressing times for the nation as a whole, and we believe licence fee payers would expect us to see what contribution we can properly make" (BBC Trust Press Release 20 Oct 2010).

This weakness might suggest that the corporation needs to take a crash course in the multi-directed case-making that is advocated in the chapter by my friend, Robert G. Picard. What would that mean in practice? Would it mean offering a more robust response to government? Would it therefore entail bringing down on them selves the wrath they already fear? Does it mean more deftly handling commercial competitors? As we have seen, the development of public service media increases the number of those competitors and therefore the complexity of the case to be made. Does it mean making an attempt to mobilise public opinion? How? In fact, the BBC has been very good at one key part of mobilising public opinion over the years, namely providing popular and respected programmes and identifying them with its brand. Doing more than that would mean the BBC is taking part in politics with a capital P, arguing the case for public provision of media across the board. Given its history and structure, that seems distinctly unlikely.

But if the threats to the BBC that I have identified are to be overcome, it is certainly true that some vigorous campaigning for public service in media is absolutely necessary. This must have a sharp ideological edge. In the new media world it can no longer rely on broadcasting tradition. So where can this campaigning come from? As the cuts bite they have prompted opposition, particularly from trade unions in the public sector, but also drawing in many users of public services who are worried, unhappy and sometimes angry about the cuts. Spanning education, the health service and both local and national

government, these campaigns hold out the possibility of developing a movement that not only defends existing public services, but also challenges free-market conventional wisdom and argues for the extension of public service across the board. What I am saying is that if it is to be successful, any campaign to defend public service media must surely be part of this more general political movement. Indeed, it probably already is.

BBC employees defending their working conditions now find themselves campaigning or striking alongside other public sector workers. And the workers who are most vigorous in defending their own conditions are likely the very ones who are most conscious of the defects of a purely commercial media system. I am sure that advocating such an approach will draw knowing sneers that I suffer from a 'lack of realism', especially from many of the friends of public service media in academia and in the higher ranks of the public service media corporations. In my view, however, the lack of realism is most evident in anyone exercising an expectation that a supine BBC could defend itself adequately against the scale of threats I have outlined.

I would also suggest that these three threats to public service broadcasting are not exclusively British phenomena. I have argued that two of these three threats stem from structural features of the communications industries, and these are inarguably international today. Even the third threat, the anti-public-service politics of this particular coalition government in the UK, is unlikely to remain national for long. The more likely scenario is that it will gain pioneering status in the European heartland of public service broadcasting. This happened with Thatcherism, after all, and the general tendency as it applies to media policy is discussed at some length in the recent volume edited by Gregory F. Lowe and Christian S. Nissen (2011).

As technocrats, right-wingers and born again Social Democrats attempt to 'tackle the fiscal crisis', just as these characteristic problems are clearly becoming more than a parochial British affair. Britain is far from the only country in which the official politics of austerity and budget cutting has become thematic. In many affected countries we see a pro-public-service counter-politics taking to the streets. Shouldn't the argument for public service media be a part of that?

Notes

1. For a detailed account of franchise renewal under John Major see my book, Goodwin 1998 chapter 9 (pp. 123-138).
2. To understand the significance of the notion of 'electronic publishing' in the intellectual background to the Peacock Report see O'Malley 2009: 52-64.
3. Available online at: bbc.co.uk/news/entertainment-arts-11122697.
4. Available online at: www.bbc.co.uk/aboutthebbc/therealstory/licencefee-settlement.shtml.

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II.
Responding to
Environmental Pressures

Ex Ante Tests

A Means to an End or the End for Public Service Media?

Karen Donders & Caroline Pauwels

In most Western European countries public service broadcasting has proven resilient and attracts significant audience attention. While citizens continue to appreciate public broadcasters' television, radio and also internet services (see Dhoest et al 2010), economists and politicians are putting pressure on a unique institution many deem superfluous in today's media environments with such an abundance of content. The generic question at the core of this chapter is how to evolve from public service broadcasting [PSB], to a 21st century public service media ideal [PSM]. More specifically, we analyse whether and how the instrument of ex ante evaluation for public broadcasters' new media services can foster a vital re-thinking of the public service project for an era of apparent abundance and co-related private initiative.

The chapter consists of four main parts. Firstly, preliminary remarks on relevant research are offered. Secondly, stages in the development of PSB are briefly touched upon. A distinction is made between three phases, coined as 1) the television within frontiers period, 1) the television without frontiers period, and 3) the television beyond frontiers period. This historical overview of PSB in transition facilitates identifying the main features of public service media. In a third part, the main characteristics of ex ante evaluations in several EU countries are discussed. Towards the end of the chapter ex ante tests for public broadcasters' new media services are scrutinised in light of the PSM project as formulated in the opening sections. The argument we wish to make is that, disappointingly and in spite of their intrinsic qualities, ex ante tests fail to strengthen public broadcasters in this era of abundance. They fail to address the challenges of a genuine public service media project and are insufficiently captured by public broadcasters themselves to further and regain the initiative for 'their' project in a sustainable way.

The starting point of this chapter¹ is that public service broadcasting still has merit today and should evolve into public service media. However, the concept should not be used in vain. It should relate to a full-fledged multi-

media public service project whereby public broadcasters (and possibly also other stakeholders) deliver public media services via all relevant platforms, engaging more than ever with their audiences and exploring possibilities for interaction and co-creation (Donders 2011). Ex ante tests should be oriented to accommodate a full-fledged multistakeholder negotiation on public service media; hence, not focussing primarily on the interests of private competitors. In addition, public broadcasters ought to play a pro-active role, capturing ex ante tests as a means to revitalise the institution.

Theoretical and empirical biases

Reflecting on the development of PSB and making a case for PSM, a number of preliminary remarks are needed regarding the basis conceptually, theoretically and empirically. Far too often we think of PSB reality as something semantically, theoretically and empirically quite homogeneous. The concept is fuzzy and this hides many possible interpretations and much variance in national and even regional implementation. To put the matter bluntly, there is more to public service broadcasting than the BBC model. Consequently, there is more to ex ante evaluations than Britain's Public Value Test [PVT]. Referring to Morin (1990), public service broadcasting is a *unitas complex*.

Similarly, there is more to PSB than television. Most studies on the topic tend to truncate the topic to TV despite the fact that radio was and is as important to the mission of public service broadcasting (Deltenre 2010). In fact, all media – including new media today – are relevant to the fulfilment of objectives that operationalise public service values. Each medium should be used according to its own logic, in a strategic way and not solely as a complement to existing radio and television programmes (Bardoel & Lowe 2007: 16; Jakubowicz 2007).

Thirdly, at the theoretical level, we should be continually aware of the normative nature of the debate over the State's role in the audiovisual sector (Garnham 1990: 127-128). Public broadcasting is a societal choice and the result of a political vision. It does not answer, and has never done so, to any natural law (Pauwels 1995: 74).

Moreover, and this relates to both theoretical and empirical contributions, we must avoid thinking in terms of dichotomies and be wary of false arguments. The choice between the market and state intervention has never been imposed in any 'pure' way in the past, nor will it in the near future (Scannell 1995: 23-24). Similarly, we must avoid associating public broadcasting, in reductive fashion, with everything that is good and the private sector with everything that is bad, even contemptible. Above all, we must put away the idea that the mere existence of public broadcasting is itself a guarantee that public service programmes will be aired. Accordingly, the real question is how to create an

environment that is conducive to the emergence of public service programming, with public broadcasters undoubtedly being an essential link in the chain, but only one link. Ex ante tests could be an instrument in this regard.

Finally, keeping all of the above in mind, all public broadcasting regimes should be placed in their specific temporal and spatial settings. There is no singular public broadcaster; rather, there are many public broadcasters. Admittedly, their underlying philosophy is essentially the same, but governments interpret and implement PSB as they see fit. The result is a ‘cultural public service diversity’ that has always been contested, but nevertheless is recognised as an essential political objective by most States in Western European, and increasingly of interest elsewhere.

Degrees of political support for PSB have varied throughout history, with periodic crises manifest in the relationships (Pauwels 1995). For some authors and observers, the crisis is perhaps the most significant nowadays where, given the comparative extremes of economic recession, budget cuts are imposed almost everywhere.

If historical, legal and political conditions vary, the same is true for the financial and organisational aspects of broadcasters in Europe, as well as their respective audience shares. Of course the sector as a whole is confronted with stronger competition than ever before, largely due to the impact of digitisation which has fueled an expanding range and number of channels. The global audience share of PSB more or less stabilises around 30 percent. But differences occur between countries and even regions within countries. For example, the Flemish public broadcaster VRT has a market share in television of over 40 percent whereas its Walloon counterpart, RTBF, has a 20 percent share. Budgets of public broadcasters also tend to vary enormously (EBU 2009), with repercussions for the number of employees and channels. The BBC has the most, offering 18 radio channels and 15 television channels. Flemish VRT offers a ‘mere’ 6 radio channels and 3 television channels. So there is certainly wide variation.

The empirical diversity between different public broadcasting regimes once again proves that PSB is indeed a *unitas complex*. Moreover, it illustrates that for €70 (on average) people receive a lot of service when considering the multitude of radio and television channels offered, as well as new media services, making the PSM offer a universal service to the public, and arguably the cheapest diversified leisure offer available.

Public service media: The borderline case

The diversity between public broadcasting regimes does not prevent discerning some overall similarities and general tendencies in its European history. To

simplify somewhat, we conceive a history divided into three periods: television within frontiers (1930s-1970s), television without frontiers (1980s-1990s), and television beyond frontiers (2000-...) (see Pauwels 2010 for more).

From television within frontiers to television beyond frontiers

In this first period, public broadcasters were conceived an instrument to 'manage scarcity'. A public broadcasting monopoly prevailed in most of Europe. An emancipation project, even if permeated with basic political aspirations of power maximisation, underlied it. PSB was seen as a means for opening new horizons to citizens, especially to those less privileged (Murdock 2005:178). Despite such high ambitions, public service broadcasters faced many problems, most related to politicisation and associated bureaucratisation.

From the end of the 1970s, a second phase emerged, which can be characterised as 'managing choice'. The underlying theme of this period favoured creating a liberalised broadcasting market and developing more efficient PSB institutions informed by new theories of public management. Policy prioritised serving the interests of consumers and private companies more than those of public broadcasters and citizens. There was a crisis of State intervention, which could have resulted in the ultimate demise of PSB if politicians would not have given some leeway to them. Public broadcasters restructured, implementing the results of worthwhile but formatted studies of consultancy firms such as McKinsey and Price Waterhouse Coopers. Engaging in contract agreements with respective governments, many public broadcasters were caught up in a process of commercialisation.

In return for the realisation of quantifiable key performance indicators, they were promised the 'state at a distance' (Coppens 2003). The adage of making the good popular and the popular good was downgraded in the pursuit of marketing strategies aimed solely at attracting audiences, which made it supposedly difficult to produce programmes truly embodying a spirit of public service. In this context calls for more specified and rigid definitions of the public service mandate were increasingly heard, especially at the European level where competition concerns prevail (Brevini 2010). Although threatened, public broadcasters regained the initiative in lobbying their Member States to agree on what came to be known as the Amsterdam Protocol on public service broadcasting as a new component of the European Treaty. The protocol recognises the importance of PSB for European democratic societies and accords Member States autonomous rights to define, confer and organise it.

The third period, beginning in 2005, can be characterised as the 'television beyond frontiers' period, largely focused on 'managing abundance'. This period features the familiar aspects of late modernity, including especially convergence, a multi-stakeholder ecology and hybridisation. It presents huge challenges for

public broadcasters, and in particular the scope of their public service delivery in light of the apparent abundance of offers in the market (Steemers 2003: 125). Indeed, public broadcasters developed multimedia strategies in order not to ‘miss the boat’, that is to say largely as defensive measures. Genuine reflection on what multimedia strategies for PSB should be and how these would be differentiated from private sector offerings has largely been lacking. Policy-makers are concerned with the ‘politics of the day’ and public broadcasters focused largely on preserving their own existence. Indeed, as Bonnell (1989: 651) stressed, “*as in other sectors, the interests of the institution will supersede those of its mandators, just as the glory of the church has always supplanted that of religion*”.

To sum up, public service broadcasting has been under pressure since its inception in the 1920s. Regaining the initiative has been thematic and remains the characteristic challenge in the everyday life of PSB – and today especially as PSM. To regain the initiative today, fundamental questions about the contours and complexions of public service media have to be answered and, subsequently, transposed into regulatory practice – not the other way around.

Regaining the initiative: sticking to core values

There are fundamental questions that public service media must answer convincingly: What should it be? What does it stand for? We set out from a pragmatic definition of public media services being all those services in every medium (radio, television, internet, mobile) that meet legally established public interest objectives. As a policy project, our definition is most closely situated within a so-called evidence-based approach (Barwise 2002; Collins 2002) in which the public broadcasters’ role becomes increasingly important in the digital environment. This is convincing to the extent that its scope of activities are based on solid and rational argumentation explaining why these services must be delivered by public broadcasters and how the public interest objectives are being met (Barwise 2002: 32). A rational approach to PSM requires answers to each of six core questions (later referred to as the *six rational questions*):

1. Can public broadcasters be active on all platforms?
2. What must public broadcasters do within a public service media project?
3. What can be the reasonable cost of public service media?
4. How to ensure accountability?
5. How to control and evaluate?
6. How to balance public service media with private sector development?

We address each question in turn.

We believe the public service remit should be defined in a way that is technology neutral. PSM is about “*communication in the public interest*” (Bardoel & Jakubowicz 2007: 16), so public broadcasters ought to be active on all relevant platforms in so far their services meet legally established public interest objectives.

Second, and most importantly, public service media should be about achieving core values. New services should not be considered legitimate simply because they are linked with an existing radio or television programme. That approach is not legally sustainable (*e.g.* Latzer et al 2010). Moreover, by linking the legitimacy of new services to the assumed legitimacy of traditional radio and television programmes, new services will never be valued on their own merits with a co-related remit of their own. Consequently, it should be carefully balanced which objectives each and all services fulfill, and how big the public broadcasters’ role should be (Collins 2002: 142). We suggest the following core values (Pauwels 2010), which can be specified further for different types of services.

- a. *Conversation*: PSM must respectfully engage with their audiences, not treating them as passive recipients of programmes but as active citizens that can interact, participate and create (Aslama 2010; Bardoel & Lowe 2007; Looms 2006: 96).
- b. *Citizen empowerment*: PSM must remain rooted within an emancipatory approach (Murdock 2005), redress digital divides (at the level of access, skills, critical understanding, etc.), and offer an entry point into the abundance of available content.
- c. *Creativity and innovation*: PSM should offer creative services, being a safe harbour for experimentation and engaging in services and technological innovation (Cunningham 2009: 85).
- d. *Conservation*: PSM has a role in securing a common cultural heritage and national narratives. Consequently, public broadcasters have a key role to play by investing in high-quality, local content (Donders et al 2010), and its digitisation.
- e. *Credibility*: PSM must be a point of reference, of which quality (*vis-à-vis* commercial offers) is a distinguishing feature within a media landscape in which citizens have a lot of choice quantitatively, but not necessarily qualitatively.

An approach setting out from these values will avoid *a priori* exclusion of public broadcasters from certain genres or services. Public broadcasters role within public service media should not be handled according to core or peripheral categories of services, but rather as that is defined by core values that link with services.

Thirdly, embedding public broadcasters within such a public service media project is sensible only if adequately funded to pursue that. A decline of public funding in some Member States, accompanied by pressures to raise more commercial revenue, would inevitably lead to the marginalising of PSM. Moreover, the pursuit of commercial revenue risks undermining legitimacy (Jakubowicz 2007). In this respect, commercial activities in new media markets should be restricted where possible to ensure that the possibilities are explored with an eye on realising the better fulfilment of a public service remit rather than as a means for generating commercial revenue.

Fourthly, the transfer of resources to support a public broadcaster that is entrusted with public service media, should be facilitated by both financial and organisational clarity. Without an advanced level of transparency, which should not end up in the obliged disclosure of strategic information, there is no point in establishing accountability mechanisms (Bardoel 2003).

Fifthly, control and evaluation are crucial aspects of PSM. Historically, this has raised questions concerning political influence (Curran 2008: 103). However, a public service media project can only be successful in so far as it succeeds in reaching a balance between control, evaluation and editorial independence (see Council of Europe 2009). Both control and evaluation should aim at enabling rather than constraining the fulfilment of public interest objectives (Aslama & Syvertsen 2006).

Finally, an adequate control system is not only a prerequisite for the fulfilment of public interest objectives, it also ensures that media markets are not unfairly distorted by public broadcasting companies. Indeed, there is no public value justification for public broadcasters to behave in anti-competitive ways. Market distortion is to some extent intrinsic to public broadcasting regimes because they are supposed to be interventionary. Policy makers accept this. Yet, market distortion without achieving core values (as identified above) is difficult to defend. A structural multi-stakeholder and consultation-based regime is necessary to ensure that public broadcasters do their job while not preventing others from doing theirs.

Ex ante tests: Theory and practice

Does the introduction of ex ante evaluation in the United Kingdom, Germany, Ireland, Flanders, Norway, etc. further the emergence of a public service media project, revolving around the six rational questions identified above? Essentially, the ex ante tests in these countries evaluate the public value of new services' (*in casu* the internet and mobile) for society and for possible market impact. They precede a required government approval for distinctly new services. Some Member States including the United Kingdom and Germany

are more advanced in the designs and implementation for these procedures, while others (including Denmark, Norway, Ireland, Austria, Belgium and the Netherlands) are currently developing such procedures to deal (either in the design or implementation stages).

The European origins of ex ante evaluation

The phenomenon begins with Britain's Public Value Test in 2005 and is being variously adapted by other EU Member States, beginning with Germany. This is not a 'natural' process in the sense that a highly valued initiative has been desired to cope with an increasingly complex media environment. Rather, the diffusion process has been forced by requirements from the executive branch of European governance, the European Commission, on the basis of European subsidy rules. At the beginning of the 21st century, the Commission was critical of PSB companies being allowed to offer some new media services of legally ambiguous status such as dating websites, video games, some chat rooms, and populist internet services paid for by public funding. There has been understandable doubt about whether such have genuine public service value. To ensure that new media services are within the public service remit, the Commission encourages Member States to introduce a two-sided ex ante test. The aim is principally to ensure fairness in competition and practically to curb private sector complaints with competition authorities. These have risen sharply since 2003, more recently no longer exclusively lodged by private broadcasters but also by publishers and internet companies.

It should thus be stressed that, while the British PVT was initiated by the BBC to evaluate the legitimacy of their new offers, responding to persistent complaints in the domestic context, the wider European push was mainly inspired by a pragmatic, market logic rather than the perceived need to identify the contours of public service media (Collins 2010). New offers lacking public service value would indicate an over-stepping of the competencies Member States have to define the remit by creating the potential for subsidised competition (Antoniadis 2008).

The Commission's position was roundly criticised by various media scholars, public broadcasters, and governments of Member States (c.f. Baroel & Vochtelo 2010; Moe 2008). Consequently, the Commission gradually limited its concern to the key question: Is there a mechanism imposed by the Member State to ensure that public service broadcasters are only active in the markets where they are required to be active, or are Member States taking a hands-off approach to PSB? In the Commission's opinion, ex ante evaluation is an appropriate mechanism for ensuring the former and avoiding the latter. Inspired by the UK Public Value Test, the Commission introduced the ex ante test in case law (Donders & Pauwels 2010) and this has been encoded in its recent

update of the rules applying to the funding of public service broadcasting (Commission 2009).

To regain the initiative for delivery of public value through public service media, ex ante testing must be developed in ways that aren't so exclusively rooted in market-oriented rationale, as advanced by the European Commission. These tests must be rooted in an approach that is better balanced and firmly grounded in a rational examination of the contours of public service that are legitimately needed for societies in the digital era. The problem is not with ex ante evaluation per se, but with the basis on which it is designed and the ends to which it is applied.

Main features of ex ante evaluation

Some similar features of ex ante tests can be observed, which also reflect the diversity of approaches in Europe. First, most of them embody the two-dimensional approach of the Britain's PVT, evaluating a new initiative for its public value and market impact. In Germany, there are three steps, however, because cost is added. Some stakeholders have indicated that the German Länder wanted to avoid mimicking the British test entirely and added this third step mainly for that reason. Moreover, the same steps do not necessarily cover the same contents. In the United Kingdom and Germany, market impact assessments are much more comprehensive but also expensive. Smaller Member States are struggling to devise appropriate but more cost-efficient approaches. In this regard, public broadcasters in these Member States should develop pragmatic market assessments themselves. They often have highly relevant data and can design methodologies in which positive market impacts of their initiatives can receive due attention as well. More uniformly, the public value assessment typically relates to the public objectives defined in distinct media decrees or mandates.

As a second common feature, all ex ante tests evaluate 'new media' services and not 'new' media services. The services subject to testing are on platforms other than traditional radio and television broadcasting. The definition of a new media service is a Member State competence. Most countries are so far following the British example, defining a set of criteria that qualifies a service as being new and, hence, necessitates testing. In the UK, any 'significant change' to the BBC's offers requires a test. There are four main criteria that the BBC Trust, the controlling body of the BBC, takes into consideration when deciding on the new character of a service: 1) the extent to which the change is likely to affect users and stakeholders (impact), 2) its financial cost, 3) the extent to which the service results in the BBC engaging in a new area of activity (novelty), and 4) the time-frame of the service (duration) (BBC Trust 2007: 6-7).

The German Broadcasting Councils use similar criteria to decide on a service, making a difference between positive and negative criteria. The two positive

criteria are: 1) fundamental changes in the editorial strategy of a programme, and 2) changes in the target group as a consequence of editorial strategy. The two negative criteria are: 3) minor changes in the design of a service, 4) purely technological developments (Peeters 2009: 26). Although similar criteria are upheld, the German public broadcasters faced the bureaucratic overload of nearly 40 tests.

The system in Flanders (the Northern part of Belgium) is fairly unique. Here a management contract between the Flemish government and the public broadcaster, VRT, is concluded every five years. A new service is defined as a service not covered by the management contract (Vlaamse Regering 2009: Article 18). Consequently, the Flemish government and VRT drew up a list of services covered by the management contract 2007-2011. The list is extensive, covering all existing radio and television channels of the public broadcaster, all websites connected to these channels, internet radio services (catch-up services, thematic offers, individual music lists, etc.), interactive applications (voting services, blogs, forums, chats, etc), digital teletext, temporary channels to allow the broadcast of content (e.g. live sports events) without interrupting the programming of analogue channels, on-demand content and games (Vlaamse Regering & VRT 2009). It is difficult to think of services not captured in this list, and would, therefore, actually require a test.

A third common facet of *ex ante* tests is the involvement of third parties, a requirement of the European Commission. The underlying idea is to enhance the transparency of *ex ante* tests and allow for various stakeholders to proffer insights on a new service. In different Member States the scope and stages of involvement of third parties vary. In the United Kingdom involvement of third parties is limited to the market impact assessment and channelled through Ofcom, which distributes questionnaires asking companies to provide confidential information. This approach makes third party involvement evidence-based. For the public value assessment, even citizens and representation groups can submit comments (Collins 2010). After a preliminary decision is made, all stakeholders can file comments.

In Germany, third parties can comment on all aspects of a new service proposition. Paradoxically, this means that private competitors can 'co-decide' on the width of a direct competitor's public service remit. But in Germany after a draft decision is made comments can only be made by the public broadcaster. Third parties are not allowed to do so, which has provoked criticism for being discriminatory (Dörr 2009). In the Netherlands, third parties are invited to submit comments on a new service after the Media Authority and Council for Culture have advised and the Minister of Media has drafted a decision on this basis (Bardoel & Vochteloo 2010). This significantly lowers the impact of third parties.

As a fourth and final common feature, *ex ante* tests are based on, and in part conducted by, the advice of independent bodies. The Commission prefers

this (Commission 2009). Again, the transposition of this common feature into national practices differs. In the UK the BBC Trust is responsible for the PVT, sharing competencies for the market impact assessment with Ofcom (BBC Trust 2007). In Germany, the Broadcasting Councils are responsible. They are independent bodies, but internal to the public broadcasters. This has provoked criticism from stakeholders. The principle of ‘Chinese walls’ theoretically separating the management of PSB and the Broadcasting Councils has not resolved the issue of confidentiality for remarks submitted by private parties. The Councils are also politicised (Lilienthal 2009), which makes the independence of the process relative.

In Flanders, yet another arrangement applies. The Sectoral Council for the Media is responsible for the test. It is an independent advisory body, which consults the Flemish government when media law is adapted. The Council consists of nearly twenty members. Some of them are independent academicians, others represent the media sector (including the public broadcaster), and there are groups representing citizens. Most members have a direct stake in the ex ante procedure, which raises questions about how objective an ex ante test can be. In the Netherlands, the test is not entrusted to an independent body but is handled by the Ministry of Media. Although the Council for Culture and the Media Authority advise the Minister of Media, the latter autonomously drafts decisions on new services, approving them or not. Bardoel and Vochteloo (2010) criticise this for impinging the traditional independence of Dutch public broadcasters.

Putting it in practice

The most important point of divergence concerns implementation. In Germany, the UK, the Netherlands and Denmark, most tests have resulted in approval of proposed services. In Denmark, three tests have been executed so far. These concerned services on public screens (news provided on screens in bus and train stations), a portal with health information (together with other media partners) and a portal with advice for youngsters (Svendsen 2010). In the Netherlands, the Dutch government approved a series of new services in 2008 and 2009. Private parties appealed against government decisions, however. The Court of Amsterdam accepted that there was an adequate definition of the approved new services as part of the remit, but rejected the Ministry of Media’s reliance on data from external parties for the market impact assessment. The Court claimed the assessment should also be based on data collected in an independent manner (Rechtbank van Amsterdam 2010: §3.15). It is important to stress that annulling the Dutch government’s decision was grounded in over-reliance on data assembled by private parties and not on the Court’s appreciation of the new services themselves. These were found to be public service in nature.

In the United Kingdom, four tests have been executed so far. Three were approved (the BBC iPlayer, the launch of a high definition channel, and a regional channel for the Gaelic community). A proposal for launching a broadband-driven channel for local news videos was rejected for having too little evident public value and a negative effect on the market (BBC Trust 2009). Allegedly the economic crisis, which hit the publishing sector hard, was responsible for this decision to reject. However, the BBC Trust's appreciation of the low public value of the proposal should not be overlooked. As the BBC's job is to engage in regional news provision and the reach of its services in this respect with lower income groups was too low, the launch of this new service over broadband is disputable because low income group is less likely to subscribe to broadband, given the expense. In Germany, all tests have so far resulted in approval. This has provoked private sector concerns because of the rather 'concise' motivation statements that Broadcasting Councils provide to legitimate their decisions (in contrast with the lengthy descriptions and market impact assessments elsewhere).

Whereas in Germany, the UK and the Netherlands, an elaborate procedure is spelled-out and several tests have been executed, some smaller Member States like Ireland and in regions like Flanders, there are considerable difficulties. Budget constraints and a lack of prioritisation are the causes. In Flanders the government has given priority to a large public and stakeholder consultation on the future of VRT. The Sectoral Council was responsible for that, ordering several studies. A first study indicated an enormous attachment of Flemish people to the public broadcaster (Dhoest et al 2010). Another showed the vast majority of stakeholders, mainly in the cultural, educational and socio-economic fields, favoured a holistic public broadcaster. Private companies were more critical, focussing mainly on the introduction of a more stringent approach to new media services (Donders et al 2010). The Sectoral Council published an advisory paper, drawing on such studies, arguing for a holistic approach with VRT being active in new media environments when such activities support radio and television broadcasts (Sectorraad Media 2009). The paper does not draw very broadly on the appreciation of the audience and most stakeholders. Even though the Flemish government established the *ex ante* test *de jure* in its media decree in 2009, a procedure – much less the implementation – is still lacking (Donders & Pauwels 2010). This is not to say there was any deliberate attempt to focus on consultations instead of the *ex ante* test. Nevertheless, in practice some articles of the media decree are implemented in full, whereas other – notably those related to the *ex ante* test of new services – were not.

While Gromnicka (2005) maintains that the application of the European State aid rules results in a harmonisation of Member States' public policies, the diversity of *ex ante* tests shows that only a superficial harmonisation occurs as the consequence of European intervention. There is thus no one-size-fits-all

approach to test new media services, which is not to imply that Member States shouldn't learn from each other's experiences.

An ex post assessment: Enter or exit public service media?

Despite the many differences between cases, are ex ante tests furthering a public service media project? It is difficult to draw broad conclusions because this is all quite new and experimentation is ongoing. In quite a few countries no such practice has yet arisen. It is clear that the development and execution of an ex ante test is not an easy task. Problems related to confidentiality, third party involvement, bureaucratic overload, economic costs, and responsible bodies are characteristic. Some of them have moved much further in the development of a fixed procedure and the execution thereof.

Each country involved with designing ex ante evaluation has been influenced by the British Public Value Test. Unquestionably, the *de iure* and/or *de facto* introduction of an ex ante test has fuelled debates on the evolution from public service broadcasting to public service media, and prioritised discussion about the role of this sector in the 21st century. These debates mainly center on two questions. First, how can (and should) one constrain public broadcasters' expansion to new media markets? Second, how to solve the practical problems?

The departure point for the first question is the idea that public broadcasters' activities are most legitimate in the 'traditional' areas of radio and television, ignoring the necessity of both technology neutral media policies and participative PSM strategies. Moreover, it fails to identify how different services meet the core values of public service media, neglecting the most important of the six core questions for the development of a rational public service media project. While the public value assessment is part of all ex ante tests, discussions on the instrument itself are rarely grounded in more fundamental discussions on core values and objectives (like conservation, conversation, creativity and innovation, credibility, etc, as discussed earlier).

The second question provides food for thought among legal and media policy scholars. Problem identification and evaluation remain too often stuck at the descriptive level, and are by no means value-neutral. For example, the choice for a more wide-ranging third party involvement, including groups representing citizens, is more democratic in nature and shows a keener interest in balancing between public and market interests. The choice to confine third party involvement mainly to private sector companies favours a market-oriented approach. Furthermore, all ex ante tests are only really concerned with 'new' services. There is no testing about existing services. More concretely, tests concern services on new technological platforms, especially the internet and mobile platforms. This risks a potentially harmful distinction between core

(traditional) and peripheral (new) services. The German approach partly remedies this risk, evaluating the public value of a proposed new service within the totality of public broadcasting offers (Schultz 2009).

To date, however, we conclude that *ex ante* tests have failed to live up to their potential. They rarely result in in-depth discussions about the added public value of specific services in the context of an overall offer. PSB companies develop new service concepts with an eye on passing the test rather than systematically investigating how a service fits within the public service logic. They are stimulated by private competitors who, for obvious reasons, focus only on market aspects. For the *ex ante* test to become a truly successful tool, civil society must represent citizen interests more fully and forcefully, re-focussing attention on the public value delivered to citizens. Without a genuine public debate and a politically grounded decision on the need for public service institutions in the first place, rather than all the attention devoted to what can and can't be added on, the development, proliferation and recent implementation of *ex ante* tests mainly create bureaucracy and give an impression of market considerations having pre-dominance over public value commitments. Ultimately, they risk becoming a means for their own sake rather than justifying any useful end, that being the survival of a genuine public service spirit and mission in the digital era.

Consequently, work is sorely needed to make *ex ante* tests 'work'. This is essential for regaining the initiative for PSM under current conditions. We suggest three main areas for immediate action. Firstly, the weight of public value assessments should be increased, evaluating more in-depth the public value of new media offers, placing them within the entire public service media strategy of a public broadcaster.

Secondly, *ex ante* tests should be grasped as a means to consult stakeholders. Practice shows that private media are especially involved in scrutinising new services, and certainly their input is valuable and necessary. But they do not represent the interests of civil society, and civil society's input is necessary as well – especially to think more thoroughly about the continuing value of public service media (including broadcasting) for societies today.

Finally, public broadcasters ought to play a more pro-active role, capturing *ex ante* tests as a means to revive the institution. In so doing, they can and should identify a set of relevant ambitions that go beyond whatever government is asking. The five core values identified are useful framework to guide the task.

Note

1. The chapter is partly based on a paper of the authors presented at the RIPE Conference in London in 2010 and a lecture delivered by Caroline Pauwels on 22 November 2010 at the London School of Economics.

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PSB Policymaking in Comparative Perspective

The BBC and France Télévisions

David A.L. Levy

This Chapter examines the extent to which the BBC and France Télévisions [FTV] succeeded in gaining the initiative in recent discussions over their funding and organisation. It situates this question within the different policy, regulatory and competitive environments prevailing in each country and uses a comparative approach to offer some thoughts both about the way that PSB is treated in each country and the broader question of the extent of policy convergence with regard to PSB within the European Union [EU].

It has become conventional wisdom to argue that communications policy-making is converging within Europe as a consequence of digitisation, technical convergence, policy transfer and the EU regulatory framework (Harcourt 2006). I have previously argued that national cultural policy differences mean there is more scope for persistence of national approaches in broadcasting than others have credited (Levy 2001). But in recent years, policy towards PSB has been seen as one of the most exposed areas given common technological and consumer trends complemented by an increasingly intrusive State aid framework that constrains the freedom of manoeuvre for PSB operators and member states. Writing of the Dutch case one study stated that: “For the last fifteen years, national broadcasting policy has been eclipsed by European audiovisual policy” (Peters, d’Haenens, & Bardoel 2005).

This chapter discusses these trends in the light of the dual policy review processes in which the author participated, first of the BBC Charter Review between 2003-2006 and then the French review of their PSB system conducted by a mixed Commission of parliamentarians and professionals in 2008. The latter led to new legislation on FTV in 2009, changing its funding, organisation, governance and editorial priorities.¹ The discussion is complemented by some reflections on lessons that might be drawn from the most recent BBC funding settlement concluded in autumn 2010 for the period 2011-2016. The chapter provides an overview of the context in which each review process took place, the key issues in play, and outcomes. We then consider the degree of direct

involvement of the broadcaster themselves in policymaking in the two cases. The chapter concludes with an assessment of the conditions under which PSBs can gain or regain the initiative and the degree to which EU State aid policy was a determining force as these governments considered how to adapt public service broadcasting to an era of public service media.

The contexts of the two review processes

The British and French broadcasting markets may appear roughly similar, but they are very different. The BBC's monopoly ended in the UK with the creation of ITV in 1955, whereas the French state monopoly only ended in the 1980s. In France, public debate over intervention in the media space is focussed primarily on film, whereas in Britain it is devoted to public service broadcasting, with film coming a very long way behind. Finally, according to Ofcom, the British regulatory authority, the amount per head of public funding for television in Britain in 2009 was 25% higher than that in France, that is to say £44 compared to £35 in France (Ofcom 2010). Moreover, the BBC has more funding and with higher reliability than FTV due to a significantly higher licence fee, is much larger in terms of staffing, and has the advantage of combining radio, television and online media. The BBC is accustomed to arguing its case and has done so for much longer than FTV, especially in recent decades given an environment where most public policy debate sees the market as the default position and public intervention in broadcasting regularly requires justification.

Given differences in context, the BBC Charter Review and the French Commission were also very different. The BBC Charter Review process takes place regularly, normally on a 10-year cycle, and generally involves sustained engagement by the BBC and the government for the three years or so preceding expiry of the previous charter. Charter Review is expected and planned for in advance, although the far reaching nature of the process means that everything is up for discussion, from its funding system to the level of funding to the role and remit of the BBC.

By January 2008 FTV had effectively just emerged from its own Charter Review. At the end of 2007 a new contract (Contract of Means and Ends, or COM) had been drawn up after lengthy negotiations between FTV and the French government. Hence the surprise when in President Sarkozy's 2008 New Year message he suddenly announced a radical reform, proposing that all advertising – roughly 30% of FTV income – would end. The stated aims were to modernise FTV and make programming more distinctive. His announcement caught his Minister of Culture unawares, as well as those working in FTV, and was particularly shocking to those employed in selling advertising for the

channel. The immediate effect was that the company began to lose advertising contracts. Whereas the primary focus of the announcement was on the ending of advertising, the Commission established by the President in February 2008 was instructed to review everything; funding, programming, governance and modernisation of the company structures, as well as the move to digital and online. The French preoccupation with online and new media reflected a concern that FTV was falling behind in these areas.

In the UK, by contrast, the BBC's strength online was a source of concern to some because it brought the broadcaster into conflict with other operators active online, notably newspapers seeking to expand the range and depth of their websites. The BBC's position in the market was a key issue in the Charter Review. There was concern about its relative success compared to ITV and what this might mean for the future of a plurality of public service broadcast providers, about its market impact generally, and about the adequacy of its regulatory structures to constrain what some portrayed as the limitless ambitions of BBC management to move into new markets. There were concerns, as well, about the distinctiveness of BBC programmes, its relations with independent producers, and the ambitions of the BBC's commercial arm (BBC Worldwide), which often brought it into conflict with UK publishers. But when it came to ensuring the UK's transition to a fully digital television transmission system, the BBC's strength was viewed as being critical to the successful delivery of the project by the government's designated date of 2012.

Many criticisms of the BBC could have been far more challenging than they turned out to be in practical experience. The reason was that the bulk of the Charter Review process played out against the political background of the report of the Hutton enquiry in January 2004, which led to the resignation of its chairman, Gavyn Davies, and the subsequent sacking of BBC director-general Greg Dyke. The government's 'victory' over the Hutton affair rebounded on it with a sense both in the public and the press that while the BBC had made mistakes, the bigger threat was from a bullying government that had overreached itself and could threaten the BBC's independence.² The government was thus particularly keen to present itself as respecting that independence during the Charter Review, and so attempts to reduce the scale and scope of the BBC's activities were not pressed with as much vigour as might otherwise have been the case.

In France, FTV has a smaller audience share than that of its main commercial rival (TF1) and politicians were so reticent about the degree of public acceptance of the French licence fee that after government pressure on majority party MPs they failed to raise the licence fee annually in line with inflation, as had been provided for in the FTV's previous COM (since 2004). FTV's licence fee income diminished in real terms each year and the company had become increasingly dependent on advertising revenue. In a recessionary market the relative success

of its advertising sales house exacerbated conflict with commercial broadcasters, although in general FTV's relative weakness meant those tensions were less acute in France than Britain. The President's proposal to end advertising on FTV was seen by many as done at least in part with the intention of helping the commercial broadcasters, notably TF1 the dominant free to air broadcaster – with which the Elysée has good relations. The prospective benefits were direct in terms of transferred advertising revenues in a market where the supply of advertising time would effectively be reduced, as well as indirect by reducing the incentives for FTV to pursue competitive scheduling. The publically stated rationale for the move was to create a more distinctive FTV after the organisation was freed from the need to chase audiences and advertising revenues.

Comparing the review processes

The two reviews were very different in terms of their duration and the processes involved. The BBC Charter Review lasted three years, from 2003 until late in 2006, with a licence fee settlement only finally announced in early 2007. The government's desire not to be seen to intervene unduly resulted in an extraordinary amount of emphasis being placed on audience consultation and research. There were three rounds of consultation and the government's general approach, led by the Secretary of State for culture, Tessa Jowell, was to get as many ideas on the table as possible before funnelling these down towards a decision point through a continuing process of consultation and research. Throughout the process Jowell had a mantra that was repeated whenever she was asked about what she wanted from the BBC Charter Review process – “a strong and independent BBC”.

The French process was a roller coaster ride by comparison. It was scheduled to last just over three months. After the Presidential New Year announcement a committee was constituted by the end of February 2008, composed of an equal mix of cross-party members of Parliament with a range of experts, including a philosopher and more surprisingly this author as the British expert. A total of 32 members were mandated to deliver a report by the end of June. Creating a cross-party committee was part of Sarkozy's political strategy of opening up to the opposition and designed both to disorientate them through adopting some of their ideas (the original idea of ending advertising on French public service television had come from the Left) and of binding them to the new path he envisioned for FTV. The decision that the committee should be chaired by a high-level figure, Jean-François Copé, the majority party's leader in parliament, was indicative both of the significance that President Sarkozy gave to the issue and of his desire to remain engaged in what was *supposedly* an independent commission.

The Copé commission was tasked with addressing four main challenges, each with its own working group. The first and most pressing was to replace the funding deficit that would be caused by ending advertising and to replace it, as the President had guaranteed, ‘euro for euro’.³ The second task was to modernise the structures and governance of FTV. The third was to devise a digital and new media strategy appropriate for FTV. The fourth was to look at the future programming of the company’s channels. The overall goal was to enable the creation of a modernised FTV.

The Commission was far more focussed on expert industry and political opinion than the views of the audience who pay for and consume FTV’s programmes. Plenary meetings were held roughly every month with the four working groups meeting in the intervening period. The major work was taking evidence from various experts and interested parties and drafting interim proposals on the basis of results. The speed of the process meant that the processes were by their nature rather ad hoc and it was difficult to predict in advance which experts would be called to which group. Given the ambition of the commission’s task, the low level of technical support for its work was surprising. However the Elysée followed the commission rather closely with a representative of the President’s staff attending every plenary session, and there were regular meetings between the commission chairman and the President.

Over time it became clear that while President Sarkozy had announced a cross-party ‘no holds barred’ commission, he had strong views about the commission’s recommendations. When the commission produced some interim options on funding that included an option to increase the licence fee to fill the gap posed by the lack of advertising revenues, President Sarkozy announced on the radio a few days later that this would not, under any circumstances, be pursued by the government. In consequence the Communist and Socialist members of the commission left in protest because the President was prejudging which options were and were not acceptable.

Public service broadcasters in the review processes

The contrasting review processes indicate variance in the ability of the two PSB broadcasters to make a serious input on deliberations. As noted, the lengthy duration of the BBC Charter Review process with its strong focus on research and audience consultation gave plenty of opportunities for a range of interested parties to contribute ideas.

The BBC had time to build its case, to anticipate where the strongest attacks might come from, and develop a strategy as to how it wanted to contribute to a debate about the future of its scale, scope, remit and organisation. The company prepared internally, developing its vision document entitled *Build-*

ing Public Value as a new outcome-focussed approach to its public purposes (BBC 2004). *Building Public Value* conceded the legitimacy of some concerns about its impact on the wider market and proposed a public value test at least in part to address this. It also bolstered its case through extensive research to demonstrate the “willingness to pay” of licence fee payers (Terrington & Dollar 2005). Although the process wasn’t smooth, not least because of a four month interregnum at the top of the BBC after the post Hutton enquiry departures, but from the spring of 2004 onwards and under new leadership the BBC was able to give new momentum to the organisation and did its best to set the agenda for the Charter Review debate. In this sense the BBC can be seen to have regained the initiative in the debate about its future, albeit after a difficult period when it had been on the defensive both vis-à-vis the government and its commercial competitors.

FTV found itself in a very different position. The commission and its chairman, Jean-François Copé, were broadly supportive of FTV and keen to give it the means to modernise itself, but the very speed of the process meant that the company had little time to prepare. In addition, the large size and diverse nature of the commission meant FTV was uncertain to whom and when they should make representations. Four different working groups pursuing tasks in parallel and moving quite fast across a three or four month period would have created challenges for the best organised public service broadcaster, and FTV was far from that. Although scrupulous in reacting to calls for evidence, it appeared to have little inclination to put forward a compelling vision or clear policy agenda of its own. As the commission ranged across almost every aspect of FTV’s funding, organisation, structure, and future programming strategy, there was something of a void in terms of FTV’s own views on many of these matters – other than its desire to ensure honouring the promise to replace lost advertising revenues euro by euro. In part this was the result of being taken by surprise, and also in part due to the complexity of the process. But there was also reticence on the part of FTV in the face of the commission that was established by the President himself. There was fear of antagonising the government if FTV was seen to argue or lobby too hard for any particular perspective. As a result the strongest views presented to the commission generally came from stakeholders with varying interests in FTV rather than from FTV’s management, notably trade unions, independent producers and commercial competitors.

Despite initial reticence there were three areas where the company’s influence could be seen at work. The first was the Commission’s early recognition that an immediate end to all advertising from January 2009, as proposed by the President, would be unduly disruptive both for FTV and the market. The proposed compromise was to end advertising only in peak hours initially. The second was company support for the commission’s desire to simplify FTV structures – to create a unified company from 49 distinct companies that

comprised FTV— with more than 50 different collective union agreements. The third was resistance when it appeared late in the day that commission proposals for a more highly regionalised TV structure for France 3 would increase the costs of the least efficient part of the company at a time when the company was trying hard to control costs.⁴ In summary, one might see FTV as having adopted a relatively low-key approach to influence the outcome of commission deliberations. By contrast, and admittedly with much more time and a more favourable political environment on its side, the BBC was positively encouraged by the government to come up with ideas, to contribute them to debate, and to facilitate public engagement with the wider consultation process. With regard to controlling the initiative, the BBC was further advanced than FTV in the two processes.

The implication from these cases at least is that the ability of any PSB to gain or regain the initiative depends on a variety of factors, many of which appear to be outside their control. These include the way in which any review process is organised by government, which will in turn affect the PSB's ability to muster the resources to input ideas at the right time and in a user friendly way, and the wider political context in which the PSB is viewed. However, there is also the question of the degree of self confidence or fear felt by the PSB as they consider gaining the initiative. While such things are in part the result of external political circumstances and the PSB's degree of security, organisations can also help mould those circumstances, not least through their managers' determination, the ability to build support among the public and a willingness to interpret accountability as more than simply deference towards political power.

Outcomes of the two review processes

The outcome of the BBC Charter Review process is relatively well known. In summary, the BBC gained a 10-year charter, with six years of funding, and a remit expressed as a set of six public purposes expressed in a way that is platform neutral, accompanied by service licences for each service in return for a more independent system of governance and tougher regulation. This was most obvious in the shape of the public value test as a necessary requirement for assessment before the BBC could embark on proposed new services. The BBC was also required to fund digital switchover costs from the licence fee. The company's objective to secure a settlement keyed to inflation with an additional ring-fenced sum for digital switchover was not granted. Instead it was granted annual cash increases in five of the six-year funding agreement period, albeit with the possibility that the licence fee might be shared in the future with other public service broadcasters (i.e. the commercially funded PSB operators

in Britain). This was a surprisingly good settlement for the BBC after a period when it had been under attack from many quarters of the commercial sector. The BBC lost no services and was granted a much broader remit in return for tougher regulation in the shape of the new BBC Trust, but one which while tougher than the BBC governors which had existed before fell short of what many in the commercial sector and other regulators would have liked.

The outcome of the French Commission and the subsequent law that resulted from the President's response to it was more mixed. The decision to cancel advertising on FTV was diluted through being adopted in stages, with advertising ending in peak hours (after 8 PM) from the beginning of 2009. All advertising should cease only after digital switchover in 2011 – a plan that was subsequently abandoned by the government due to additional costs it would have imposed on the public purse. A new structure for FTV created an integrated company as the management desired, however, with activities organised by area rather than by channels.⁵ A very small (€3) licence fee increase was agreed to compensate some of the loss from the previous lack of indexation to inflation, and indexation for the future was eventually approved.

The major question as to how to fill the gap left by the removal of advertising in peak time was to be met by a turnover tax of 0.9% on telecommunications companies and internet service providers. The remaining funding shortfall was addressed by government grant, in part derived from a 3% turnover tax expected to raise €80 million per annum from commercial television companies, which were expected to benefit from the ending of advertising in peak time on FTV.

The reform package included a highly prescriptive approach to FTV's structures and its programming (e.g. a ban on all reality genre programming). However, the biggest change and the one that was most commented on at the time was introduced by President Sarkozy. He announced that he wanted to abandon the previous process for appointing the director-general of FTV as undertaken by the broadcasting regulator. His declared aim was to bring the process for FTV into line with that of other state-owned enterprises where the state itself, as the sole shareholder, appoints the director-general. This was presented as being subject to safeguards involving parliament and regulator, but most commentators saw this as window dressing in a futile attempt to mask a dramatic increase in the exercise of direct Presidential control over FTV.

FTV ended up in a less favourable position than the BBC, with a much more prescriptive approach to its programming and its future organisational structure. In addition the appointment of the director-general by the state and the new mix of revenues made up of taxes and levies on other industry sectors, which while designed to replace the loss of advertising revenues, when combined together have greatly increased the dependence of FTV on the state. It was a surprising outcome from an exercise had been heralded when launched as a project for creating a French BBC (Levy 2008; Assemblée Nationale 2010).

The BBC's 2010 funding settlement

The BBC Licence fee settlement under the Charter that came into force in 2007 was, as noted, slated to last six years with a planned review of BBC funding needs due in 2011 ahead of digital switchover in 2012. The idea behind the six-year settlement within a 10-year Charter and the review in 2011 was two-fold. First, the BBC's desire for long term financial security should be balanced against the difficulty of fixing funding in a period where digital switchover was just one of the factors leading to unusually rapid change in the broadcasting market. Second, since the BBC licence fee was funding digital switchover costs it was impossible to fix BBC future funding without knowing the final costs of that operation. Indeed, that was why the funding formula for the final year of the six-year settlement was left open, something between 0 and 2 percent.

The BBC was therefore aware that it would face renewed funding discussion in 2011-2012. By 2008 it was becoming clear that the costs of digital switchover were far less than anticipated. This fuelled debate about what to do with the digital switchover 'surplus' – whether as the BBC initially stated it should be retained and invested in BBC-led projects or, as Ofcom and the Labour Government seemed to favour, it should be used to fund a range of other media projects. By 2008-2010 the problems afflicting other parts of the media sector as a consequence of the recession, and the related threat to the UK system of 'public service plurality', as well as the more general depressed state of the public finances in the wake of the financial crisis, were regularly contrasted with the BBC's apparent disregard for the effective use of public money. These criticisms were stoked by stories about BBC executive salaries and the surprisingly large number (58) that were being paid more than the Prime Minister who then earned £196k in annual salary (Wynne-Jones 2010). The characterisation of the BBC as being out of step in an age of austerity was further supported by claims of excessive costs for top talent and so forth.

Many (if by no means all) of these campaigns were led by the opposition Conservative Party and favoured by the popular press. They certainly touched a chord of public sentiment about the BBC and tapped resentment that a universal licence fee was sustaining what appeared to be lavish spending by too many highly paid executives. In time the BBC Trust and Executive responded with a range of moves first to freeze and then effectively to reduce the total spend on Executive and talent pay. But these were seen as too little too late. Worse, the political damage to the BBC coincided with the arrival of a new coalition government in May 2010 that is committed to reducing the deficit and cutting waste in the public sector, along with publicly declared scepticism towards BBC governance and organisation. In addition, the Conservative Party appeared receptive to many of the commercial sector's concerns about BBC market dominance, which they consider excessive.

It was against this background that just five months after the May 2010 election the new coalition government decided to bring forward discussion of the BBC's future funding by more than a year, and include it in their deliberations over public spending plans. The move was probably prompted by the Treasury's desire to shift some existing taxpayer funded spending onto the licence fee. This led to initial proposals that the licence fee should pay for the cost of free TV licences for those over 75 years of age at a cost of £556m per annum that had previously been paid by the Social Security budget. That was dropped after resistance from the BBC – supported by some Liberal Democrat members of the coalition government. But the new settlement proposed by the government included freezing the BBC licence fee for the six-year period from April 2011 through March 2017 at its then level of £145.50, along with additional commitments for the BBC to fund the World Service from April 2014 (which had £264m funding from the Foreign Office in 2010-2011), and to fund BBC Monitoring and the Welsh language broadcaster, S4C. These commitments added about £340m a year to BBC costs, an effective 16 percent cut in its funding. In addition, the ring-fenced amount previously devoted to digital switchover (about £133m per annum) was to be raised to £150m from 2013/14 to 2016/17 and used for the roll out of broadband in rural areas. The BBC was to play an important part in the establishment of local TV, as well, providing a total of £25m in 2013/14 for up to 20 local TV services, and then £5m per annum from 2013/14 to purchase content from these new local TV services. (Sweney 2010; House of Commons Culture, Media and Sport Committee 2011).

If the BBC's 2007 Charter was negotiated over three years, and the French reforms were developed in just three months, the October 2010 licence fee settlement took well under three weeks with the key details being sorted out in just 48 hours. The settlement raises three questions in terms of the way broadcasting policy is made and the extent to which the BBC was able to maintain the initiative in this latest round of discussions. First, there is no doubt that the BBC was pushed onto the defensive by the speed of the government's proposals. Faced with the prospect of both a freeze in the licence fee and having to absorb almost £900m per annum of extra costs, the BBC was 'happy to settle' for a reduced bill of £340m per annum (after the deduction of the free TV licences) and gain the security of a new six-year licence fee settlement. The BBC was no doubt conscious that given its own unpopularity in political circles more generally and the campaigns being waged against it by some in the commercial sector, there was advantage in the certainty of a tough six-year settlement agreed early, done and dusted. The coalition government, too, was happy to reach agreement and neutralise a potential political problem had the negotiation taken place in 2011-2012 at the same time as the government could expect battles with the public sector over the implementation of its spending cuts.

Second, while the settlement is very tough for the BBC to adjust to, it does not change the fact that the BBC will remain amongst the largest and best funded PSB operators in Europe. Although faced with reduced funding, it is the BBC itself rather than government that will determine its priorities. Third, the settlement marks a dramatic change in the way BBC licence fee settlements are viewed by government, and in two different respects. From the coalition's perspective it was building on the precedent set by the previous Labour government of using the licence fee to deliver wider public policy objectives, in that case to pay for digital switchover. The precedent was there but the range and scale of the burdens imposed by the latest settlement, and their lack of any direct link to BBC services, marks a new departure in the way that the licence fee is used and will be viewed.

In addition, and perhaps of greatest concern, is the very rapidity of the deal and its being done behind closed doors between the BBC and the Government. This marks a low point in the notion of BBC accountability, whether to its licence fee payers or indeed to parliament (House of Commons Culture, Media and Sport Committee 2011). The speed of the deal meant there was no consultation with either constituency, which risks undermining the BBC's independence.⁶ In that sense the way the UK government approached the 2010 BBC licence fee deal was not that different from the way the French Government approached FTV in 2008-2009. The key difference was that while the BBC was put in a difficult position, its considerable political and other resources meant it was better placed to conduct some kind of negotiation with the government – albeit a highly compressed one – than seems possible in France.

Policy-making and the European context

As noted at the beginning, some observers see debates over broadcasting policy, and about public service broadcasting in particular, as taking place in an environment that is strongly conditioned by EU considerations. What emerges from these reform processes in Britain and France is that while some considerations of European state aid law were present, they cannot be regarded as determining factors in the policy choices that were adopted in either country. There is EU influence, but it is neither direct nor predominant.

In the case of the British Charter Review process, the European dimension can be seen most obviously in two aspects: 1) the adoption of the public value test for the approval of new services and 2) a new system of governance with the creation of the BBC Trust, a structure that is far more independent from BBC management. One could plausibly attempt to present both moves as being the result of European level pressures because the European Union has expressed a strong preference for independent systems of governance over

public service broadcasters, and for clear processes that ensure a degree of transparency in the approval of new services. It is also true that in the course of previous complaints registered by commercial competitors in Brussels about BBC public services, such as BBC News 24, the EU Competition Directorate expressed concern about the vagueness of the BBC's remit and a desire that these things be made clearer for the future.

But it would be wrong to move from these general observations indicating a degree of parallel tendencies developing in Brussels and some policy options adopted in London to say that the first determined the second. For many years commercial competitors in the UK complained about the BBC's new services and these complaints generally had more and more rapid impact in London than in Brussels. Similarly, the desire for a more independent system of BBC governance can be traced as much to what the Hutton enquiry uncovered about the close proximity between BBC management and governors over an editorial matter, as to any pressure from Brussels. And while it is possible with hindsight to see elements of the public value test as being very close to some aspects of the new state aid guidance regarding public service broadcasting adopted in Brussels, the UK's PVT predated those guidelines, which is why it is cited by them. It seems far more likely that the policy transfer was a process that moved from London to Brussels rather than the other way round. It's fair to say that UK policymakers were aware of the desire in Brussels for proportionality by weighing up how a new service's impact on the market might balance against its fit with the public service remit. But it's hard to imagine that this change would have come about if there had not already been pretty extensive consideration within the UK of the need to find a better way of balancing BBC activity in new media with that of other market players.

In the case of the French reform process there was a surprising absence of interest in how Brussels would view the proposals that were put forward, despite the fact that many of the proposed ways of filling the funding gap from ending advertising had a clear European state aid dimension (Donders & Lamensch 2010). All of the proposed ways would have problematic resonance in Brussels: imposing taxes on commercial broadcasters, imposing a new tax on telecoms operators, making up the shortfall through direct grants from the state. However, none of these issues were seriously worked through in terms of their compatibility with state aid concerns before they were proposed. There is no evidence that European considerations influenced the options proposed by the President and examined by the commission.

The French approach was rather to move fast, to find a way of filling the gap in advertising revenues, to come up with imaginative ideas, to win political support for them, and then to try and square any problems that might result in Brussels later. Some might regard this approach as short sighted, but it has arguably largely succeeded. When the European Commission considered

whether the direct grant of €150m of bridging aid to FTV was acceptable or not, it swiftly concluded that it was on grounds that the costs of FTV clearly exceeded by far any additional funding granted by the government. In July 2010 the Commission also approved a subsequent proposal for a longer-term funding package under its state aid provisions. The one problem area to emerge was under the telecoms and ISP tax which the Commission decided in September 2010 was incompatible with its telecommunications licensing framework, but which continues pending an appeal. Of course it is possible that future French policy-making in this area may be somewhat more constrained by European considerations than in the past. But the lesson from this case is that the government seemed to determine its policy first and think about European dimensions afterwards, rather than framing policy options in the context of how the European Union would view any French decision.

Whereas the French were left with the problem of justifying additional public funding for FTV, the British government's potential problems after the 2010 BBC settlement are rather different; namely explaining the use of public money from the licence fee for a range of other purposes where it may be hard to demonstrate the proportionality of the funding. But even if the EU were to find a problem there, it is extremely unlikely that any of the licence fee funding will be returned to the BBC.

Conclusion

These contrasting cases of PSB policymaking suggest that national approaches to PSB continue to differ greatly, and they rather than EU policy are the determining factor. The British charter case is relatively well known but the French one much less so. It is hoped that the comparison offered here provides a flavour of the diverse ways in which policy is made in the two countries.

In terms of the ability of PSB companies to regain the initiative, there is a marked contrast between the two countries. When comparing the BBC Charter with the French Commission, the BBC was clearly in a much stronger position to regain the initiative despite what looked initially to be a hostile environment. FTV, by contrast, showed few signs of being able to do this in terms of setting the policy agenda. In other areas the French reform process made better progress but while it delivered more funding, it also resulted in a more prescriptive law and a reduction in the already limited independence of FTV.

Interestingly the 2010 licence fee settlement in the UK reveals a somewhat different pattern from the earlier set piece Charter Review exercise, not least because of some serious own goals in terms of the BBC's behaviour in the previous year. In addition the highly compressed settlement timetable imposed on the BBC meant that at one level it was pushed onto the defensive. It emerged

with a decrease in its real terms funding and a host of new obligations. While the nature of the negotiation is a concern, and the non-broadcast nature of those obligations is worrying in terms of accountability to licence fee payers, the BBC remains in charge of how it prioritises spending within that reduced funding. It also succeeded in the fight against the government's initial proposals that the BBC should provide free licences for those over 75. Finally, the BBC has the security of six years of funding and a system of governance that looks a lot less controversial and more stable than it did in the 2008-2010 period.

The conclusion to be drawn from the British and French cases is that the ability of a PSB to gain or regain the initiative in the policy debate over its future will vary greatly. There seem to be three main factors at work. First, there is their degree of expertise and political self confidence and determination to play an active part in discussion and debate about the future role, remit and funding. Second is their confidence in engaging with domestic politics and competence to participate in policy debates. This requires being open to understanding and engaging with wider public policy trends, and marshalling evidence as to how these might apply to PSB, rather than simply repeating reassuring but ultimately defensive and sometimes self-defeating PSB mantras. Third is their ability to cope with the wider political circumstances of any review and to engage appropriately with the form that the review process takes. As noted above with some of these things PSBs may be victims of circumstances – levels of resources and degrees of expertise and dependency on government may differ objectively between PSBs and at different moments. But with others PSBs have more autonomy. For example, with sufficient thought PSBs can be more active in proposing the processes under which they are reviewed and the standards against which they are assessed, than they often realise. In addition PSBs' own behaviour can also affect wider political circumstances – both for good and ill – as the BBC's experiences in 2004 and 2010 show in different ways. The quality of a PSB's programming and the sensitivity of its behaviour can influence the way the public see them and public support can be useful in reducing political dependence. As noted above PSBs accountability to the public should not be confused with fearful deference to political power – where short term concessions can end up further weakening public support. When public support is combined with a strong dose of managerial determination, vision, and effective case-making, and planning is tempered with a degree of pragmatism, PSBs can achieve better results from unpromising situations than is often realised.

In addition to these lessons for PSBs in terms of regaining the initiative there is a wider lesson from the British and French cases in terms of policymaking. It is clear that policy processes, styles, issues and outcomes can all remain distinctive in large European countries with established policy traditions, even where the chosen policy options have a strong EU resonance. EU considera-

tions are not unimportant, but approaches continue to vary greatly between countries. Policy transfer, when it occurs, is not necessarily a one-way process from the supranational to the national. The reverse is also possible and was dominant in these cases at least.

Notes

1. The full title was the Commission pour la nouvelle télévision publique, commonly referred to in France as the Copé Commission, after its Chairman, Jean-Francois Copé, and hereafter referred to variously as the French Commission or simply the commission.
2. This was most obvious in 1) the way that elements of the press that are traditionally highly critical of the BBC rallied to its defence in February 2004 and, 2) poll evidence after the Hutton report showing that more people trusted the BBC than the government.
3. The Commission's first task was to address the consequences of the President's announcement itself in terms of leading to an exit of staff and above all advertising revenues from FTV. The cash loss of the announcement alone was reckoned to come close to 150m euros, which needed to be met by a grant of emergency funding from the State.
4. The Commission's plan was dropped. Ironically FTV seized on BBC management proposals for more localised broadband TV news as an alternative to avoid the costly requirement to increase the granularity of its local broadcast TV operations on France 3. In the UK context the BBC's plan for Local TV was seen to pose too much of a threat to fragile local newspapers and offered the first case of the BBC Trust using the Public Value Test to reject a new service proposal.
5. This too was abandoned by the new team appointed to run FTV in August 2010. (Assemblée Nationale 2010)
6. It could be argued that previous BBC licence fee settlements had usually ended in a behind the scenes political 'fix', but the lack of any wider consultation or research meant this time there was very little evidence on which to base the decision nor any real sense that once made the decision would be subject to effective public or parliamentary scrutiny. (House of Commons Culture,Media and Sport Committee 2011)

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Changing Regimes of Regulation

Implications For Public Service Broadcasting

Peter Lunt, Sonia Livingstone & Benedetta Brevini

Around the world, public service broadcasting [PSB] is under pressure. Challenges to its rationale, audience, income and legitimacy are manifold today, especially the globalising communications market, technological convergence and diversification of content delivery, increasing competition for advertising and other revenues, and a political climate that prioritises economic over social and cultural policy (Raboy 2008). Is PSB the anachronistic legacy of a dying welfare liberal regime, or does it advocate crucial democratic and cultural values that continue to have relevance? Should public funds support existing providers, or be extended to encompass a plurality of content providers or, merely, be concentrated on cases of market failure (Gibbons 2009)? Difficult questions are being asked in different countries in different ways, depending on the size of the existing media system, the strength of its public service broadcasters and the level of dependency between broadcasters and the state (Iosofidis 2010).

In the UK, public service broadcasters have sustained a substantial if declining share of the market, certainly remaining strong by comparison with public broadcasting in other countries. The BBC lost its monopoly position in the 1950s, followed by a duopoly comprised of the BBC and ITV. The system was later evolved into a mixed market that includes commercial PSB providers, especially Channel Four and Five. Despite so much change, the BBC remains at the core of the UK media system, valued highly by the public and across the political spectrum (Collins and Murrone 1996). But even here in 'the heartland' of its initiation and development, the challenges are growing. To have a sustainable future, it is vital for PSB to earnestly pursue considerable innovation in organisation, funding and platforms.

This chapter focuses less on practical adjustments and privileges the more fundamental importance of the rationale that provides legitimacy for PSB in the first place. Our study investigates how the traditionally strong BBC has undergone critical scrutiny and public contestation over the past decade, orchestrated by the UK's largely market-focused regulator, the Office of Communications [Ofcom].

Bolstered by its self-avowed ‘philosophy’ of asking the big questions as well as by its comfortable centrality to the New Labour project of regulatory reform, Ofcom began by asking whether incremental adaptation can really preserve what is of value in public service media [PSM] or whether, instead, radical changes are needed. It raised the possibility that at some point in the foreseeable future PSB as a publicly funded venture would and should even give way to a fully commercial media system. Although Ofcom came to moderate its initial views for a range of reasons elucidated below, we argue that policy debates during the first decade of this century have diminished the autonomy and self-determination of PSB in the UK – as has arguably been the case elsewhere.

Of course, the BBC has adapted, in many ways successfully. The company has broadened programme forms, platforms and content – becoming in some ways more populist in orientation. Some see this as evidence of the BBC losing its way (Barnett and Seaton 2010; Born 2004). The historic legacy of left wing critics have more recently been joined by those who celebrate the innovative potential of liberalised markets and new technologies. Both sides, in a sense all sides, now accusing the BBC of being a conservative force in British Broadcasting, albeit with different inflections. For the former the BBC is accused of defining the public interest from an elite perspective, while for the latter it is construed as a brake on innovation. The two camps agree in criticism that the BBC is too powerful in the British market, relatively unaccountable to its public, and too close to government (Jakubovitz 2007; Livingstone and Lunt 1994). Although the principle of financial independence, either through the license fee or favourable prices for commercial licenses in return for public service content, as well as freedom from political interference, is still broadly supported, governments no longer accord the BBC a special place in the nation’s infrastructure. Government instead insists that the enterprise must demonstrable value for money with measurable public value in the field of media and communications, the same as in any other field of publicly funded activity. In this contested and fast-changing context, our purpose is to ask how supporters of PSB, including the BBC and other PSB companies in-house, might regain the initiative? We begin by setting our UK case study in a wider context.

Media policy and regulation in Europe

“New regulatory authorities are being created, with new structures, degrees of independence and areas of competence: monitoring of public service missions, granting private licenses [with the] capacity to regulate and sanction” (Bustamante 2008: 188).

In Europe, there has been extensive public debate and discussion about the role and scope of PSB and what constitutes public value in communications.

Of course Europe has a strong PSB tradition, especially the case in northern Europe (c.f. Iosifidis 2010; Lowe & Hujanen 2002; Blumler 1992), and this accounts for much of the public concern over potential threats. Originating in the reconstruction of nation states in the post-war period (Uricchio 2009), support for PSB in Europe has focused on its social and cultural purposes in contributing to national cultures and democracies (Lowe & Jauert 2005) – a very different approach compared with the USA where federal communications regulation prioritised market competition. As Hallin and Mancini argued (2004:49), “just as the state in Europe is expected to play an active role in ... maintaining the health of national industries, it is expected to intervene in media markets to accomplish a variety of collective goals”.

In the 1980s, however, European audiovisual policy shifted in response to increasing global competition in the media and communications sector, among other things, to support market developments through regulatory efforts to bring about (partial) economic and technical harmonisation, although leaving the member states of the European Union considerable autonomy and competence regarding cultural policy (Bustamante 2008; Michalis 2007; Harcourt 2005; Majone 1998; Humphreys 1996; Collins 1994). It was left to national regulatory authorities to make sense of the sometimes contrary imperatives as they sought to co-ordinate economic policy across Europe to strengthen a common market by implementing directives from the EU in the member states to ensure market performance and consumer protection while, at the same time, fostering national cultural policies.

Majone (1998: 199) outlined the potential advantages of national regulatory agencies operating in a dynamic market while also facing complex social and cultural policy issues. They have the capacity and expertise to deal with complex technical and market issues that impact both firms and consumers, they offer a flexible way of delivering government policy in co-operation with industry and consumer representatives alike, they afford the opportunity for consultation and public engagement, and they ensure sufficient continuity for markets and consumers across changing governments. They also, and this being the reason why Europe requires their existence, provide the necessary link to European institutions and other member states while delivering the cultural policies of their own governments (Michalis 2007).

As Europe moves towards greater market integration, a critical question is whether regulation will follow the US model or whether a new style of regulation might emerge that combines social, cultural and economic policy objectives? This distinction is important if regulators are to achieve multiple aims at the same time: enable competition in markets and technological innovation, deal with potentially vulnerable consumers, and also protect and promote the broader social and cultural objectives traditionally associated with public service broadcasting. In scoping the new style of regulation, Baldwin *et*

al. (1998) emphasised that, in both conceptualisation and practice, regulation encompasses many forms beyond the commonly-understood polarisation of top-down command-and-control versus deregulated markets. Some forms of regulation extend the reach of regulatory agencies well beyond the state, for instance by establishing quasi-independent bodies in co-ordination with other agencies, commercial enterprises, civil society groups and the public. From a broader sociological perspective, then, regulation can be interpreted as only one among many diverse and dispersed forms of governance (Jessop 2000). This wider conception of regulation proves to be vital when we turn to the UK context.

Media regulation in the UK: Ofcom

When empowered in 1997, the New Labour government reflected some broader European thinking in embracing regulation as a component of ‘third way’ policy. The ambition was to combine the principled and independent regulation of markets with consumer protection, wide stakeholder engagement and a social and cultural policy designed to advance the public interest (Lunt and Livingstone 2012). Although the motivations for such an approach could be located within the media and communication sector from the 1980s, the approach was far wider. In many sectors there was a growing concern that the opposition between public ownership and neoliberal governance was failing to address important issues of either market regulation or social and cultural policy objectives (Just 2009). Collins and Muroi (1996) captured the New Labour vision as it was taken up within the media and communications sector through their suggestion that there should be neither competition without regulation (given the market failure problem for PSB) nor regulation without competition (given the distinctively innovative capacity of markets).

As part of its new regulatory regime, the UK Communications Act (2003) established a new, convergent regulator in media and communications, the Office of Communications – abbreviated Ofcom (see Lunt and Livingstone 2012). Ofcom encompassed areas of media and communications that had previously been handled by different agencies for commercial television, radio, and telecommunications. As an institution, Ofcom could establish a unified approach to regulation across the sector (notwithstanding that areas such as advertising, film and the internet were excluded), having sufficient scope and capacity to meet the challenges of an increasingly global, converged media landscape. While such a unified approach was much called for, given the confusion caused by multiple regulators in a converging media landscape (e.g. Collins and Muroi 1996), one might understandably express caution about what is thereby lost – the ability of smaller scale, targeted regulators to be ‘fine tuned’ to their

specific domains, even resulting in different positions on key value debates in media and communications policy.

Notably, Ofcom's statutory duties prioritised furthering the interests of both citizens and consumers, thereby combining competition and consumer protection with social and cultural aspects of media and communications policy in a manner that might be regarded as either ambitious or problematic (Livingstone *et al* 2007). Indeed, this particular combination of priorities generated concerns that Ofcom would tend to favour market competition at the expense of public policy and citizen-related aims, including the management of PSB (Harvey 2011; Just 2009). After observing its early days, Gibbons (2005) argued that this bias led Ofcom subtly to renegotiate its statutory duties by casting social and cultural issues in economic language, explaining them using economic metaphors. One example is Ofcom's interpretation of the BBC's importance as a PSB provider as a monopoly problem, sidelining the diversity of PSB content produced by the BBC (and, even, the competitive processes within the BBC). Iosifidis (2010) also contests Ofcom's assumption that competition is or should be the norm in public service systems generally, pointing out that collaboration rather than competition characterises systems with more than one publicly funded PSB provider (e.g. Germany or pluralist examples such as the Dutch system).

As things have turned out, much of Ofcom's work has indeed been devoted to competition policy, structural issues in the communications market, consumer protection and technical issues such as digitisation and spectrum allocation. Ofcom also had regulatory powers over the PSB operators funded by advertising (Channel 4 and SC4), as well as commercial broadcasters with public service commitments that are incumbent in their licensing agreements (ITV and Five). Ofcom was also tasked with promoting the digital agenda in the UK and promoting technological convergence, both of which have important implications for the structure and functions of the public service system – and, indeed, for the British media system as a whole.

How, then, would the focus on competition influence the way that Ofcom conducted its periodic and statutory reviews of PSB? Bearing in mind the importance for PSB that broadcasters should be self-governing, independent of both government and from vicissitudes of the market, an agency such as Ofcom that represents both government and the market could undermine the autonomy of the BBC, changing the fundamental grounds by which PSB is regulated. Crucially, the new regulatory regime created an agency that broadened the very conception of regulation. As we argue in Lunt and Livingstone (2012), Ofcom was conceived as an institution in the public sphere – governing not only through top down command-and-control processes but also, more subtly, through a range of discursive, public-facing, evidence-led processes. As we detail in what follows, Ofcom's activities in relation to PSB review (and more generally) were conducted both by establishing regulatory codes and enforcement

and also through a range of more diversified strategies of governance, including public and stakeholder consultation, social and market research, policy analysis and forecasting. In consequence, regulatory debate was highly public, strongly deliberative and evidence-based, allowing for visible contestation from civil society as well as public and private sector players. This raises the question as to whether Ofcom's operation as an institution in the public sphere changed the nature of the traditional struggle between market and citizen objectives in relation to PSB? We address that question next.

Ofcom's first PSB review (2004)

In its first review of public service television (oddly radio was omitted from analysis) Ofcom provided a definition of PSB, analysed the market conditions of public service broadcasters, consulted widely, conducted audience research on attitudes towards PSB, and produced a range of recommendations (Ofcom 2005). Being 'a creature of statute', as its officials often remind critics, Ofcom started from the definition of purposes and characteristics of PSB in the Communications Act 2003. This contrasts with the traditional approach of defining PSB in terms of the activities of existing operators. The Act was not at all radical in its conception of PSB. It defined its purposes as informing, educating and entertaining audiences through stimulating, high quality content and services that are innovative, challenging, engaging and widely available, as supporting diverse cultural activities through a range of genres (e.g. drama, comedy, music, film and the arts), and as facilitating public understanding and debate through objective news and current affairs. But the effect of defining PSB in terms of abstract purposes rather than particular institutions immediately opened a conception of providers beyond the BBC, recognising the potential of the proliferation of digital channels that could carry recognisably public service content as well as the emergence of online content and services that might meet the purposes and characteristics of public service media. This made the idea of funding public service *content* rather than, or even instead of, public service *institutions* thinkable. That idea was hotly debated in public and policy circles during the first years of the 21st century.

In a second and potentially radical step, Ofcom (2005) established an evidence-based approach: rather than relying, as previously, on principled arguments for the needs of the public, Ofcom prioritised an approach based on market and audience research in order to gauge public views of and support for existing PSB services, institutions, their funding model (a mix of licence fee and advertising revenue) and the existing regulatory system. Although the findings produced positive public support for PSB on all counts, and the BBC in particular, this approach also raised the possibility of radical alternatives.

Suppose, for example, that the public did not value BBC content or support the licence fee. What then for PSB in Britain?

The possible loss of future audiences, and thereby of public support, also informed Ofcom's market analysis. This pointed to significant problems already discernable on the horizon for the existing mixed market model. Specifically, the advent of new online platforms threatened the advertising revenues on which the commercial PSB providers depend, while digitisation transforms the spectrum market by opening the possibility that commercial PSB providers would be inclined to reduce their public service commitments as the financial benefits of licensing were potentially reduced by increasing channels that were not committed to producing public service content. Taken together, according to Ofcom these changes would undermine competition for the BBC. Moreover, since the market-oriented model holds that competition is a central driver of value and innovation, its absence would, by repositioning the BBC as a monopoly provider of PSB, undermine the BBC itself.

Ofcom's answer was, first, to explore alternative potential sources of revenue for public service broadcasters beyond the BBC (to create competition) and, second, to argue that generic public service broadcasters should be replaced by a system in which different broadcasters play different roles alongside an increasing contribution from specialist digital channels and online services. Although the BBC would remain a central component of the PSB system, ITV would focus on its strengths in news and drama while reducing commitments in regional and children's programming. Channel 4 would focus on innovation in programming and Five on UK-originated production. More radical still, Ofcom proposed establishing a Public Service Publisher [PSP] to commission public service content for digital and online platforms. Funding was to be contestable, meaning it would be allocated on the basis of competition between agencies (excluding the BBC) to compensate for the dispersal of advertising revenues and, importantly, to allow for a greater range of suppliers such as educational institutions or independent production companies to take advantage of opportunities offered via developments in new media.

In the accompanying public debate it proved difficult for civil society to contest the vision proffered by Ofcom which implied (implicitly) that the BBC needed competitors to guard against complacency, and that audiences would eventually desert the BBC (even though there was little evidence of that), and, most generally, that the digital landscape would be transformative. In consequence, arguments were polarised between those looking for innovation in funding PSB beyond the BBC and supporters of the BBC. The concerns of those supporting the BBC being less that Ofcom's analysis was wrong but rather that in financially stringent times the PSP funds would not be additive but would come directly from BBC coffers by 'top slicing' revenue from the licence fee. If, as a result, this reduced the capacity of the BBC to continue to innovate in

programming and new platforms, there would be a downward spiral, confining the BBC to working in predominantly linear media while digital platforms and new media would afford the development of a more diverse mediascape delivering public service content (of as yet unknown and untested quality, diversity and reach) from a plurality of providers.

The effect of Ofcom's first PSB review, then, was to shift the initiative away from PSB providers, and particularly here the BBC, towards government and the industry, driven by a vision of changing public taste for more popular and diverse media content as well as challenges posed by changing markets and technological modes of delivery. To be sure, the power to define PSB always rests with government, but now government had an agency that could conduct research and market analysis, provide conceptual review, facilitate public consultation, and so guide negotiations between government and broadcasters, while also having regulatory control over commercial public service content suppliers. Meanwhile, the PSB providers had to deal with a new, powerful arm of the state that was actively reshaping the environment within which they operated. At the same time, their institutional authority was challenged. Ofcom made a number of recommendations concerning the governance, transparency and accountability of the BBC, urged the incorporation of public value tests as a vital component of BBC self-governance, and put the competitive context for commercial public service suppliers firmly on the agenda. Most generally, Ofcom promoted longer-term initiatives that favoured the dispersal of PSB into public service content that was conceived independently of particular institutions.

Although the BBC has been under attack from various quarters since its inception, and has generally proven itself more adaptable to the changing media environment than anticipated or welcomed by its critics, the regulatory consequences of a digital revolution in the making, as outlined above, certainly posed as big a challenge as the BBC has ever faced. In its 2004 response, *Building Public Value*, the BBC offered its own principled account of PSB values, while also accepting the need to make its governance more transparent and publicly accountable. Both Ofcom's work and that of the BBC in response informed the review undertaken by the Department of Culture, Media and Sport in preparation for the renewal of the BBC's Charter, the legislative framework within which the BBC operates, culminating in the 2006 White Paper, *A Public Service for All: The BBC in the Digital Age*.

Four important features of the new charter settlement between the government and the BBC were partly influenced by Ofcom's work in the PSB review. First, the BBC was required to change its governance from a board that combined executive with accountability functions into a trust that would have oversight authority for a separate BBC executive that was responsible for the company's management. Second, the BBC was required to be explicit about the public value delivered by its programming and services. Third, the BBC would

be subject to market impact assessment conducted by Ofcom for new media content proposals, and actually of any innovations in programme content or delivery platform. These changes significantly impacted BBC operating principles. According to Freedman (2008), this introduced a character of managerialism that is incompatible with the values of public service, even if, as Collins (2007) argued, adjusting the BBC to a necessary modernisation of public services by using public value management to optimise the reach, impact, quality and value for money of its programmes and services. Fourth, and also significant, was the Charter's financial settlement because this mandated an increase in the licence fee to cover the costs of digital switch over. On the one hand this put the BBC in the vanguard of digitisation, going against the grain of Ofcom's first review that forecast existing PSB providers being lesser partners in the digital age, but on the other it introduced a government-controlled element in the licence fee, opening the path to further interventions in BBC expenditure.

Ofcom's second PSB review (2008/9)

Ofcom's second review of public service television took place against the background of the new charter agreement and increased financial pressures on advertising-funded PSBs and content providers (Ofcom 2008). Already the commercial PSBs were withdrawing from their commitments in the face of increasing competition, with regional and children's programming particularly under threat (see D'Arma *et al* 2010). Repositioned more clearly as an advisor to government rather than an independent expert body driving the agenda (as in the first review), Ofcom shifted ground internally as well. Because consumer and citizen interests called for protection, its previous focus on structural constraints in media markets was giving way to an increased emphasis on consumer issues. Ofcom's market analysis in the second review revealed that by 2008 the market share of the main PSB providers had fallen by 17 percent since the first review. Ofcom's prognosis that digitisation and online services would result in a plurality of suppliers for public service content looked less certain, and the renegotiation of public service obligations by the commercial PSB firms added to the sense of an emerging crisis in the delivery of public value beyond the BBC.

Interestingly, the problems experienced by commercial PSB firms in some ways strengthened the position of the BBC, making more obvious its key role in guaranteeing the delivery of public value. Moreover, far from being left behind the BBC was proving itself in the vanguard of innovation in digital and online services. Still, as Ofcom's audience analysis in the 2008 review showed, audiences were increasingly taking up digital broadcasting and online services, raising the question of how this might affect public support for PSB. Ofcom's interpretation

of the first review had suggested a lag between public attitudes and changing service provisions. By 2008 surely the audience would be re-evaluating its attitudes towards PSB? Not so. Ofcom's audience research again demonstrated that the public continued to place a high value on PSB, that it supported all of the PSB purposes identified by Ofcom's first review, and that as a medium television remained the 'main source' for the delivery of these important values.

It seems, therefore, that the public did not see online services as any substitute for broadcasting as a platform for delivering public service content, even though they were embracing such services for other purposes. Had Ofcom bought too strongly into the technologically determinist position that audience values and behaviour would be transformed by the introduction of digital and online services? In practice, it appears that new media are being integrated with existing media without eroding the distinction between existing PSB providers and new digital broadcast and online services. This suggests that old favourites are 'remediated' by audiences as they find new uses for them alongside the new services they are adopting (Bolter and Grusin 1999). But Ofcom was reluctant to let go of the expectation that new media would replace old media, and thus made much of the (indisputable) increasing use of new media by young people in particular. They argued that while general attitudes towards PSB remain positive, its position is diminishing in the market in the long-term view. But while shifts in audience behaviour are undeniable, the audience's continued commitment to UK-originated content, news and factual broadcasting, and programmes that reflect diverse ways of living and thinking is certainly noteworthy.

In a rather problematic piece of audience research conducted to support its case, Ofcom asked people to rank the five genres they consider most valuable for the delivery of public value. The results showed that some genres strongly associated with PSB were not ranked as highly as others – particularly, film, comedy, religious programming, arts programming and classical music. Arguably this forced ranking approach conflated viewing preferences with perceived value. Indeed, Ofcom's tendency to treat audience responses as expressions of consumer preference rather than as *public attitudes* on wider questions that impact on the rights and lives of citizens serves to obscure any empirical support for less viewed but culturally important genres. A similar problem was evident in Ofcom's interpretation of its research on contingent valuation in the second PSB review (Ofcom 2008). Here Ofcom had asked people to indicate how much they would be prepared to pay to guarantee a range of news and current affairs programmes. Finding that people are in fact prepared to pay for such services was taken by Ofcom to indicate public support for its principle of competition for quality. However these results could be better understood not as an expression of personal choice but as support for a media system that affords the expression of multiple opinions by creating the conditions necessary for diverse voices to be heard and for differences to be expressed.

In addition to the above audience research, Ofcom conducted a wide-ranging and high profile consultation on future models for the structure and funding of PSB in the UK. The responses revealed widespread support for the idea that a new funding model would be required in the future and little support for either a model that marginalised the BBC or for a BBC-only model (although ‘top-slicing’ a portion of the licence fee for services beyond the BBC remained controversial). Most supported the idea of a gradual evolution in PSB, with a continuing central role for the BBC and supplemented by a sustainable future for alternative PSB providers, especially Channel 4. Contrary to the radical alternatives posed by the first PSB review, therefore, Ofcom’s commitment to evidence-based policy and public consultation led it in its second review towards a more gradualist approach to change, one that secured the BBC at its centre. Intriguingly, it is possible that had Ofcom conceived of a more citizen-oriented rather than consumer-led approach to its audience research, the result might have been more radical and actually less supportive of the status quo. This because when the audience is approached instrumentally, with public opinion measured as the aggregate of individual views rather than through a deliberative exploration of the collective future, a conservative outcome is surely expected.

Regaining the initiative

Ofcom’s two PSB reviews reflect the different stages of its own institutional development as a regulatory agency. The first review was set as a priority under the 2003 Act and Ofcom was required to complete the process within its first year. At that stage Ofcom was just ‘cutting its teeth’ as a regulatory agency and was strongly focussed on competition and deregulatory issues in order to realise the radical potential of digitisation, online media and convergence. By the second review, Ofcom had ‘settled down’, completed its major strategic reviews and moved from a focus on structural constraints and competition issues to put greater emphasis on consumer issues (though attention to citizen issues remained uneven).

Between the two reviews, the government was actively renegotiating the terms of the BBC Charter, with changes in BBC governance, a new political consensus in support of the BBC, and continuing challenges facing commercial and advertising-funded PSB providers all influencing the context within which Ofcom’s second review took place. Undoubtedly since the start of what has been called “the public value test era of the BBC” (Brevini 2010a: 357) and more recently after the adoption of the Digital Britain White Paper (HM Government 2009), the BBC has been subject to close scrutiny – particularly when seeking to develop new services. (ibid 2010: 358). For example, the White Paper states that, “given the current nature of the market, new BBC activity has a higher risk

than in the past of chilling or foreclosing market developments” (HM Government 2009, quoted in Brevini 2010a: 358)

The European context, too, remains important, with the 2009 Communication on State Aid to Public Service Broadcasters (see Brevini 2010a & 2010b) raising the barrier for PSB ventures into new and online media compared with its predecessor (see European Commission 2001). Nonetheless, the BBC remains a point of reference as a key provider of public service content in the online world, setting this company apart from other PSB providers in Europe (e.g. Italy’s Rai or Spain’s RTVE) that are developing new media services, but have been slower to embrace the diversity of new opportunities offered by the internet, especially in relation to news (Brevini 2010a).

Where next? Pressures on PSB continue as regards their funding, definitions, characteristics and purposes. One challenge for those who support PSB arises from the tendency of existing providers to jealously defend their positions (market, regulatory and social/cultural) in the context of dynamic changes in the broader media environment. Another lies in the difficulty of imagining the consequences of alternative models. A third lies in the shift from national viewership to, at best, universal availability (despite declining audience reach). Governments, civil society, the industry and the public will continue to want to have a say in what public service and value in media and communications means, how it can best be delivered and what its future ought to be. Arguably an independent regulatory agency with responsibility to further the interests of both consumers and citizens, and with an approach that emphasises public consultation, deliberation and debate, remains important. Yet it is this very model that seems presently under threat in the UK as the new coalition Conservative/Liberal Democrat government rethinks, and retrenches, on its ambitions for Ofcom (Lunt and Livingstone 2012). Also important is the legitimacy of resisting attempts to restrain the involvement of PSB in technological innovation and new media markets.

What, then, does it mean to talk about PSB taking the initiative in today’s dynamic and challenging environment? Recent regulatory debates have focussed largely on questions of governance arrangements, the shift from generic PSB providers to a greater range of specialist PSM providers, the introduction of accountability through public value management, and increased engagement with stakeholders, including both powerful new regulatory bodies and the public. We contend that future regulatory debate must engage more thoughtfully with *purposes*. The focus of much debate and discussion has become largely instrumental today. This is inadequate to address the fundamental need for establishing, or re-establishing, the legitimacy of the approach and practice.

As an example, we can point to the vital importance of complementing the current emphasis on (nationally or wider) shared public values with a thorough recognition of cultural and political diversity as a principle. This might mean

asking not so much what is represented in PSB (or other) media contents but also what is *left out*, so that currently marginalised or excluded voices can be incorporated. Regaining the initiative, in short, requires finding a way not only to reassert traditional (and still laudable) PSB values and operating principles, as important as that certainly is, but also encompassing future challenges posed by rapidly diversifying, complex and conflicted societies. Whether the existing PSB providers can meet this challenge or whether new organisations are needed is an open question, and an important one that only time will tell.

However, our study of the interplay between Ofcom, the convergent media regulator, the BBC and the British government illustrates what might be required more generally for PSB to regain the initiative in an environment characterised by complexity, dispersed governance and technological and market change. First, notwithstanding the strategic response from the BBC, the intervention by government and the shifting ground of regulatory practice, the underlying questions posed by Ofcom in its first review are unlikely to go away. The proliferation of channels, the diversification in producers of public service content, the advent of online services and the declining market share for traditional PSB channels will continue, exacerbating calls for radical change. PSB and its supporters will be continually pressed to address their proper role and functions in a changing environment. Successfully regaining the initiative depends in large part on how well they are able to respond, and how continually they are prepared to do so. We suggest that attempts to regain the initiative by re-asserting traditional values and established institutional arrangements for PSB will be increasingly less convincing, even if these providers retain (for longer than Ofcom expected) a large measure of public and political support.

Second, our case study illustrates how the changing nature of governance means that PSB can no longer focus only on their relationship with government and the public, as vital as such relations obviously are and will always be. Contemporary governance arrangements include European institutions and new regulatory agencies and frameworks, and the later may be quite powerful as in the UK. The complexities of European audiovisual policy, combining broad harmonisation policies as priorities for markets and technologies with subsidiarity in cultural policy and content issues, creates a context within which regulatory agencies become indispensable to the elaboration of media policy. Thus, as Jessop (2000) observed, contemporary governance is dispersing power away from nation states upwards to regional governance and downwards to subnational agencies. This also poses challenges insofar as traditional PSB values, purposes and characteristics are intimately bound up with the post-war reconstruction of national states in the European context.

Third, we have shown that Ofcom, as a regulatory agency, has changed the terms of the public debate over the role and future of PSB. As a principled, evidence-based regulator, it has conducted an impressive body of research,

notwithstanding our criticisms of its methods and interpretations. This has been done along with consultation and analysis of markets and of the purposes and characteristics of PSB. This new body, therefore, has become a locus for expertise regarding the conditions within which PSB operates and is essential for its legitimacy. To retain their authority, and looking beyond the BBC to other countries, PSB providers must seek new ways of knowing their audiences, including a critique of the expertise produced by the regulator. It would also be advantageous for them to engage the public directly in a dialogue about the values, purposes and characteristics of PSB, and to engage fully with consultation processes initiated by governments and regulators. The key is not to resist the trends, but to be a driver of them. More subtly, they might take advantage of the indeterminacies and contradictions that emerge from the complex interconnections among stakeholders in media policy. Far from a public relations exercise, this points to a strategy of thoroughgoing engagement in public debate and processes of government. While it might be tempting to act defensively, building walls around PSB institutions in efforts to protect them from a hostile and demanding environment, our analysis suggests that continued strategic engagement is an essential element for regaining the initiative.

Evidently too, it will be important for PSB providers to continue to innovate, pushing back against expectations that PS should be confined to B – as assumed by Ofcom's first review. PSM will still be engaged with broadcasting, but it is as important that they are engaged with innovating in digitisation and new media. It is certain, however, that PSB can expect a difficult ride here, as illustrated by the struggle over the BBC iPlayer, a platform for viewing BBC programmes online after transmission. The potential threat this posed to the market attracted a great deal of controversy and scrutiny, resulting in constraints on what can be made available and for what period. Nevertheless, the iPlayer has succeeded, and in so doing has considerably extended the public service offered to audiences. Similarly, the BBC parent website, despite being one of the most popular websites in the UK, is attacked for using public money to distort the market for news and current affairs by providing free access to news and editorial comment.

While it is essential for PSB companies to innovate and develop new services, it is vital to accommodate the obvious: this can only be done in a new environment characterised by increased regulatory pressures, and in many cases also control. The cost of operating in this new governance environment is that PSB must adjust to changing approaches to self-governance, continuing pressure to be highly accountable and transparent, and clearly demonstrate the delivery of public value. Thus, although, as our case study illustrates, PSB in the UK retains *relative* autonomy in funding arrangements and production, and remains *broadly* self-governing under altered arrangements, they are inexorably drawn into the necessary task of engaging with

new forms of governance and regulatory control. Regaining the initiative has, therefore, changed the meaning of PSB from consolidating and protecting the traditional values and institutional position of PSB to engaging in complex *interdependencies* with other broadcasters, other content providers, regulators, governments and the public.

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III.

Taking the Initiative at the Frontiers of PSM

Born into Crisis

Public Service Broadcasters in South East Europe

Sally Broughton Micova

Scholars and concerned policymakers have discussed an emerging crisis in public service broadcasting [PSB] for more than two decades. Much of this discussion has focused on the adaptations and transformations that established PSB companies in Western Europe should make in responding to increasing competition, technological changes and reduced protections in consequence to the drive to create an increasingly stronger European Common Market. The continuing economic crisis is a pressurising concern as PSB operators across Europe face cuts, budget caps and losses in advertising revenue. Another cause for concern is related to the increasingly interventionist approach of the European Commission [EC] in competition rules about State Aid policy (Humphreys 2009; Harcourt 2005). PSB companies are mandated to redefine and often to limit their remits as various commercial interests challenge their ventures into new media. The combination of financial insecurity, policy intervention pointedly seeking to limit the drive to become public service media [PSM] companies, and the potential of public uncertainty about its position and remit has created a condition that amounts to a crisis for PSB in much of Europe.

Although the nature and severity of the crisis may be comparatively new for PSB in Western Europe, this chapter looks at locations where it was born into crisis. As the public service sector fights to regain the initiative in its struggle with and against the commercial sector in media, there are important lessons to be learned from the experience of new PSB companies in the younger independent states of Central and Eastern Europe [CEE].¹ Their experiences suggest three questions that are now keenly important for PSB in the West:

- What risks are entailed in various options for financing?
- How much political independence can be reasonably expected?
- Must PSB do everything, or is it wiser to narrow the remit?

Because reliance on Western models was common throughout the former communist and socialist states of CEE (Jakubowicz 2004), looking at PSB in these states can clarify potential challenges when the traditional approach is faced with extreme change in those places where the model was first developed.

This chapter looks at two of the smaller states within this larger group, Slovenia and Macedonia, to address the three questions. The findings suggest points of general concern and should be of particular interest for other small states, not only CEE but also in the West. I begin with an exploration of the legacy of transformation from socialism to sudden competition and how that differs from the Western experience. I then look specifically at the roles of both license fee and advertising revenue. This bridges into discussion about questions of governance and political independence. The chapter then discusses the pros and cons of narrowing the PSB mandate based on findings from the cases, highlighting the way co-operation helps to fill gaps. This unofficial and seemingly unconscious narrowing of the remit in response to financial and political pressures is useful for PSB companies attempting to regain the initiative in the face of strong challengers and complex challenges.

From zero to sudden competition

PSB operators in CEE countries have a very different history compared with the West where PSB developed slowly, typically enjoying a long period of paternalistic monopoly before media markets emerged (Jakubowicz 2008: 118). There was considerable time for them to adjust. In CEE countries the former state broadcasters had to change rapidly in the midst of sweeping revolution, and even dissolution in the case of Yugoslavia. The broader systemic changes characterised by the onslaught of radical liberalisation accounts for the dramatic emergence of private commercial broadcasters, as well as the necessity for these state broadcasting companies to become something else. Bašić-Hrvatini (2002: 21) aptly described the conditions they faced at the start of their transformation to become public service broadcasters:

The key problems were economic crisis, absence of adequate media legislation, difficulties in achieving political and financial independence for public service broadcasters, low professional standards, chaotic deregulation and liberalization of the media market, outdated technological infrastructure and delays in introducing new information and communication technologies, and finally, the lack of a clear perspective on the future of PSB.

Clearly they were born in and into crisis. It should be emphasised that PSB in this region was not created from scratch. There were large, over-staffed for-

mer state monopolies already in place. The challenges they faced in efforts to transform were partly legacies of their former status and partly a more generally shared need to cope with sudden change in the wider social and economic system. This is not to say that all these companies made the transformation in the same way, or with the same degree of success. One could argue that some are still quite far from being public service in anything other than name, mostly because of financial and political dependency issues discussed below. I make no claim that Slovenia and Macedonia represent the experience of all CEE states. For one thing, as former Yugoslav republics with just over 2 million inhabitants each, there was the additional shock of suddenly being small after having been part of a much larger system with more extensive resources. However, I maintain that their experiences highlight points of common concern for PSB, although each instance must be contextualised.

Suddenly a different system

The collapse of the socialist Yugoslav system provided Slovenia and Macedonia the opportunity to redefine their respective media systems. Like most other CEE countries, these states did not attempt devising completely new models. Instead, as Splichal (2001) described, they were caught up in a generalisable imitation of Western practices. This was characterised by rapid gains in the pursuit of liberalisation and de-monopolisation in the media sector, with slow or incomplete progress in democratising media systems. Although ostensibly copying the dual system of broadcasting in Western Europe, the push to break former state monopolies meant transformation to PSB took place in a rapidly emerging and highly competitive environment.

Although Radio Ljubljana in Slovenia can trace its beginnings to 1928, both Radio Television Slovenia [RTVSLO] and Macedonian Radio Television [MRT] really developed as part of the Yugoslav state broadcasting system, serving as regional broadcasters for their respective republics (Zei 2004: 215). Following independence, Slovenia began granting commercial licenses in March 1993 and by April 1994 the frequencies had largely been allocated (Bašić-Hrvatín & Petković 2007: 129). The law transforming RTVSLO into a public broadcaster with a separate governing body drawn from civil society and with secure funding was passed in 1994 (Bašić-Hrvatín 2002: 23-24)². Through consolidation of local licenses, the now national Pop TV rapidly became the largest commercial station and the greatest competition for RTVSLO (Bašić-Hrvatín & Petković 2007: 135). It appears that in the establishment of the 'dual system', the private sector was given priority.

In Macedonia, a wealth of private broadcasters appeared shortly after independence, reaching as many as 250 (Ciunova-Suleska 2007: 145). The country finally passed a Law on Broadcasting in 1997, but only began granting conces-

sions to broadcasters two years later in 1999 (Šopar 2005: 171). The 1997 law set out governance structures with a license fee for MRT, but by this time two national television stations (A1 and Sitel) had already captured large shares of the potential audience, and the same for two private national radio channels. Although legalisation through concessions halved the number of broadcasters, the country was still left with an excessive number in relation to its population (Ciunova-Suleska 2007). After a decade the two main television channels of MRT had a combined audience share of less than 12 percent. Private broadcasters also held 95 percent of the advertising market (Šopar 2008: 331-332). Private broadcasters had seized the opportunity created by a legislative vacuum. By the time legislation to regulate them and to transform the former state monopoly into PSB finally caught up, competition was already fierce.

At a different pace

This is a very different experience compared with small states in Western Europe where the pace of change has been slower and steps taken by governments have often been more conservative. For example, Portugal maintained a PSB monopoly until 1993 (O'Hagan & Jennings 2003) and Austria until 2001 (Steinmaurer 2009). Although many small states protected PSB operators from domestic competition as long as possible, they could not stop competition from specialised, foreign and transnational programmes offered on multi-channel services (especially cable and satellite TV). Such competition also impacts the most well established PSB companies in large states. Even in the UK, multichannel reach overtook BBC1 and BBC2 in 2009 (OFCOM 2010: 161).

A key difference is that before the influx of cable and other platforms offering multichannel services, most Western PSB companies had long periods of dominate status in domestic markets and were able to consolidate their positions. This means that Western PSB faced new challenges from well-resourced positions and were able to experiment with new services and technologies to reach specific audiences (Bardoel & d'Haenens 2008). This was just as true for small countries. For example, Austria and Switzerland invested in strong PSBs to counterbalance the impact of foreign content and stations from neighbouring countries (Trappel 1991: 2010). In comparison, Slovenian and Macedonian PSB faced high levels of competition from the outset, and from domestic broadcasters as well as from foreign channels available on multichannel services. This emerged rapidly, before their financing and governance structures were well established or their positions at all secure in these markets. This suggests that policy makers in the West looking at how PSB can regain the initiative in what is a rapidly changing, highly competitive environment should consider the lessons from these cases before major cuts or overhauls to already established systems are aggressively pursued. This is particularly true for other small states

because smallness is an issue when it comes to financing PSB (see especially Lowe & Nissen 2011).

The risks of license fees and advertising

Slovenian and Macedonian laws set out financing systems for RTVSLO and MRT that include a license fee as the primary source of income, combined with advertising and direct funding from the state budget for certain activities. This mixed revenue model is intended to provide stability through the license fee and independence through the ability to also generate revenue via advertising. However, reaching either objective isn't straightforward.

(In)secure license fee

Although many PSB companies are allowed some amount of advertising, excepting most in northern Europe, the license fee is the main source of income for PSB in Europe as a whole. This type of public funding, a kind of dedicated tax earmarked for a specific purpose, is not only a method for financing but also contributes to the definition of what public service is supposed to be about – a public good funded directly by the public for whom it is required to provide service. This ideal construct is not without problems. First, agreeing the level of the license fee is always a political issue (O'Hagan & Jennings 2003: 48). The cases in this chapter highlight how easily a theoretically 'stable' license fee can become practically unstable in the hands of politicians. Second, there are limits to how much can be raised by a license fee, especially from a small population and in times of economic hardship.

The license fee settlement is established by law in both Slovenia and Macedonia, and is therefore subject to political debate and compromise agreement. Current Slovenian law forbids the government from raising the license fee by more than 10 percent, and then only if *economically justified* (Republic of Slovenia 2005, art. 31). Increases are supposed to be aligned with inflation, however since 1994 successive governments have used the amount to manipulate RTVSLO's financial standing (See Bašić-Hrvatín & Petković 2007: 150-153) thereby leaving RTVSLO vulnerable both to its competition and other forms of manipulation.

In Macedonia the license fee settlement became an issue in the 2006 parliamentary elections. Soon after taking office the winning party called for a drastic reduction from 350 denars (€5.70) to 130 denars (€2.11). A cut of more than 60 percent represents the most drastic instability any PSB company has faced. When times are tight and politics are tough, the license fee is a convenient target for competing politicians. The BBC similarly faced the need to head off

attacks on its license fee, proposing a three-year cap beginning in 2010 in the face of continued economic difficulty and a change in government (BBC 2010). It is increasingly clear that the license fee cannot be counted on as a sure thing more or less anywhere, particularly in times of economic or political instability.

Moreover, the total potential for license fee revenue depends on the size and respective wealth of the country. A PSB company can only raise so much from a small population due to less GDP and, in many cases, less income per capita (Lowe & Nissen 2011). With a high compliance rate, in 2009 RTVSLO received just over €82.5 million, or 64.1 percent, of its total income from the license fee (Radio Television Slovenia, 2009). On the other hand, with what its calls “difficulties”³ in collecting the tax, MRTV raised only €922,784 in 2009 (Macedonian Radio Television, 2010). Although collection responsibility was transferred to the Public Revenue Office in January 2011 and collection rates have increased significantly, simple mathematics indicates that even if the collection rates were as high as in Slovenia, MRT would raise just over €5 million. Considering the total of just under half a million households and a correspondingly limited number of businesses on which to draw, neither RTVSLO nor MRT can come close to budgets that typify many PSB operators in small, richer countries in the West, much less giants as in Britain and Germany. These amounts are also incomparable to the revenue that commercial stations can raise through advertising and other income sources.

The commercialisation risk

Advertising is allowed for RTVSLO and MRT, however RTVSLO enjoys significantly more opportunity.⁴ One of the most sensitive issues is the significance of prime time. RTVSLO’s opportunity is restricted and MRT is not allowed advertising at all in prime time. According to MRT Director Petar Karanakov, “It’s as if someone tied your hands and tied your feet and then said – swim”. Even without limits on advertising, both companies would have to compete ruthlessly for sizable income in such small advertising markets (Puppis 2009; Trappel 1991). In Macedonia the estimated television advertising income for 2009 was €25.6 million⁵ and largely divided among the five national commercial stations (Broadcasting Council of Republic of Macedonia 2010a: 101). RTVSLO may have the potential for more advertising revenue, but also struggles with its commercial rivals, the biggest of which is PopTV. The gross television advertising market in 2009 in Slovenia was estimated at €314 million, of which Pop TV received approximately 75 percent or €235.5 million⁵. In these small and highly competitive markets, the risk of commercialisation in the fight for advertising comes to the forefront.

Research shows that in some PSB companies in the West the tendency towards light entertainment programming is greater among those that rely in part

on advertising than in those that do not (Iosifidis 2007). According to a 2010 analysis by the Broadcasting Council, MRT was not meeting its PSB programming requirements due to an overabundance of light entertainment formats (Broadcasting Council of Republic of Macedonia 2010b). It is important to note that the pertinent period was a time when license fee collection was still quite low. RTVSLO has also been pushing the limits in terms of advertising in order to compete with its arch-rival, PopTV. In recent years the most frequent violations identified by the regulator were the overstepping of advertising time limits by both RTVSLO and PopTV. Most often, for RTVSLO this has occurred during the airing of major international sports events.

There has been much discussion in recent years as to whether major sports events are a commercial product or a public good (see Solberg 2007), and whether they still have a legitimate place in PSB provision. So far the European Commission has taken a market-oriented approach, concerned more that PSB companies with publicly subsidies enjoy a degree of buying power that may distort the market for sports rights (Wheeler 2009: 264). In fact, however, small PSB companies like RTVSLO and MRT do not have superior buying power. Both broadcasters complained bitterly that ever fewer major sporting events are procurable through the European Broadcasting Union [EBU]. If they want a major sports event these companies must enter a bidding war with commercial buyers. MRT's management blame their prime time advertising ban for inability to get major sporting events precisely because they have no way to recoup even some of this investment. As advertising limits make it difficult to cover costs, some argue there is a risk of drawing funding away from core programmes such as informative or cultural content (Solberg 2007). But in RTVSLO and MRT, sports are seen as an important collective national experience and part of the core mandate as opposed to a luxury to be relegated to pay-TV services.

As PSB looks to regain initiative, financing is a core issue. While the license fee should remain the foundation for financial support, it is not necessarily secure or stable and often also inadequate to fulfil the entire breadth of a typical public service mandate in small states. Even in large states the license fee may not be sufficient. The withdrawal of advertising from France Télévisions in 2009 without an increase in the license fee caused panic as to how the broadcaster would make up the difference (See Arriaza Ibarra 2009). Although the Slovenian and Macedonian cases highlight risks in commercialisation when PSB is allowed to carry advertising, the risks appear necessary. Creative thinking is of course essential to figuring out how advertising in PSB can be structured to discourage unfair competition in light entertainment, while guaranteeing fair opportunity to secure the necessary resources to offer audiences 'big ticket' sporting events and the like.

Political independence: Degrees of influence

One reason for a mixed funding model for PSB is to achieve maximum independence from the two sources of distortion in the complexion of public services: government and commercial interests. However, independence is not only a matter of how the endeavour is financed. It is also a question of the degree to which political elites are prepared to relinquish control (Jakubowicz 2008; Splichal 2001). In many former communist or socialist countries new power elites were reluctant to dismantle old systems of control, even as they mimicked the structures and funding mechanisms of the West. The influence of political elites in PSB is not unique to the East.

Hallin and Mancini (2004) described four models of PSB governance with an emphasis on varying degrees of political influence. Although they did not treat the region discussed in this chapter, their models are relevant as addressed below. Even the BBC which falls into their *professional model*, the most insulated from political control, had tremendous complications with Tony Blair's government in 2004 for its critical reporting on the government's justification for going to war in Iraq. Expecting PSB to be completely independent from political elites is not realistic. Expectations can only be fairly based on the specific political conditions in which each company operates. So it isn't surprising that there is a significant difference between RTVSLO and MRT when assessing their independence from political elites. Political independence is not a situation of either/or, but of degree and with particular regard to subtlety in control.

Manipulation through Financing

Looking at these cases, a factor partly determining the degree of political control is the security of finances. While RTVSLO is in relatively good shape with a high level of license fee compliance, in Macedonia both of the two main political camps publicly called on citizens *not to pay* the fee in the periods when they were respectively in opposition⁶. Such manipulation may be less possible since the commendable move to transfer fee collection to the Public Revenue Office. However, the dangers of this period serve as a troublesome reminder that PSB is always vulnerable. During this period MRT depended on ad hoc grants from the central government. One staff member explained the impact of this:

“While you are dependent on the state, you have to be for the state, for the government ... When you are independent, when you have money and can employ people and do what you want with equipment; then you can be a bit critical because you don't depend on them financially” (personal communication 2010).

This put MRT in a Catch-22 situation. While supported by the government it cannot truly operate independently and is considered pro-government. Those in opposition call on an already disappointed citizenry to protest by not paying the license fee, thus ensuring that MRT remains dependent on the government. This situation indicates the very difficult situation for any PSB company should license fee evasion escalate or its financial security be otherwise jeopardised.

Political Culture and Governance

The fact that PSB companies are not independent from political and other power elites remains their most disappointing characteristic in CEE (Jakubowicz 2008: 99). It remains a key problem that accounts for accusation that they are PSB in name only. In some cases there is still government control over the appointment of editors, sometimes even over programming (Bašić-Hrvatinić 2002: 20). Based on the two cases analysed here, it is likely that these PSB companies are finding it difficult to break the *government model* of governance, although of course to varying degrees depending on the political culture. By law both RTVSLO and MRT should fit comfortably in the *civic* or *corporatist model*, one in which control of PSB extends beyond political groups to include other “socially relevant groups” (Hallin & Mancini 2004: 31) such as associations, unions, academic institutions. Both PSBs have at least some civil society groups or academic and cultural institutions in their governing bodies. However, what happens in reality appears more akin to the *government model* in which the party in power controls the PSB. The differing degrees of control exhibited in the two cases highlights the role that political culture plays in determining the nature and impact of PSB governance.

Although according to law and the statutes of MRT there is no avenue for direct government involvement in appointments, in practice that is quite common. One individual said, “every time I start to think that I am an independent [position removed] I remember that if there was someone else in government I would not be here; it would be someone from [political party]. . .”⁷ Because there is no legal mechanism giving government this power, it seems to be more a case of informal understandings and political clientelism⁸ based on political culture (Jakubowicz 2008). Within MRT people alternate between important positions and figurehead roles depending on which political party is in power.

Slovenia has a different political culture than Macedonia, which may explain why efforts by political elites to influence RTVSLO are subtler. In the case of RTVSLO political influence has been concentrated at the upper level of governance structures. In 1994 a centre-left government created an RTV Council composed mostly of civil society representatives, which opposition parties claimed was actually controlled by left wing political interests. When a centre-right government took power in 2004 it quickly proposed a new make-up of

the Council so that a higher percentage would be appointed by the National Assembly, and with some direct party representatives. This passed with a very narrow margin in a 2005 referendum (See Bašić-Hrvatín & Petković 2007: 144-148). This essentially eroded the *civic model* that had been created earlier. In 2010 another centre left coalition attempted to change the RTV Council after winning election in 2008. Debates echoed those surrounding previous proposals, although this time the effort failed in a referendum. The pattern of successive governments attempting to revamp the government structures of RTVSLO is by now firmly established.

The question that remains is the extent to which political involvement in RTVSLO's upper level governance structures filters down to programming. It appears to depend on the medium and the amount of contact. RTVSLO's Head of Radio Production, Janez Ravnikar, does not have much contact with the Council and believes that is for the best: "They do all have some political influence. If we would be in daily contact with these members, somehow politics would influence the content of our programme". Radio Slovenia has faced little criticism in that regard⁹, whereas television has been accused of being pro-government. A 2006 analysis of RTVSLO's main television news programme *Dnevnik*, showed that more than 43 percent of those appearing in the evening news were from central government, significantly higher than in the main private station (Prpič 2006). Although this may not be evidence of clear bias, it does suggest a tendency to rely on *protocol news*, providing coverage to official state sources, events and announcements.

This concept of protocol news also emerged in relation to MRT's coverage in Macedonia. The idea that MRT had an obligation as PSB to cover protocol news and document such happenings was expressed by many of those in management positions. The Director of MRT's first television channel, Aljoša Simjanovski, claimed it was common practice regardless of which party was in power, but admitted it did lead to perceptions of bias among the public. It is likely that, depending on the degree of clientelism and a tendency to seek control of governance structures, these PSBs will more or less lean towards the *government model* of governance.

Political manipulation of PSB, whether through financing or direct interventions in governance structures, is not unique to CEE. Caffarel and Garcia de Castro (2006) describe how Spanish PSB was pushed so far into debt by the government that its autonomy was crippled. A series of manipulations of the governing structures followed. Though political cultures differ in terms of the level of clientelism between political elites and PSB, it is hard for any company to maintain complete independence precisely because of its dependence on public funds and the preferences of policy makers. Dutch PSB suffered significant cuts to its budgets following its criticism of the government's handling of the Fortuyn murder case (Bardoel 2003: 92).

The cases examined here point to two things that are important for all PSB companies. Firstly, as governments look at ways to continue financing PSB in the face of increased commercial competition and struggling economies, they must provide both stability and diversity. Secondly, political independence is more a question of political will than of governance structure. Whether or not civil society is included or who appoints board members is not as important as political elites deciding to leave the PSB operator alone and the degree to which professionalism in the company can isolate programmes from undue influence. As RTVSLO and MRT seek to regain initiative, increased financial independence and professionalism would facilitate perceptions of being pro-Slovenia and pro-Macedonia rather than the mouthpieces of whichever party or coalition is in power. The same surely applies to other PSB companies. This suggests the importance of de-politicising content and striking a balance by both reaching out to minority groups and gathering larger audiences through popular social and cultural content (Bardoel & d'Haenens 2008).

Narrowing the mandate: Culture and co-operation

In their respective laws, the lists of obligations for both RTVSLO and MRT seem little different than those found in the BBC Charter and laws framing other PSB companies several times their size. An additional factor in both our cases is the requirement that they produce programming in multiple constitutionally recognised languages, two in Slovenia and six in Macedonia. In talking to managers about the kinds of programmes that are given priority, a common focus appears. Although daily news is most demanding of resources and attention due to its urgency, both broadcasters are investing in content related to nurturing the national culture, particularly in language and music. Given their limited resources and difficulties in shaking off the influence of political elites, this is an effective strategy for dealing with extensive remits, and something to be considered by other PSB companies, particularly in small states operating with small budgets. At the same time, co-operation with international and domestic partners emerges as a useful way of filling in the gaps in their own production.

Culture, language, and music

As with other PSB operators, in Slovenia and Macedonia cultivating the national culture and identity is as an essential obligation. However for RTVSLO and MRT it seems to be the most important part of their role, specifically that aspect that requires promoting language and music. The first things mentioned by MRT Director Eftim Gaštov when asked about the mission of MRT, were

nurturing “national values” and “national identity”. This was reinforced when he described the programmes in which MRT is investing, namely *The Story of Letters* about the language, and *Macedonia Folk Tales*. Radio Producer Ravnikar at RTVSLO also mentioned taking care of and improving the national culture as main duties for PSB and referred to language twice in that context.

The same views are present in the programmes for minority languages. Reshat Kamberi, Director of the MRT’s third radio channel, highlighted the crucial role of the Albanian language radio programme in the standardisation of that language in Macedonia. For Antonio Rocco, Assistant General Director for Radio and Television for the Italian National Community, the preservation of the Italian language and culture in Slovenia was the primary purpose of his programmes. This is not to say didactic programmes about the language or cultural characteristics are preferred. Instead RTVSLO and MRT focus on drama as a vehicle for promoting language. One person in RTVSLO explained:

You put on 5 minutes of a programme about Slovenian language and they say, ‘ugh what’s this’, and change the channel ... Film is something that means you can have them for two hours, watching in Slovene something that reflects their conditions (anonymised July 2010).

In 2010 RTVSLO doubled film production from the previous year, producing four rather than two full-length films. Both broadcasters are also investing in television and radio drama series. When licence fee collection picked up in 2011, MRT immediately began production of two television drama series. In addition to its long running satirical series, MRT’s is now also producing radio drama for children and RTVSLO has two studios operating that are dedicated to radio drama production.

The promotion of national music is both a priority and a challenge. Small states lack production capacity (Puppis 2009; Trappel 1991). In music this is not only an issue of equipment and technicians. Macedonia, for example, lacks stars; there is a deficit of popular musicians. Multiple appearances by the same few saturate the screens and airwaves. Managers in MRT express a belief that popularising new stars is an important part of their role. RTVSLO is also investing heavily in producing Slovenian music. After requirements for Slovenian music had its radio stations repeating the same recordings too many times, RTVSLO has modernised studios for its own orchestra and big band. It is devoting significant resources to recording classical, big band, folk and sometimes even rock. The emphasis on authentic national music was clear in both broadcasters, including within the minority language programmes.

Co-operation filling the gaps

Although both RTVSLO and MRT broadcast educational programming in the form of didactic children's programmes and documentaries, these programmes were not priorities except when related to language. Documentary or informative programmes on generalist subjects such as science, history and nature are well covered by foreign channels and subtitled in local languages. There is also a clear impression that RTVSLO and MRT cannot compete with the content offered on such channels. As one person explained, audiences do not want to see a rabbit in a Slovenian field on RTVSLO when they can see an anaconda on *Animal Planet*. At the moment both RTVSLO and MRT are still producing some documentaries related to local topics and basic educational programmes for children, however much of their other generalist informative content is managed through co-operation. While this is may be an adequate solution for fulfilling the requirements, it suggests that perhaps it is time to re-evaluate the extent of the generalist PSB mandate, particularly for smaller operators in smaller countries.

Co-operation can mean working with domestic independent producers or even other public institutions. Due to conditions for overtime pay and working hours in contracts for RTVSLO employees, producers find that for some productions it is cheaper to outsource. Producing drama was considered a priority in both RTVSLO and MRT, yet drama is expensive to produce. Partnerships with other public institutions such as theatres are one way that MRT is managing to produce drama programmes. One example is a children's radio drama produced with the Theatre for Young People.

Both RTVSLO and MRT make use of the EBU and co-operation with other broadcasters. They use the EBU network for their informative programmes, as well as international wire services. Films and documentaries are also exchanged within the network, allowing them to leverage their production by getting several programmes from EBU members in return. Institutional arrangements with broadcasters in neighbouring countries are also important for providing content in minority languages. MRT's Albanian programmes exchange with RTK in Kosovo and RTSH in Albania, each contributing the type of programming in which they are strongest. The Italian language programmes of RTVSLO exchange with RAI in Italy. In Macedonia, both television and radio rely heavily on agreements for rebroadcast that they have with BBC, Deutsche Welle and even CNN for international news.¹⁰ International co-operation at the regional and European level helps both RTVSLO and MRT meet some of their obligations and enrich their programme offer with minimal resources.

RTVSLO and MRT are not the only PSB companies struggling to fulfil a broad generalist mandate with minimal resources. And this problem is not limited to small countries. Since 2008 both France and Spain have decided to eliminate

advertising, cutting a huge source of revenue from their PSBs to the benefit of the generalist commercial channels (Arriaza Ibarra 2009). The changes for Spain's RTVE also include severe limits to its procurement of sports rights, and higher obligations towards domestic film production (ibid: 274), which seems to indicate a direction of mandate narrowing away from the kind of content provided by commercial stations. Although the held up for many years is the PSB that does everything, it may be time to consider what exactly PSBs need to be doing in their specific national contexts.

Conclusions

The reason for looking more closely at the Slovenian and Macedonian cases was not to outline the nature of their unique struggles, but rather to identify similarities in those struggles with the situation elsewhere and, especially, to see if there is something to be learned from their experiences that should be generally useful as PSB elsewhere attempts to regain initiative in difficult times. I return therefore to the three questions posed at the beginning.

The first question related to the risks of different funding sources. Here I argue that we cannot be complacent about the license fee as a secure source. In times of crisis and stiffening competition the license fee is often under attack. For small countries this method is also limited in the amount that it can generate due to smaller population size and less economic resources overall. Advertising, while also unstable and carrying the risk of encouraging commercialisation, appears necessary in many cases. This is especially true if PSB is expected to be one of the means through which audiences have access to expensive forms of content, such as sports broadcasting. The worst-case scenario is being forced to rely on ad hoc influxes of funding from central government. Near-automatic grants from the central budget for particular services, not subject to the whims of those in power, are a better alternative. However, anything that requires PSB to directly negotiate for funds can be dangerous to political independence.

Even if outright financial manipulation is not a problem, we still must consider what is reasonable to expect in terms of political independence. In the two cases what can be expected is a level of political influence quite similar to other countries in Southern Europe, typically fitting the *polarised pluralist* model (Hallin & Mancini 2004). Jakubowicz (2008) clearly identified many similarities between the media systems of polarised pluralist countries around the Mediterranean and those of the post-communist states. He also concluded that any move "northward" would take a long time (ibid: 118). It is hard to imagine that the levels of clientelism and pressure from political elites in Slovenia or Macedonia are likely to change drastically in the near future. Therefore, in these cases and others from the region, the goal of PSB should be to achieve

a situation in which they are at least perceived as being pro-country and good governance rather than aligned to particular political parties.

Hope for movement in this direction is derived from the response to the last question regarding a revision of the PSB remit. Both RTVSLO and MRT are focusing their energies on particular aspects related to language, culture and national identity. This is an appropriate tactic for other states fitting the politically polarised model. If these PSB firms are able to develop their relationships with their publics through non-political programming such as drama and sport, they may be able use this support as an antidote to undue political influence (Bardoel & d'Haenens 2008). Increased co-operation and exchange with other PSB companies may also provide some distance from national political party influence.

PSB is an ideal. That is obvious when discussing the desirability of a politically independent generalist broadcaster that provides all types of high quality content and is the keystone of domestic production. As competition from commercial broadcasters grows and political elites appear evermore interested in supporting commercial broadcasting interests, this ideal will be increasingly harder to realise in East and West alike. Governments in Western Europe and beyond that are looking to cut funding to PSB should consider lessons from CEE countries, especially the importance of avoiding drastic sudden changes and maintaining diverse sources of funding. But as belts tighten in PSB it may be time to re-examine the generalist mandate. While PSB should not only be relegated to a niche of “worthy” programming that in practice often fails to attract audiences (Arriaza Ibarra 2009: 278), especially smaller countries should be thinking about what the core functions of PSB need to be in their domestic contexts for the health and development of their societies.

Notes

1. By Central and Eastern European States I refer to the former communist countries that formed the Warsaw Pact alliance until 1991 and the successor states of the Former Yugoslavia. Although Yugoslavia was a founding member of the Non-Aligned states and significantly more open than the countries in the Warsaw Pact, it maintained a highly centralised single party socialist system of government and economy until it broke up in 1991.
2. An earlier law in 1990 had simply renamed the RTV Assembly as the RTV Council and designated that its members be selected by the new national Parliament as opposed to the republic level institutions that had existed within Yugoslavia.
3. In the three years prior to 2009 the collection rates only ran between 1 and 5 per cent (Belićanec 2009: 3).
4. RTVSLO is allowed up to 12 minutes per hour and 9 minutes during prime time for a total of up to 10 per cent of daily transmission time (Republic of Slovenia 2007 Art. 98). Commercial stations in Slovenia can devote up to 15 per cent of daily transmission time to advertisements, but also are allowed only 12 minutes per hour (Republic of Slovenia 2007 Art. 97). MRT, on the other hand is allowed only 7 per cent of an hour, or just over 4 minutes and is banned completely from advertising in prime time, while commercial stations can use up to

- 12 minutes per hour for advertising (Republic of Slovenia 2007 Art. 91 & 93).
5. Figures for 2009 advertising market in Slovenia were drawn from data published by research agency Mediana in Dnevnik in January 2010.
 6. VMRO-DPMNE in 2006 (REF) and SDSM in 2010 (C.J., 2010)
 7. Some identifying information and the complete date of the interview have been left out in order to protect the identity of the respondent.
 8. Clientelism, also sometimes called patronage, refers to the systematic dependence on an asymmetric exchange of favours, services or often political support. For conceptual discussion of the definition and impact on political institutions see Graziano (1976), and for examples of clientelism in relation to media systems see Hallin (2002).
 9. The Director of MRT's first radio channel, Daniela Kanevce, also stated that she felt comfortably isolated from political pressure, mentioning only the obligation to air long government sponsored public service announcements, which she felt were generally in the public interest.
 10. Since these interviews were conducted the BBC world service has cut Macedonian and Albanian language programmes that were rebroadcast on MRT.

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Public Cultural Service

New Paradigms of Broadcasting Policy and Reform in the People's Republic of China

Yik Chan Chin & Matthew D. Johnson

Since emerging in Britain during the 1920s, public service broadcasting [PSB] has taken root in Western societies characterised by democratic institutions and pluralistic values. This pattern is beginning to change. Despite significant differences in its political conditions and policies, since 2006 the central government of the People's Republic of China has undertaken construction of a PSB system of its own. The result, as described in this article, is a new form of top-down public communications network with similarities to both Chinese and European precedents.

Coinciding with the new emphasis placed by the Chinese state on public cultural service [PCS], a vigorous academic debate has also emerged concerning how basic cultural rights, such as equal access to state-owned media in both urban and rural locations, should be guaranteed and protected. Academic researchers and state officials seem to agree that China's PSB system plays an important role in achieving such aims, and advocate the establishment and expansion of a system attuned to China's social conditions. These developments come at a time when public service media [PSM] around the world face serious economic challenges that have been exacerbated by global recession. We note in contrast that the Chinese state is beginning to take initiatives in major urban areas to extend PSB and other public information services (e.g. digital information resources, museums, and libraries) to citizens, and that PSB will likely continue to expand there as a result.

These developments raise interesting questions concerning the origins and role of PSB within an ostensibly authoritarian society, and the extent to which media's public service functions can co-exist with a state-owned broadcasting sector. Here we address these questions by first examining normative conceptions of PSB in Western Europe – the cradle of its emergence – and China. In our view, debate over the meanings and goals of PSB can explain, if not predict, the shape of public media within a variety of historical and national contexts.

We begin by addressing questions of fundamental importance: which functions of PSB are given precedence at the expense of others? To what ends are these functions intended? Next we summarise the policy environment and other key conditions that are giving rise to PSB as a sector in China. We conclude with examination of PSB expansion in the local context to add an empirical perspective on the state's normative rhetoric. Throughout the chapter we consider the degree to which PSB is sustainable in China, and argue that the answer is wholly dependent on how one defines 'public' within an authoritarian context, and whether institutional and fiscal support for this new concept will continue in the period of China's next Five-Year Plan and beyond. As we demonstrate, although initiative for the development of PSB has been predominantly generated by the state, opening this door has allowed a range of actors to enter into debates concerning the legitimacy of individual cultural, political, and civil rights – all under the rubric of public service. This, in turn, gives rise to the possibility that although PSM in China remains state-controlled, its function and content are not solely determined by the central government. There is possibility that PCS policies in China may not only create new publics but also new public media advocates, whose borrowing from a range of international models may yet revive interest in Europe's embattled sector. Indeed, many familiar debates concerning how to balance PSM independence with political and financial viability are now taking place in China today. Gaining the initiative there may have something useful to contribute to discussion about regaining the initiative elsewhere.

Public service frameworks in Europe and China

Public service (*gonggong fuwu*) is a relatively new concept in China, and reflects a turn toward egalitarian public policies intended to smooth over inequalities created or exacerbated by post-Mao economic reforms. As in Europe, China's media policy is by definition related to public policy. Public media institutions have been created by government and mandated to provide public goods in the form of programmes. These are intended to promote positive externalities such as social cohesion, development, and education (Scannell 2000).

The historical emergence of PSB and its role in achieving public policy goals has depended on conditions that vary. Here we summarise previous arguments concerning factors that have given rise to PSB quite generally. We find frequent emphasis placed on *political culture* and *state support* as key factors affecting the formation of PSB institutions, and *finance* and *governance* as the two variables on which a sustainable and independent PSB system depends. The major difference between European and Chinese frameworks can be understood as a question of the ideal degrees of separation between state and society. Perhaps

unsurprisingly, a relatively high degree of separation is posited in the liberal notion of ‘public’, but remains comparatively absent within China’s authoritarian political system – despite the emergence of rhetoric about public service.

Although there exists no single or succinct definition of PSB (Tunstall 2010), the term often refers to public media institutions that support one of more of several core normative goals. *Politically*, PSB supports democratic systems through the provision of independent and impartial coverage of news and current affairs; *culturally*, PSB sets and maintains high standards for programming and contributes to the cultural resources of a society, rather than offering content which is mainly value for profitability in material terms; *socially*, PSB promotes inclusion and binds together the diverse groups which constitute national societies (Debrett 2009; Curran & Seaton 2003; Harrison & Woods 2001).

Where PSB in Europe is concerned, most researchers agree that certain programming and institutional conditions must be met to secure an independent status and sufficient separation from both the state and the market to guarantee a public service orientation. These conditions include:

- Universal service obligations which guarantee that the majority of the population must have access to PSB programming regardless of geographic and financial constraints (Born & Prossor 2001).
- The ability to produce news and current affairs programming that informs and enlightens the citizenry, and contributes to content diversity (Harrison & Woods 2001).
- The ability to produce and provide mass audience programming which confers a shared sense of community and cohesion (Harrison & Woods 2001).
- Inclusion or integration of marginalised or socially excluded groups (Curran & Seaton 2003; Harrison & Woods 2001).
- A commitment to quality service and output based on standards that reflect the public interest rather than consumer demand (Born & Prossor 2001).
- The absence of undue influence by any single power group (Murdock 2001).

Generally speaking, there are two primary methods for institutionalising PSB provision: either provision by multiple bodies or by one specifically designated broadcaster. A third formulation has been discussed of late, establishing a public service publisher [PSP] (see Humphreys 2010).

For PSB to be legitimate as an institution, its creation must be justified by an existing and identifiable social need, examples of which might include education of the citizenry, incorporation of diverse groups into the social and political

order, or prevention of revolt from below (see Scannell 2000). In each case, the creation of PSB requires state support. We note that one cause for the erosion of PSB functions in Britain has been deterioration in the relationship between the state and the institution (Curran & Seaton 2003). The political culture of a given state – referring to the written and unwritten rules, norms, and practices that govern the routine exercise of political power within a society and, with respect to its media sector, the prevailing political attitudes or ideologies which confer legitimacy on PSB norms and functions – together determine the degrees of broadcaster freedom within society (Hallin & Mancini 2007; Sparks 1998; Tracey 1998). Internally, the PSB system depends on a stable financial base to facilitate programming decisions which contribute to the public interest (Sparks 1998). From a governance perspective, additional regulations such as those creating an independent and rational-legal regulatory agency that operates according to transparent and coherent guidelines (e.g. laws and fixed procedures) may also be required to ensure the public broadcaster's compliance with PSB obligations (Hallin & Mancini 2007; Sparks 1995).

In the People's Republic of China debates over the definition of PSB – its norms and goals, and institutional design – have been driven by a recent pursuit of state-led media reform with input from scholars and analysts. In September 2006, China's national government promulgated its 'Outline of Cultural Development during the Eleventh Five-Year Plan' (hereafter, 'Outline'). This important policy document championed *public cultural service* (*gonggong wenhua fuwu*) as the key objective of cultural construction, and marked the first time that the central government had referred explicitly to this concept. Additionally, PSB construction was mentioned as an important component of PCS. According to the Outline, the objectives of PCS were to provide and protect the citizenry's basic cultural rights, and to fulfill society's basic cultural needs.

Since the 2006 decision Chinese academics and think-tank researchers have articulated a basic vision of the goals for this PSB system:

- Satisfy and protect the basic cultural rights and increasing cultural needs of the people
- Serve the public interest and protect it against commercialisation
- Ensure education, enlightenment, moral preservation, and provision of healthy programming for minors
- Create a free, open, and equalitarian public sphere
- Guarantee independence of PSB from interest groups and adhere to norms of social responsibility and impartiality, including the protection of the public's right to knowledge and fostering the public's participatory consciousness in order to advance social democratisation (Yang 2008; Zhang 2008; Shi & Zhang 2007; Shi & Zhou 2006; Yuan & Xiang 2006).

Emphasis on the importance of guaranteeing citizens' cultural, political and social rights, and supporting the public interest, is evident from this normative conceptualisation of PSB, suggesting parallels with liberal democratic values.

However, one must ask why PSB is desirable in China given the ways in which its political culture differs from that of liberal democratic societies? Chinese academics and researchers argue, first, that China simply needs PSB, and second that the economic, political and cultural foundations required for its construction already exist (Shi & Zhou 2006; Yuan & Xiang 2006). The argument for the necessity of PSB appeals to its symbolic significance among nations; PSB is symbolically indicative of a diverse society pursuing values of democracy, transparency, fairness, and the protection of minority interests (Yuan & Xiang 2006). From this perspective PSB represents an alternative broadcasting policy choice, functioning to counter media commercialisation and to guarantee a balance of views and interests within the media (Zhang 2008; Guo & Xie 2006). Besides, minority and disadvantaged groups, especially in this case rural inhabitants, are seen as being ignored by the media and marginalised in society. More coverage of these groups by PSB providers could facilitate exchange and dialogue between minority groups, the government, and other members of society, thus reducing social tension. PSB is also associated with the development of democracy, rule of law and, perhaps paradoxically, the market economy (Yuan & Xiang 2006).

This Chinese intellectual community further argues that PSB is a product of social development. The appropriateness of PSB initiatives is maintained on the grounds of China's ongoing transformation and the conditions to which this transformation has given rise (Shi & Zhou 2006). To summarise:

1. *Political conditions.* These are the most important in advancing PSB development simply because there is a mutually supporting relationship between a democratic political system and a truly public interest-serving PSB. China is in the process of socio-economic transformation wherein 'public opinion', 'participation', 'equality', and 'transparency' are key words describing this (Shi & Zhou 2006). Democratisation of political systems requires PSB because that is the best platform for public opinion exchange.
2. *Economic conditions.* As a result of modernisation China possesses relatively advanced economic power. This will allow society to afford the development of PSB through non-profit measures, including donations and fundraising. Collective social ownership will ensure that interest groups and commercial firms do not control it (Shi & Zhou 2006).
3. *Social/cultural conditions.* The unprecedented cultural diversity and openness of society, coupled with the formation of a Chinese civil society, will provide a social foundation for the PSB system. Chinese broadcasting has

a 'public' tradition, as represented by educational television stations and the science and education channels of the national China Central Television (CCTV). Chinese media, as the Party-state's mouthpiece, has always emphasised social functions such as education, a characteristic often identified with the Party's slogan of 'serving the people wholeheartedly' (Yuan & Xiang 2006).

Nevertheless, concerning the issue of institutional design, a key question is posed by Chinese commentators concerned about squaring the circle: How to establish a PSB system with Chinese characteristics in line with China's social conditions, and in light of international (i.e. foreign PSB) experience. In this context, advocacy for "learning from the Western model and creatively practicing it within existing social conditions" had been a pronounced aspect of discussion (Shi & Zhou 2006: 15). One proposal suggests a ternary model (Lu 2008) under which broadcasters are categorised as state, PSB, or commercial providers. But this has been challenged under the pretext that state media ownership and monopoly of political power by the Chinese Communist Party [CCP] makes such distinctions irrelevant.

There appears to be greater support for a more pragmatic 'mixed model'. Rather than setting up new PSB providers, it is suggested that *programming and channels* be redistributed into 'public' and 'commercial' categories (Gao & Xie 2006). According to this schema content for news, science, educational and agricultural, as well as programming for children and the elderly, would be offered as free public channels with an emphasis on quality programming, reliable information, and minimal advertising. Commercial channels, by contrast, would be made available through subscriptions paid by consumers and regulated in order to support profit-maximising behaviour. Stations would remain state-owned, but administered by a governmental broadcasting regulator. According to its adherents, this model would meet all of the requirements of efficiency, fairness, and public interest that define a successful PSB system abroad (Gao & Xie 2006).

Academic commentators also tend to agree that Chinese PSB requires diverse revenue sources, having observed the challenges faced by European and North American PSB systems in recent years (Li 2008; Shi and Zhang 2007; Gao & Xie 2006). Two main solutions have been proposed. The first is to impose a culture industry (*wenbua chanye*) tax while at the same time opening up secondary channels of funding, such as philanthropic donations (Zhang 2007: 179). The second is to establish a public PSB fund using some of the profits of commercial channels, topped up by government and private investment. Other proposals advocate establishing a supervisory institution to balance public and private interests, or transferring editorial responsibility in news programming from the broadcasters, where it currently resides, to yet another independent

supervisory organisation, such as the Standing Committee of the National People's Congress. The particular difficulty with all of these proposals, however, lays in the problem of how to define or guarantee PSB 'independence' in a political system effectively dominated by the CCP (Gao & Xie 2006).

Public service policy: Protecting cultural rights and equalising access

The policy space created by the PCS project has served mainly to close the gap between a rapid economic development and a comparatively unbalanced cultural landscape in which economically marginalised groups lack access to basic media services and state media. The main purpose of PCS policy is to enrich public culture through expansion, improve media content (in opposition to commercial creep), enhance national cohesion, and safeguard rights to a minimal 'quality of life' standard (Shi & Zhou 2006). While much of Chinese academic discourse concerning PSB is roughly attuned to concepts of citizens' rights and the necessity of protecting public media from commercial encroachment, the pressing question concerns how to create a PSB system adapted to the reality of a media sector that is dominated by the central government and Party.

The policy goals of the central government's 2006 'Outline' document are to realise and protect the citizenry's basic cultural rights, fulfil their basic cultural needs, and provide equal access to public services, as noted earlier. But this "basic public service equalisation" principle was established by the CCP in another key 2006 policy document, 'Resolution on Several Important Questions Concerning the Establishment of a Socialist Harmonious Society' (CCP 2006). Like the 'Outline', this sweeping plan calls for guarantees of the citizenry's "cultural rights" by means of public cultural institutions (*gongyi xing wenhua shiye*), construction of public cultural facilities, and a nationwide PCS system, and the gradual equalisation of basic public services through additional public service funding, particularly in education, health, culture, employment, and social security.

Particular priority was given to projects with perceived relevance to overcoming issues of inequality, such as the construction of broadcasting networks for villages, and grassroots state capacity-building in the area of public service provision. At heart the policy of creating a "socialist harmonious society" is intended to reduce social conflict, reverse the growing urban-rural developmental gap, improve the establishment of rule of law and democracy, enhance public morality and public trust, and bolster the educational and health systems (CCP 2006). Within this policy environment, PSB is supposed to transfer cultural resources toward rural and ethnic minority-inhabited regions by emphasising universal broadcast coverage and equal minimum access to state-controlled media through diverse media platforms (CCP & State Council 2006).

As we have shown, scholarly observers of the reforms tend to believe that the goal of basic public services in media should be to fulfil citizens' cultural and social needs *as citizens* – that is, to provide them with universal access to fair and balanced media in the form of public interest-related news, high quality cultural programming, and information. Less support is offered for the view that the purpose of PSB should be to legitimise party-state interests.

From a party-state perspective, PSB initiatives are primarily intended to achieve equality of access. Empowerment of citizens vis-à-vis the existing political status quo is muted or nonexistent, as patterns of implementation show. Broadcasting stations, according to the government's State Administration of Radio, Film, and Television [SARFT] are defined as "public cultural institutions", i.e. those providing social benefit and which are supposed to serve as key institutional focal points for relevant initiatives (SARFT 2006). The 2006 'Outline' defines the scope of PSB initiatives to include infrastructural construction at local levels (community, village, and town), improvement of cultural resource allocation, and an increase of rural-oriented content within the media system. The aims of these initiatives are in line with the rhetoric of the Outline by seeking to protect farmers' basic cultural rights in the form of access to broadcast signals, channels, and high-quality programming. In more recent years the PSB system has continued to grow in scope and significance, moving beyond the countryside. Additional initiatives occurred in major metropolitan centres including Shenzhen, Guangdong, Nanjing, and Shanghai, co-related with city-wide conversion to digital cable networks and expansion of public access to internet- and satellite-based information systems (see Wang, Hu & Lu 2009). With the government as the principle source of investment in PSB system construction, the CCP Central Committee Propaganda Department continues to play a leading role in defining what should constitute the public interest, as well as public cultural service.

PSB policy rhetoric reveals little indication that the Chinese government is preparing to establish a PSB provider that is separate from the existing state-controlled media sector. Instead, PSB is viewed as a kind of separate media *function* whose performance can be demanded from existing broadcasters – a new range of service obligations mandated by the state. For example, broadcasters can be required to carry certain levels of news and current affairs programming intended to enlighten the citizenry, which can be represented as the fulfilment of democratic imperatives in the media sector. Unlike museums and libraries, for which ownership can reside "among the people" (*minjian*, i.e. privately), all news and current affairs-focused media, including Party newspapers and magazines, news agencies, radio and television stations, and important online news websites, are defined as important ideological "battlefields" and remain entirely state-owned. They are requested to enhance positive reporting on and dissemination of CCP and state policies, and to report accurately on public

opinion. The overarching view sees the media as a tool for *mediating and correcting public opinion*, and as a mouthpiece for the CCP – and through them, the people (CCP & State Council 2007; CCP & State Council 2006; CCP & State Council 2005a). Thus, despite the new PCS rhetoric the government’s primary expectation is that media will continue to support ideological ‘services’ and to propagate news that supports a pro-security, pro-stability national agenda through its non-commercial information programmes. For these reasons, news media independence and impartiality cannot be realised or protected in the People’s Republic of China.

The subordination of media independence and impartiality to support for entrenched political actors and their policy initiatives does not mean, however, that the notion of a ‘public’ media is meaningless in contemporary China. As we have discussed, one important goal of PSB planning is to enlarge the media system to provide guarantees of access for rural and ethnic minority citizens, to ensure improved basic access and content for all citizens, and to make permanent a state-created, state-funded PSB system which balances ongoing urbanisation of the media with greater equality for all, using infrastructure expansion as a base.

At the same time, however, television content producers and distributors, as well as key news media departments (e.g. advertising, distribution, printing, information, internet services, and sales) are excluded from this growing public service sector. The state instead defines these as cultural industries in order to accelerate their transition to “market entity” status – a designation denoting those companies who have become economically efficient and able to compete locally, nationally, and even globally. The aim of such policies is not to improve programming quality or social inclusiveness, but rather to increase the competitiveness of existing media institutions and introduce mixed ownership of cultural industries (CCP & State Council 2006). Market entities in the media sector are managed by television stations and news media organisations in order to promote competitive business practices (CCP & State Council 2005a). Projected plans for cultural industry generation of PSB content for the public service sector thus relies on government payments, or subsidies, for production of quality inexpensive programming by transferring resources to this increasingly commercialised media sector (CCP & State Council 2007).

Implementation of PSB policy: Infrastructure, funding, and governance

PSB policy implementation has proceeded along two main lines. First, via the construction of infrastructure to increase access to broadcasts by the general population, especially rural communities. Second, through the funding of ad-

ditional broadcast stations and content to enhance governance in the form of supervision by CCP and government committees.

While economic reforms carried out under the rule of Deng Xiaoping during the 1990s resulted in the commercialisation of cultural industries, owing to neglect of minority and rural audiences the government has felt compelled to make significant attempts to broaden the coverage of state-owned media and commit to rural infrastructure construction. For a fifteen-year period from 1991 to 2005, the Chinese government implemented a policy of “spiritual civilization construction” in the media sector, emphasising socialist morality and cultural institution and infrastructure development as cornerstones of state cultural policy, especially focused on increased investment in the cultural infrastructure of impoverished areas (People’s Republic of China 1991; State Council 1991; State Council 1994; CCP Central Committee 2000; State Council 2001). Two projects played a critical role in the formulation and implementation of cultural construction measures – the Connected Village Project (*Cuncun tong gongcheng*, hereafter CVP) launched in 1998 and targeting rural regions, and the Tibet-Xinjiang Project (*Xi-Xin gongcheng*, hereafter TXP) launched in 2000 and targeting regions with large ethnic minority populations, including Inner Mongolia, Ningxia, Sichuan, and Yunnan (CCTV International, 18 March 2005, *cctv.com*).

Although different in name and regional focus, the CVP and TXP projects shared several key similarities. First, television broadcasts consisted of existing China Central Television [CCTV] content and provincial or regional programming. Second, the projects focused almost entirely on the creation and maintenance of new infrastructure, not of new channels. Coverage rather than content was the goal. The basic model can be summarised as follows:

- Leadership and regulation provided by local governments
- Funding drawn from state sources, primarily central or provincial budgets
- Administration required the integration of cultural construction into existing fiscal, government, and poverty relief structures

In the 2006-2010 Outline, state spending on spiritual civilization construction was replaced by spending on PSB. Continuity between the two policies can be seen in the emphasis that both place on infrastructure construction and coverage expansion (CCP & State Council 2005b). The CVP and TXP projects were simply reframed as steps toward the establishment of a broader PSB system with the goals of “strongly advancing the penetration of broadcast television into villages and households”. Since 2005, ensuing PCS initiatives began to shift from a normative rhetoric of spiritual civilization to one of public service and interest (see State Council 2006b). A closer look at several case studies published in 2009 under the auspices of an official think tank called the Chinese Academy

of Social Sciences demonstrates that while public service media initiatives in China have undeniably resulted in expansion of infrastructure and access, local funding and independent content creation remain severely challenged by fiscal and regulatory shortfalls at the sub-national level, and lack of station and state support for the creation of independent, public service-oriented content which diverges from existing propaganda or commercialised models.

Infrastructure Expansion

The intended benefactors of PSB initiatives and accompanying “equalisation” (*jundenghua*) of broadcast television access have been targeted to rural regions and those with large populations of non-Han ethnic minorities. State investment rather than market forces has resulted in the construction of CVP- and TXP-style broadcast television public service systems by city, township, and county governments (Yang 2009a). Already by 2005 a total of 3.44 billion *yuan* had been spent on CVP and TXP initiatives using central and local public funds. On 9 June 2008 a new satellite network, Central Satellite Number Nine, was launched to cover mountainous regions and other areas whose terrain and local economies make terrestrial broadcast and cable infrastructure impractical. As of 2009, 11.61 percent of the rural population, or approximately 700,000 villages, remained without access terrestrial broadcasting of any kind (Yang 2009a: 127).

Indeed, broadcasting infrastructure construction has proved a challenge for local governments. First, human and financial capital in marginal regions remained scarce. Local governments often lacked a permanent workforce dedicated to the task. Secondly, the requirement of some local government for households to bear part of the financial burden, such as a 300 *yuan* installation fee and 12 *yuan* monthly service fee, made expansion more difficult (Zhou 2006: 47). Moreover, even in comparatively wealthy provinces substantial differences exist between urban and rural regions. PSB policies include separate goals for urban and rural communities, with urban households receiving a minimum of forty-plus television channels and households in villages and smaller towns receiving a minimum of eight (Zhang 2008a: 120; Zhang 2008b). The situation is exacerbated because rural regions are typically unable to support (through household usage-based fees or county and village government public funds) the conversion to cable services and that is a prerequisite for access to a wider range of channels and networks. Even within urban centres, such as Beijing, the presence of a large rural-to-urban ‘floating’ population (approximately 4.18 million individuals, or twenty-five percent of the total population) are without regular access to broadcast television (Zhang 2008b).

In short, recent PSB initiatives have not substantially altered infrastructural disparities between urban and non-urban, coast and hinterland, or rich and poor, although it is important to note that they have improved levels of cover-

age considerably in rural and ethnic minority regions. Infrastructure, available funding and local levels of consumption (including the ability of households to pay for services), vary considerably by geographical location and population segment (Zhang 2008b).

Funding public media

Along with China's recent economic development, the national government has promoted "service-style government construction" and "letting the masses enjoy the sunshine of public finance". Although accounting for a small proportion of spending, television broadcasting is tied to overarching agendas of administrative reform and resource redistribution. However state spending on the cultural system, including PSB services, accounts for approximately 0.3 to 0.5 percent of total expenditure (Zhang, Mao & Zhang 2009), and this ratio has not changed appreciably since the launch of China's First Five-Year Plan in 1953 (Xu 2009). Additionally, state spending on rural PSB infrastructure has produced mixed results (Xu 2009: 23). Misappropriation of central funds by local governments remains an area of significant concern, and monitoring misuse of funding remains a challenge for regulators (Yang 2009a).

The practice of using commercial revenue to support state-funded projects, or "using culture to supplement culture" (*yi wen bu wen*), first emerged in 1987 (Chen & Hu 2009: 54). This model of investment was adopted on a wider basis in the 'Outline', which included policy goals that "cities and towns support villages", and "industry supports agriculture" as keys to raising rural living standards (Yang 2009a: 179). Through taxes on the local cable network company, local broadcasting bureaus such as Sichuan province's Shehong town had raised enough money that, when paired with central allocations, made possible the construction of a unified fibre optic cable system shared by nearby towns and villages, which provided free cable television and internet services to recipients. This arrangement soon became a model of PSB implementation at the county level and below.

As Shehong's reforms demonstrated, sustainably financing the expansion of broadcasting public service at the local level depended on several sources in practice: 1) funding from central and provincial governments, 2) fees and other revenue derived from broadcasters, and 3) financial support from local (e.g. county, town, village) governments. Additionally, the Shehong model included management of the CVP system by the county cable network company on a contractual basis, and supervision of the project at the county, town, and village levels in order to prevent misallocation or redirection of funds (Yang 2009a: 182). While taxes on county cable networks represent one potential source of revenue, as in Shehong, not all localities are endowed with similar alternatives. The result is that while investment in broadcasting public service

remains high, services are better in cities than the countryside (Yang 2009b: 126), with local networks further weakened by the expansion of central and provincial broadcasting resources. To date, there appears to be little spending in rural areas on public cultural products called for by the state council's 2007 documents (CCP & State Council 2007).

Governance and regulation

In addition to financing infrastructural expansion, the functional separation of government cultural institutions from existing administrative departments, as well as strengthening the role of government as a regulatory entity, represents another key aspect of PSB system creation. This oversight role primarily consists of the state making decisions concerning standard setting for PSB content and supervising the implementation of these directives. Since 2006 implementation of PSB policies has been integrated into the CCP and government's everyday work, national economic planning institutions, public budget and poverty relief programs, and the examination system for state administrators and managers.

Despite the creation of these mechanisms, decentralisation of China's administrative and broadcasting system, along with the concomitant creation of different interest groups at different institutional levels (Chin 2011a), provides enormous challenges to the implementation of PSB policy at the broadcasting level. Direction and policy guidance from central and provincial governments is ubiquitous, yet conflicts between regulatory strata are not infrequent. In Beijing researchers have observed clashes between the Municipal Broadcasting Bureau, endowed with a supervision and advisory role vis-à-vis local (district and county) broadcasters, and broadcasting personnel appointed by these local governments (Zhang 2008b: 127). Political orders from above are difficult to enforce. Given the rural focus of most PSB expansion work, the most important supervisory and regulatory government institution should typically be the county-level broadcasting bureau, whose functions include the enforcement of technological standards in broadcast work and lawful registration (or confiscation) of private satellite technology (Yang 2009: 184). Although the local district and county government cultural committee had been granted a regulatory role vis-à-vis television broadcasting, it lacks programming production functions, as well as the financial and human resources – and economic motivation – to devote its efforts to sustained PCS and PSB construction.

On the production side, as of 2008 the Beijing Television Station [BJTV] and its municipal public service channel, BJTV-9, represented the sole means by which programming was disseminated to municipal audiences (a population scattered across fourteen districts and counties). Like the sub-municipal broadcasters beneath it, however, BJTV's response to PSB directives from higher authorities has been to argue that it should not be made responsible

for producing additional, non-commercial programming, and that its BJTV-9 channel is already being operated at a loss, to the detriment of the station as a whole. In China almost no television channels exist which are purely supported by public funds. State spending accounts for only 13.3 percent of the income received by television broadcasters. Fully 86.7 percent comes through the market. Thus, lack of motivation to produce PSB programming stems from profit-minded concerns; the station accords little priority to programming with no clear revenue-generating potential. For programming that meets PCS/PSB standards and does show commercial potential, the station is unwilling to provide this for public access because doing so would force it to share proprietary content with lower-level broadcasters. These local broadcasters, which rely primarily on government funding and self-generated revenue likewise claim they lack capacity to produce new PSB content on their own, and are similarly unmotivated to support and maintain public media initiatives that demonstrate no promise of financial returns.

Conclusions

Surveying the recent history and implementation of PSB policies in China, we see from these case studies that the most notable changes have been: 1) creation of broadcasting infrastructure for equal access for all, and 2) defining state-owned broadcasters as public cultural institutions by the party-state government. The first transformation has been created through state investment, whereas the second change has resulted from institutional reform of the broadcasting industry, a reform that has been dependent on decision-making at the central level. The PSB initiative in China is driven by the Party in light of the government's need for cohesion and "public morality" in society. The objective is to maintain the political status quo of their monopoly on power through public service provision and guarantees for the equal cultural rights of all people under conditions of intensified social confrontations and widening developmental gaps between rural-urban, between economy and social-culture.

In China, the mandate for developing PSB comes from the Party-state and policy primarily focuses on the social inclusion function implemented through equalisation of access to a basic broadcasting infrastructure. PSB's political role in empowering citizens to check on the State's power is ignored, and the culture function of providing quality and diversified contents is still marginalised in the policy agenda. The Chinese intellectual conceptualisation of PSB shows parallels with liberal democratic norms, however. Although Chinese academicians recognise the constrains of existing political conditions on the development of a genuinely independent PSB, they tend to consider that the political, social and economic facilitating factors leading to the progress of PSB in China are

emerging, and believe PSB initiatives could function as a progressive force, in turn, for the democratisation of Chinese society over time.

Despite the importance accorded to the creation of an independent provider by some analysts, no such institution has yet been created. Rather the distinction between 'commercial' and 'public' occurs primarily at the level of content. Public service channels and programming are provided by *state-owned* broadcasters and funded by a combination of government and private investment, with some of the profits from commercial channels. Whether oversight of PSB will be transferred to the People's Congress remains to be seen. At present China's PSB policy emphasises the right to access for all citizens. This does not necessarily mark any momentous shift from a political culture that has emphasised the continued importance of socialist spiritual construction under CCP guidance. But it does indicate an effort by the government to push back against uninhibited commercialisation of the media sector. Principle challenges to this effort include a paucity of local funding, coupled with the inability of many households to afford additional services that would make infrastructure expansion more productive, and production of programming more self-supporting without central and provincial government aid. The key for the further progress of PSB initiatives, in our view, lies in the support of the central government for public service media initiatives beyond those focused on infrastructure and access. Change will also depend on the creation of new forces for content production and content regulation.

The Chinese state is beginning to take initiatives in major urban areas to extend PSB and other public information services (e.g. digital information resources, museums and libraries) to citizens. That is likely to expand. Whether this growth will be sustainable without again giving way to commercialisation in the process remains an open question. For the moment government funding of national and local PSB infrastructure is the most significant form of systemic expansion. Given China's current political and economic structure, it is inevitable that in the short term PSB will continue to be characterised by high levels of state involvement. However, insofar as the public service sector is, by definition, a state legislative and institutional creation, this fact alone does not distinguish China from other countries. Rather, differences continue to exist concerning the degree to which China's national government feels comfortable entrusting state actors to speak for the public interest, and the ability of that government to provide reliable media access and participatory voice to its citizenry.

With respect to PSM initiatives in Europe, the Chinese case offers two significant lessons. The first is that public service media has, historically, been embedded within a context of social policy goals. Politics remains fundamental in determining the functions and content of public media. High-sounding, public-minded goals are often difficult to separate from an overarching agenda of elite governance. National contexts vary, of course, but the presence of the

state is ubiquitous. Second, sustainable and genuinely ‘public’ PSB requires foundations in both state and society. Political cultures favouring values associated with equality, tolerance, social inclusion, diversity, democracy, and rule of law only represent half of this vital equation. The support of intellectuals, NGOs, communities, and individual citizen stakeholders is also required if PSB or PSM structures are to remain legitimate and relevance within society at-large. Likewise, funding sources must remain as broad as possible for the long-term survival of PSB, even more so for it to flourish. For this reason, China’s model of localising PCS policies is not necessarily misplaced, even if it has proven difficult to achieve in practice.

Regarding authoritarian countries which, like China, lie outside the PSB ‘heartland’ in Western Europe, we offer two additional perspectives. First, the subordination of media independence to entrenched political actors does not mean that the notion of a ‘public’ media is meaningless. Media access represents an important form of cultural and social advancement for those now entering the information society. Delivery of educational and cultural resources to geographically isolated regions may yet provide new pathways forward for those who seeking access to the national public sphere. While PSB initiatives in these countries are undeniably driven and controlled by the state, and not intended to facilitate a transition to procedural democracy, their impact on citizens’ lives should not be ignored.

Second, a possible long-term consequence of PSB development within authoritarian societies is the legitimisation of a discourse of individual – and inalienable – cultural, political, and civil rights (Chin 2011b). In this sense PSB may well represent a progressive force. There is a fundamental caveat: the emergence of genuinely independent PSM depends on political, judicial and social structures which are often much different from those that are common to authoritarian states. Government accountability, a system of checks and balances, and independent regulatory bodies all represent fundamental prerequisites for ensuring that PSM remains both public and well-defended against co-optation by executive power. At the same time, even transparent and democratic states must be willing to spend on services that foster a politically involved and engaged public of citizens. For those concerned about the fate of PSM as it exists in both contexts, patience and commitment are the pragmatic watchwords.

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Breaking the Mold with New Media

Making Way for a Public Service Provider in Mexico?

Julio Juárez-Gámiz & Gregory Ferrell Lowe

In the Mexican context, 'regaining the initiative' for public service media is putting the cart before the horse. Since the emergence of radio and television in the late 1940s Mexico has preferred the American *laissez-faire* approach. Domestic media tycoons succeeded in pressing successive governments to limit competition. Generations of listeners and viewers have been raised on a media diet that features production values characteristic of a highly commercialised industry culture. Programmes are 'naturally' understood as vehicles for selling advertising and Mexicans are in general unfamiliar with a public service ethic in media. Consequently, policy makers are edgy about investing public money to build an independent sector. Although lip service is given to the importance of cultural television and public radio, politicians see no benefit in upsetting the networks with new competition. At the same time one must also account for the reality that broadcasting has not been truly independent. In fact it was long a showcase for one political party (PRI), which governed for seventy years until 2000 in a country constitutionally defined as a democracy. Thus, broadcasting was born and nurtured in an environment that proclaims the benefits of private enterprise but inhibits competition, and where the State has influential interests.

Despite changes since 2000 that have witnessed the development of a more pluralistic and competitive democracy in Mexico, the overall situation in broadcasting has not improved. What used to be a balanced relationship between corporate interests and the political agenda of a particular ruling class has morphed into a scenario where media moguls bully politicians of all parties. A more competitive electoral market has raised the value of television exposure. The flagship company, Televisa, sees all parties as clients with the same pressing need for promotion, and TvAzteca has followed suit¹.

In an environment so stacked against PSB, and arguably hostile to it, gaining the initiative in the first place is the pertinent challenge. There is hope for rethinking the role of media and establishing a PSM presence in Mexico. New

media are chiselling a first real crack in the status quo – a perceptible fissure in a market long cemented by adherence to the private interest in media and oriented to prioritise commercial profitability. New media provide a second chance as a consequence of four trends.

First, it has become clear that Mexican mainstream television companies are risk averse. Neither in programming nor managerial culture does one find much innovation. Mexican broadcasting is highly reliant on imported movies and series, and on adaptations of foreign formats (i.e. reality TV, game shows, etc.). There is sameness and tiredness in Mexican programming as a whole. Once a leading drama producer in Latin America, today Televisa struggles to retain its pole position at home and abroad (Orozco & Vasallo 2009). Recasting *telenovelas* as massive marketing campaigns through product placement is part of the problem (Nuñez 2011).

Secondly, Mexican viewers are watching more cable and satellite channels, many from international companies. Even if the local networks are profiting from restricted television services the rapid growth of pay-TV as subscription prices shrink is changing viewer experience and expectations. According to the Federal Telecommunications Commission [FTC], as late as 1996 there were only 1.8 subscriptions for pay-TV for every 100 people. In December 2010 that number was nearing one in ten (8.9). The growth potential is clearly significant and most of the channels on offer are based in the USA. Local networks' dominance in cultivating needs and shaping domestic audience are declining in an increasingly globalised media market.

Third, commercial terrestrial television reached saturation a decade ago. Ninety-eight percent of households have a television set. As a result, TV companies are looking for new opportunities in broadband and telecom services. But significant investment there means neglecting their core function because there is little capital leftover for producing new media content. According to the Consejo de Investigación de Medios (2007), television advertising sales have grown only marginally in comparison to the internet in the last two years. Far from realising fresh growth, if anything they are struggling to maintain their position in the market. Other than for popular soap operas, most programmes are typically low budget productions. Although these companies continue to generate the lion's share of annual income from advertising sales, this is likely to rapidly change by 2020. Advertisers are investing a growing slice of their ad budgets on pay television.

Fourth, new technological platforms are mushrooming on the backbone of digitisation. Webcasting is lowering production costs and increasing market opportunities for an emerging segment of digital media *prosumers*. While about one percent of inhabitants were broadband subscribers in 2000 (0.11), in 2010 better than ten percent of the population were (10.54 according to Cofetel 2010). The internet will play a significant role in reconfiguring patterns

of preference in choosing sources for entertainment, news and educational television programming. Internet protocol television [IPTV] represents considerable growth opportunity for independent producers who are typically put off by television's compromised decision-making structures.

Thus, the Mexican television landscape is ripe for transformational change. A diversification of distribution platforms opens the way to realise new opportunities in the provision of public service contents that have been almost entirely sidelined in traditional terrestrial television. A series of needed policy and creative measures could make PSM viable in the emerging media environment where viewers are slowly but consistently embracing greater diversity. This chapter is about gaining the initiative for PSM in Mexico and illustrates possibilities in a media context often seen as a 'lost-cause' in this aspect of media-society development.

Old world, new world

Media scholars and practitioners have increasingly associated the mission of PSB with development in public service media. McQuail (1992) provides a frequently cited overview of the historic mission of PSB that prioritises universalism, diversity, accountability, inventiveness, public financing and a non-profit motive. This chapter is aligned with three of these aims and considered in the context of webcasting as a promising means for gaining the initiative for PSM in Mexico. These aims are:

1. The ambition to provide a universal service without barriers posed by geographic, financial or demographic situation.
2. The production of content that is responsive to the needs and concerns of minorities that are typically not served or underserved.
3. The creation of programming that is innovative and challenges mainstream channels and views about media.

As argued by Jo Bardoel and Gregory Ferrell Lowe (2007), the main challenge for PSM lies in establishing the legitimacy of a public interest in media for the digital online environment. This environment is characterised by a growing variety of technological platforms that require redefining media production, distribution and consumption (Mosco 2009). Here the issue is perhaps more a matter of defining the question to begin with: how can webcasting deliver programming that is distinctive, innovative, and universally available for a media context where PSM has had minimal presence historically?

Media industries are engaged with deep structural changes as a consequence of many factors, especially including the globalised environment. These changes

may enhance opportunities for private commercial media to overwhelm PSB in countries where they once had monopolies. That is a thematic strand of discussion in the RIPE Readers published since 2003 by NORDICOM, and is related to the theme of the present volume. But it is important to recognise that change equally presents new opportunities for the cultivation of public service provision in media, keenly so in countries that have not had the benefit of this approach historically. This later point is our main interest.

Although obvious, it is important to remember that the dynamics and consequences of change always depend on context. One shouldn't assume that challenges to well-established PSB corporations inherently have the same implications for incipient systems. Of course there is a shared need for reconceptualising what public service media ought to mean and do today. Less often discussed, however, is what can be learned that is relevant to that from experience where PSB has been peripheral (at best). More often the discussion is about what the periphery ought to learn from the heartland where PSB was cultivated – and, one reluctantly adds, it is apparently in some decline.

Transformation is always a process of negotiating what does and doesn't change, not only in material terms but also importantly in values and meanings (Alm & Lowe 2001). It's arguably the case that global trends are driving change today while local concerns more often prefer continuity. But unlike operations, the core values inscribing and defining public service in conceptual terms are not nearly as context-dependant. In crucial respects they are universal. Influential bodies have recognised this and consider the PSB ethos a suitable grounds for international standards to steer the development of public service media in the digital age (UNESCO 2006; EBU 2002; Council of Europe u.d.). This prioritises values that include independence, universality, diversity, distinctiveness and the importance of socially relevant content. That is what differentiates PSB as a legitimate alternative to systemic traits in commercial operations. It is certainly true that incipient systems can learn valuable lessons from traditional PSB companies, and many are looking at the European experience for lessons, ironically at the very experience many Europeans seem to be unsure about today. The chapters by Sakr and by Broughton-Micova demonstrate this. We believe there will be useful lessons over time from contemporary efforts to build PSM in countries where it has been non-existent.

In these contexts a critical challenge lies in the necessity to open public service provision to creators working outside a traditional and vested institutional framework. This is difficult for traditional PSB companies to accommodate; it is impossible for a would-be PSM system not to rely on this as a crucial dimension. In Europe the drive for PSM has been undertaken by incumbent PSB corporations trying to integrate previously segmented operational strands – radio, television, and the internet – and seeking to remain relevant in a non-linear environment. They need to develop successful strategies and efficient practices

for cross media production (Leurdijk 2007). How this integration plays out has a lot to do with whether or not communication policies secure fairness in competition in various media markets. But it is equally important that media companies which produce and deliver content be allowed, even encouraged, to participate in digital platforms. That is essential for making it easier and cheaper for audiences to access content whenever and however they prefer.

Bypassing programming schedules and organisational politics is a defining dimension of disintermediation (Jakubowicz 2007). One likely outcome is the fostering of media content hubs where people are able to access a significant number of productions from a wide range of genres and sources (Raats & Pawels 2010 have dealt with this, but focus primarily on cultural issues and aspects). Such a framework holds considerable appeal for the empowerment of media consumers, but is not warmly welcomed by traditional broadcasters who are worried about losing audiences and, in the case of commercial operators, also revenue (Chan-Olmsted & Park 2000). In contexts lacking a PSB heritage, taking the initiative for developing PSM is likely to be better facilitated by building content hubs instead of trying to launch public service corporations. Launching a corporation is a less sensible approach in economic terms in countries where large portions of the population are impoverished, and the construction of hubs has the added value of offering the most fruitful possibilities for societal development in political and social arenas.

This essential idea was suggested by the UK's Office of Communications (Ofcom) under the rubric of a "public service publisher" in 2004, but later abandoned due to lack of clarity about how to operationalise the concept – as well as significant opposition from the BBC. When applied to a country like Mexico, which lacks an established PSB corporation and thus also lacks the institutional vested interests and the power of incumbency that can make realisation considerably more difficult, such an approach stands a better chance of implementation. At the same time, however, it is important to acknowledge that it is unlikely much can be accomplished in a country that lacks a PSB heritage without some already existent infrastructure on which to build. That means looking for an operative foundation that offers a reasonable degree of viability, is aligned in principle with the ethos that should steer the practice, and in short something that can serve as a seedbed or jump-start for the enterprise. There would seem to be opportunities for that in Mexico, as we discuss next.

Television in Mexico

In Mexico, product placement and promotional plugs permeate every genre of programming. The leading TV network (Televisa) in a country with one of the highest rates of child obesity signed a deal with Coca-Cola to produce family-

oriented programming that associates healthy eating with soda pop. Precisely what kind of service to the public is commercial television providing for this society? There is clearly a pressing social need for programming that reflects a different set of standards as a consequence of adhering to an alternative ethos characterised by social responsibility. In our view, PSM is the best option for realising these better possibilities.

In 1993 an OECD report ascertained that the Mexican broadcasting market was among the most concentrated in the world. In nearly two decades, nothing has changed. Eleven families control better than 80 percent of the radio and television spectrum. Concentration is highest for the terrestrial television market. Televisa is a Latin American powerhouse that began operations in the early 1950s when two private operators merged and enjoyed a monopoly until 1993. The company eventually controlled all four of the available terrestrial channels (2, 4, 5 and 9²). Televisa's grip on advertising and content production overshadowed local³ television as well as governmental initiatives like the Instituto Mexicano de la Televisión (Imevision), created in 1985 by presidential decree in an effort to counterbalance Televisa's stranglehold on the Mexican television market.

But Imevision's design was based on a limited understanding of public service. The focus was exclusively on programming and content and ignored drivers that especially include financial sources and resources, regulatory requirements, and the arm's length principle. In its heyday Imevision controlled three channels (7, 13 and 22). It was dismantled in 1993. Through a bidding process that was won by a private entrepreneur, channels 7 and 13 laid the foundation for TV Azteca – Televisa's only serious competitor. Their arrival fuelled naïve expectations of a new way of doing television. In practice an orthodox approach of targeting the 'lowest common denominator' characterised their programming agenda as well.

The terrestrial television market is still dominated by Televisa and TvAzteca. The national penetration level for TV is 98 percent of Mexican households and these two companies capture 90 percent of annual advertising revenue spent on TV. Televisa is the largest content producer in the Spanish-speaking world, with a notable presence also in print, radio and music industries in Spain, Chile, Venezuela, Colombia, Argentina, Ecuador and Peru.

There are two channels for State broadcasting in Mexico, characterised as 'public service' channels. The first is Canal 11 run by the Instituto Politécnico Nacional [IPN] through a permit⁴ that, among other things, prohibits commercialising airtime. This channel has been in operation since 1959 and is based in Mexico City. Its content line has been traditionally labelled as education television⁵, although this concept becomes more elusive every year. Until the 1980s Canal 11 focused on cultural programming. Since the mid-nineties more resources have been invested in audience-participation formats across a range

of popular genres from comedy to thematic talk shows. It created a distinctive children's programming line-up that mixes foreign productions with local talent. In 2009 Canal 11 took a more ambitious turn in co-producing drama miniseries, although mainly catering for a younger audience with pop music shows and sports documentaries.

Following Imevision's privatization in 1993, Canal 22, the first UHF channel in Mexico City's metropolitan area (a market of 22 million viewers), became a 'cultural channel' with a concession⁶ for the Consejo Nacional para la Cultura y las Artes (Conaculta). This governmental body is a dependent of the Ministry of Education. Canal 22's launch came in response to a formal petition addressed to president Carlos Salinas de Gortari in 1993 by a group of intellectuals. They argued for a terrestrial channel solely dedicated to the fine arts. Canal 22 has changed policies and management in co-relation with the political calendar that inscribes the six-year term of presidential office. Despite the cultural ambitions, the founding lacked any discussion about a public service character. This is not to say the phrase is not bandied about. Technically speaking, public service television and radio in Mexico are legally defined as State media with a *public service vocation*. But their operations have always been dependent on the federal government's agenda of the day⁷.

Canal 11's average annual budget between 2002 and 2007 totalled \$206m Mexican pesos (€12,4m), and Canal 22's annual budget in 2007⁸ reached \$140m pesos (€8.4m). The Dirección General de Televisión Educativa, a centralised body of the Ministry of Education that is in charge of producing and distributing educational audiovisual material, had an average annual budget of \$1,3 billion Mexican pesos (€62m) per year over the same six-year span. This is not a lot of money in the big picture. The amount demonstrates that PSB has never been any important part of a long-term project for Mexico's governing class. The omission is not exclusive to a particular political party or made on any differentiated ideological basis. Neither the left nor the right have taken up the subject as a matter of public policy (Ortega 2006). Despite persistent efforts by public interest groups and concerned academicians, regulation on the subject has been elusive. Prevailing political self-interests and the leverage enjoyed by the private television industry have prevented seizing any chance to realise a genuine public service project.

Cultural State television's digital policies

In this next section we examine the internal policy statements of both State channels, focusing on three particular aspects: 1) mission and values; 2) co-production schema and distribution rights; and 3) the advertising model. We want to determine the feasibility of creating a webcasting hub where Canal 11

and Canal 22 could serve as pioneering webcasters aligned with fulfilling their own institutional rhetoric and the existent regulatory framework.

Canal 11

In its own Communication Policies the governing policies are handled in eleven sections⁹. The first section specifies eighteen guiding principles that include autonomy, editorial independence, compliance with legal and established values, educational promise, social profitability, transparency, accountability, ethical and professional criteria. Two are particularly relevant for our interests here. Principle 15 acknowledges competition with other broadcasters, but remarks that its cultural, citizenship and aesthetic-symbolic functions should always guide production. Principle 18 indicates the need to be at the technological cutting edge, but defines new technologies as being *subordinated* to content.

Internet policies are addressed in section 6.7. Canal 11's mission is to inform, educate, and entertain, i.e. the classical PSB triumvirate, and this is supposed to be replicated in their internet services. The section stipulates that Canal 11 will "continuously seek new possibilities to create and adapt its contents, languages and interaction in order to improve its services and be avant-garde (sic) in online television". It adds that the web portal's design and innovation will "position, strengthen, and extend the brand image of" Canal 11. Finally, this section declares that the channel "will use and promote the internet to attract and develop new publics." References to the institutional website are made on the basis of Web 2.0 interactive features such as chats, blogs, programming archives (but not audiovisual material), etc. No particular mention is given to video streaming or video-on-demand services, but a limited modality can be accessed through their webpage.

Regarding its financial model, Canal 11 is not allowed to sell advertising time. To get around this limitation the channel has implemented a sponsorship model that allows some income on a programme-by-programme basis. Sponsorship deals are regulated by an internal code of ethics where permissible content and format specifications are outlined for a sponsor's messages. There is no mention, however, of sponsorship tariffs, income limits or availability for such deals.

Canal 22

Canal 22's value statement is embedded in its Code of Ethics. The document is organised around the concepts of creativity, open criticism, diversity, honesty, impartiality, freedom, merit recognition, social responsibility, language distinctiveness richness and truthfulness. Its mission statement is not substantially different from Canal 11's, although the legal framework upon which the chan-

nel operates implies relevant differences, the most important being that Canal 22 is a concession and not a permit¹⁰. Canal 22 is entitled to sell advertising.

According to the channel's *Commercial Strategies Manual* (2008), Canal 22 commercialised 263 hours with 61.2 percent of this time paid by advertisers, 23.5 percent given away for free to public institutions, and 15.3 percent offered on an exchange basis. According to the federal Law of Radio and Television, concessionaires can only commercialise 18 percent of every transmission hour. Canal 22 states they commercialised less than two percent of airtime per hour.

Canal 22 distinguishes between analogue and digital media, and acknowledges the pressing need to conceive its viewers as users, emphasising the relevance of making the most of digital content and online services to ensure content availability through a wide range of technological platforms. The document names ten ongoing strategies that respond to this scenario. To hit the highlights, an estimated 84 percent of its productions were digitalised by 2010. The channel is beginning to test transmission in a mirror digital frequency in preparation for digital switchover by 2021. The channel is currently recording a majority of new programmes in High Definition. Canal 22 promises to play an active role in pursuing a new communications bill that can fully address PSB challenges. This is especially pertinent to our interests in this chapter, as is the final highlight: Canal 22 will redefine itself as a “center of production and distribution of quality audiovisual content with a cultural profile”, rather than a television channel per se.

New media, new chances?

We are arguing that Canal 11 and 22 should live up to their self-professed standards and intentions. To be honest brokers of their own claims these channels must evolve into PSM operators. Going a step beyond, and again in line with self-professed intentions, they must also offer contents that are produced cooperatively. Building a webcasting hub for independent producers to publish on is a viable means for achieving the later end, and would lay useful foundations for a genuine public service media operation to evolve at relatively low risk.

Whether this happens or not depends mainly on political will. The Principles and Code of Ethics clearly favour such developments. But we've already discussed the problem with Mexico: it lacks an independent public service sector in broadcasting due to the lack of political will to make that happen. Even the cases of Canal 11 and Canal 22, which offer the most viable possibilities, have yet to achieve their potential in this because politicians have been keen to maintain control over annual budgets (thus precluding financial independence) and managerial appointments (thus precluding editorial independence). The State involvement trumps the public interest, as is the case in many countries with

similar histories in the relations between media and government. In Mexico, part of the fruits of victory in winning the presidency include direct control over Canal 11 and Canal 22, including the appointment of their Managing Directors and establishing their policy priorities. This is a big hurdle to surmount as it means devolving a modicum of power from the State to the civil sector. It is clearly the right thing to do at this stage of Mexico's political, economic and social development, that is to say for the country's next stage development, but it will require a degree of political will that has been lacking to date.

We therefore face a political conundrum. Those in power want to maintain existing operations in the best way possible to achieve societal improvement aims, but without committing significant financial resources and devolving the necessary degree of power to secure genuine independence. This is the circle to be squared. An interesting aspect of Canal 22 is that its programmes do not include current affairs, nor do they provide a news service. The channel is entirely focused on cultural activities. That is why opposition parties and audiences do not perceive it as a State megaphone. The case of Canal 11 is somewhat different because it has a news department and hosts a variety of current affairs' programmes. Recently there has been increasing political intervention in the channel's news agenda. For example, a content analysis of Canal 11's primetime newscasts carried out during the mid-term elections in 2009 showed a significantly positive coverage of the president with little questioning of his policies or performance (Juárez 2009). Nevertheless, such bias remains under the radar for viewers and policy makers. Surprisingly enough, free speech is exercised in Canal 11 with occasional criticism of the federal government being tolerated. That is one of the reasons why opposition parties will not directly attack both channels: they have a good reputation in the jury of public opinion. This offers better promise than would otherwise be the case for using the two channels as the means for achieving a genuine public service sector in Mexican electronic media.

The Minister of Education must approve the CEOs for these channels. In practice this is a formality because the President makes the decision and instructs the Minister. This makes political timing a key factor for implementing a development project, at least in the early years. It also means there is a life cycle for the project that will inevitably require updating policies and production criteria. That can be a cause for problems due to political intervention, of course. It could, on the other hand, be an opportunity for further development and ensuring accountability. The lack of financial and managerial independence has prevented both channels from fulfilling traditional PSB objectives like establishing an institutional project that could transcend the presidential six-year lifecycle¹¹.

In summary, Mexican cultural State television channels have been run with a public service ethos in mind but under a very narrow corridor of financial and

managerial independence in decision-making. This suggests the importance of principles inherent to the public service ethos as historically conceived. At the same time, the realities on the ground suggest that some step-wise approach to the evolution of a genuine public service sector in electronic media will be necessary. How could these two State television channels be transformed into PSM? We argue that political will is the essential requirement. It has been argued that the Mexican State gave away the chance to build a proper PSB during the years when television and radio markets consolidated in Mexico (1950-1994).

Nonlinear media offer a second chance to gain the initiative for building PSM. This situation in Mexico today is remarkably similar to the situation in the United States as considered by one of the FCC's most thoughtful Commissioners, Charles Arthur Siepmann. In a book he published in 1946 titled *Radio's Second Chance*, Siepmann argued for taking a different route for the development of FM radio than had been taken (and rather haphazardly) for the development of AM radio twenty years earlier. In fact his ideas found some traction and were influential in the establishment of university radio stations during the licensing period. The American system wasn't entirely transformed, but it would have been strange had that been the case. The point here, however, is that there was a second chance to take "the road not taken", and taking that road even in part made a significant difference in the development of American broadcasting¹².

Digitisation has been institutionally recognised by Canal 11 and Canal 22 as an opportunity to relate in a different way to their audience, even suggesting that webcasting could become a central aspect. Building a hub for distributing public service productions will require a long-term strategy. Recognising its alleged potential does not mean audiences will necessarily participate in a spontaneous way. Although we argue for a public service webcasting hub, it is important to acknowledge that the venture must start from an existing content platform. In the case of these two culturally oriented State channels it is clear that culture can serve as the thematic emphasis on which to premise the webcasting hub for PSM to evolve. Canal 11 and Canal 22 are already producing programmes they conceptualise as public service content. Their challenge now is to de-institutionalise the management and production practices to gain the initiative for developing a genuine public service sector in electronic media for Mexicans and in the best interests of next stage development of Mexico. This will require a much higher degree of independence than has been historically the case – and in three dimensions: editorial, financial and managerial.

Both channels already have an online presence via YouTube, although it is still quite small at present. Canal 11's service has about 9,000 subscribers. An estimated 300,000 videos have been posted since its launch in April 2009. Canal 22 has 4,000 subscribers and their uploaded material has been played 140,000 times. It's a start. Both channels upload a wide range of programmes

from cultural reality shows to self-produced drama. Launching a webcasting hub for both channels will require a marketing strategy that could position new material on the web. More importantly, however, it will need to become a hub for viewers to upload material rather than only streaming these channels' productions.

Given the homogeneous offer of programming in Mexican terrestrial television, there is need to develop an online public content distributor that adheres to a PSM ethos (Lozano, 2006). A webcasting hub for PSM would be innovative in a platform that is not yet exploited by commercial television in Mexico, other than to replay content generated for broadcasting. It could facilitate shaping a new set of audience expectations. These channels' own offerings could pursue innovative formats, more challenging materials, a diverse range of narratives and social representations, together with expanded opportunities for minorities to tell their stories more indigenously than the typical portrayals. There are myriad possibilities, as illustrated across the series of RIPE Readers and conference papers.

At least three advantages spring to mind that justify such a project. Obtaining permits or concessions for more TV channels, or even repeaters, has met with political indifference as well as strong opposition from commercial broadcasters. An online PSM hub will allow these channels to access new audiences and to develop different systemic relations with them. This would weaken geographical and sociological barriers while countering private television's vertically integrated structures.

Second, implementing new technologies that accommodate viewer empowerment would go a considerable distance to ensure PSM's mission of redefining viewers as prosumers. Third, creating a Webcasting supra-channel for content distribution could open the door for co-ordinated institutional marketing strategies. The BBC iPlayer is relevant for that broadcaster's brand positioning, and a version could be equally relevant for these channels in Mexico. It is arguably the case that these channels ought to adapt the PSM ethos as central to their positioning in the market, and to synchronise operational strategies as well in the online environment where neither has a strong presence.

Gaining or regaining the initiative in PSM requires acknowledging viewers' needs for a 'different' character, intention and availability in types of television – and beyond. There is reason to expect that the development of new understandings of the mission and purpose of media combined with a relevant offer would convey a valuable competitive edge. Neither Televisa nor TvAzteca offer anything along these lines. To the extent that the project would be successful, there would certainly be important lessons for other countries seeking to establish a public service sector where that has not been historically already established. Moreover, there would also be lessons for PSB operators in the European heartland of its invention because it is clearly true that whatever

PSM comes to mean and to be there, it won't be what it has meant and been in the past. In the words of American baseball coach and guru Yogi Berra, "the future ain't what it used to be".

Notes

1. In addition to its strong position in terrestrial TV, Televisa controls a majority share in the leading cable provider, Cablevision, and also in the satellite television market as partners with Sky. TvAzteca already offers digital television services through an antenna-based system called Hi-TV run by a sister company that is owned by Grupo Salinas.
2. Channels 1 and 3 have never been used for television.
3. The net share of media advertising sales totaled 2,5 billion euros in 2007, of which television captures an average of 70 percent.
4. Recently extended until 31 December 2021.
5. The first programme broadcast by the channel was a math class presented directly to viewers by a distinguished professor from the IPN.
6. The last time the frequency was ratified in 2001, it obtained a 12-year permit subject to extension in 2013. Being a concession, Canal 22 has the legal right to sell advertising time under a scheme that allows four minutes of ad-time within a 30-minute programme.
7. Constitutionally defined as a Federal Republic, each of Mexico's 32 States has at least one permit for a local television channel. The Governor of each state directly controls its budget, content and management. 'Public' State channels are, more often than not, used as a branch of the State's communication office.
8. Records from other years were not available for consultation.
9. *Políticas de Comunicación de Once Tv* . 6.1 Contents and production; 6.2 Editorial independence and informative work; 6.3 Programming; 6.4 Management; 6.5 Relations with the audience; 6.6 Relations with society; 6.7 Internet; 6.8 Competitiveness; 6.9 Transparency and information access; 6.10 Integral development of service providers; and 6.11 Internal and external communication.
10. Mexican law differentiates the licensing of airwaves based on the objectives of the operator. Concessions are awarded to channels with commercial objectives, and permits are issued for official or cultural objectives (i.e. non-commercial).
11. A presidential term in Mexico lasts six years with no chance for reelection.
12. To borrow a lovely sentiment from the American poet, Robert Frost, in his work titled *The Road Not Taken*.

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Public Service Initiatives in Arab Media Today

Naomi Sakr

Arab publics, having been repressed by dictators and absolute monarchs for more than 30 years, have rarely seen public service ideals applied in media practice. Yet the astonishing events that unfolded in the region at the start of 2011, with the eruption of mass youth-led protests against corruption, unemployment and police brutality, opened a new horizon for media reform. No sooner had the presidents of Tunisia and Egypt been overthrown than advocates of public service broadcasting [PSB] started addressing themselves to those countries' state broadcasters and media policy makers. As vociferous pro-democracy campaigns faced violent suppression in Libya, Syria, Yemen and Bahrain, and pro-democracy activists in Tunisia and Egypt struggled to safeguard the values of their initial revolutionary success, media control emerged as one of multiple interlinked threads in the battle between forces for and against the widening of political participation.

In Tunisia and Egypt media became the subject of policy debates that were open to the public for the first time in many decades. But there was no groundswell of public opinion in favour of creating dedicated public service media. Indeed, the fundamental question of whether it was realistic even to try to transform state broadcasters into PSB providers, or wiser to simply abolish them, attracted conflicting advice. After so many decades of regimes using their monopoly over terrestrial transmission to air government propaganda, leaving audiences to rely on satellite channels for credible information and watchable entertainment, one Arab-American activist drew an analogy between Arab state broadcasting and a house infested with termites, saying: 'Sometimes it's safer to burn the house'¹.

This chapter explores the origins and implications of moves to establish PSB in three Arab countries. Efforts in Tunisia and Egypt, selected in light of new opportunities for reshaping their respective media landscapes, are considered alongside the example of Jordan, where unsuccessful attempts to reform the state broadcaster had been under way for about a decade by the time of the

2011 'Arab spring'. The chapter assesses dynamics and challenges that affect attempts to gain the initiative for PSB in a region where it is barely known.

Criteria for tracking initiatives and initiators

To identify relevant factors and forces, certain criteria and conceptual frameworks are required. First, a brief restatement of PSB's key characteristics can lay the ground for ascertaining whether broadcasts in the three countries under study display any of these characteristics, even without the explicit 'public service' label. As Arab satellite channels proliferated in the 1990s and 2000s some offered programmes that sought to serve the public as a cheap way of attracting a commercially viable viewership. Egyptian law obliged privately owned Egyptian channels to transmit by satellite and prevented them from reporting news. They responded with an array of compelling, censor-dodging talk shows about national current affairs (Sakr 2007: 7). *Al-Jazeera*, the Arabic-language 24-hour news channel that later grew into the Al-Jazeera Network, was portrayed by members of the Qatari ruling family (who funded and chaired it) as akin to a public service operation. They were influenced by the BBC's first foray into Arabic-language television in the 1990s, recruited staff who had worked for the BBC and were quick to allude to public service values when an advertising boycott enforced by other Arab governments forestalled hopes of *Al-Jazeera* becoming profitable (Sakr 2004: 151-52; Sakr 2005a: 243). Secondly, as these examples indicate, discussion about PSB initiatives must be organised in a way that can make sense of an unwieldy, de-centred and overlapping mixture of internal and external actors, including individuals, informal groups and official institutions, functioning in modes that range across a spectrum from 'top down' to 'bottom up' and 'side-to-side'.

For our purposes PSB can be summarised as a deliberate combination of four features, namely: universal access; diversity of content; independence from political and commercial pressures; and distinctiveness of programming (Seneviratne 2006: 19-21; Price & Raboy 2003: 3). Here universality refers not only to physical availability but also to issues of language, understanding and interest. Diversity refers to programme genres, as well as audiences targeted and subjects discussed. Independence refers to the free speech that is made possible when funding mechanisms are protected from political and commercial interference, are adequate for the targets set and are subject to systems for ensuring accountability. All three characteristics are essential for the production of distinctive content, especially in the sense that public service media are uniquely positioned to innovate and set the pace for other operators (Price & Raboy 2003: 4). The Council of Europe and others see PSB contributing to social cohesion and integration (Michalis 2007: 175).

As for the second task, tracking players who promote PSB, we can start by acknowledging three things: 1) the diverse identities of agents of change; 2) the important contribution of micro-level factors as well as ‘high politics’; and 3) the dynamics of incrementalism that stem from internal and external actions affecting a country (Bechev & Schäfer 2010: 4&8-9). Asef Bayat (2009: 29&45) refers to micro-level “noncollective” direct actions as “quiet encroachment”, by which he recognises that “nonmovements” of large numbers of ordinary people doing contentious things in their everyday lives have a “consequential effect” on social norms and rules. Studies show that micro-level actors, be they artists, intellectuals, rights campaigners, migrants or business operators, can drive social agents in their efforts to renegotiate autonomy vis-à-vis state institutions, thereby amplifying the impact of more formal politics achieved through political parties, trade unions, foundations, broader social movements and the conditionality attached to aid packages by foreign donor governments (Bechev & Schäfer 2010: 8-11).

Such a de-centred approach overcomes analytical flaws in the concept of transnational civil society, which not only masks state involvement in the funding and agendas of international and local non-government organisations [NGOs] but diverts attention from the essential role of the executive and judicial branches of government in legislative reform. For example, US government finance for media development work in the Middle East and North Africa – before and during 2011 – was partly directed through USAID and the State Department to a California-based organisation called Internews. According to its website, Internews had revenues of some US\$35million in 2009. At the same time the US government gave long-term economic and military aid to the regime of Egypt’s former president Hosni Mubarak; during the ten years to 2008 that aid averaged US\$1.92bn per year (Sharp 2009: 31). Thus the US was funding NGOs to carry out media freedom projects that could not succeed because Egypt’s authoritarian laws, which were underpinned by US backing for Mubarak, actually criminalised free speech. In the Middle East itself, government-oriented non-governmental organisations [GONGOs] became established in non-oil producing Mediterranean states, especially Tunisia, as an “elementary piece of state engineering on the global stage” (Bayart 2007: 61). GONGOs enabled state authorities to gain control over money that Western allies donated to local ‘civil society’.

In this chapter we therefore envision four broad categories of actor. First, there are foreign forces in the form of governments, their aid agencies and partner NGOs. Second, there are internal state actors, typically including ministries of information and state broadcasters. Third, and also internally, there are non-state actors that may include individual media practitioners as well as private media, trade unions, political parties and local NGOs working for human rights and media freedom and development. Arab governments’ historical

manipulation of all civil society institutions means the dividing line between state and non-state is potentially blurred. Nevertheless the division is important analytically because only the state can institute political reform.

Fourth and finally, there are regional bodies that straddle the internal/external, state/non-state divide insofar as they encompass members from one or more of the three Arab countries under study, as well as countries in Europe or further afield. With regard to PSB such bodies include UNESCO and regional networks of broadcasters and media regulators. These are: the Tunis-based Arab States Broadcasting Union [ASBU]; the Permanent Conference of Mediterranean Audiovisual Operators [COPEAM], which has its secretariat in Rome; and the Mediterranean Network of Regulatory Authorities (or Réseau des instances de régulation méditerranéennes – RIRM), whose permanent secretariat is composed of representatives from France, Catalonia, Cyprus and Morocco.

The following sections draw on these four categories for evidence and analysis. The first section considers some general background to help locate sources of support for public service media in the region before the uprisings of 2011.

Historically infertile terrain

The status of concepts in a society can sometimes be inferred from consensus, or lack of it, about terminology. That the public service concept has feeble roots in Arab media is reflected in the inadequacy of the most common translation for it, *khidma aama*. ‘Aam’ (fem. *aama*) means ‘general’ or ‘common’, as well as ‘public’, and carries the same negative overtones as the region’s abused and neglected ‘public sector’ (*qita’a aam*). When two Egyptians launched their own independent television production venture in Cairo in June 2011, under the English title ‘Public Service Broadcast Initiative’, the Arabic name they gave it initially was *Mubadra al-’lam fi khidmat al-muwaten*, which translates literally as Initiative for Media in the Service of the Citizen. Their reason for focusing so precisely in Arabic on the intended beneficiary becomes clear in light of the conflation of ‘state’, ‘public’ and ‘government’ that has previously been routine in official Egyptian discourse (Sakr 2008: 275). Any promise to serve the citizen seems doubly significant given the very limited scenarios envisaged in most regional discussions of media reform (Dabbous 2005: 141). In an online opinion poll conducted for a conference on *New Media and Change in the Arab World*, held in Amman in 2002, respondents were asked to indicate whether they thought the media should be owned privately or by governments. No other option was offered.

It is true that references to public service have cropped up in official Arab documents since the 1990s. According to the 1996 *Sana’a Declaration on Promoting Independent and Pluralistic Media*, agreed under UNESCO sponsorship

in the Yemeni capital and formally adopted by Arab governments at UNESCO's General Conference in November 1997, "state-owned broadcasting and news agencies should be granted statutes of journalistic and editorial independence as open public service institutions" (UNESCO 1996). This was followed in 2000 by the first Rabat Declaration, issued at a conference on *Challenges for Public Broadcasting in Africa* that was sponsored by UNESCO in collaboration with Morocco's Ministry of Communication. The Declaration urged African media professionals, civil societies, governments and legislatures to support a vision of PSB that would promote democracy, development and human rights (WRTVC 2000). Then came the December 2003 *Rabat Declaration on Public Service Broadcasting in the Mediterranean*, in which Moroccan, Algerian and Lebanese affiliates of the International Federation of Journalists [IFJ] undertook to work with "civil society, political forces and other interested groups to promote public support for the structures and values of public service broadcasting" (IFJ 2003). Since journalists' representatives in those countries could only operate legally under government licence, the Rabat Declaration was quasi-official.

In general, however, structures of internal and external support for media reform in the region have not been conducive to raising awareness about public service models, let alone enforcing public service requirements or building public service institutions. Reasons for this lie mainly with the crushing effect of authoritarianism and tight constraints on the activities of local NGOs (Sakr 2006: 3-4), but they are also partly to do with the principal sources of development assistance for democratic media and some inevitable practical aspects of aid disbursement.

Since the US is a major source of funding for media development programmes, mainly through USAID partners IREX and Internews, and since PSB is only a marginal activity in the United States itself, it would be unlikely to feature as an objective of US aid for Arab media reform. In fact US media owners have long complained of unfair competition in countries with a strong PSB presence, unhappy that they receive state subsidies and that they are often required to meet quotas in providing local content. Experience from Poland and the Baltic States suggests that central and eastern European countries wanting to join both the World Trade Organisation [WTO] and the European Union [EU] faced considerable difficulties in reconciling WTO free trade requirements with the EU model of autonomous public service broadcasters funded through taxation or licence fees with some protection for European content (Smith 2011). Arab countries, lacking the incentive of securing EU membership but tempted by the prospect of signing a free trade agreement with the US (as Morocco, Bahrain, Oman and Jordan managed to do between 2004 and 2010), felt no economic pressure to take lessons on broadcasting policy from the EU.

Meanwhile, in the actual provision of assistance for media reform, some types of project are easier to organise and implement than others. It is self-

evident that programmes for journalistic training will top the desirability list due to the ease of replication, which maximises the number of beneficiaries. They also face the least objections from political authorities, which can be confident that existing political and legal structures will prevent trainees from applying any potentially subversive lessons they learn. In circumstances where governments obstruct the creation of law centres or advocacy bodies it is hard to see how aid for media development can be directed at changing legal or regulatory contexts except through piecemeal, non-controversial training – of policy makers, parliamentarians, lawyers, judges and so on. In consequence it is mostly directed at media organisations themselves.

This tendency has been observed outside the region. In southeast Europe a survey conducted in 2003 indicated that around 40 percent of total media assistance had gone to training, and another 34 percent to direct assistance for media enterprises. Only a portion of the remaining 26 percent was allocated to legislative reform (cited in Franqué 2009: 91). There is no reason to suppose the corresponding figures would be much different for the Arab world. Krishna Kumar's 2006 study entitled *Promoting Independent Media*, which grew out of an evaluation of USAID-funded projects across the globe, made no mention at all of PSB institutions. Indeed, the author noted a preference by NGOs for training journalists instead of building local institutions because institution building is an "uncertain and arduous process" and "international donors tend to be risk averse" (Kumar 2006: 159-60).

Unsurprisingly, in view of its highly visible failure, Kumar did not discuss an attempt by Internews to establish a framework for independent public broadcasting in Iraq soon after the US invasion in 2003 (Internews 2003). The framework reflected recommendations put to the US-led Coalition Provisional Authority [CPA] in Iraq by Simon Haselock, a media development adviser seconded by the UK Foreign Office to Iraq after holding similar posts in Bosnia-Herzegovina and Kosovo. Internews circulated its plan to a group of mostly non-Iraqi delegates at a conference in Athens in June 2003 and received a lukewarm response from other players, who feared the initiative lacked indigenous Iraqi involvement (IMS 2003: 12). The CPA nevertheless issued Order 65 to establish an Iraqi National Communications and Media Commission [NCMC], and Order 66 to turn the US-created Iraq Media Network into a public service broadcaster. Both orders were short lived. When the Interim Government of Iraq took over from the CPA in 2004 it immediately set up a new body with powers over the NCMC and began censoring local and foreign media (Sakr 2005a: 245-246).

Local power structures, inhospitable to foreign interventions, have been no more accommodating to home grown initiatives that aspire to international standards of free reporting in the public interest. For some Arab journalists, such as Daoud Kuttab of *AmmanNet* in Jordan and Sihem Benseddrine of *Kalima* in Tunisia, online outlets were the only way to try to report freely. Yet the *Kalima*

news website was hacked even before it became Radio *Kalima* and was raided by government forces in 2009. When *AmmanNet* later became *Radio El-Balad*, profiting from Jordan's 2002 Audiovisual Media Law, it faced sanctions for uncensored reporting of Jordan's parliament. The same law was used in 2007 to block the Amman-based general channel, ATV, which hurt Jordanians who had made major personal commitments to the project (by leaving jobs abroad) because they believed it would serve the public of a 'modern Jordan' (Sakr 2007: 10-11). Many journalists who joined *Al-Jazeera* at the outset had learned PSB guidelines in Europe and were keen to apply them in the Arab region (Sakr 2005b: 148-49), free from political agendas (Sakr 2007: 61-63). Several left disappointed. In 2007-2008, Egypt's privately owned channels seemed to offer more promising opportunities for unfettered journalism, as demonstrated when Hafez al-Mirazi and Yosri Fouda moved from *Al-Jazeera* to *Al-Hayat* and *ONTV* respectively. Five female presenters resigned from *Al-Jazeera* in 2010 over issues of personal freedom and in 2011 there was disquiet at the way Qatar's official agenda muted the channel's coverage of pro-democracy demonstrations in Bahrain.

As these examples indicate, gaining the initiative for public service broadcasting remains an uphill struggle in the Arab context, despite "outstanding support" from UNESCO (Ayish 2010: 12) and substantial funding from the likes of the Open Society Institute [OSI], which was identified in 2009² as the top source of global funding in the field of freedom of expression (Nelson 2011: 9). UNESCO's 2003 workshop on *Public Service Broadcasting and Civil Society in the Arab Region*, held in Jordan's capital, Amman, was officially opened by Jordan's Minister of Information. According to a press release at the time, its aim was to get officials from ten Arab countries talking to others from ASBU and the IFJ about "strategic alliances and partnerships" that would promote PSB. In the same year OSI started working in the Arab region, locating its regional office in Amman. OSI's contribution to promoting PSB included a project with the Cairo Institute for Human Rights Studies [CIHRS] to translate an OSI study on European television regulation into Arabic. CIHRS published this with a companion volume on Arab media, which it introduced with a call for PSB to "complement but not replace private initiatives in the media sphere" (Al-Fegeiry 2007: 9). Significantly, the author of this call felt it necessary to insert the phrase 'public service broadcasting' in English, in a footnote to his Arabic text, to clarify what he meant (ibid: 11).

By its nature the CIHRS publishing venture implied that advocacy for PSB in Arab countries necessitates a long slow process of familiarisation. It underlined once again the difficulties of mobilising support for a model of broadcasting that is opposed by authoritarian governments, unknown to Arab publics, and almost impossible to operationalise in the absence of major law reform. The next sections show just how elusive the right combination of political will, awareness and triggering events can be.

Thwarted aspirations in Jordan

It was no coincidence that UNESCO held its Arab seminars on PSB in Jordan and Morocco. Apart from Lebanon, which had legalised private broadcasters in 1994, and the West Bank, where the Palestinian Authority that emerged from the 1993 Oslo Accords with Israel had allowed local broadcasters to proliferate in order to occupy as many frequencies as possible (Sakr 2007: 25), Jordan and Morocco were the only Arab countries to have embarked on reform of their terrestrial broadcasting sectors at the start of the 2000s. Lebanon's decision, linked to the legacy of 15 years of civil war, was not propitious for PSB because its 1994 Audiovisual Media Law not only ended the monopoly of the state broadcaster, *Télé-Liban* – the sole entity predisposed to address all elements in Lebanon's divided society – but put it at a disadvantage vis-à-vis private channels backed by leaders of sectarian groups (Dabbous 2005: 138-39). As for the *Palestinian Broadcasting Corporation*, created as a public body in 1994, its close association with a single political party, Fatah (e.g. Maiola & Ward 2007: 105,107,115) undermined any claim it might have made to public service status.

In contrast, stimuli for broadcast reform in Jordan and Morocco stemmed from the accession of a new young king in each country in 1999. Both countries' constitutions give their monarchs absolute powers to determine the parameters of political activity. In Morocco's case this empowered King Mohamed VI to pre-empt reform moves afoot within his cabinet and, in 2002, create a modern-looking but subordinate broadcast regulator by decree (Sakr 2007: 20).

In Jordan where broadcast reform had been on and off the agenda since the 1980s, King Abdullah instructed his new prime minister in mid-2000 to separate the state broadcaster, *Jordan Radio and Television Corporation* [JRTVC], from the government. His exact words were: "The official media should not be affiliated with any individual or government but should be the media of a state and a homeland" (Abdullah 2000). In 2002 Jordan's government decreed a liberalised broadcasting landscape, complete with a nominally separate licensing body called the Audiovisual Commission. It did so during a period when the king had suspended parliament. Although the Commission, like its Moroccan counterpart, lacked parliamentary approval or autonomy, being empowered only to advise, both Jordanian and Moroccan bodies were admitted to the regulators' network, the RIRM, where they joined democratically mandated bodies of EU members including France, Greece and Spain. In this way the king's top-down measures became part of a series of decisions that pushed the state broadcaster alternately closer to, and further from, a public service role.

The notion of PSB was not alien to JRTVC when Abdullah instructed the government to detach itself from state media in 2000. The corporation was an amalgam of JTV and Jordanian Radio, which had inherited British broadcasting facilities set up in the region in 1930s (Boyd 1999: 92-93). It had always

endeavoured to engage a specifically Jordanian audience who, for reasons of climate and geography, could access broadcasts from neighbouring countries well before the advent of satellite transmission. Attempts to address national concerns through distinctive television content were evident in satirical series and political talk shows that appeared briefly in 1996-1997.

In 1996 JTV became a founding member of COPEAM, the standing conference of Mediterranean broadcasters, at its inauguration in Cairo, which was backed by several European public service operators, the European Broadcasting Union [EBU] and the Council of Europe. Two years later JTV's director reportedly felt justified in claiming to run a public service-oriented family channel (Boyd 1999: 104). Jordanian households had every reason to expect as much, since their electricity bills included a levy equivalent to €1 per month towards the financing of JRTVC. When *AmmanNet* started as a community radio station in November 2000 it implicitly challenged JRTVC to serve the country's different communities and their information needs. Jordan's information minister at the time seemed to get the message. He brought civil society representatives onto the corporation's board, including a former deputy director-general of UNESCO, and backed the appointment of a young director general who rationalised and upgraded both the programming and the workforce. With reform of the country's broadcasting landscape in the cards, some Jordanians suggested that governance of the public broadcaster should emulate the BBC system (Hamzeh 2000b).

The promise of greater transparency was not fulfilled. The Palestinian uprising of September 2000 led to a government crackdown on expressions of dissent, aimed at containing unrest among Jordanians of Palestinian origin and averting a souring of relations with the US. Tensions rose further after the US-led invasion of Iraq in 2003 with the spread of conflict and the bombing of three hotels in Jordan in 2005 by an arm of Al-Qaeda in Iraq. Against this background, US authorities paid for a team of management consultants from Booz Allen Hamilton to advise Jordan on a raft of legal and regulatory reforms, and then commissioned IREX to implement the Jordan Media Strengthening Programme, launched in 2006. The IREX programme set out to "strengthen media associations to improve the enabling environment for independent media" (IREX 2008). But inside JRTVC some managers felt the real constraints on media independence were endemic to the country's political and electoral system (Zureikat 2011). In their view little impact had been made on the culture of "incompetent people" being appointed through "family connections" (Hamzeh 2000a), while editorial staff remained vulnerable to harassment and inducements intended to influence their coverage of government and security officials (Al-Quds Center 2009).

Promising statements emerged periodically, as when a respected academician, who chaired the JRTVC board during the 2004-06 period when the main

TV channel was revamped and renamed, said it should be “open to all political and social powers on the basis of equality” and seek to “entrench pluralism” (*Jordan Times* 2006). But the political environment was not conducive to following through on such aims. Between 2000 and 2010, the King appointed six different prime ministers who changed JRTVC’s management four times. These frequent changes removed people who had tried to maximise local or pluralistic output, including some who had collaborated with Denmark’s public service broadcaster, DR, to upgrade JTV youth programming and audience research (Zureikat 2011, IMS 2008). It was instead left to community radio to provide elements of public service programming. With private investment in television facing uncertainties after the ATV debacle, pressure on JRTVC to behave like a public service broadcaster was minimised.

Unprecedented exchanges in Tunisia

Tunisia’s 2011 revolution was all the more surprising because of the severity of repression under its former dictator, Zine Al Abedine Ben Ali. Freedom House, which placed Tunisia next to Iran and Zimbabwe near the bottom of its 2010 global rankings for civil and political rights, described Tunisian media as among the most restricted in the Arab World. The 2009 elections returned the president and his ruling party to power with an officially reported but obviously rigged 89.6 and 84 per cent of the vote respectively, by which time the inner elite around Ben Ali and his wife Leila Trabelsi consisted of just five families (Haugbølle 2009). This concentration of power was apparent in many aspects of Tunisian state television, not least TV7 whose name commemorated the date in 1987 when Ben Ali came to power. It was swiftly renamed *Télévision Tunisienne Nationale* [TTN] when Ben Ali fell.

Although Law 33 that governed Tunisian audiovisual media after 2007 contained references to public service, a systematic content analysis of state television newscasts in 2010 revealed an overwhelming focus on Ben Ali and his wife (Panos Paris-OMEC 2011: 2). The analysis was conducted as part of a project run by the Institut Panos Paris. Funding was provided by OSI, Irish Aid and the regional government of Catalonia with the goal of promoting a public service “dimension” in the public television broadcasting of Arab Mediterranean states (Panos Paris-OMEC 2010). When the project launched in 2009 Tunisia was one of the least accessible and least promising of the eight states selected for country studies. By the spring of 2011 it had been transformed into one of the most welcoming, playing host to a series of international meetings and consultations on PSB over a period of several months.

The French Community of Belgium, representing French-speaking Belgians who have their own government and legislature as part of Belgium’s federal

structure, responded to the fall of Ben Ali by sending an official delegation to Tunisia in March under the terms of an existing bilateral co-operation agreement. The mission, led by the French Community's prime minister, included both the president and director general of its regulatory authority for broadcasting, the Conseil Supérieur de l'Audiovisuel [CSA]. They met heads of Tunisian radio and television, and key people working on re-regulation of the sector, to establish co-operation in PSB and other areas, including media coverage of election campaigns (CSA 2011).

On the Tunisian side, however, there was instability and lack of clarity about regulation in the aftermath of the revolution. On one hand there was the High Commission [HC] created only days before the Belgians' first visit. The HC's remit, as signalled by its full title, was to "achieve the objectives of the revolution, political reform and democratic transition". But its revolutionary mandate was being implemented by a bureaucracy deemed by many to be "still bogged down" in the methods of the old regime, as demonstrated by its disastrous drafting of an effectively obsolete and widely reviled press law (Barata 2011: 4-5). On the other hand there was an institution headed by Kamel Labidi, who left a post at the Committee to Protect Journalists in New York to return to Tunisia. Known as the *Instance nationale pour la réforme de l'information et la communication* [INRIC], this body convened media professionals with democratic credentials but gave them a purely advisory role.

Deliberations about how best to ensure that Tunisia's state radio and television operators would attain the goals of pluralism, diversity and independence in the new era attracted a plethora of other participants, both local and foreign. April 2011 saw a visit to Tunisia by the Tunisian Monitoring Group of the 21-member International Freedom of Expression Exchange [IFEX-TMG], whose report noted dilemmas about licensing in view of the large number of applications and the association of some pre-existing private stations with the former regime. This put them at risk of being seized along with other assets of Ben Ali's family. Representatives of media outlets that had been outlawed under Ben Ali expressed frustration at the delay in allocating licences to accord them legal status. For Habib Belaïd, brought out of retirement to be the new director general of state-owned *Radio Tunisienne*, the main challenge was to "change the political mentality" in order to increase respect for diversity and open the way for a genuine public service broadcaster that would "inform, educate and entertain" – echoing the familiar BBC triad (IFEX-TMG 2011: 12-13).

At a Paris meeting in May that was initiated by UNESCO, the EBU and *France Télévisions* asked Belaïd and other Tunisian and Egyptian public broadcasting executives to list their priorities for training, equipment, programming and regulation. The EBU responded by pledging to help draft legislation, thereby supplementing the Belgian effort already under way in Tunisia. UNESCO said it had studies in the pipeline that would help align redrafted legislation with

international standards (EBU 2011). In June the EBU and COPEAM organised a roundtable in Tunis for representatives of Tunisian media together with the Institut Panos Paris and the French Community of Belgium, with the specific aim of “preparing the ground” for PSB through democratisation of television and radio (COPEAM 2011). The Tunisian media academic Riadh Ferjani, author of the Panos Paris country report on Tunisia, addressed the roundtable and urged special attention should be paid to raising awareness about international standards for PSB among Tunisian political leaders. Ferjani observed that “even the most liberal legal provisions serve no purpose unless they are fully and effectively implemented” by the authorities – an objective that would require the moral support of independent broadcasters and the practical involvement of civil society groups in monitoring public service bodies and holding them accountable (Panos Paris-OMEC 2011: 2-3).

Struggle against the status quo in Egypt

One paradox of Egypt before the 2011 revolution was the co-existence of multiple non-government media outlets pushing at the boundaries of censorship and a state propaganda machine that was both dilatory in covering national disasters (Sakr 2007: 149) and dishonest in reporting local dissent. It is striking that regardless of successive staff training programmes from German, British and other sources, and despite its purported commitment to COPEAM, the state-owned *Egyptian Radio and Television Union* [ERTU] was completely out of step with the Seville Charter that COPEAM issued in 2005 to affirm that its members shared professional values. The Charter, which the ERTU signed from the outset, committed signatories to respect pluralism of opinions, show responsibility, fairness, accuracy and objectivity in reporting facts and events, and “abstain from any form of misinformation through omissions”. As the ERTU’s version of the protests that led to Mubarak’s removal grew ever more divorced from reality, editorial staff within the organisation starting walking out and protesters converged on its headquarters chanting “Liars!” (AFP 2011).

Even after the ERTU finally caught up with the toppling of Mubarak, its managers seemed not to understand pluralism. They interspersed programmes with supposedly patriotic clips apparently intended to cement national unity. What the clips actually testified to was what a young Egyptian scholar described as the same old “calcified” discourse about the “quintessential” Egyptian character. This discourse, he said, had persistently “flattened” the “complexity of subjectivity and society”. It had been used as both “the fuel of jingoism and ethno-nationalism ...and [the means] to prescribe social intelligibility” (Aly 2011). Indeed, any radical shift towards a public service ethic of diversity and independence seemed highly implausible given the post-revolution retention of

Egypt's 30-year state of emergency law with its restrictions on civil liberties. The sheer size of ERTU's workforce (44,000) and deficit (around US\$1.5bn) added to the practical difficulties of restructuring. Expectations of modernisation were further dampened when Egypt's ruling Supreme Council of the Armed Forces appointed an Air Force chief of staff, Major-General Tarek El-Mahdy, to take over from a civilian as ERTU's head. El-Mahdy's appointment prompted Hafez al-Mirazi, formerly of *Al-Jazeera*, to cancel plans to host a show on state TV.

Frustration over lack of clarity about media regulation, including licensing, left many private and community media owners and producers in post-Mubarak Egypt wondering how to operate legally. Under Mubarak relatively independent content had been available only on internet radio stations and private satellite channels because the government retained a monopoly over terrestrial transmission. This situation remained unchanged in the months following Mubarak's removal. Yet, by rights, under any legislative framework oriented to public service provision, the nationally relevant content aired on talk shows on privately owned channels should have been universally available to all Egyptians, not only those with satellite receivers.

Such content served to underline the question of whether there was any point in trying to salvage something from the hulk of the ERTU that could ensure diversity, independence and other key features of PSB. A significant answer emerged in a declaration issued in May by a group of Egyptian NGOs calling themselves the National Coalition for Media Freedom³. The document listed ten principles and eleven action points, and stressed the need to "rid the Egyptian media of the mono performance which ignores facts of pluralism and diversity which are pillars of strength of the Egyptian society and national unity". It called for public media to be rehabilitated under a phased plan that would enable them to "do their part as public interest institutions", liberated from "interference" by government, political bodies, interest groups or advertisers. Whether such a plan could be framed or implemented effectively remained uncertain in the confusion that gripped Egypt as 2011 progressed. Doubts intensified about the plan to draft a new constitution after the parliamentary elections rather than before them. Constitutional issues dwarfed initiatives specific to modernising the ERTU, such as a proposal to split the bouquet of Nile Thematic Channels off as a separate entity, or the BBC's undertaking at UNESCO's May 2011 conference in Paris to provide technical assistance.

Conclusion

Decades of dictatorship have given media regulation and state ownership a bad name among Arab publics. Many see state broadcasters not only as dinosaurs but also as agents of repression, believing that a new age of media freedom

requires fostering a proliferation of community and small media alongside private commercial ventures. In these circumstances it is all the more noteworthy that in the three very different countries considered here one finds a discernible interest in attaining a form of broadcasting that manifests the public service ethos with features that include universality, diversity, independence and distinctiveness. Evidence of this interest emerges from micro-level statements and actions of individuals and groups inside and outside the national and pan-Arab media, from journalists and human rights advocates to public intellectuals and television executives. Potential for incremental elaboration and dissemination of the ethos exists in the way the thread of interest weaves together overlapping constituencies within and between Egypt, Jordan and Tunisia, as well as the way it is underpinned by keen support from international institutions including UNESCO, the EBU, COPEAM, RIRM, OSI, Belgium's CSA and the BBC. The question is how local actors can use this support to inject an even greater sense of urgency into the dissemination process and transform their mutual interest and initiatives into a concerted campaign.

Answers emphasised in this chapter indicate that a campaign cannot be realised in practice unless there is fundamental change in political structures. That is where durable mechanisms of consultation with the public and accountability to the public must be built. Since PSB is itself one of these mechanisms, it has to be identified explicitly as an integral element of desired political change by those with the power to see change through. Top-down actions by kings, revolutionary commissions or military councils can give the green light for transformation of state broadcasters but, as shown here, green lights do not get the traffic flowing unless other factors, including bottom-up and side-to-side pressures, are pushing the same direction. If consensus were to be reached on an inspirational Arabic phrase to capture the essential features of PSB, that would provide a major push. Thereafter, given the depth of Arab disenchantment with state media, entrenched resistance to change on the part of long-serving government propagandists inside state media, and a lack of first-hand experience of accountability mechanisms in either local or national governance, advocacy for PSB will only be effective if it is openly and consistently integrated into wider policy debates.

Notes

1. Personal communication to the author in Budapest on June 26, 2011, at a conference on Building New Media Institutions in the MENA Region, organised by Internews, Annenberg School for Communication and Central European University.
2. Officially the organisation is part of a family of Open Society Foundations, which were identified collectively as the top donor by NGOs belonging to the International Freedom of Expression Exchange.
3. Available at: www.ncmf.info

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IV.
Public Service Media
in Practice

Broadcast Journalism and Impartiality in the Digital Age

Six Fallacies and a Counter-Factual

Steven Barnett

For most Western European countries, the emergence of broadcasting was accompanied by a very different policy regime to the laissez-faire free market approach that had traditionally governed the print media. From the outset, most nation-states imposed an impartiality regime on broadcasters with an obligation to report events and impart information without editorial direction or interference. While the printed press, and newspapers in particular, often revelled in the freedom to advance their own particular causes, excoriate governments or pronounce judgement on the latest political initiative, broadcast media were obliged to eschew partisan opinion and pursue an objective and entirely impartial reporting role.

The roots of this policy were twofold: spectrum scarcity, which ensured that the numbers of people or organisations with access to the airwaves was limited. At the same time there was government fear of surrendering a powerful medium that might be exploited by unscrupulous owners pursuing their own agenda. Since the technological advances of broadcasting coincided with the rise of fascist regimes in Germany, Italy and Spain – and given the appalling effectiveness of mass propaganda techniques in the rise of Nazism – it was scarcely surprising that political leaders were unwilling to relinquish control of a medium which offered such communicative power in the heart of people's living rooms. In the emerging democracies of Central and Eastern Europe a somewhat different rationale emerged, in which competing elites struggled to develop a normative journalistic framework that would differentiate publicly funded broadcasters from their state-sponsored (and state-censored) predecessors (Jakubowicz 1998).

What therefore emerged from these early developments in the 20th century – heavily influenced by the evolution of the constitution, values and practices of the BBC – was a core journalistic commitment to independence and professionalism which lay at the heart of a public service broadcasting philosophy (Barnett 2011). In debates about the legacy and the future of PSB, the funda-

mental contribution of this journalistic culture in sustaining democracy is not always acknowledged.

Its importance was underlined in the UK during the summer of 2011 as the extraordinary revelations unfolded about phone hacking and other illegal and amoral journalistic practices that had been routine on Rupert Murdoch's weekly newspaper, the *News of the World*. As rumours abounded that such practices were endemic on other UK tabloid newspapers, and as the press itself appeared reluctant to give the emerging scandal appropriate coverage, broadcast journalism excelled by providing exhaustive coverage as well as itself being exempt from any accusations of unethical behaviour. The public interest was therefore served both by having an explicit benchmark of journalistic integrity and through information dissemination which was manifestly lacking in much of the press reporting.

Along with other vulnerable characteristics of PSB, these journalistic values – which importantly can apply as much to commercial broadcasters as to publicly funded institutions – are under threat. They are partly threatened by the attack on funding being experienced by most publicly funded broadcasters. But I believe they are more seriously endangered by a growing sense within advanced democracies that converging technologies and the proliferation of information sources renders the concept of impartiality redundant; a belief that frameworks which provided the bedrock of professional journalistic values can now be cast aside. This chapter sets out the nature of that threat and the case for reclaiming the public interest value of impartiality obligations within a public service framework.

Europe versus the US: Contrasting approaches to the State

In the 1980s the United States abandoned its version of impartiality, the so-called "fairness doctrine". This was a body of government regulation that had evolved through case law, regulatory action and congressional legislation. It required broadcasters, first, to cover issues of great public importance and, second, to ensure that such coverage was balanced. It became a victim of neo-liberal market policies in the 1980s when the commissioners of a Reagan-appointed Federal Communications Commission [FCC] decided that a fairness doctrine was inconsistent with the freedom of expression guaranteed by the First Amendment. This posits that "Congress shall make no law.... abridging freedom of speech, or of the press". In 1987, the FCC voted to abolish it altogether partly on the basis that technological advancement vitiated arguments around spectrum scarcity (Fiss 1990), and partly on the grounds that such a requirement would "increase the government's intrusion into the editorial decision making process of broadcast journalists" (quoted in Bollinger 1990: 358).

At the heart of this regulatory decision, upheld in the Court of Appeals in 1989, were two philosophical principles that continue to underpin American policy thinking on this issue. First, there exists a visceral hostility to the notion that the state might be allowed to prescribe or even influence content. Whatever the limits of speech mediated by private interests, the risk of government intrusion was even greater. In the words of eminent journalism scholar Michael Schudson, “if the marketplace is to be the censor that may be regrettable, but it is fully in accord with the Constitution. It is *state* censorship that the Constitution forbids” (2003: 202, italics in original). Second, there is a fundamental belief that the free market is the most efficient means of ensuring efficiency and competition, which in turn presumably guarantee quality and choice for consumers.

Such conviction about the efficacy of the “market’s invisible hand” represented, according to one account of the theoretical foundations of FCC policy, the triumph of classical economic theory over an approach based on a participatory public sphere: “While market theory privileges freedom of choice and market efficiencies, public sphere theory concentrates on social welfare and the needs of citizens within a democracy” (Simone and Fernback 2006: 294). Thus, from the mid 1980s, led by its Reagan-appointed Chairman Mark Fowler, the FCC pursued an avowedly deregulatory policy on the basis that “a market philosophy for communications policy is supported by a libertarian claim of freedom and an economic claim of efficiency” (ibid: 291).

This aversion to the State as an active facilitator of free speech has been equally distrusted – perhaps with more justification – by those Eastern and Central European countries that have most recently emerged from the shadow of a state sponsored suppression of free speech. By contrast, the political philosophy of most Western European countries still regards the state as a potentially benign facilitator of the public interest, a vision encapsulated in approaches to public policy areas such as health, transportation, education and housing. In broadcasting it has been manifested in a public service approach that from its inception has endorsed public funding and positive content obligations, which have traditionally included a requirement on broadcasters to provide coverage of important public affairs in an impartial and balanced manner. These obligations have, in turn, created and sustained institutional cultures of journalistic independence that, in many cases, define not just the institutions themselves but also the nature of journalism in the public interest.

In drawing conclusions for Europe it can be dangerous to make sweeping generalisations about such a disparate group of nations with their own languages, histories and political cultures (particularly in Eastern Europe where the media systems of former Soviet Bloc countries are still evolving from the centralised monopolies of the communist era). Nevertheless, Hallin and Mancini’s classic comparative study (2004), which attempted to classify some of the basic

differences within Western European media systems, correctly contrasted “the European tradition of the active state” with the First Amendment absolutism of the United States which instinctively turns its face against any state-sponsored intervention in the free market.

A statutory requirement for impartiality in broadcasting can therefore still sit comfortably within the public service culture of Western Europe, if not of the US. Increasingly, though, questions are now being raised about the continuing relevance of such rules. Although ostensibly prompted by technological issues keyed to proliferation and convergence, some are in fact rooted in a shifting political culture that is moving closer to the liberal economic model of America. The rest of this chapter examines, with reference to the UK, the six main arguments being advanced against impartiality and attempts to explain why each one is fallacious. It then presents positive arguments in favour of retaining statutory safeguards for impartiality in broadcasting, rooted in the public service philosophy of safeguarding normative – but increasingly vulnerable – standards of professional journalistic practice and protecting the public interest. The argument insists that such safeguarding is essential for success in regaining the initiative for public service broadcasting because that cause will be best served by remaining true to its core principles rather than surrendering them to the critiqued assertions.

The first argument against: “Freedom of expression” and “choice”

An increasingly powerful narrative holds that impartiality is both undesirable and unenforceable in a world where politics has moved beyond the binary left versus right incarnation of the Cold War era to a more complex and multicultural set of competing ideas and political priorities. Thus, opponents of impartiality argue that convergence offers the perfect opportunity to cut loose from what they regard as a paternalistic remnant of the old public service ideology, and to allow the “market-place of ideas” to thrive in broadcasting as in print and online. James Murdoch, heir apparent to the Murdoch media empire, argued in his 2009 MacTaggart lecture at the Edinburgh Television Festival that impartiality requirements represent:

...an impingement on freedom of speech and on the right of people to choose what kind of news to watch [The free press] is driven by the daily demand and choices of millions of people ... why do we continue to assume that [a different] approach is appropriate for broadcasting: especially as one communications medium is now barely distinguishable from another?

Questions have of course been raised about the extent to which Murdoch pere and fils want to clear the path for an ideologically committed and unencumbered version of Fox News in the UK (e.g. Petley 2003). But whether Murdoch junior's objections were rooted in commercial self-interest or ideology, they reflect a growing pattern of argumentation around choice and consumer sovereignty. Several years earlier, for example, the Policy Director of the Independent Television Commission (the UK television regulator subsequently folded into Ofcom) argued that, given the multiplicity of television platforms, clearly identified "opinion channels" should be permitted. The multichannel era was, he said, "the occasion for Britain's regulatory regime to re-assert the values of Locke, Voltaire and Mill. We should trust the robust common sense of all the communities on our Islands to hear a diverse range of views, to tolerate that diversity, and arrive at their own right answer" (Morris 2002: 48-9).

"Choice" and "freedom" are always seductive refrains, but fail on at least two specific counts. First, there is the long-standing critical view that the "marketplace of ideas" philosophy takes no account of the power of well-funded voices to distort the range of available opinions (see Freedman 2008). At the heart of these objections is the confusion between allowing individuals equal access to platforms of free expression, and privileging those corporations that necessarily wield the greatest power in a market economy. In a particularly powerful passage in her 2002 Reith lectures, the philosopher and academic Onora O'Neill referred back to the classic John Stuart Mill view of the role of the press in facilitating a clash of ideas:

Like Mill we may be passionate about individual freedom of expression, and so about the freedom of the press to represent individuals' opinions and views. But freedom of expression is for individuals, not for institutions. We have good reasons for allowing individuals to express opinions even if they are invented, false, silly, irrelevant or plain crazy, but not for allowing powerful institutions to do so. Yet we are perilously close to a world in which media conglomerates act as if they too had unrestricted rights of free expression (O'Neill 2002: 93-94).

This is the best riposte to those libertarians convinced that regulatory intervention by the state distorts the sensitivity of the free market to the unrefracted wishes of news "consumers". It is an argument largely discredited by the indiscriminate application of liberal economic theory to a wide variety of industrial sectors, regardless of the consequences – with banking as the most recent casualty. It is especially true in broadcast news where barriers to entry into the "marketplace" are prohibitive even for corporations, and where individual free speech is entirely dependent on corporate gatekeepers. By contrast, equality of access to speech is implicit in the practices and institutional ethos of public

service institutions, which by definition do not privilege the opinionated commentary of those who can afford to pay.

Second, any argument around “choice” must account for the deeply held views of the vast majority of citizens themselves. Surveys of British public opinion have consistently shown, in the words of one study commissioned from Cardiff University in 2002, “very strong public support for the existing regime of broadcasting impartiality” (Hargreaves and Thomas 2002: 9). This is confirmed by the most recent figures from Ofcom (2010a) that showed 93 percent of the public believe it is important that television news reporting be impartial. Over two thirds (68 percent) felt it was “very important”, a huge vote of confidence in a regime that clearly applies to the medium as a whole rather than individual channels.

This enduring belief in the importance of impartiality was reflected by levels of public confidence in television’s output: 72 percent in the same survey cited television as the source which they “trust the most to present fair and unbiased news coverage” of world events, while 69 percent gave the same answer for national news. It should therefore come as no surprise that surveys comparing levels of public trust between print and broadcast journalists regularly demonstrate a massive gulf in favour of the former. Most recently, for example, a UK survey found 61 percent saying they trusted BBC journalists to “tell the truth” compared to 15 percent for journalists on red-top newspapers (Barnett 2008).

It is very difficult to make an argument that consumer or audience or even citizen “choice” will somehow be enhanced by the removal of public service obligations, or the diminution of public service institutions that command such overwhelming popular support. Given that British citizens are exposed on a daily basis to media that are both constrained by and completely free of regulatory controls for impartiality, and given their unambiguous vote of confidence in the maintenance of those controls, it would be perverse to suggest that removing impartiality would somehow “liberate” consumer sovereignty.

The second argument against: The “crisis” in political engagement

A different rationale for questioning impartiality comes from those concerned about declining levels of political interest and participation, those who have attempted to link this perceived “crisis” empirically to impartiality restrictions in broadcast journalism. This was first mooted in the Hargreaves and Thomas report cited above, where the authors attempted to correlate political disengagement with a journalistic culture of impartiality in television. They concluded that “a more opinionated style of broadcast news [may be] helpful in the overall news mix” (op cit: 105). Ofcom unaccountably revisited this entirely spurious

connection between declining interest in news, disengagement with politics, and impartiality in its comprehensive analysis of television news five years later (2007). This report reiterated the unsubstantiated claims from those opposed to maintaining the status quo, and proceeded to raise important policy questions about whether impartiality was “a barrier to diversity”.

This argument falls on at least two counts. The first challenges narrow definitions of political engagement based on participation in the formal political system (membership of parties, voting in elections etc.). Much of Ofcom’s analysis was predicated on behaviour or attitudes that equated political involvement with voter turnout or public confidence in existing political structures to represent their interests. As political scientists have increasingly come to recognise, however, and as empirical studies have shown, the nature of the “political” has broadened considerably beyond the world of established political parties or traditional political activity such as trade union membership.

For example, one comprehensive analysis of political engagement published in 2006 found that “37 percent of non-voters were members of, or active in, a charity, community group, public body or campaigning organisation”, and pointed to the massive membership increases in single issue groups like Friends of the Earth, Greenpeace, the National Trust and the Countryside Alliance (The Power Report 2006). Recent huge demonstrations against public sector funding cuts in London, Paris, Greece and other European countries struggling to deal with the fallout of the world banking crisis and subsequent economic recession certainly demonstrate a level of political interest that transcends party membership, or even voting.

Secondly, no evidence has ever been adduced that a highly partisan and committed media fires voter interest or participation in public affairs. The British national press has been famously and fiercely partisan for at least a hundred years, and despite declining circulations is still read by two-thirds of the population in an average week, and 45 percent on an average day (House of Lords 2008: 142-143). The online world allows for new forms of politically committed and interactive websites. There is no persuasive reason why a partisan television environment would suddenly reinvigorate public interest in politics where both a partisan press and an opinionated political blogosphere are apparently failing. This argument is reinforced by evidence from the USA: removal of the Fairness Doctrine 25 years ago has not lessened concern amongst political commentators about a popular lack of engagement in public affairs, or eased anxiety (as in most western democracies) about the health of participatory democracy.

Moreover, promoting citizenship and democratic participation is an integral element of the public service compact. The BBC is charged by its Royal Charter to fulfil six public purposes, of which the very first is “sustaining citizenship and civil society” (DCMS 2006: 2). This has been further defined by the BBC

Trust to go beyond simply providing high quality independent journalism. It also means engaging audiences in news and current affairs and building a “greater understanding of the parliamentary process and political institutions governing the UK”. There is thus an institutional imperative, driven by an ethos of public service broadcasting, towards encouraging citizens to engage in democracy at every level.

The third argument against: Relevance of television news

A rather more persuasive case can be made that certain groups – in particular the young and ethnic minorities – do not find TV news engaging and relevant for their needs. Ofcom’s qualitative research in 2007 amongst Asian, Afro-Caribbean and Muslim groups suggested that many members of these groups were dissatisfied with mainstream UK news bulletins. There are echoes here of the critiques of television news in the 1970s and 1980s, grounded in theories of hegemony and the “unconscious” bias inherent in the organisational structures of news. The question in the 21st century, however, is whether population groups who feel marginalised by mainstream television news agendas are likely to find them any more engaging or relevant simply because broadcasters are allowed to editorialise.

There are two reasons for challenging the assumption. First, as argued above, there is no shortage of partisan opinion in newspapers, magazines and online sources. This is arguably even more relevant for young people who are more comfortable with and have more access to a variety of vigorous opinion through social networking groups and websites. Second, news relevance is an issue of agendas rather than editorial opinion: there is no logical reason why removing impartiality requirements should make the slightest difference to those demographic or ethnic groups who currently feel alienated. It is equally plausible that disaffection with broadcast news would be aggravated rather than ameliorated by broadcasters pursuing overt political agendas from which minority groups feel excluded. By contrast, institutions imbued with public service values are either naturally inclined or sometimes mandated to ensure that their journalism appeals across all demographic groups.

The fourth argument against: Diversity of news agendas

A related argument is that television news agendas are almost indistinguishable, demonstrating an unhealthy homogeneity of issues and approaches. Interviewed for the ITC report in 2002, the Head of News and Current Affairs at Channel 5, Chris Shaw, said: “What annoys me is how same-ish all this news is. We’re all covering the same stories in pretty much the same way. That’s something that

the establishment welcomes and it's fostered by a tough climate of regulation" (Hargreaves and Thomas 2002: 98).

Again, the logic is fallacious. While it is certainly true that television news tends to offer little diversity in either story selection or treatment, there is no evidence that removing impartiality restrictions will suddenly transform editorial agendas. Both the selection of television news stories themselves and the dominant news narratives are indicative of the society in which they are situated, and of shared assumptions about what is "newsworthy", as well as being the product of institutional and professional practices. Shared values of newsworthiness are entirely separate from whether journalists should be even-handed or partial in their approach to stories. Even those who support relaxation of existing impartiality rules accept the fallacy of this argument. Tim Suter, the senior Ofcom executive responsible for content regulation when its study was published in 2007, wrote a year later:

[I]t is worth observing that the rules around impartiality only affect the way any given story is presented: they have no bearing on a channel's choice of stories. It is therefore entirely possible that a news service could pursue a policy to exclude particular types of story without triggering any breach of the impartiality rules (Suter 2008: 117).

In addition, longitudinal evidence from network news agendas in the US that have no such restrictions shows an even more marked homogeneity of output than in the UK. Analysis of evening news bulletins carried out by the Project for Excellence in Journalism (PEJ) shows scarcely any deviation in the three major networks in the proportion of time allocated to different stories. Astonishingly, out of a total of 2,303 minutes devoted to the war in Iraq on the three evening news programmes over the course of 2007, each network's annual coverage varied by just eight minutes without any discernible distinctions in journalistic approach (PEJ 2007; see also Barnett 2011 for a more detailed analysis).

Moreover, there is now an array of licensed news channels whose cultural perspectives are different and diverse, and which do not have to breach impartiality rules in order to attract particular demographic groups. Al-Jazeera's news agenda is manifestly different to that of BBC News, Sky News, France 24 and Russia today, but it does not require a licence to be partisan to prioritise a different set of economic, political or cultural issues. Its coverage of the Egyptian anti-Mubarak demonstrations and subsequent overthrow of the dictator's regime in February 2011 won widespread praise for its non-partisan and professional journalistic approach. Similarly in the UK, the news output from BBC3 – the BBC channel aimed primarily at young people – or its Asian Network radio station can and do pursue diverse news agendas without compromising the Corporation's statutory commitment to impartial reporting.

The fifth argument against: Ambition and innovation in editorial approaches

Some practitioners are convinced that impartiality requirements impose a straitjacket on innovative journalism and that their removal will unleash a creative torrent of new ideas that would somehow overcome the natural confines of the television medium. This assumption is usually linked to a frustration with the undoubtedly uniform narrative forms adopted by most television journalism, in turn attributable as much to the nature of the medium (which Postman, Bourdieu and others have documented many years ago) as to any lack of ambition by successive generations of professionals.

In fact, the last 25-30 years of British television have seen a number of innovations in approach, form and content in news and current affairs. News bulletins have lengthened to half an hour; Channel 4 and Five have provided, respectively, more depth and more dynamism; news analysis programmes like *Panorama* and *Dispatches* have provided more context; and even daily news bulletins tend now to offer background detail beyond straight reporting on at least one item each day. These innovations have been enabled – rather than encumbered – by a public service framework which mandates both space and investment for television news, and any concern about lack of ambition or adventure in journalistic approaches are attributable more to lack of resources than lack of imagination.

It is difficult to understand how an opinion-driven free-for-all news culture stripped of traditional editorial values of accuracy and fairness will suddenly generate ideas or approaches that have apparently gone undiscovered for fifty years. Once again, there is no evidence from America's 'unburdened' television news culture that its broadcast journalism has been swept along by a tide of innovation. On the contrary, the news channel that has most exploited American television's freedom to be overtly partisan – Rupert Murdoch's Fox News Channel – has become renowned for undermining traditional tenets of truth-seeking in broadcast journalism, and thereby influencing competitors with more serious intent. In the words of one (British) observer, Fox "has almost rewritten the rules of US television news coverage.... with its penchant for presenting politics as a gladiatorial sport, all sound, fury and popular entertainment, in which fact and reasoned analysis are ditched in favour of outrage, anger and patriotic pride" (Gumbel 2006).

The sixth argument against: Technological preclusion

The final argument is a familiar rehearsal of old objections based on technological determinism, and holds that in the multi-channel, multi-platform world of digital broadcasting, any attempt to restrict the flow of feisty, opinionated TV channels is doomed to regulatory failure. In the UK, this problem of en-

forceability was Tim Suter's main objection: "With some 750 or so channels broadcasting under an Ofcom licence, the regulator's ability to monitor output, even if it wished to, would be severely limited." (op cit: 118).

This argument falls on both precedent and logic grounds. Ofcom's predecessor, the ITC, was not prevented by the sheer number of channels from revoking the licence of Med TV, a channel aimed at Kurdish viewers, for failing to conform to impartiality rules in 1999. Nor would it stand idle if channels started broadcasting illegal material such as child pornography or incitement to commit acts of terrorism. Since the current regulator Ofcom responds to complaints about breaches of its codes rather than relying on round-the-clock monitoring, there is no technological reason why such complaints relating to impartiality cannot be scrutinised *ex post facto*. Appropriate warnings and fines may follow, as they do for breaches of harm or offence codes, followed by the ultimate sanction of licence revocation.

It is certainly possible that alternative web-based transmission mechanisms will challenge the regulator's authority, and there is no question that convergence of television and computer poses awkward regulatory questions. For example the *Sun* newspaper – part of Murdoch's News International stable of newspapers and renowned for its uncompromising and frequently right-wing style – runs SunTalk through its website and is free to pursue an openly political agenda. It is overseen by the Press Complaints Commission [PCC], the newspaper industry's self-regulatory body, which operates a much looser scrutiny role over editorial standards. The PCC's remit has been expanded to cover audio and video content on all UK newspaper websites, which are therefore free to be as provocative and partisan as their hard copy versions.

In time, this may create some regulatory confusion that would need to be addressed. But for the moment, the traffic on these sites barely registers, and certainly for the foreseeable future consumer approaches to television remain distinct from the computer in terms of its audience reach, impact and visibility. As long as television journalism can be properly distinguished from web-based journalism – and as long as the public service framework and institutions in which it operates are clearly appreciated by citizens – there is no reason why medium-specific codes cannot continue to be applied.

The counter-factual:

Two reasons for retaining impartiality rules

Economists like to talk in terms of "counter-factuals", the likely consequences of removing an existing structure or set of rules. As well as rebutting the specious arguments for their removal, we can hypothesise at least two undesirable outcomes of abandoning the long-standing tradition of impartiality rules.

First, the current structure serves as a partial safeguard for professional journalistic values of accuracy and fairness in reporting. There is now extensive evidence of how traditional standards of journalism are being undermined by the fundamental transformation in media business models, and how cost-cutting and redundancies in long-standing media organisations are leading to a greater dependency on news agencies, recycling of stories and “churnalism”, as well as uncritical reliance on PR handouts (Currah 2009; Fenton 2009; Davies 2008). Original reporting, newsgathering and fact-checking is an expensive process which requires time and investment. For a medium that requires pictures and for which original newsgathering is therefore particularly expensive, the cheapest option is to fill airtime with a diet of polemical antagonists and opinionated talking heads. The end result is a television news culture dominated by the voluble, the prejudiced, and by those determined to make headlines rather than impart information – precisely the opposite of those values embodied in a public service approach to journalism.

Passionate debate and the airing of oppositional views is a crucial element of the public sphere and must certainly be defended. But the contrivance of hostile confrontation which features in so many partisan broadcast outlets is a different kind of communication altogether, one making no contribution to an enlightened citizenry. Impartiality rules, therefore, can firstly act as a safeguard to ensure that normative standards of professional journalism are embedded within the aspirations and practices of public service broadcasters. They are clearly not an adequate substitute for proper investment in journalists on the ground, or for professional training. But their existence can certainly act as an impediment to the worst excesses of unthinking, prejudiced journalism and therefore go some way to safeguarding public trust in broadcasting.

Second, impartiality rules can offer institutional protection against proprietorial intervention. It has long been accepted within the print media that newspaper and magazine owners can and do exert significant influence over the editorial direction and content of their publications. In Europe and the US, commentators and scholars have adduced evidence for corporate intervention, from the Murdoch newspapers’ passionate support for the Iraq war to Berlusconi’s ill-disguised promotion of his own political and financial interests. The apparent ease with which owners of newspapers can influence or even dictate content within their own publications creates particular problems for plurality as media companies consolidate even further in order to survive the economic downturn.

That impartiality requirements can act as a partial obstacle to such blatant interference, and therefore protect an element of pluralism, was recognised by the competition authorities in Britain in a 2006 merger case between BSkyB, (part of Rupert Murdoch’s News Corporation empire), and ITV, Britain’s largest free-to-air commercial public service broadcaster. Having suddenly acquired 17.9 percent of ITV’s shares, BSkyB was subject to investigation by the appropriate bodies

because of the “public interest” issues raised in relation to plurality of television news. In its findings, however, the Competition Commission [CC] concluded there was no threat to plurality because “the regulatory mechanisms, combined with a strong culture of editorial independence within television news production, are likely to be effective in preventing any prejudice to the independence of ITV news” (Competition Commission 2007: par. 5.75).¹ Michael Grade, then chairman of ITV, reinforced their argument a few months later when giving evidence to a House of Lords select committee inquiry into news and media ownership. Asked whether it might be possible for an iconoclastic new owner “to completely degrade and change the news agenda” of ITV, Grade responded:

Should some less scrupulous owner of ITV decide that they wish to turn the news to their own commercial advantage or whatever.... they would run foul immediately of the regulatory and statutory rules, and I think they would have the devil’s own job to do it (House of Lords 2008: Q991).

It is important to qualify the potential of impartiality rules in fostering an independent journalistic culture, because there is also evidence that television news agendas can still be subjected to subtle editorial influence despite such rules (Barnett 2010).² Similar concerns were expressed about the future of Sky News in the UK during the protracted negotiations over News Corp’s bid to take over the whole of BSkyB early in 2011 (subsequently withdrawn following the phone hacking scandal): assurances about Sky’s continuing compliance with impartiality rules were countered by those who felt that Rupert Murdoch’s editorial agenda would still filter down to a news channel wholly owned by News Corp. Nevertheless, it is demonstrably true that as long as such statutory controls are in place, it will be impossible for even the most interventionist of owners to dictate editorial directions and news values in the same explicit manner as is routinely practised in the printed press. By offering partial protection to television journalists and their professional news judgements, the impartiality regime ensures that newsrooms will not be subjected to the arbitrary editorial whims of new owners even an era of consolidated ownership. The public service values embodied in impartiality rules can therefore profitably be extended beyond publicly funded institutions to privately owned broadcasters as a means of preserving journalistic independence.

Theory into practice:

Impartiality, the BBC and a more sophisticated approach

Having established the principle of impartiality as a fundamental requirement for sustaining high quality, plural journalism in the public interest, it is equally

important to tackle the more difficult issue of how the principle can be implemented in practice beyond an invocation to journalists not to ‘take sides’. In particular, how can the legitimate concerns of those professionals who worry about editorial diversity, innovation, relevance and ‘passion’ be addressed within a framework that will not prejudice impartiality?

Within the BBC, the principle of an editorial code that *aspires* to impartiality as a journalistic ideal has never been seriously questioned. By the turn of the century, however, the *practical* implications of that aspiration was becoming recognised as increasingly difficult, particularly in a world whose priorities had been transformed by the terrorist attacks of 9/11. These changes and their broader implications for reporting were acknowledged by the then BBC Chairman Michael Grade in May 2005:

Social attitudes have changed. Many new groups have entered British society, bringing with them their own cultures, and religions, and value systems – all of them legitimate expressions of belief. Now, when legitimate value systems compete, the BBC must act impartially. That applies to areas of cultural controversy, just as much as to the traditional areas of political and industrial debate as defined in the impartiality regulations (Grade 2005)

Grade’s speech heralded a period of serious examination by the BBC into its own guidelines for journalistic practice, and was elaborated further by its Head of News, Peter Horrocks, in a significant lecture in 2006. Horrocks specifically addressed the issue of relevance, the problem of declining audiences and the need to ensure that the BBC was editorially attuned to the distinctive tastes of its different audiences. But he also argued, in the context of an increasingly fragmented and segregated society, that “we will need to look again at what we mean by impartiality and transform editorially to re-find our lost audiences”. Addressing specifically the issues of diversity, controversy and widening appeal, Horrocks argued that alternative perspectives should not preclude views which many might find “abhorrent”, including interviews with members of the Taleban and the far-right British National Party. Describing this vision as “radical impartiality”, he said that the new purpose of BBC journalism was:

...to provide the widest range of information and views.... so that the bulk of the population sees its own perspective reflected honestly and regularly. We must also provide the opportunity for people to regularly come across alternative information and perspectives that provide a wider viewpoint. We need to provide that information and opinion in forms and styles of sufficient appeal to attract all users (Horrocks 2006).

These themes were explored and extended in a groundbreaking report on Impartiality inherited by the new BBC Trust when it succeeded the BBC Governors in January 2007. Its title, “From Seesaw to Wagon Wheel”, was designed to convey the new complexities of the contemporary political world. Where once it was conceived as a simple bi-polar division of political opinion, “in today’s multi-polar Britain, with its range of cultures, beliefs and identities, impartiality involves many more than two sides to an argument” (BBC Trust 2007: 5). It was an articulation of aspirational principle and practice that squarely confronted the issues raised by critics of an impartiality code. Its twelve “guiding principles” included exhortations to embrace a broad range of principles, extending outside Parliament and the formal political process; to make room for controversy, passion and polemic; to be self-aware about “shared assumptions” and institutional values; and to apply this code of practice to every stage of the journalistic process from initial research to final reporting.

This report stands as a welcome antidote to two opposed but commonly articulated theoretical arguments against impartiality: that either it is a futile ambition whose imposition constrains free debate and unencumbered journalism; or that it is such a self-evident set of professional practices that it barely needs elaboration. By acknowledging the complexity of 21st century political and cultural life, and by recognising the many voices that have arguably felt excluded from the mainstream of television journalism, this report moved beyond a recommendation for best practice within a single institution. It provides a template for turning ideal-type theory into professional reality, and articulates a set of practices that could (either through self-regulation or through statutory backing) continue to sustain public service journalistic values within the television medium.

Conclusion

Throughout Europe, as in most countries with advanced media systems, television continues to dominate the media landscape. Despite the rapid advance of online, mobile and digital technologies and an explosion in the number and variety of news platforms, television continues to be the most trusted and most frequented sources of news and information in advanced democracies. In the UK, most recent figures show that the total volume of TV viewing has actually risen three percent over the last five years, from 3.7 hours a day in 2004 to 3.8 hours a day in 2009 (Ofcom 2010b: 160). And although the proliferation of channels has eroded the share of the mainstream public service channels, they still command nearly 60 percent of total viewing (ibid: 164). It is therefore hardly surprising that mainstream news bulletins routinely attract audiences of five million or more.

So the value of sustaining core public service journalistic values in television lies partly in its continuing role as a key information source. But it also lies in the trust still invested in the medium itself, almost regardless of the reputation or “brand” values attached to particular broadcasters. Clearly these normative expectations will have limits and it is unlikely, for example, that Berlusconi’s channels in Italy are widely admired for their adherence to standards of accuracy and impartiality. That, however, still tends to be the exception. More typical is the example of Sky News in the UK that, despite the corporate influence of its major shareholder, has from its inception pursued an avowedly impartial agenda and is widely regarded as a worthy competitor to the BBC. It is not only that the regulatory regime in which Sky News operates demands that its journalism be insulated from the demands of its most influential shareholder; it is that in operational terms the journalists who work there both *expect* and *are expected* to work to journalistic codes of conduct which cleave to public interest principles. Those principles are embedded within an impartiality regime that, if dismantled, would quickly eviscerate existing professional norms and expectations that are currently regarded as axiomatic.

As argued above, the principle of impartiality as a prerequisite of public service broadcasting is not on its own a *sufficient* condition to guarantee public interest journalism – both resources and training are important too – but it is a *necessary* condition as a cornerstone of both strategic emphasis and operational performance. This is particularly vital for public service broadcasters, where institutional imperatives can and should be inscribed in the purposes and aspirations of the broadcaster, whether laid down through parliamentary legislation or (as is the case with the BBC) constitutional fiat. Those purposes can then be operationalised through journalistic codes, explicit commitment to journalistic norms of fairness, balance, integrity and quality, and through a transparent mechanism of sanctions for any broadcaster that falls short of articulated public interest aspirations.

For all its manifold weaknesses as a medium, television is still more than capable of providing the information, accountability, analysis and rational debate functions that an informed democracy requires from its most pervasive journalistic source. While none of these roles are guaranteed by a statutory impartiality regime, they are certainly encouraged by the normative expectations and values associated with non-partisan reporting. In a world where journalism is under more pressure than ever to cut its cloth and compromise on professional norms, the public service values of impartiality can provide a bulwark to protect the public interest and help to defend against a retreat to the shallow, the sensational, the contrived or the PR subsidised confection which threatens much good journalism in Europe today. As I have tried to show in this chapter, an essential element in regaining the initiative for public service media is the retention of an impartiality framework as a necessary condition for

sustaining those professional journalistic norms. Calls for its abolition – however apparently persuasive and well-meaning in the digital era – need to be resisted.

Notes

1. It did, however, rule against BSkyB on *competition* grounds and ordered it to sell its stake down to below 7.5 percent, which has now been achieved. It is worth recording that Ofcom disagreed with the CC's position on plurality but did not pursue it because it was satisfied with the end result.
2. Indeed, this was the position taken when the matter was taken to appeal. I have explored the circumstances and judgements in this case in greater depth in the article cited (Barnett 2010).

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A 360° Public Service Sector?

The Role of Independent Production in the UK's Public Service Broadcasting Landscape

James Bennett & Paul Kerr

The global recession has placed increasing pressure on public service broadcasting [PSB]. Largely operating under the guise of public sector cuts depicted as a ‘necessary’ consequence of recession, attacks on PSB are increasingly vehement and based on (hypothetical) innovativeness, effectiveness and consumer-orientated efficiencies of the commercial market. The rise of digital television with its multiplicity of channels and viewing platforms promising infinite ‘consumer choice’ is a well documented but nonetheless key part of this attack. As others in this volume discuss, this picture is certainly evident in the UK’s public service economy – most obviously represented by the hastily agreed BBC licence fee settlement in 2010. Although these pressures, cuts and ideological battles are almost certain to harm the future of PSB as represented by these broadcasters, this dichotomy of public service and commercial sectors only tells a partial story.

In the UK commercially orientated, profit-driven companies have long been involved in delivering PSB. The independent production sector exploded with the advent of Channel 4 and its publisher-broadcaster model, although it has a longer history since the 1950s via the establishment of independent television production companies – often managed by ex-BBC or ITV staff – to supply the earlier duopoly with programmes. As Ian Potter notes, “independent is first used in the industry in reference to those ITV companies set up in 1955, and the use of the word then was as political as it was to be in the 1980s, and, though there were what we would now call Indies operating before the arrival of ITV, they would not have thought of themselves in such terms” (2008: 2). Potter’s account of Indies immediately draws attention to the tension between profits and public service imperatives that is often posited as immutable. At the same time, Potter’s reference to pre-ITV Indies who “would not have thought of themselves in such terms” undercuts this dualism, suggesting how some production companies might have strong public service motives and affiliations.

This chapter seeks to unpick these apparent dichotomies by examining the role of commercially driven independents in PSB and for its future. We argue that understanding this role may be crucial for PSB operators and their supporters to regain the initiative. We investigate not only how this sector can fulfil PSB remits in production practices and business models, but also how public service circulates as a set of values that inform production cultures outside the central broadcast institutions. Whilst such a study reveals that a tension is certainly evident, a closer examination of independents reveals not only an industry that is often heavily invested in the meanings and futures of PSB – for ideological as well as pragmatic reasons – but also that this tension between profit and public service can be productive.

In particular we examine how the adoption of multiplatform strategies by the BBC and Channel 4 has impacted this sector's potential to contribute to PSB and its potential redefinition as public service media [PSM]. Multiplatform strategies have brought a new range of players, called digital agencies, into the public service mediascape to work alongside, both in competition and collaboration with, established TV Indies and broadcasters. In turn, these digital agencies bring new ways of conceiving PSM for a multiplatform digital landscape. Digital agencies and Indies may have a vital role to play in regaining the initiative for developing PSM, but at present significant barriers persist – including broadcaster policy – that need to be overcome for this potential to be realised. A brief note on terminology is worth making here: we refer to TV independent production companies as 'Indies', to digital media companies as digital agencies and to both collectively as the 'independent sector' or 'independents'.

The potential role of the independent sector in the future of PSB has recently been recognised by the BBC. Tacking to the prevailing wind of the newly elected Conservative/Liberal Democrat Coalition government in 2010, BBC Director General Mark Thompson used his MacTaggart lecture to defend the Corporation squarely in terms of investment the BBC makes in the UK's creative economy: "A pound out of the commissioning budget of the BBC is a pound out of the UK creative economy" (Thompson 2010). Such rhetoric was supported by the BBC's £1.1bn investment in UK originated content in 2009/10, including 40 percent of television commissions from this sector: a 37 percent increase on the previous year (BBC 2010: F05-06). This renewed emphasis on the independent sector's role in PSB is extended and enhanced by Channel 4's commitments to independents, as they spent £269.2m in 2010 and £291.6m in 2009 on UK originated programming from independents¹. Moreover, both broadcasters have made significant commitments to the development of multiplatform production strategies that promise further investment in the sector.

As discussed below, the nature of this commitment took on greater prominence and importance as a result of the Corporation's adoption of so-called 360° multiplatform commissioning and production strategies during this period.

As early as 2001, Ashley Highfield (then Head of New Media at the BBC), proclaimed a shift in the BBC's overall production strategy: "The days of commissioning programmes are over. We are now only commissioning projects that have levels of interactivity" (Highfield 2002). A decade later this remains a relatively small investment in digital media industries – £19.1m in 2010 (BBC 2010) together with C4's rising expenditure on 'Future Media' – up from £37.4m in 2008 to £44.3m in 2010², but it's clear that digital agencies have become an important supplier of public service *content* in the digital television era.

This chapter emerges from ongoing research on the role independents play in PSB and its future in a digital age. The research focuses on companies who work in the specialist area of factual multiplatform production to examine those that are involved in production of a genre traditionally aligned with PSB, as well as the impact multiplatform commissioning strategies have had on this production ecology. The chapter is divided into three sections. Firstly, we consider the factors that led to the growth of the independent television production sector. In the second section, we examine how the adoption of multiplatform production and commissioning strategies by the BBC and C4 led to the expansion of this sector by an influx of digital media agencies. Finally, drawing on interviews with 29 producers working in TV Indies and digital agencies, we consider what role these Indies have in the future of PSB and the extent to which the commercial/public service tension might actually be productive in the development of multiplatform public service content. We argue that a 360° approach to PSB needs to take account not only of the various platforms public service content now occupies, but also of the vital role that the commercially driven independent sector can play in securing the future for PSM. Our conclusion points to provisional ways in which the independent sector contributes to public service, but also outlines some of its limitations.

The rise of the independent sector, episode 1: The television sector

The story of independent television production in the UK is, at first glance, one of continued and rapid growth since the early 1980s. Indeed, as Doyle and Paterson (2008) point out, the overwhelming emphasis and ideological drive of government policy has been to foster growth and competition. The shift from in-house programme production by the UK's vertically integrated broadcasters to independent production for broadcasters has become increasingly characteristic of British television since the 1981 *Broadcasting Act* and the launch of Channel 4 the following year. However, surprisingly little academic work has focused on the companies from which that channel, and subsequently the BBC/ITV duopoly as well, commission so many of their programmes (see Robins

and Cornford 1992; Sparks 1994; Ursell 2000b and 2003; Hesmondhalgh and Baker 2008; Zoellner 2009). Where there have been more academic studies of the independent sector, which tend to fall into one of two camps: either positioning them as part of the celebrated ‘creative industries’ (see O’Connor, 2007); or pessimistic diagnoses of the labour conditions operating within them.

Until the 1980s the number of British independents producing programmes for television could almost literally be counted on the fingers of one hand. The decision taken by the Thatcher Government to ensure that Channel 4 sourced virtually all of its non-acquired domestic programming externally meant that many programme-makers previously employed by the BBC or the regional ITV companies left their staff jobs to establish – or be employed by – Indies set up to supply the new channel. Many others, new to professional production altogether, also entered the industry (Hobson 2008; Brown 2007).

The so-called publisher-broadcaster model of Channel 4 created a crucial stimulus to the development of dozens and soon hundreds of television production companies. However this proved inadequate as the foundation for a flourishing independent sector. Producers were utterly *dependent* on a small number of commissioning editors and did not control the rights they created, being forced to rely for their profit margin on a negotiated ‘production fee’ calculated as a set percentage of the budget. In Channel 4’s financial year to March 1987, for instance, a year before the first voluntary independent quota was introduced in 1988, the channel bought programmes from 360 independents. Only thirteen of these companies received revenues of more than £1m, and 239, or 66 percent, made just one programme for Channel 4 that year. A similar percentage (67 percent) received less than £100,000 each in revenues from Channel 4. In its first decade the independent sector was still considered a “lifestyle business”, in the phrase of Sir John Harvey-Jones (Darlow 1993).

In 1990 the IPPA, the trade body then representing the independent production sector, succeeded in enshrining in that year’s *Broadcasting Act* the first legal independent production quota, which functioned from 1992. This required that a minimum of 25 percent (measured by volume of hours) of all non-news programming be commissioned from independents, defined as any programme maker without significant institutional/economic ties to a broadcaster. This led to a dramatic increase in the number of UK independents. The result was a proliferation of small companies, and the sector continues to be highly fragmented. By 1992 there were more than 1,000 Indies in the UK. This number has actually decreased to between 700 and 800 today, according to PACT (which had replaced IPPA in 1991) membership figures. This decrease is caused by companies retiring from the sector, going under or being subsumed through consolidation into so-called super-Indies.³ Such a large market is not necessarily healthy, however: Doyle and Paterson argued that there is too high a level of competition amongst Indies and the current terms of trade results in

increased vertical integration, favouring not only the in-house productions of the BBC, but also ‘SuperIndies’ and integrated producer-broadcasters such as Granada or Fremantle Media (2008: 30).

New legislation introduced in the 2003 *Communications Act* reformed the sector’s intellectual property [IP] rules. The Act essentially reversed the rules of programme ownership so that secondary and overseas rights would now revert to the production companies themselves rather than to broadcasters (after the contractually agreed number of terrestrial and digital transmissions). Such policy further stimulated competition and growth in the sector. This was also a significant factor in the rise of the ‘SuperIndies’, however, as broadcasters moved away from a traditional ‘cost-plus’ model to a deficit-financing model similar to the US tradition (see Pearson 2011). Moreover, in 2005 the BBC announced a further incentive to growth for the independent television sector: the Window of Creative Competition [WOCC]. The WOCC increased the independent quota from 25 percent (in volume of hours terms) to 50 percent, with the additional 25 percent being contestable between in-house and Indies. But as with previous promotion of growth and competition within the sector, Indies continued to feel a sting in the tail – this time due to the recession that began in 2007-08, and the subsequent freezing of the BBC Licence Fee, unstable advertising revenue for ITV, and commissioning cutbacks at both the BBC and C4.

Indies have played an increasingly significant role in PSB, despite such recent impacts of the global recession and ideological drives of government. According to PACT, in 2008 the sector was worth approximately £2.16bn – a 169 percent increase on the figure a decade earlier – with almost 50 percent of all UK broadcaster expenditure on originated content going to Indies by 2010. This is up from some 40 percent in 2005 (Foster & Broughton 2011). However, PACT’s figures point to a key problem outlined in our introduction: UK Indies’ profit margins are achieved by making content for not only PSB operators, but also for commercial competitors. In addition to being profit driven entities in and of themselves, Indies must therefore master both commercial and public service modes of production, rhetoric, aesthetics and values. Such a duality inevitably brings tensions and raises questions about the way in which for-profit Indies deliver, develop and contribute to the meaning of PSB in the UK. The significance of these questions has been reinforced by important changes in the direction in broadcaster policy in the past five years, particularly at the BBC and C4, which have brought with them not only new opportunities but also increased competition and pressure via a turn to multiplatform production and commissioning strategies. We turn now to a brief examination of the resultant rise of digital agencies in the UK’s independent production ecology before going on to examine the tensions and dualisms involved in commercial organizations delivering public service content.

The rise of the independent sector, episode 2: The digital media sector

Unlike Indies which developed almost exclusively to supply content for the UK's main public service broadcasters, the UK's digital media sector largely grew out of fulfilling commercial briefs, often with the specific aim of entertaining rather than fulfilling the classic Reithian triumvirate of inform, educate and entertain. The sector itself is much larger than that involved in the production of content and digital infrastructure for multiplatform television – let alone those working with PSB operators. In terms of those digital agencies that have subsequently become involved in the delivery of multiplatform television, this sector spans the games industry, web design and development through to software coding. Primarily, however, these agencies lie within what the Department of Media, Culture & Sport [DCMS] defined as the 'Interactive Leisure Software' sector in its 2001 Creative Industries Mapping Document, which estimated approximately 5,906 people worked in the development end of the industry (i.e. excluding activities such as retail and marketing). Although not a direct comparison, the DCMS's 2008 survey of the creative industries estimated that this sector (now renamed 'Digital and entertainment media') had remained largely stable, with 6,200 people classified as working in this category⁴: an impressive feat given the bursting of the dotcom bubble shortly after the original survey in 2000.

To an extent, and in an equally uneven and inconsistent manner as the story of the rise of Indies detailed above, C4 and the BBC have played an important part in contributing to the relative stability of this sector. Arguably coming at a particularly opportune moment immediately after the dotcom crash, Channel 4 and the BBC began experimenting with multiplatform production and commissioning strategies. For digital agencies like Cimex, the secure funding stream offered by PSB operators and other public service institutions effectively saved the company from collapse.⁵ Following a period of experimentation that commenced with Ashley Highfield's polemic cited earlier and led up to Charter renewal in 2006, the BBC enshrined a multiplatform strategy in the institutional restructuring announced in its 2006 *Creative Future* plan (see Strange 2011; Bennett & Strange 2008). This 5-year strategy articulated a central role for "360-degree thinking" in the BBC's commissioning, organisational and institutional structures whereby all commissions would have multiplatform elements. Fundamental to this shift was a belief that multiplatform production could enhance the delivery, scope and meaning of PSB. In turn, this strategy would require a plethora of new content to be developed by both in-house and independent producers. As many of our interviewees have told us, during this phase the BBC's approach appeared to be "more, better, everything. Can't pitch a show without it".

Although Channel 4 did not adopt an official multiplatform strategy until 2010, it began experimenting in multiplatform with the groundbreaking *Big Brother* format in 2000, which included the integrated use of broadcast, interactive television, web and mobile phone platforms. Significantly, C4's experiments with digital platforms included the establishment of 4iP – a £50m fund established in 2008 to encourage digital innovation with public outcomes – which had the express aim of incubating new digital agencies. Paradoxically, 4iP was culled when the broadcaster eventually established a clear and defined multiplatform strategy in 2010, which placed a strong emphasis on engaging audiences across platforms, but ultimately returning them to TV. The objectives were to increase overall consumption of television programming, generate financial or public value for Channel 4, deepen relationships with audiences, and develop future 'convergent' formats (Channel 4 Annual Report 2011: 85). Although this strategy continues to place television at its heart, it has been enthusiastically received by the independent sector. Both Indies and digital agencies have professed a strong sense of encouragement, support and belief in the channel's multiplatform strategy.

The impact of Channel 4 and BBC policies on the independent sector has been profound. Whereas once Indies – and it was almost exclusively television companies at this point – would simply deliver a programme or series, there was now an expectation that commissions involved an obligation to deliver multimedia components. This shift brought with it both pressures and opportunities: most notably in the development of digital divisions by existing TV Indies as well as enabling new entrants into the market in the form of digital agencies who may supply some of this multiplatform content. For example Endemol's partnership with, and eventual acquisition of, Victoria Real for their production of *Big Brother* was part of a wider trend of SuperIndies purchasing digital agencies to capitalise on what John McVay, Chief Executive of PACT, describes as a feeling within the industry that "digital was a pot of gold". Similarly in 2008, All3Media purchased Illumina Digital, an agency that itself had sprung out of TV company Illuminations' attempts to exploit the new digital technology of the dotcom boom in the late 1990s. Other mid-sized Indies, like Lion TV, developed in-house digital production teams. Smaller Indies hired heads of new media to capitalise on the promised gold rush of multiplatform commissions. Elsewhere, new players with backgrounds in gaming, animation, software and web development started working with public service broadcasters, including London and Brighton-based companies such as Six to Start, Preloaded (gaming and web development), Plug-in Media (animation and gaming), Cogapp and Cimex (software).

However, as with the story of the rise of Indies, this is not a tale of unparalleled growth of digital agencies involved in multiplatform content production. In particular, the late 'noughties' saw a significant withdrawal by the BBC from its

multiplatform commitments. Whilst we explore the reasons for this in more detail elsewhere (see Bennett and Strange forthcoming), these factors range from:

The 2008 cancellation of BBCJam, the BBC's online and digital education initiative;

- The related freeze placed on all online commissions following the review of the service licence for BBC Online in 2007-08;
- Struggles over strategy between the newly created Vision and Future Media & Technology divisions at the BBC;
- An explicit withdrawal to 'fewer, bigger, better' as part of the BBC's attempts to deal with the swingeing 20 percent cuts required to meet the terms of its 2010 licence fee settlement.
- The same executive who spoke of the BBC's earlier apparent enthusiasm for multiplatform summed up the shift this way: the BBC's approach has been "discouraging in a word" because now they're saying "reign it back [so] only certainly prized treasures and jewels in the crown are going to get it". The 'it' referred to here is multiplatform.

Whilst the significance of this withdrawal cannot be underestimated, and we return to it in our conclusion, multiplatform productions by digital agencies and the newly established digital divisions of Indies may have an important role to play in the future of PSM. We explore some of these innovations in the next section. But it is important to observe that the rise of the digital agency's role in the PSM ecology raises important questions about the future of public service content, most particularly around those new companies relationship to, understanding of, and investment in, PSB. Not only do such companies often come from more overtly commercial backgrounds, but they also often have more tacit relations with PSB operators. Whilst the sector outlined above might indeed involve games developers and software houses, these companies are often a greater distance from broadcasters, being sub-contracted by larger digital agencies or television companies to deliver bespoke elements of a multiplatform commission. This mixture of commercial and public service aspects returns us to the question about the extent to which a profit-driven independent sector can play an important role in regaining the initiative for a multiplatform PSM future.

Episode 3: Commercial public service?

In one of the few studies to consider the potential role of Indies in PSB, Doyle and Paterson's analysis exemplifies the paradoxes of a commercially driven sector delivering public service. On the one hand they are pessimistic about the impact of Indies on public service, suggesting that "many producers indicated

that the set-up within a vertically integrated entity (i.e. prior to restructuring) seemed more conducive to creativity than life as an independent or a freelance worker” (2008: 24). They support this analysis with evidence that over-competition, fragmentation, exposure to risk, the casualisation of the workforce and relatively small profit-margins have together led to an independent sector that struggles to capitalise on creativity, producing “a risk of duplication and waste” (ibid: 30). However, they also admit that any solely economic analysis is inadequate because “diverse outputs may imply additional welfare benefits as opposed to waste”, whilst “competition is more likely to be predicated around unique creative inputs rather than prices” (ibid: 31). Our analysis intervenes at this concession: what, if any, is the evidence that PSB is one of the “unique creative inputs” that adds value to (some) independents’ production cultures? And how is this balanced against the commercial imperatives of the profit-driven independent sector?

The 29 interviews that ground this research provide a range of responses. But in general, there is a significant and strong tendency for public service to be seen as an important part of these companies’ creative cultures and that, in turn, encourages a desire to work on public service projects even if it often leads to economic compromises. Of course, we must read this evidence through John Caldwell’s (2008: 3) “inverse credibility law” that refers to the extent to which, when undertaking a production study, the higher up the corporate hierarchy the *interviewee* the more the *interviewer* has to be on their guard about descriptions of production cultures within that company. Thus it is worth noting that almost all of the data drawn on here comes from semi-structured interviews with those significantly ‘above the line’ (Stahl 2009), including 20 chief executives/managing directors and nine below-the-line but still senior producers.

Of this corpus, we observe that the tendency to assert the value PSB adds to an independent production company’s production culture is particularly evident in the eighteen chief executives or managing directors. Nevertheless, the answers our respondents have given are evidence of the way in which public service circulates as a production culture in the independent sector; whilst it might not necessarily be what they believe to be true in all cases, it is certainly true of what they want others to believe they believe to be true.

For analytical purposes, we delineate the companies studied into four categories.

1. Indies with a public service heritage, whose founding personnel spent the formative periods of their careers as factual programme-makers inside public service broadcasters. This category includes those companies which have been around since the 1980s and early ‘90s, many of whose key or original executives are now predominantly in their 50s and older, such as Wall to Wall, Mentorn and Illuminations.

2. Companies set up in and since the mid-90s like Keo, Maverick and Fresh One that are arguably reinventing PSB for an interactive age.
3. Indies that have emerged even more recently, such as Raw and Firecracker, that hail primarily, but not exclusively, from a younger, post C4 generation, and whose experience and ambitions are almost entirely distinct from those of a PSB-heritage. Indies in all three of these categories may have incubated their own in-house digital divisions, such as Maverick, or spun out a digital venture, such as Illumina Digital, which emerged from Illuminations.
4. There are digital agencies such as Little Loud, Plug-in, Monterosa and Six-to-Start that developed in the late 1990s and 2000s, completely separately from such Indies but that have come to work with both them and PSB broadcasters (among other clients) in a multiplatform public service space. Several of the companies in all these categories are now part of much larger media corporations, the so-called superindies. Thus Dragonfly is part of Shine, Wall to Wall is part of Shed and Illumina and Lion are both part of All3Media.

In the first category of companies, the passion for public service and investment in it as a culture is high. One Managing Director [MD] posited two reasons for a commitment to PSB among independents: "...one is as a citizen and one as a television producer. As a citizen ... I don't want to ever find television which is just the American model of the lowest common denominator I think [television] is a critical part of our body politic and I want to be part of making sure that carries on". He went on to outline how he saw public service as inculcating a way of working at the company, even as it was forced to deal with the commercial realities of genres that are sometimes "less public service" orientated:

And [secondly] as a ... company there's a value for us ... it does actually inform our skillset. The sort of skills you learn as public service producers – in terms of how to conduct searching interviews, how to deal with difficult issues, how to navigate our way through what's right and wrong, what's true and not true – all those are informed at quite a high level in current affairs especially and that filters down through the organisation so that if we're doing other less public service stuff ... you're [still] part of an organization that has that kind of quality, editorial quality, at its core.

This interview was indicative of the self-reflexivity evident in many of our interviews about the role public service played in their own theorisation of production culture within an entrepreneurial culture. It was particularly apparent in those interviews from PSB-heritage companies, where MDs consciously

interpreted their companies in terms of their own investment in public service. Nevertheless, as discussed elsewhere, a ‘trickle down’ culture of public service is apparent in the way this concept motivates workers above and below-the-line in this sector (Bennett & Medrado 2011).

One key discourse that emerged across interviews in this regard, and evident in the above response, was the stress placed on quality as an overarching production ethos of such companies. Another MD suggested that managing the fusion between creative processes – which he aligned with quality – and the commercial aspect is “the crucial pressure point” for an Indie. This, he suggested, “can be a turbulent relationship ... particularly if the creative is seeking its quality, not blatantly commercial”.

The oppositions here between quality and commercial aesthetics echo those posited by Anna Zoellner (2008) in her study of documentary production cultures. She argues that the overall impact of increased competition and pressure on documentary budgets for Indies has resulted in “reproduction of the familiar over variation” and an increased emphasis on criteria that tend towards entertainment over documentary’s educational, informational and quality aspirations. There is certainly evidence of this in our study from all three categories of Indies. One PSB-heritage interviewee admitted that “in specialist factual we’ve changed what we do in what might be loosely called PSB because it has to be more entertaining”, and offered the example of one recent “compelling entertainment proposition”. This is hardly the language of traditional PSB.

Another and considerably younger MD, from the post-C4 category, stressed the centrality of telling “good stories”. Little else seemed as important in his view, and thus the casting of characters and the construction of “case studies” was at the centre of the company’s work. As he argued: “I tend not to worry about it [PSB]. We seek to tell good stories as best as we can ... It’s all a commercial proposition for the indie anyway”.

Similarly, an interview with a senior producer at a Superindie was revealing for, in her words, “how little I’ve thought about public service for the last two years” (since taking up her current role). This despite the fact she cut her teeth at the BBC in high-end specialist factual programming before moving to the independent sector. This admission was something she was “slightly embarrassed to realise”, indicating how public service might nevertheless be understood as a value circulating across the production cultures of the independent sector, although one that is active to greater and lesser degrees. At the more active end, the investment in PSB might even come at the cost of more lucrative commercial work. As one MD suggested: “There is a strong cultural imperative behind [what we do]. We make it without subsidy as an SME [small to medium enterprise] that is a private limited company That’s not a comfortable and not a particularly remunerative place to be, but it’s been possible to do that with ups and downs for more than 25 years”.

We found Indies often argue in favour of a mixed economy approach to PSB, which is pivotal for balancing commerciality and creativity. For example one argues that for an Indie working on specialist factual to succeed as a business it must make money; at the same time, however, to succeed as public service producers it must have ‘quality’ and ‘integrity’. For him, there is a middle ground where profitable *and* creative programmes can still be made:

There is absolutely a commercial pressure ... We’ve got a good reputation [for] films of integrity and quality, how would you reconcile one with the other? There are three ways: First, sometimes you do films when the PSB remit is at the fore Second, and there are things that come into the commercial, we made things for American television ... designed to attract a certain audience ... It’s not something I’m ashamed of and we do them very well Third, then there is a middle ground, a really interesting space where you can tick more than one box, you can do a programme of quality where the driving force is the creative.

This assertion that there are programmes he is not ashamed of, paradoxically, suggests either that he *is* ashamed of them or at the very least that he feels that his peers might disapprove of them. However, the implication that the business exists to grow talents and jobs rather than profits for the Superindie which owns it, remains provocative, chiming with the notion of a trickle down public service culture in such companies. More pragmatically, as one senior executive argued, Indies had to invest in notions of public service simply because “the UK continues to be, in terms of purchasing programmes, a pretty oligopolistic market dominated by the public service broadcasters, ... The truth is that in the end we don’t have that many places to go”.

But public service might not just be a pragmatic response to the economic realities of television production, nor merely a concentric circle of values that emanates from the broadcasters and diminishes in strength in those companies furthest away from a public service heritage discussed above, or those employees further ‘below the line’ from the ‘trickle down’ effect of public service. Whilst the latter is a topic dealt with in our ongoing research, we turn now to consider the extent to which public service informs the production cultures and business models of digital agencies.

To a large extent, the notion that digital agencies – often either emergent from a wholly commercial background or forged by Indies (or entrepreneurs within them) with the explicit motive of monetising digital media – is perhaps even more problematic than the role mapped out for TV Indies discussed above. Such digital agencies, after all, would sit well with Angela McRobbie’s identification of a “second wave” of the independent cultural production sector that is “more aggressive, commercially driven [and] in hock to the free market and

global multinationals” (quoted in Banks 2006: 459). As one senior executive of a TV Indie that had recently grown a digital arm suggested, the workers in the digital division of the company had come from a “more corporate background ... a bit more suited, client faced, and resource-led”. Although the notion of digital workers being ‘more suited’ is not one we find uniformly in the sector – indeed, in line with Andrew Ross’ work the uniform of digital workers tends to be “no collar” (2004) – it is true that this sector generally remains more ‘brief driven’ and focused on servicing clients.

Despite the apparent focus on monetising the web that pervades digital agencies, a small but vibrant sub-sector has emerged that is predominantly focused on supplying digital content for the multiplatform commissions of PSB operators. As one digital agency MD argued, “without PSB, we wouldn’t have a strong and vibrant digital, interactive economy in this space”. His recognition of the role PSB has played in incubating the growth of particular kinds of digital agencies is indicative of a wider discourse we found apparent in digital agencies, which recognised the value PSB operators add to the sector. Moreover, many felt the sector had in turn enhanced PSB, offering new ways of understanding and defining public service content for a digital era. For some this recognition reflected the role PSB played in their business models; at least three agencies indicated that PSB commissions alone accounted for over 50 percent of the company’s business.

Whilst the economic realities and certainties public service broadcasters brought with them certainly need to be borne in mind in interpreting the apparent enthusiasm we found in our interviews, it is evident that public service animated the way digital agencies understood themselves, their content and place in the UK creative economy. Furthermore because digital agencies tend to have a much wider client base than their TV counterparts – including the more corporate work alluded to above – this investment in public service is perhaps more intriguing for understanding the role the independent sector might play in regaining the initiative for PSB. As one MD remarked, the opportunity cost of working with public service clients was always something battled over at board level as such work was often less remunerative.⁶ Doing this work, therefore, had something to do with the character or values of the company that are beyond profits.

For example, one MD argued that his company “absolutely believes” in public service. Such motivations also considerably influence an agency’s client base, with the company tending to work with a range of other public service institutions such as museums, galleries and charitable trusts. Expressing a similar preference, another MD argued that “in the online space we have expertise of people to work with who have better ideas of what public service is than the BBC”. One senior executive suggested that although the opportunity cost of working with public service institutions was always “an equation” to be worked

out, he was interested “in projects that actually benefit people and do people good”. In turn, such a profile not only meant the company would “draw a line [for people and companies] we wouldn’t want to work with for ethical reasons”, but at the same time attracted particular kinds of employees who were interested in “doing those [public service] sorts of jobs”. Such a viewpoint not only reinforces the trickle down discourse of the Indies discussed above, but also suggests the possibility of a reciprocal process with new staff searching out companies with such values; both were in evidence across a range of digital agencies.

But what does such an investment in notions of public service bring to debates about how the independent sector might contribute to PSB regaining the initiative? Asking all those from digital agencies to explain what, if anything, the digital sector might bring to understandings of PSM, the responses position innovation, iteration, participation and exploration as key discourses that are certainly pertinent in this regard. Whilst there isn’t space to explore these in detail, one example by way of conclusion will illustrate the kinds of ideas digital agencies might offer for PSB in the work that is needed to regain the initiative. The example comes from Maverick, an integrated digital media and TV company from the second category of companies we delineated above, which makes the BAFTA-award winning *Embarrassing Bodies* for Channel 4.

This is the most cited example of successful multiplatform PSM by our interviewees for the way in which it integrates participatory opportunities into the very fabric of the format. The format consists of a Friday night primetime television show and a variety of online and digital platform elements that have been developed iteratively over the course of the last three years. These elements include an online website, a forum, health checker software, an autism test, interactive TV debate and phone-in as well as clear public service user flows that guide users’ explorations of health issues from Channel 4’s website, right through the *Embarrassing Bodies* programme through to the National Health Service – significantly all with little or no sponsorship messages (Bennett 2006). As the digital producer of the show argued, *Embarrassing Bodies* is “tabloid front page with broadsheet content” with the often shocking TV images drawing in viewers to explore issues through the online elements. As another senior executive at Maverick described it, exploration was promoted via the design of “useful, easy to find, self-contained journeys” to help ease problems users might be facing with their health. The importance of *Embarrassing Bodies* as an exemplar of successful multiplatform is perhaps best underscored by its citation by other producers from rival digital agencies and Indies working in this space, who understand its success in terms of its innovation and status as PSM. As one rival exec explained:

There’s an example that we talk about quite often that is to do with *Embarrassing Bodies*, the C4 show, which is: how brilliant that you can get the app

and you can go to the loo with your mobile phone, you can look at some picture of a hideous pustule and there and then compare it with your hideous pustule. As an example of public service, getting to the heart of the matter, that always feels like a really good example.

Multiplatform here is used to allow an important issue to straddle the intersections of the private and the public. Health is a concern for society as a whole, but is often a private matter. Multiplatform allows for this in the “spaces in between”; that is to say outside of broadcast’s one-to-many ‘loud hailer’ profile and inside the participatory, conversational, one-to-one exchanges that digital media can facilitate. Moreover, an iterative approach to production – built on the way in which digital production allows for the re-use and repurposing of software and code for other purposes – has allowed the company to win more lucrative business. In 2010 Maverick won a £15m contract to build a broadband medical service for the West Midlands Strategic Health Authority.⁷ Digital media workers and agencies therefore are arguably working to bring ways of monetising digital content which, far from being antithetical to public service, demonstrates new ways for PSM to gain the initiative through innovation, iteration, participation and exploration.

Conclusion

We have suggested that by studying the production cultures of the independent television and digital media sector involved in delivering, and developing, public service content it is possible to find significant evidence of a host of organisations that look beyond profit and ratings as a prime motivator for their work. Whilst such a culture may not be dominant in the independent sector, our study shows that it is not atypical either. Indeed, there is evidence of not only a trickle down culture of public service circulating as an ethos within Indies, but also within digital agencies who, in turn, bring their own modes of engagement to multiplatform PSM.

Nonetheless, there have been significant barriers to digital agencies developing new forms of PSM for the broadcasters’ multiplatform strategies. Although Channel 4’s approach to multiplatform has generally been received positively by the independent sector, there has been a more hostile response to the BBC’s strategy. In particular, the shifting sands of the BBC’s policy and stance towards multiplatform have come in for particular criticism not only from independents, but internally as well. Here the independent sector has been particularly critical of the BBC’s approach to multiplatform, as its strategy has been characterised by practices in flagrant contrast to its public rhetoric of multiplatform investment. Thus in late 2010, fifteen digital agencies penned an

open letter to the BBC Trust in the trade magazine *Broadcast* in which – as one lead author summarised in our interview with him – they accused the BBC of an “entirely dysfunctional” strategy for multiplatform.⁸ The potential harm to the independent sector, and its role in revitalising PSB, is summed up by the attitude of a large number of senior executives we have spoken to who have simply ‘given up’ on speaking to the BBC about multiplatform productions.

We argue this is potentially detrimental to the future of PSB, which will necessarily have to reinvent itself as PSM for a digital future. The mixed economy of the independent sector, with its television and digital media companies, offers different ways of conceiving PSB and brings a critical mass of players into the frame who are all reliant on, and contribute to, its future. Paying greater attention to the way public service circulates as a culture and set of values that informs production beyond the broadcasters will help us further understand these possibilities. Regaining the initiative for public service broadcasters might very well mean promoting the interests of commercial players who, for the present UK government at least, are also viewed through the ideologically more positive lens of the ‘creative industries’. Making the connections between these industries and public service more evident might be vital for the future of PSM in the UK.

Notes

1. <http://www.guardian.co.uk/media/2011/may/11/channel-4-profits>, site visited 17/05/2011
2. This figure includes spend from the now defunct 4iP.
3. Skillset, on the other hand, estimated that there were some 11,000 companies in its ‘Television Sector – Labour Market Intelligence Digest’ (Skillset, 2009).
4. The problems with the DCMS’ mapping document and various attempts to define and analyse the Creative Industries are numerous and well documented elsewhere (see O’Connor, 2007 for a particularly insightful analysis). However, these figures are helpful insofar as they illustrate the digital media sector’s distinction from the film and television industry and its comparative size.
5. Interview with Ian Haynes, Director Cimex, 01/06/2011.
6. Field notes, 27/05/11.
7. <http://www.broadcastnow.co.uk/news/multi-platform/maverick-lands-15m-nhs-web-project/5010297.article>
8. <http://www.somethinelse.com/2010/05/20/digital-producers-open-letter-to-the-bbc-trust/>

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Expectations, Experiences & Exceptions

Promises and Realities of Participation on Websites

Piet Bakker

The Dutch video citizen journalism website, *Skoeps*, was launched by publisher PCM and broadcaster Talpa in 2006. Its slogan was “16 Million Reporters”, suggesting that every Dutch citizen could be a reporter. In practice no more than 7.500 people bothered to register, and of those only a minority uploaded videos. In less than two years the owners closed the operation. Similarly NOVA, a national broadcasting programme, stopped accepting comments on their website in March 2010 because it had become “an open sewer”, according to the editor-in-chief who attributed this to the anonymity of its users. In July 2010 public broadcaster NOS sacked their media ombudsman and did not appoint a successor, ending online discussion on the national news programme. People with complaints were advised to contact the national Press Complaints Council.

These are only three examples of failed attempts to achieve useful results when inviting media users to participate in providing news or discussing news with others. There are similar examples from the US and the UK where, lacking success, citizen journalism platforms have been shut or curtailed. Several years after the introduction of participatory options for media users, the era of ‘Great Expectations’ is apparently over. It’s been proven untrue that ‘everyone’ wants to be a reporter. In fact, few people can apparently be bothered to discuss the news, and even when they participate media professionals often find participation of little value.

Of course most media websites still offer participatory options and some projects are apparently flourishing, particularly on newer platforms. A pan-European study conducted in 2008 concluded that 70 percent of media websites have user-generated content [UGC] options, with comments and photographs mentioned most often (European Digital Study 2008; see also Nel 2010; Thurman & Hermida 2008).

In this chapter we analyse failures and successes in efforts to develop participatory journalism, seeking explanations for the varied results. Are there common characteristics in successful projects, and also for those that fail? We consider the

expectations of media professionals and scholars regarding the ‘participatory journalism’ concept, and assess the realism in their expectations in the light of real-life experiences with audience participation. There have been many experiments with citizen reporting, and beyond that the wider options for audience participation are manifold. Literature on these phenomena is abundant. Many studies are descriptive and concern specific cases or countries, while others are mainly normative. A systematic analysis of common characteristics of successes and failures has been lacking. This chapter redresses that in part. In doing so I put special emphasis on the role of public service broadcasters, although not exclusively, because it is important to ascertain whether media in this sector differ when it comes to asking for and dealing with ‘contributions’ from audiences.

In terms of obligations, however, PSM differs substantially from more commercially oriented operations. Connection with audiences – instead of only inviting them as contributors – is central to their role in society, as explained in some detail below. That puts extra pressure on PSM to fulfil this role, but also gives PSM extra possibilities. It can be argued with good reason that PSM could be better equipped at incorporating audience participation. But achieving that does need substantial investment and true dedication from the organisation as a whole, which requires a rather fundamental change of focus by PSM on a new and more active audience role.

Public service media

In most studies on audience participation, PSB and commercial media are treated as comparable because efforts to cultivate participatory journalism mainly take place on the internet in both cases. PSB companies compete with other media on this platform and use the same techniques and interface options as commercial companies (polls, comments, Twitter, social media, blogs, have-your-says, forums, photo and video uploads). They usually target more or less the same users, as well. Making a comment on a BBC website isn’t that different from commenting on *The Guardian* website. Although the substance or angle of content may differ, the platform is the same. Today most media companies invite online users to upload photos or videos and to give tips and comments. Public service broadcasters, however, differ in at least two ways in their online participatory efforts.

First, PSB has the explicit obligation to serve the public in a universal sense, and is compelled to connect with audience members. Being in touch with the audience, asking or surveying their opinions and answering their questions, is a core activity. Audience participation could be seen as a gift from heaven – the ultimate tool for getting and staying connected. This obligation includes serving the needs and interests of minority groups and the internet is particu-

larly well-suited for that. It could be argued that digital offerings that include audience participation are a logical, integral part of the public service remit.

Second, generally speaking the PSB business model is quite different from the model characterising commercial media where online efforts are mainly oriented to and restricted by commercial viability. Unprofitable operations are shut down and then avoided because cost cutting is an integral component. Commercial media usually target the narrower audience groups most desired by advertisers. All types of content and audience segments are not of equal importance. Public service media [PSM] are not typically expected to close services or end programmes if they fail to measure up to commercial criteria.

Of course perspectives on audience participation indicates a generally shared interest in realising opportunities to engage with audiences and to use their potential contributions either to create or to enrich content. For commercial media such participation can also have a ‘problem-solving’ function because of escalating costs for commercial content. Free content has obvious attractions in an era when revenues are under pressure (Nel 2010; Thurman & Lipton 2008; Vujnovic et al 2008). The public service mission that is supposed to ground PSM operations, and should be reflected in a distinctively non-profit business model, would lead one to expect PSM to behave differently in exploring and using public participate for gathering and discussing news. Is that what we find in practice?

Background to the study

Publications like *We the Media* (Bowman & Willis 2002) and Dan Gillmor’s *We Media* (2004) focussed on active online users, amateur journalists and grassroots news collaborators. Digital technology enables ordinary citizens to participate, contribute and collaborate in news production. In theory this makes the news richer, encourages more transparency in journalism, and cements user loyalty. This rather normative perspective typically has an activist agenda. Speaking on his blog about the book he published in 2010, *Mediactive*, Gillmor (2011) said: “My goal with this project is to help turn passive media consumers into active users – as participants at every step of the process starting with what we read.” Deuze (2008a: 103) points in this respect to a blurring of the historic line between “making media and using media”, presumably signalling the need for journalists to adopt a more co-operative role in working with citizen-consumers who become “a source or co-creator of news reports, opinion and analysis” (ibid: 104). In his view, in some cases citizen reporting could replace professional journalism.

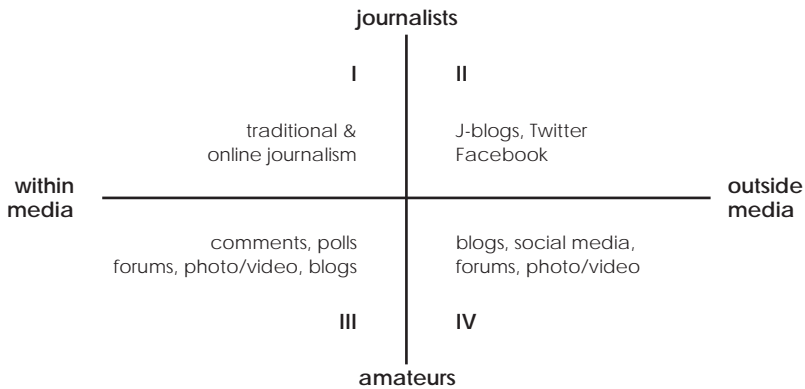
Technological features of new media have lowered the threshold for being able to participate. This has impressed academics, journalists and media

managers who find useful challenge in the new opportunities. Online media have grown opportunities for users to comment and contribute, add or produce their own content, upload pictures and videos, vote in electronic polls, discuss news, and suggest stories (Hermida & Thurman 2008). In recent years an impressive body of literature has emerged in which these practices are described and analysed for their news value in journalism.

Online participation has mainly been researched via content analysis of websites, interviews with journalists and editors, and studies of documents. This work has been underway in dozens of countries. Participatory journalism (also grassroots, open-source, networked, public or citizen journalism) and audience contributions are often grouped together under the heading of user-generated content.

The work reported in this chapter draws on earlier publication in the Dutch language (Bakker 2010), wherein distinctions are made between online contributions from amateurs in journalistic content and other kinds of contributions (see Figure 1). Distinctions are drawn on the basis of two dimensions. The first is focussed on who contributes, contrasting between professional journalists and non-professional ‘amateurs’. The second dimension is focussed on where these contributions are published; either on the website of an established media firm in the traditional sense, or other websites. This results in four categories of online created content.

Figure 1. Journalists and Amateurs within and Outside Media



Professional journalists working for traditional mass media firms are represented in Category I. Their ‘in-house’ engagement with online channels often features effort in searching for and using audience contributions, and many openly invite readers, listeners or viewers to participate. Many journalists maintain blogs inside their employer company’s site (see Hermida 2008). Hermida and Thurman (2008) concluded that some firms introduced blogs out of fear that their

journalists would otherwise create their own independent blogs, a source of potential competition they wished to avoid. Foreign correspondents, sports writers, specialists on technology, and various editors are represented in Category I.

Of course there are journalists who work outside of any formal organisation, as well as those within such organisations who also use platforms outside the company enclosure. Such includes personal Twitter accounts, Facebook pages and LinkedIn profiles. These journalists are represented in Category II. Often professional journalists use these tools for accessing wider sources, to generate ideas for stories, and as a means for gaining credibility online. Working outside the traditional media firm provides more independence but can be risky because it can be difficult to clearly distinguish between personal and professional content. At any rate, neither of these categories can be properly characterised as participatory journalism. These represent expansions in professional journalism, but not participatory journalism.

The properly participatory categories are III and IV, representing the online activities of amateurs. Category III incorporates contributions by audiences as users of the online websites provided by media companies. This ranges from voting in electronic polls to uploading personal photos or videos, to offering a hosted blog. Various degrees of external control, called 'moderation', are the prerogative of the host media organisation. This is legitimate because in most cases the organisation is legally responsible for the contents of the website. Un-moderated content can also pose a hazard for the media brand (Hermida & Thurman 2008). Thus, there are required protocols, rules that must be accepted, registration is often required, comments are posted on the basis of moderation, photos and videos may be vetted before being approved for posting, and opportunity to contribute may be limited to specified subjects.

Such control mechanisms are mostly absent in Category IV when amateur users post content outside the enclosures of traditional media companies. In fact journalists today often find this kind of material useful for their in-house work. Taken as a whole, it is a rich environment of information and perspective gleaned from social media profiles and personal web pages, blogs, Twitter accounts, Wikipedia entries, and videos and photos posted on Flickr and YouTube, etc. In the remainder of this chapter we focus primarily on audience participation as contributions to professional websites by non-journalists – in Category III of the model.

Expectations

There have been high hopes that Web 2.0 technology and applications could facilitate journalistic contributions by 'ordinary' citizens. Expectations have been especially high among managers. Many journalists have entertained more modest

expectations, and of course quite a few have seen this as a threat and have been hostile. But the high expectations encouraged provisioning many possibilities for users to voice their opinions, participate in discussions, and submit content.

After interviewing 65 journalists from 16 newspaper websites in eight countries, Vujnovic et al (2008) found clear economic motives in participatory journalism experiments. The rationale for building websites especially included building the brand, increasing website traffic, and keeping readers connected and engaged. In some markets cost savings was also a factor, although here a gap was noted between managers and journalists, with the former suggesting that UGC could produce cost-savings and the latter rejecting that idea. Although this research does focus on newspapers, it clearly maps the way commercially oriented media think. Economic reasoning might not be the only way of thinking about these things, but it certainly seems to be the dominant discourse within these media, which is understandable.

Nel (2010) regards interactive features such as polls, comments, blogs, forums and message boards as ways to create user loyalty, and thereby sell ancillary products and services. Paulussen et al (2007) found clear cost-cutting motives for developing participatory options in Germany. Dutch media professionals have voiced a desire to engage the audience, secure compelling content, and generate lively discussions (Pantti & Bakker 2009). It was thought that comments and other contributions from readers could be interesting for other users, thereby creating a community feeling, encouraging transparency in reporting and building more website traffic.

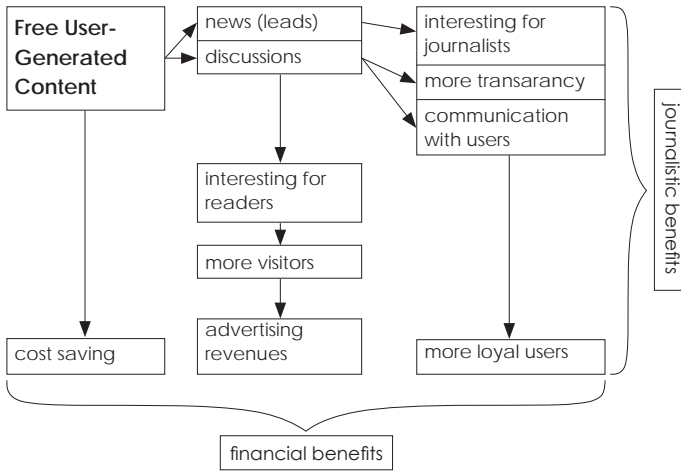
In theory, news-related UGC can serve two goals. First, it has journalistic benefits because it contains news and discussions, which in turn can facilitate newsgathering activities by journalists, increase transparency in newsgathering and publication policies, and stimulate community building as well as higher loyalty among users. Essential expectations are typically financial (see Figure 2): cost savings, increased website traffic, and more advertising revenues (Bakker & Pantti 2009).

Experiences

The media industry has introduced interactive features at a rapid pace. According to research conducted across cities in the UK (Nel 2010), blogs are the most popular feature, followed by user comments and discussion boards. In earlier research conducted by Hermida and Thurman (2008), similar conclusions were reached. They chronicled the fast introduction of interactive features between April 2005 and November 2006.

Results of 'real-life' experiences with audience participation, however, have certainly been mixed. Empirical studies indicate that very little 'news' comes

Figure 2. Expected Benefits of User-generated Content



from users; blogs, comments, discussions, pictures and videos usually contain personal opinions and non-newsworthy content. In general, comments are far more numerous – and much less valued by journalists – than tales of personal ‘experiences’. According to Wardle and Williams (2008) in their study on the BBC’s UGC hub, more than half of the people who participated in an online survey said a comment on a BBC news item was their most recent contribution. In an analysis of UGC created at the same hub, Harrison (2010: 254) concluded that submitted material is often “trivial” or “unsuitable”, while it “actually reinforces a tendency towards soft journalism and human interest” (ibid: 255).

This is not unique to the UK. After interviewing Belgian online newsroom journalists, Paulussen and Ugille (2008: 36) concluded that “reader input is primarily associated with “fait divers” or “small news” rather than with supposed “hard news”. Research on UGC videos and pictures in Dutch media websites (print, web-only and broadcast) revealed that “the great majority of amateur images are about ‘soft’ news or non-news” (Pantti & Bakker 2009: 486). García-Avilés (2010) compared Spanish public and commercial TV channels TVE and Antena 3 for UGC content and concluded that public broadcaster TVE asked for discussions and even assisted audience members with video training facilities with the topics covered being mostly social and political. Commercial channel Antena 3, on the other hand, mainly showed infotainment and extreme weather video clips. The Antena 3 show was stopped after one year.

Cost savings are frequently illusory, as well. There is often a high level of abuse in comments and visual contributions (pictures and videos) must be checked to avoid posting fakes. This produces high moderation costs and the demands are “a real pain”, as one media manager put it in research reported by

Hermida and Thurman (2008). This is particularly frustrating when considering that revenues from online operations are typically marginal.

Of course revenue is not a problem per se for PSB companies, most of which are non-profit in character. But the costs are nonetheless an issue, especially today. Moderation at the BBC is an elaborate process, which includes pre-moderation and post-moderation when there are complaints about comments. All pictures and videos are checked to ensure they aren't doctored. Moderation "has proven to be one of the most time-consuming and resource-hungry elements of the UGC phenomenon" (Harrison 2010: 250).

And it is not clear whether this is worth the cost and effort. Most people don't tend to use participatory options. Even at the BBC, arguably one of the most successful organisations in cultivating audience participation, only a relative handful of people submit material (Wardle & Williams 2008). Less than half of one percent of visitors use the 'Have Your Say' option, according to BBC estimates (Hermida & Thurman 2008). After surveying 3,000 people in Sweden, Bergström (2008) concluded that only five percent of respondents claimed to comment on news articles at least once a week, and only 16 percent within the past year. Younger and more educated people were more active than others. Although the number of Web 2.0 users in Germany certainly increases the percentage of active users, the total remains marginal (Busemann & Gscheidle 2010).

There are some weak links in the theoretical' model (Figure 2 above) because the number of newsworthy stories is typically minimal and their quality is questionable. UGC is not the cost saving operation that management hoped for, while extra revenues from advertising are not impressive – to put it mildly. On the upside, there is indeed more traffic on the various sites, and a sort of community is evidently emerging in some cases at least, although this consists of a rather small group of users. Discussion on news articles has led to more transparency. But the quality of news and high moderation costs are essential problems.

Explanations

Explanations for the lack of success not infrequently put the blame on the reluctant, sceptical or even hostile attitudes of traditional journalists and media managers (Deuze 2008a; Paulussen et al 2007). Rebillard and Touboul (2010) investigated newspaper websites in Argentina (*Clarín*), France (*Le Monde*), the US (*Washington Post*) and the UK (*Guardian*) and found that links to forms of user participation were mostly invisible, or at least hard to find, indicating low importance for the companies concerned.

Domingo et al (2008) point out that media companies offer more opportunities for commenting than for content creation, meaning they only allow users

to participate in the last stage of news 'production', i.e. after dissemination. Paulussen and Ugille (2008) don't blame 'unwillingness' as such for the slow development of implementing UGC in the news process, but rather structural and contextual factors that include the organisation of the newsroom, lack of collaboration between departments, lack of staff training and technological issues.

Lewis, Kaufhold and Lasorsa (2009) state that there are in fact two sorts of problems that editors have with UGC. Some editors disapprove of user contributions on theoretical grounds, mainly because they see a fundamental difference between people with journalistic training and background and those lacking both. There are also practical problems with audience members participating because this increases the workload for employees and can also lead to legal issues. Of course there are editors who welcome audience contributions, either on theoretical grounds (engaging the community) or practical grounds (getting content for free).

An alternative explanation for the lack of useful contributions by citizens experienced by online operations is that the 'job' of citizen reporter or unpaid contributor can be rather unsatisfactory for the 'amateurs' involved because they don't receive monetary compensation, have no real job they can boast about in public, usually don't have their own by-lines, don't have a working place or contacts with colleagues, are not legally protected, and usually receive little recognition. People typically want something in return for contributing. Although monetary compensation is offered in a very few cases, positive feedback from editors or other contributors could be another form of recognition (Bakker 2010). This means that running a platform with UGC requires serious contributions from a medium and its professionals, as well. Just offering the possibility of contributing does not lead to participation. Again, this might have different consequences for commercial broadcasters and PSM.

Exceptions

Even with the somehow disappointing experiences reported so far, that does not mean users' contributions are useless. There are notable exceptions when for the use and value of UGC. These exceptions can be classified in five categories.

First, local initiatives seem more successful than national UGC-operations in news. The main reasons seem to be the lower threshold for users and the fact that the expertise of users on local affairs is usually rather high. In the Netherlands we found successful initiatives by local public broadcasters in Amsterdam and Utrecht (Bakker & Pantti 2009; Hille & Bakker 2009; Pantti & Bakker 2009). Costera Meijer and Arendsen (2010) come to the same conclusion when analysing several publicly funded Dutch citizen journalism initiatives.

In their research on Belgium, Paulussen and Ugille (2008) saw the greatest potential value in (hyper)local media and personal stories.

Second, users need direction and stimulation from the media firm. Using UGC in broadcast news programmes (at least mentioning it on TV) is a successful stimulus for other users to send in their videos and pictures. One of the notable examples is the Amsterdam public broadcaster, AT5, where uploaded videos are often used in TV news with the explicit message that this clip was sent by a viewer, and inviting other viewers to do the same when they have something to share (Pantti & Bakker 2009). AT5 employees are also encouraged to be active on the platform. At the BBC – a news organisation often seen as a model of the successful employment of UGC – the audience is actively solicited to send material, either via mail, posting on the website, or via social media. The study on the BBC's UGC hub (Wardle & Williams 2008: 40) concluded that users sometimes do not comment or send in material because of the “perceived lack of real-world influence”, suggesting that giving comments or content without receiving feedback or any noticeable results, is not good enough for many users.

A third finding is that broadcasters tend to use more video and pictures from amateurs in exceptional circumstances (disasters, accidents, arrests), when a camera crew could not reach a news site in time, or when the costs of sending a crew are too high. There's not much difference between public and commercial broadcasters in this regard, as both compete for 'exceptional' content. Payment is sometimes offered in such cases (Pantti & Bakker 2009). In her study about the BBC's UGC hub, Harrison (2010: 245) calls this “accidental journalism”. The use of Twitter by the BBC's 'Have Your Say' illustrates. When sudden news events happen, such as people unexpectedly grounded at foreign airports because of the volcanic ash cloud in May 2010, or the British Airways strike in May and June 2010, users were asked to contact the BBC to share their experiences.

Although the majority of what is uploaded or contributed is non-news, this does not mean the material is useless. Thus, a fourth finding is that non-news material can be valuable on some occasions (human interest, soft news), usable for specific issues (weather forecasts, reporting on specific events, history programmes) while strengthening relations between users and the company. Wardle and Williams (2008: 42) concluded that, “the role of non-news content should not be ignored”. Broadcasters, commercial and public, offer the opportunity to send weather photos, and this is well used on all platforms (see also Paulussen & Ugille 2008). Wardle and Williams (2008) confirmed in their BBC-study that non-news, in particular weather photos, are sent by many users who participated in the online survey; after comments (52 percent of the 'last' contributions), this was the most mentioned submitted material (27 percent). Also Dutch broadcasters are 'flooded' with weather pictures. The chance that

the picture will be used in a TV broadcast probably accounts for the appeal of this feature (Pantti & Bakker 2009).

A final finding is that public broadcasters tend to use UGC more often than other media because they have the resources to ask for all kinds of contributions and to go through the volume of submitted material to find the gems. The most notable example is the BBC. But in the Netherlands, national broadcaster NOS also promised to invest in UGC more than other Dutch media (*ibid*). In Belgium, public broadcaster VRT is playing a “leading role” in developing citizen participation (Paulussen et al 2007: 139). This is, not a pan-European phenomenon, however. In Finland the development of interactive features was characterised as “rather slow” – including public broadcaster YLE – (*ibid*: 141). And PSB in Germany was not found to be very successful in developing these features.

The position of public broadcasters

As noted, PSB does seem to have an advantage in developing features that give media users opportunities to participate in the news process. In practice, however, the BBC stands out in this respect, explicitly seeing these features as part of their mission. Daniel Dodd, head of Interactive at the BBC in 2008, stated that “citizen journalism, user generated content, social media (...) is an integral part of the vision for BBC journalism in the digital world”, while Steve Herriman (BBC website editor), specifically emphasised the role of this public service broadcaster. He said, “as a public service organisation we have to be even better at it than otherwise” (both cited in Wardle & Williams 2008). The UK broadcaster has been using interactive and participatory features to engage readers at least since the beginning of this century, although the development was faster after the Asian Tsunami of 2004 and the London bombings of 2005. The BBC connects with its audience through e-mail, websites, Twitter, and photo and video upload sites. In 2008 the BBC national ‘hub’, the department taking care of UGC and audience interaction, counted almost 30 staff members (Wardle & Williams 2008).

The efforts of the BBC in this area do not seem to suffer from lack of interest on the part of audiences. The number of e-mails, photos, videos and other contacts continues to grow. This suggests that UGC is indeed an interactive phenomenon where two-way communication is a necessary feature. But merely facilitating UGC options – allowing comments, offering reader blogs, having a Twitter account or Facebook page – is not enough. It needs active participation from the organisation to succeed, and apparently also a different attitude among the journalists involved.

But even at the BBC the term ‘participation’ is not free from rhetorical ploy, as it is seldom a genuine collaboration between audience members and journal-

ists. Many of the latter see UGC in general as just another form of raw material that can be used in reporting; the impact on the final in-house product is often minimal (Wardle & Williams 2008; see also Van Dijk 2009). Other research confirms this. Representatives from the national Dutch public broadcaster see users' contribution as raw material where control is exercised by editors, not audience members (Pantti & Bakker 2009).

The BBC is in some sense a role model, but one that is hard to imitate. Other public broadcasters often voice the ambition of developing BBC-like participation features, but here it's certainly the case that size does matter. The BBC has a large home market and claims a sizable share of it. The size of the market might also be an explanation in itself for comparative success because everyone where it is only a small part of the audience that does participate. Bigger markets have an advantage, as in those cases even this small percentage consists of a rather sizable group of contributors. The example of CNN's iReport illustrates.

Recent research on user comments in Dutch media websites (Hille & Bakker 2010) suggests a recent trend to restrict and target audience responses. The option for offering anonymous comments has almost vanished; the number of places where people can leave comments has declined while more rules have been established and moderation is stricter. When the comment regimes of two commercial and four public broadcaster websites were compared, public broadcasters offered more options for comments and did put more effort in moderating comments with the object to increase the quality of the discussion.

Some commercial broadcasters employ users' contributions in other ways. Erjavec and Poler Kovacic (2009) illustrate this for the Slovenian situation where the commercial broadcaster mainly invites users to send in photos and videos of government officials in compromising situations (for instance parking in a non-designated space), calling that 'public journalism' and thereby creating a tabloid-style TV 'news' programme.

In all of this, it is crucial to recognise that online participation has not been a cost-savings operation. Developing a valid business model for user-generated content remains elusive. As Harrison (2010: 244) concluded in her study about the BBC hub: "UGC is not a cheap option". It is in fact a very labour intensive operation (see also Vujnovic et al 2008).

Discussion

Although actively asking for and using UGC might be central to the PSM enterprise, current public policy development might actually develop as a strong force against these innovations. In the Netherlands – where much of the research data originates for this chapter – budget cuts are affecting what

PSM can do online. New rules and laws will restrict online activities of public broadcasters because under the rubric of unfair competition for likewise online operations from ‘traditional media’ competitors (i.e. newspaper firms and commercial broadcasters). This follows a pattern also evident earlier for ZDF and ARD in Germany. This may lead to a situation where public broadcasters are discouraged from inviting audience members to participate, while at the same time commercial broadcasters grow increasingly reluctant to organise audience participation due to costs.

This worst-case scenario can be illustrated with a recent example. In November 2009 the Dutch public broadcaster VARA launched www.joop.nl – a website dedicated to discussion of public policy issues. Several prominent Dutch opinion leaders were asked to contribute. Although discussion flourished – with often dozens of comments under articles – there was severe criticism from (mostly rightwing) media and political parties who said that ‘state subsidies’ were being used to launch a political website that would unfairly compete with commercial websites.

In Germany Axel Springer (*Bild Zeitung*, *Die Welt*) earlier complained about free news apps that public broadcaster ZDF was offering because this could harm the market for similar paid products offered by commercial parties. The Dutch discussion initiative – like the German *Wahlwatching09* – is a rather expensive project. The Dutch discussion website employs four fulltime staff members and hardly carries any advertising. It seems very unlikely that commercial media will launch such initiatives. Thus, a cut in funds for PSM audience participation initiatives is unlikely to lead to, or be offset by, any new initiatives from commercial media.

Also, we should observe that all PSM companies don’t have the option of expanding their online offerings. In his comparative study about online PSM regimes in the UK, Norway and Germany, Hallvard Moe (2009) linked this to policy issues. In Norway online initiatives are very near to existing broadcast programmes while in Germany these new services are seen as a clear expansion, and therefore subjected to more restrictions. According to Moe, the BBC has much more freedom online because these operations are regarded as a separate and independent channel.

As stated in the beginning, the online offerings of PSM and other media don’t differ much at first sight. Competitors are using this in successful efforts to lobby for restrictions on what public broadcasters can offer online. What public broadcasters should point out, however, is that their offerings are actually not similar to those of commercial media, particularly when participation options are concerned. PSM should point out that they subscribe to a concept of participation that goes beyond consumerism.

The practices and promises of participation resemble a bell-curve: a slow start followed by high expectations and ambitious initiatives – and as the dust

settles showing disappointments, closed down operations but also initiatives that actually do live up to the expectations. A lesson learned from a decade of participation is that it's difficult to launch commercially sustainable (stand-alone) initiatives. Audience participation doesn't come cheap – neither in terms of financial investment nor in terms of human effort – meaning that it is mainly an option for organizations that value audience contributions beyond their financial value. As audience participation in itself should have value for public broadcasters, the gap left by commercial competitors should be a challenge for PSM, and a chance to regain the initiative in this respect.

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Public service media is today challenged on every front. Publics and politicians see the commercial approach as the 'normal' way to organise broadcasting. There are strong pressures to downsize PSM organisations, to limit investment options, to restrict online and digital operations, to narrow remits to genres and for audiences that are not commercially attractive, and for increasingly intrusive assessment procedures. The principles no longer resonate very widely and there is growing criticism about a decline in distinctiveness. Even among traditional allies, support is flagging and skepticism is growing.

In Europe the institution has not yet presented a coherent and convincing strategy attuned for relevance in the 21st century. PSM has lost or is in danger of losing the initiative. At the same time, there are promising efforts to develop PSM in regions and countries lacking a domestic history with PSB – to gain the initiative for building PSM. This 5th RIPE Reader incorporates a wider purview as an outgrowth of proceedings from the RIPE@2010 conference that convened in London 8-11 September to address the theme, Public Service Media After the Recession. The book is divided into four sections, reflecting the varied and distinctive narratives of PSB around the world.

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