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Media Culture Society 2008; 30; 337

DOI: 10.1177/01634437080888791

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Reinventing public service broadcasting in Europe: prospects, promises and problems

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After two decades of 'dual broadcasting' in Europe, the demise of public service broadcasting (PSB) is not yet as serious as forecast. In recent years, public broadcasters in some European countries even managed to regain public attention or programme rights they had lost to their commercial counterparts. Public broadcasters are currently at the heart of public attention. This broad discussion and concern are needed, as the basic problems of PSB are numerous: the commercialization and digitization of the broadcast sector leading to a multiplication of distribution channels; the individualization of society; and an overall unfavourable political climate with governments seeming less willing to provide adequate financial conditions (Donges and Puppis, 2003). Table 1 shows the relatively limited growth of the public broadcasters in comparison to the other branches of the EU audio-visual market.

According to Achille (1994), the origin of this crisis was threefold: identity, financing and operating problems. All three elements are still very much at stake nowadays. Murdock and Golding (1999) rightly signalled two parallel movements at the end of the 1980s and 1990s that tipped the balance of power from the culture to the market paradigm: the ascendancy of marketization policies within the European Union (EU) and its major member countries (despite the more culture-oriented approach of the European Parliament and the Council of Europe), as well as accelerating convergence trends of ICTs, telecommunications and audio-visual industries.

TABLE 1
Size of the EU audio-visual market and growth of its various branches

Broadcasters' net revenues	EUR million	Growth rate 2001/2000 (%)	Growth rate 1997–2001 (%)
Public broadcasters (radio, TV)	26,892	4.2	4.6
Private adv. radio companies	3,303	1.8	14.9
Private adv. TV companies	17,889	-2.1	7.0
Home shopping companies	1,364	40.3	31.6
Pay-TV premium companies	3,478	4.1	8.4
TV packagers	7,794	13.6	26.1
Thematic channels	2,650	10.4	18.8
TOTAL	63,370	4.0	8.7

Source: European Audiovisual Observatory (2003a)

Throughout Europe, public broadcasters are defining new relations with 'the society they operate in and are mandated to serve' (Søndergaard, 1999: 22). Following Jarren et al. (2001) and McQuail (1994: 197) we will differentiate the broad concept of society into three sets of relevant relations and interactions: with the government, with the (media) market and with civil society at large. More generally, this article intends to analyse the changes in the position of public service broadcasters in Western Europe in recent decades, in relation to national and European Union politics, the market sector, the audiences and the digital challenge that lies ahead. The article will look into new PSB policy directions as currently debated in the Netherlands. Furthermore, we will look at the consequences of this changing context for the current operations of PSB in Europe, in terms of its mission, programming and organization, as well as its funding.

The changing context of PSB

European governments: diverging political visions

In many countries, the government seems to have taken a more critical stance towards public service broadcasting in recent years. But first one should realize the great variation from country to country in the ways in which public broadcasting is regulated. In a recent inventory of PSB regulation the European Institute for the Media (Machet et al., 2002) differentiates between regulation models. There is the British model also followed by Germany: here the government keeps at a distance and mainly relies on self-regulation and internal control. This also holds for the Scandinavian model, although an independent external supervisor exerts control, and public broadcasters are almost fully financed by the state. The latter has a more central role in the French and Walloon models, as the regulatory regime entails detailed content stipulations and quota prescriptions. The Dutch and Flemish model, finally, also includes strict regulation of programme output by an external supervisor.

Resulting from their comparison of media and political systems in several Western countries, Hallin and Mancini (2004) develop three 'ideal types': (1) the 'liberal model', mainly to be found in Great Britain and its former colonies; (2) the 'polarized pluralist model' with considerable levels of politicization, state intervention and clientelism in the Mediterranean countries; and (3) the 'democratic corporatist model' in the Scandinavian countries, the Netherlands, Austria, Switzerland, Belgium and Germany, strongly relying on the role of organized social groups in society against a more individualistic concept of representation in the liberal model.

Recent regulatory changes at both national and EU levels undoubtedly show a tendency to favour a market-orientated approach (Murdock and Golding, 1999; Steemers, 2003). Part of the explanation for this more critical attitude vis-a-vis PSB probably lies in the forced tango that national politics and public broadcasters have danced for many decades now, simply because of the lack of other partners. The advent of private broadcasters opened alternative options and partnerships for politicians and governments, and new entrants often promised to be less critical and cynical towards politics than PSB journalism deemed necessary. Another permanent source of frustration among politicians is the relatively limited level of intervention and steering capacity in relation to PSB resulting from the fact that governments, for the sake of communication freedom, can control the structure but much less the content of public service broadcasting. Moreover, many public broadcasters have gained independence in recent decades, due to a decline in 'political parallelism' and a rise in the professionalism and autonomy of journalists, especially – according to Hallin and Mancini (2004) – in countries with a 'democratic corporatist' tradition. More in general, the liberalization of policies in relation to the communications sector has caused a distancing on both sides and a search for new regulation instruments that materialize the new relationship, such as self-regulation, co-regulation and performance agreements with other stakeholders (Schulz and Held, 2004).

More recently, there have also been notable counter-tendencies. There is, according to Donges and Puppis (2003), a growing disappointment about the impact of the 'dualization' of broadcasting because private channels are overwhelmingly entertainment-oriented while public channels carry more politically relevant information (Porter, 1999: 36). Europe-wide, one result of this is a cautious trend towards re-regulation, instead of deregulation, in which the focus is on policies that are more flexible and more effective, but also more selective, in regulating certain media platforms more than others.

Market values: trading and competing

Unlike politics, the marketplace offers a relatively new context for public service broadcasters. After all, the latter were established to substitute rather than to

complement the media market in most European countries. Already, before the passing of the public broadcasting monopoly, an international market of commoditized information, culture, music and sports had arisen that public broadcasters had to deal with, but for some time they were still able to set the terms of the trade. Nevertheless, the rapid rise of commercial television from the 1980s, leading to a majority of private stations by the mid-1990s, gradually reversed the status quo. Already in the 1980s McQuail (1986) mentioned the increasing commercialism within public service broadcasting, such as the popularization of programming in peak time in order to maximize audiences and advertising revenues, the increasing cost-consciousness and efficiency in its activities, the adaptation of management practices from the commercial sector and the selling of parts of PSB networks and services (1986: 640). As soon as PSB became the exception rather than the rule, its activities and funding, if not its very existence, began to be considered as a disturbance of 'normal' market relations. At the same time, in this new context public broadcasters could not operate adequately without seeking collaboration with commercial partners, such as independent production companies, publishing houses, and radio and TV stations, for example in order to share programme rights (football) or to participate in new media activities.

A primary concern among political and academic observers was that public broadcasting would be contaminated by this commercial context and that both actors would eventually converge. At first glance this concern seemed justified, since around 1990 a new generation of management took the lead in order to make the old broadcasting bureaucracies 'meaner and leaner'. Consequently, programme schedules were changed in order to satisfy the audience and/or the advertisers. Meanwhile, many public broadcasters have been successful in choosing a middle way between adaptation to the commercial competition and purification that Hulten and Brants (1992) call the 'compensation strategy' (see also Donges and Puppis, 2003; Meier, 2003). Hence PSBs have taken over certain orientations of private competitors, such as competition and cost awareness (Blumler, 1992).

Knowing the audience

Public broadcasters also had to redefine their relation to the public. Although the public, as their main stakeholders, should be the primary frame of reference, many PSBs have kept the people and civil society at a distance, while politics and the government proved to be the preferred partner. This is also a result of a tradition of paternalism, and more or less inherent to the pedagogical imperative practised by public broadcasters in the past. Another problem is that it was, and continues to be, difficult to institutionalize the relations between public broadcasters and society, and that society is not an established actor as such (Jarren et al., 2001). However, a sound relationship with the public and civil society has become vital, since the relation with politics has

its drawbacks. Popular support can also compensate for a too-close relationship with, or dependence on, politics, because for most mixed income-based PSBs the counterbalance of commercial income (advertising) tends to decrease. Hence the importance of public funding and popular support only becomes more crucial.

A special challenge for public broadcasters is that they seek support of a (civil) society that is changing rapidly because of major social trends such as the individualization of society, characterized by a lesser collective participation, a lower interest in politics and established institutions, as well as a shift from a mono- to a multicultural society. A key problem is the gradually diminishing reach of public service broadcasters among 'problematic groups' such as younger generations, migrants and the less educated. Collins et al. introduced the term 'audience universality', which is achieved 'by serving all, the poor as well as the rich, with a range of programmes, including those which may be unprofitable' (2001: 8). Audience research in the Netherlands shows that over half of the population, mainly consisting of the aforementioned groups, is on the brink of turning their back on public broadcasting. These groups actually spend less than 30 percent of their viewing time on public programming, mainly entertainment and sports programming. Public broadcasters in other European countries have similar problems.

The dominant socio-cultural trend of individualization also implies that the relation with civil society cannot rely on traditional institutions and ways of representation only, but also has to be targeted at individual citizens and their (new) movements. Many public broadcasters in Western Europe – among them the British, Austrian, Flemish, Irish, Portuguese and Dutch – have already started experimenting with new ways of legitimization, accountability and transparency towards citizens and society (Bardoel and d'Haenens, 2004a, 2004b).

It seems, on the one hand, inevitable that in an ever fuller broadcasting environment there will be a further specialization – as in the newspaper and magazine markets that carry popular and quality titles – but on the other hand a concentration of PSB programming on minority, and indeed elite, interests as is the case with the PBS in the US, would threaten the focus and the funding of a broadly appealing PSB that is so typical of the European tradition. Collins et al. argue: 'Public service broadcasting cannot succeed unless it is popular. It cannot therefore be consigned to a ghetto at the margin of the market, filling the gaps disdained by profit-maximizing broadcasters' (2001: 7–8). Here too European public broadcasters hope to find a middle way, illustrated by a new emphasis on audience reach rather than audience share, and by a PSB trying to reach, referring to the classic BBC adage, 'not all people all of the time but all people some of the time'. The dilemma of programme quality and popular reach continues to be central for public broadcasters, although in the new context more and more parties will expect them to opt for the niche option, in order to be distinctive and not to distort the commercial media market.

In other words, we see that the relevant context for public service broadcasters has changed completely, and that the viability of public service broadcasting can no longer be taken for granted. Therefore, public broadcasters have to change their orientation: from an internal one to an external one. Many PSB institutions have already undergone considerable changes, but these have tended to be evolutionary rather than revolutionary and, in most cases, have not led to major improvements in the position of public broadcasters.

The digital challenge

The most recent battlefield for public broadcasters is the new media platforms that offer interactivity and a more targeted supply of programmes. Although the commercial sector has tried, and continues to try, to limit public broadcasting to the provision of a free programme offering via open, analogue networks, both national and EU politics allow public broadcasting to operate on new platforms as well, provided that the new services fit with the public remit and do not distort competition. The many procedures still running at the level of the European Commission and the numerous policy debates demonstrate, however, that the struggle goes on. Although the overall attitude of the European Commission is not unfavourable toward public broadcasters (Ward, 2003), the latter run the risk that their playing field will shrink as a result of incremental decision-making and case law (see the European Court decision on the Altmark case regarding the incompatibility of state aid with the common market).

Linear viewing habits will not fully disappear, but the time devoted to non-linear viewing will grow gradually. The BBC estimates that in ten years TV households will only spend 30–40 percent of their viewing time with linear, generalist channels. The audience will use more platforms and channels next to the currently available open broadcast channels. In order to maintain a reasonable level of audience reach, broadcasters will decide to extend their portfolio of platforms and channels. The first step is thematic channels, and these will, to the extent that they prove to be successful, change the function of the open channels to showrooms for programme supply on thematic channels and on ‘on-demand’ platforms. Gradually these media and platforms will be linked as part of deliberate cross-media strategies that try to keep the viewer’s and listener’s attention as long as possible. In general, brand-building across media and platforms will become more and more important.

Reinventing PSB policies

New legitimization

The new context of PSB has serious consequences for every aspect of its operations: for its mission, programming, organization and funding. The

attention focused on the mission of public service broadcasters is greater than ever before, both at the level of European and national regulators, and at the level of the public broadcasting institutions themselves. It shows that an explicit legitimization in terms of PSB's role in society has become imperative, and serves as a battleground for different interests and insights.

Historically PSB was justified, as Steemers (2003) and others indicate, on technical grounds – the scarcity of frequencies – and on normative values associated with Western-style democracies, such as diversity and the protection of cultural identity. Next to mission elements that are shared in almost all countries, there are many differences that relate to the national context of PSBs. Despite these differences, it is still widely believed that basic functions, such as a low-cost and universally available reliable provision of information, education and culture, and the catering for minority tastes and interests, cannot or will not be sufficiently served by the commercial market. The German '*Bundesverfassungsgericht*' stipulated that the 'light touch' regulation of the commercial sector in many countries relies on PSB fulfilling its remit (Steemers, 2003: 127). However, this line of reasoning may be reversible: without a dominant position for PSB in this domain there will be more space for a commercially viable, high-quality information provision, as already exists in most newspaper markets. In the pre-Second World War period these normative considerations were predominantly put in negative terms (the fear of the new, pervasive electronic media and their impact on the masses), whereas in the post-war period, in parallel with the rise of more deliberate media policies (see Van Cuilenburg and McQuail, 2003), these purposes were formulated in more positive terms. Traditionally, the political function of PSB in relation to democracy, pluralism and public debate was emphasized, but more recently socio-cultural goals, such as serving social integration and cohesion, cultural bonding and bridging, have become more prominent (Bardoel and Brants, 2003). Next to political and cultural goals, economic elements have become more prominent in the rationale for PSB, probably in response to the dominant market ideology of recent decades (Bardoel and Brants, 2003). Consequently, there is a new emphasis on PSB's contribution to the national audio-visual production market, and as a breeding ground for innovation and talent. This applies especially to audio-visual production in small European countries (Biltreyst, 1992).

Moreover, market failure has become another key justification for PSB. According to Bill Robinson et al. (2005), certain kinds of 'desirable' programmes will only be made by PSBs. Helm (2005) argues that the case for PSB should not be restricted to remedying 'market failures', as PSB responds to the needs of citizens (different from those of consumers), it provides a counterweight to the commercial media and sets quality standards for the whole media landscape. Apart from the public offering that still comprises all programme types, the public follows its own preferences. Consequently, people tend to consider private broadcasters as the prime providers of entertainment and public

broadcasters as the preferred providers of (political) information. This division of labour seems in a way reasonable, comfortable and even fair, but it also has its fallacies. Moreover, public broadcasters also tend to leave the domain of infotainment and reality programmes and the catering for the interests of citizens-as-consumers to the commercial side, but given the rise in interest in these new genres and the decreasing interest of new generations in traditional news, current affairs programmes and documentaries, this might eventually lead to a strategy of defeat. At the same time, the classic programme domains of PSBs, in which they feel safe and do not fear the current commercial competition, will not remain uncontested in the future. In general, people watch less programming of traditional public service genres when they have more choice (Tambini, 2004: 55). Hoskins et al. indicate that the Canadian CBC programming, with a long-standing experience of commercial competition, has become less distinctive over the years: 'Specialty services such as Discovery Channel, History Channel, and Bravo increasingly exhibit programming, such as documentaries and Canadian films, that used to be shown only by CBC' (2001: 28). As a result of this competition from two sides, from both general and special interest private programming, 'the audience share of CBC's English-language television network, for the peak 7.00–11.00 p.m. period, has fallen from 23.3 percent in 1984 to 9.4 percent in 1998–99'. 'Refocusing the CBC', the authors conclude, 'is the only way to prevent its demise' (Hoskins et al., 2001: 29).

Full portfolio programming?

Closely related to, and indeed a central component of, the mission is the programme assignment of public broadcasting. The current debate on this issue can be summarized by the catchwords 'comprehensive or complementary'. In practice, as already indicated, most public broadcasters have chosen, principally or pragmatically, for the middle way of compensation. Nowadays, the discussion about the future of PSB revolves around two competing visions: that of the pure 'monastery model' on the one hand and the 'full portfolio model' on the other (Jakubowicz, 2003). The former vision is shared by critics of the commercialization of PSB and the latter is likely to be adopted by most of the public service broadcasters themselves and policy-makers who hold PSB dear. Among them are the Digital Strategy Group members of the European Broadcasting Union (EBU), unmistakably stating in their *Media with a Purpose* (2002) that the public service broadcasters should meet the diverse needs of all audience members and therefore remain a 'full portfolio' content provider. Thompson (2005) also believes there is still a place for 'building public value' in an era of private value and individual consumer choice, as public goods like broadcasting or national defence cannot be handled well by conventional markets. In his view the market is not well equipped to deliver the social and cultural value of public broadcasting to the

entire population. Therefore public intervention is required. Although there is much debate in most countries on the mission of public service broadcasting, no country has made the choice to really narrow the programme task and focus of PSB. In response to this critical debate, most public broadcasters look for arguments in favour of the full-scale model and want to stress their distinctiveness more than ever before.

In its communication on the Application of State Aid Rules to Public Service Broadcasting (CEC, 2001a), the European Commission has stipulated that the definition of the public service mandate should be as precise as possible. Moreover, on the basis of 'subsidiarity' the European Commission leaves it to the member states to formulate the task – broad if necessary – of public service broadcasting, while at the same time making it quite clear that, as far as the Commission is concerned, this task cannot be concrete enough.

De-institutionalizing PSB?

The reinvention of European public service broadcasting also includes the current organization and institutionalization of PSB. The social control of public broadcasting has been institutionalized in different ways – centralized or decentralized, politically controlled or in the form of a public service, for which the BBC became the leading model (Jarren et al., 2001: 49). The EBU Digital Strategy Group (2002) still considers public service broadcasting as an 'island of trust' amidst multimedia companies offering linear broadcasts and online programmes. According to the Digital Strategy Group, the public service evidently needs a strong institution to carry out this mission. Although outsourcing a proportion of programme production or partnerships with private companies, where this is cost-effective, is approved, the model of the 'distributed public service' is not seen as a viable solution, as it may have many drawbacks. In most Western European countries, there still is considerable support for the current public broadcasting institutions, notably in the United Kingdom.

If we listened to those who wish to restrict the BBC to becoming a limited provider of minority interest content, we would risk destroying the virtues of an institution which can play a vital role in preserving a common culture of tolerance and debate, and one which can implicitly transmit the values of British society to all parts of our society and around the rest of the world. In return we would have to hope that the market would provide the same outcome, despite evidence from other societies that this is not the case. (Green, 2005: 37)

The New Zealand experience

The alternative of de-institutionalizing PSB by introducing public programme funds in a way comparable to policies vis-a-vis culture and the arts has been proposed several times, especially in countries that have reconsidered their public

broadcasting system, but almost no country has dared to take that far-reaching step yet. The notable exception is New Zealand, where a drastic reorganization of PSB took place in 1988. Since then Television New Zealand (TVNZ) is financed by advertising first of all (70 percent in 2004), supplemented by a production fund for 'threatened' programme species: New Zealand on Air (NZOA). Open competition via an 'Arts Council of the Air' model was meant to lead to greater value for money and add to the quality of PSB programming. NZOA's funding is allocated across a range of programme genres and formats, and also across different broadcasters and producers. NZOA's main focus of funding is on drama and comedy (45 percent), children's and youth programmes (21 percent), special interest programming (arts and culture, minorities; 20 percent) and documentaries (14 percent). It very rarely funds sports or entertainment programmes, which are considered commercially self-supporting, or news and current affairs, because this genre is also considered as self-sustaining and also because funding news always seems politically sensitive and risky. The majority of the programmes receiving funding from NZOA are broadcast by TVNZ (80 percent).

Nevertheless, the limitations of the system seem to weigh heavier than the strengths. The latter are that regulatory accountability has increased because the transparency has improved, as any programme idea is assessed explicitly against PSB purposes before funding and is free from political and commercial interests. The independent production sector has been the first beneficiary of this system as it receives 85 percent of NZOA's funding. As to the limitations, Mayhew and Bradley-Jones argue:

The primary weakness of the NZ funding system is that it has not effectively and consistently, over time, delivered high quality, high impact PSB content.... The NZOA funding application and negotiation process also represent an additional layer of regulatory activity and, at minimum, an additional set of administrative processes. (2005: 163)

Other criticism is that NZOA, first, cannot prevent broadcasting channels from not producing certain types of public programming or putting these programmes on at 'inhospitable hours'; second, that it subsidizes foreign commercial companies (since the Canadian CanWest owns TV3 and TV4); and, finally, that NZOA interprets the concept of public broadcasting in a rather narrow sense and does not set standards in a broad range of television programming. Consequently, this 'market failure model' (Comrie and Fountaine, 2005: 115) was reviewed by the end of 2003 and slightly remodelled towards a blended approach in which the targeted funding was accompanied by some public funding and new programming requirements. In conclusion, the New Zealand experience has raised serious doubts as to the efficacy of moving towards a contractual approach to the funding and the delivery of PSB. A McKinsey Report commissioned by the Independent Television Commission in Britain (ITC, 2002: 4) equally considers distributing public service a risky endeavour,

as shown in experiments with subsidies for public service content delivered across commercial channels which do not seem to have worked. 'Countries that have limited public funding and/or constrained commercial competition appear to be putting content quality and domestic production at risk.'

The Dutch debate

Nevertheless, the debate on alternative PSB policies goes on. In the Netherlands, the Scientific Council for Government Policy (WRR, 2005), in an important report on future media policies, concluded that the public interest or pluralism in the media should no longer be looked at in terms of a single medium or sector, such as broadcasting or the press, but should include the full supply of content and its use via other media, whether public or private, on the basis of important social functions. In this view, the public interest is served first by the functions of a high-quality news service and the formation of public opinion and social debate, and, to a lesser extent, by the functions of arts and culture and specialized information. Although private parties, according to the Scientific Council, also contribute to these functions, a sufficient and continuous level of these functions cannot (yet) be guaranteed without any forms of public service. Other functions, such as light entertainment, advertising and public relations, should in principle be excluded from the public sector and do not constitute a core task of public broadcasting in the future. This proposal to cancel entertainment as a core task of public broadcasting has evoked huge debate among broadcasters, but also considerable support from politicians. Looking at the organization, the council also reviewed four possible models for the structure of Dutch public service broadcasting, ranging from a model with no public service at all to a mixed and open model for public broadcast media. In the latter model, recommended by the Scientific Council, the implementation of the public interest differs according to function. The news service should be provided by an independent, public organization, as NOS presently does. The function of opinion formation and debate could be left to a wide range of broadcasting associations which can claim support of substantial sectors of civil society (more explicitly than is now the case with Dutch broadcasting organizations). Finally, arts, culture and education programmes should be delivered by an open and generally accessible system of tendering.

In a study commissioned by Netherlands Public Broadcasting, communication scholars Rutten et al. (2005) question the technological optimism or determinism of the advice, which seems to presuppose a fully converged media landscape with full competition and consumer freedom, while downplaying the risk of economic power positions and technological limitations. The main criticism is, however, that the priority of some programme genres (news, current affairs) over others (entertainment) neglects the hybridization or blurring of media genres that has taken place in recent years. It relies on an old-fashioned, rational-Habermasian concept of citizenship that denies the importance of entertainment and hybrid

programmes for the formation of public opinion, the transfer of values and the construction of identity. The authors conclude that the need for a paradigmatic change in media policy is not clear yet, and that this cure may be worse than the disease. In their view, public broadcasting requires a strong institutional basis and a broad mission for which it should be held accountable. The Dutch debate shows that there is no political and social consensus on the future of public broadcasting in the Netherlands, and it also shows, more seriously, a deep distrust between at least parts of the political arena and the public broadcasting system. A new version of the Media Act that included many of the aforementioned proposals was ready to pass parliament when the government fell unexpectedly in June 2006; as a result, the debate and policy-making had to start all over again. The new Dutch government has chosen a less ambitious policy, and the current Dutch public broadcasting scene is characterized by a great deal of consolidation.

A new role for the state

The question how to organize public broadcasting in the rapidly changing broadcasting landscape also raises the question of how the relation between public broadcasters and the government can be best organized. The traditional broadcasting politics has leaned heavily on the state as a central actor that has tried to achieve pluralism with relatively unclear goals. In recent decades, in the media and telecommunications sector, a 'transformation of statehood' (Latzer et al., 2003: 128) has taken place that can be traced by trends such as a change from protectionism to promotion of competition; the separation of political and operative tasks (i.e. independent regulatory authorities); the shift from vertical (sector-specific) to horizontal regulation; the transition from national to supra- and international regulation; and the change from state to self- and co-regulation in which private and societal partners are becoming more actively involved in regulation.

In political science, several new concepts have emerged that imply a change of, and not an end to, state responsibility for the public domain (see Hoffmann-Riem et al., 2000; WRR, 2005). Latzer et al. (2003) distinguish between state regulation, co-regulation and self-regulation, and demonstrate that, both in the literature and in the policy practice, many alternative forms of regulation on the continuum between state and market, and based on collaborative arrangements between public and private partners, have been elaborated recently. The idea that market forces can simply replace government regulation has proven to be naïve. Instead of deregulation, we should speak about re-regulation. Also the European Commission has been reflecting on new forms of regulation and governance: its White Paper on European Governance (CEC, 2001b) emphasizes that co-regulation will be more and more put in practice. Although significant differences from country to country remain, for example between the Anglo-American legal model and continental Europe, the concept of the overarching state should be abandoned. The

sovereign state has already made a place for a corporate bargaining state, a partner embarking on partnerships with the industry.

There are good grounds to introduce self- and co-regulation in the broadcast sector: the flexibility needed due to a rapidly changing (societal and technological) context; the constitutional reasons for a distance between politics and the media; as well as the proven fact that goals of pluralism and diversity are difficult to operationalize into effective laws. It also proves hard to enforce self-regulation (see Hoffmann-Riem et al., 2000). Therefore, it is important to find the right mix. 'Co-regulation' or 'regulated self-regulation' implies an important albeit shared role for the state. In addition, 'media governance' is a new concept in this respect (Bardoel and d'Haenens, 2004b). This also implies the involvement of civic and professional groups and mechanisms like public hearings in the process of media regulation.

Willing to pay for PSB?

Last but not least, the funding of European public television stations remains a key issue in the organization of PSB and continues to be a highly controversial issue. The main source of income for most PSBs remains the licence fee, but most countries have mixed systems. There are countries in which at least three-quarters of the budget of public television comes from licence fees or public subsidies, like Sweden, Greece, the United Kingdom and Finland, as opposed to countries where public revenue is the smallest part of a channel's income, as is the case in Ireland and Spain. In addition, the overall financial position of EU public television channels differs considerably; the BBC budget is about seven times higher than the total budget of the 23 public broadcasting organizations that make up the public broadcasting service in the Netherlands. The comparative 'poverty' or 'wealth' of PSBs is of course intimately related to the size of the population (read market) to be served. Table 2 provides some insight in the strength of a variety of EU public broadcasters in terms of their audience shares as well as their total income, mostly originated from mixed financing.

In any event, in the UK the public still seems to be willing to pay for public broadcasting service. Together with Human Capital, the BBC recently conducted a survey to attempt to quantify the total value generated by the BBC. Terrington and Dollar (2005) show that the results demonstrate substantial public support for the idea of PSB and that audiences value it significantly above the resources currently devoted to it. Over 80 percent of the population is willing to pay the current level of the licence fee (£121 per year) to continue receiving BBC services and, on average, people value it at twice that amount. If the licence fee were to be changed into a subscription fee, its universality would be lost. Dieter Helm (2005) sees it as a form of 'club fee'.

Most public broadcasters in Europe rely on mixed funding, which has its advantages. Nevertheless, public broadcasters supported by both licence fees

TABLE 2
Audience shares and financing of public TV channels in some
EU member states

Audience shares in % (2004)			Financing of public channels (2001)			
Country	Public channels	Compared to 1999	Public income in %	Private income in %	Other in %	Total income*
Belgium						
Flemish	40.2	+9.6	65.1	27.0	7.9	325.9
French	20.3	-1.9	62.5	33.5	4.1	269.4
Denmark	71.8**	+5.0	89.6	10.5	-	405.7
France	40.7**	-1.5	68.4	31.2	.4	1057.5
Germany	44.4**	+1.6	82.9	18.2	1.0	5788.2
Italy	44.3**	+3.3	52.0	47.4	.6	2752.9
Netherlands	36.1	+1.6	60.6	26.9	16.2	0.8
Poland	51.9**	+8	30.3	60.7	9.0	0.4
United Kingdom	47.1**	-2.4	74.6	24.4	-	5522.1

Source: European Audiovisual Observatory (2003a, 2003b, 2005)

*In millions of euros; UK figures from 2002

**France and Italy: complementary thematic public channels not included; Denmark and UK: complementary thematic public channels included since 2004; Germany and Poland: complementary thematic public channels included.

and advertising money have drawn a considerable amount of criticism from their commercial competitors, several of which filed formal complaints. The European Commission responded with a communication on the services of general interest in Europe (CEC, 2003). But already, years before, a series of vehement complaints had led to the adoption of the Protocol to the Treaty of Amsterdam on Public Broadcasting Systems in the Member States (CEC, 1997). The Protocol regards public service broadcasting as a cornerstone of democracy and states that funding for public service broadcasting is a member state preserve, provided this funding does not affect competition throughout the Community. The result of this compromise text between cultural and economic importance is that the demand for a more detailed definition of public service broadcasting and public interest becomes even more essential.

Conclusions

The prospects for public service broadcasting in Europe are less bleak than they seemed only a few years ago. Nevertheless, the problems of a 20th-century institution in a 21st-century world are still considerable. The traditionally preferred partner of European PSBs, the government, has taken a more distant and critical stance towards public broadcasting, both at a European and a national level, as a result of more market-oriented policies, although signs of

a counter-trend cannot be denied. Since the 'dualization' of broadcasting has served consumers over citizens, governments have begun to re-regulate instead of deregulate the broadcast scene. At the same time, public broadcasters have learned to adapt to predominantly commercial media markets, in which they are the exception rather than the rule, by making their bureaucracies meaner and leaner and by choosing a middle way between popularization and purification in their programme strategy. Yet they have problems in realizing sufficient public support. As a result of a paternalistic tradition and an often all-too-close relation with politics, public broadcasters have kept citizens and civil society at a distance. Only recently have PSBs started to develop new policies of public accountability. PSBs also face problems in reaching people in their role as viewers and listeners, especially among younger generations, migrants and the less educated. The dilemma of programme quality versus popular reach has become bigger than ever before. Digitization offers yet another challenge for PSBs, since non-linear viewing habits will grow gradually. Nevertheless, the attempts of commercial competitors to limit public service broadcasting to the old, analogue channels have not been successful and PSBs have a good chance of becoming trusted brands in the new ocean of news, information and opinions offered by ICTs.

The new context of public service broadcasting has an impact on all of its operations. Much more than in the past, PSBs have to legitimize their existence, both in terms of positive and explicit political and cultural purposes, and as a compensation for the market failure of private partners. The example of the weakened Canadian CBC demonstrates that it might be difficult to remain distinctive as a result of competition from both sides, which is from general as well as special interest private programming. Hence, the essence of the European concept of public broadcasting is its comprehensive programming, and until now no European country had made the choice to narrow the task and focus of PSB. Both the experiment in New Zealand and the current debate in the Netherlands on new models of organizing PSB demonstrate, however, that new concepts such as 'distributed public service', 'deinstitutionalizing' PSB and 'convergent media and communications policies', despite their apparent vagueness, are beginning to gain ground. The state is also redefining its role vis-a-vis public broadcasting. Since the traditional regulation is too static to cope with the rapidly changing context, new concepts such as 'self-' or 'co-regulation' and 'process regulation' are introduced. Finally, the funding of PSB is also the subject of debate, both because of the questionable willingness of the public to continue to pay the licence fee and because of the uncertain future of mixed funded PSBs due to the complaints of commercial competitors and EU procedures to prevent 'unfair competition'.

At present, national public broadcasters in Europe are still crucial conveyors of political and cultural communication to the public in their respective countries. Commercial media make their contribution too, but cannot offer a guarantee of freely accessible, reliable information, innovative culture and

deliberate education. As a consequence of the changing context, public broadcasters have started to renew their remit and their relation to the main stakeholders, while also reorganizing their operations. They are at best halfway through this transition phase. Or, as Collins et al. state: 'We need public broadcasting, but not necessarily the public service broadcasting we now have' (2001: 9). Primarily, the relationship with the public deserves serious attention, since new generations and underprivileged people are drifting away from public broadcasting as it is currently. PSB can only play its role as a binding force in society if it manages to keep its mass appeal 'not for all people all of the time but for all people some of the time'. For that reason, too small a vision of programme task and remit represents a serious threat. In the economic value chain, the creation, production and obtaining of copyrights of programmes become much more important for PSBs, since they may lose much of their strength and visibility in the packaging of their programmes to digital platforms as new distribution networks.

The next decade will decide whether PSB as a broad, European concept still has a future. Some fear that the current European public broadcasting systems will converge towards a more limited, liberal model; others believe that European diversity in media systems will continue to exist in the information society. Most important, however, is that the European concept of PSB – as a universal and comprehensive service, reflecting Europe's cultural diversity, and independent from both the state and the market – will still be able to be put into practice throughout Europe. Only under those circumstances can European public service media remain a prominent institution and a successful content provider boosting Europe's creative economy, and even be a model for the rest of the world.

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