Public Service Broadcasting

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Structure of lecture

- PSB as a policy area:
  - Technology, politics, culture, economy or law?
- National vs. ‘European’ level
  - Issues
- Key controversies & PSB
  - State aid
PSB as a policy area I: Technology

- ‘Old’ and ‘new’ transmission technology
  - Frequencies of the electromagnetic spectrum
    - Radio 1920s → Television 1940s-1950s
  - 1960s-1980s cable & satellite
  - 1990s digital technology, mobile telecoms → technological convergence
  - 2000s, the Internet; new forms of production & communication, convergence of content, social media, podcasts, wikis, blogs, etc.
  - From public service broadcasting → public service media?
PSB as a policy area II: Politics

- WWI military use
- Civil use discovered by radio amateurs
- Power of broadcasting discovered by newspaper publishers (ads) & governments
- Effects on behaviour, especially voting
- In the interest of the state to create a monopoly through which such a powerful device could be monitored → Licensing
- Agreement on dividing limited frequencies on a national basis
- Television assumed to have even more powerful political effects, state radio corps took over TV
PSB as a policy area III: Culture

- Post WWI new borders, new nation states nation building, mitigate betw. new demands and old priviledges
- A tool to achieve desired ends (defined by the state)
- Creation & sustainment of national unity
- BBC, Reith: to provide education, enlightenment and (suitable) entertainment (defined by the elite)
- Post WWII: Projects of modernization, TV
- 1960s "democratization"
- 1980s commercialization, competition
PSB as a policy area IV: Economy

- At first receiver ownership possible for only the well-off; State involvement democratized reception → state broadcasting
- The expensiveness of TV production for small national markets
- PSB monopolies (ex. ITV in GB, Mainos-TV in FI)
- Competition from w. ‘new media’ in the 1980s
- Intensified in the 1990s w. digitalization & convergence; final end of the monopoly era
- 2000s new value chains increased the importance of the consideration of PSB from the standpoint of economy
PSB as a policy area V: Law

- Nation states & national unity; ‘national’ frequencies, national industry & culture
- Negotiation between all of the 4 aforementioned issues; → brought from the national to an European level in EU
- Globalization of media and communications
- Competition & European single market
- The juridization or legalization of PSB
PSB & European policies

- How to reconcile national goals & EU goals

- Debates about the legal mandate of public service broadcasters take place both at the national and the European level

- Main debates:
  - Competition
  - ‘State-aid
  - “Public service media” (PSM)
In principle PSB arrangements national

- Broadcasting is classified mainly as a service in terms of European primary legislation
- Member states are in principle “free to define the extent of the public service and the way it is financed and organized, according to their preferences, history and needs.”
PSB arrangements

- Different interpretations of the order & importance of aforementioned issues reflected in national arrangements and their historical development

- Prevalence of PSBs in most European countries, w. Luxemburg the only exception

- Most established in 1920s and 30s as national radio corporations

- More or less state ownership

- Set of responsibilities vs. privileges (funding)

- reflect national political, cultural and social circumstances → significant variations from country to country in terms of financing, output, administration etc.
PSB Core principles in common (Foster 1992)

- provide *universality* of service provision of the same technical quality to all;

- Cater for a variety and diversity of interests and tastes, including popular as well as specialist tastes;

- Provide programmes which *inform and educate*, such as news, current affairs, documentaries, cultural and other programmes of educational value;

- Cater for ‘*minorities*’ – this may be expressed in terms of requirements for local production reflecting the culture, language and lifestyle of the country or community in question.
Current controversies: State-aid

- Is the financing of public service broadcasters through mandatory user fees and the goal of free competition compatible?
- Economic perspective: NO
- Perspective of free speech: YES
- Conflicts inevitable.
- EU competition laws
  - EC’s stand on state aid 17 Oct 2001
- Definition of PSB
- "Public service media" (PSM)
  - Extension of psb operations into the internet, publishing etc..
PSB: conceptual clarification (?)

- Many uses of the concept PS in PSB (Syvertsen 1999):
  - *Public utility* (transport infrastructure, postal service...)
  - In service of the ‘public sphere’, a collective citizenry, ensuring access to information and knowledge necessary to perform civic duties
  - In the service of the public as audience; satisfying the individual needs of people as consumers or customers

- Still no universal agreement
  - Organizations: Can refer to ‘public funding’; state, licence fee, (Constitutional) Mandate & Law
  - Services provided by organization: Certain type of programming, format, output etc.
  - Certain type of programming, format, output regardless of organization behind it?
EC’s stand on state aid 17 Oct 2001

- Although member states are in principle free to define the extent of the public service

- The Commission, however, called for transparency “in order to assess the proportionality of State funding and to control possible abusive practices”

- The Commission reserved its right to intervene “in cases where a distortion of competition arising from the aid cannot be justified with the need to perform the public service as defined by the Member State”.

- This statement was made in response to concerns on PSB funding, which has been the subject of complaints to the Commission by private media operators who see State funding of PSBs as anti-competitive.
State aid: The “Altmark” Case

- European Court of Justice: compensation for the costs incurred in the discharge of a public service obligation do not qualify as state aid if a number of conditions are cumulatively met by provider:
  - clear public service obligations
  - pre-established parameters for determining the compensation
  - no overcompensation and
  - either selection of operator through tender procedure or determination of compensation with reference to costs of a typical, well-run undertaking.

(The “Altmark” case (Case C-280/00, 24 July 2003)
PSB obligations

- Legislation, charter, remit (mandate),
- Normative
- Broad, sweeping: democracy, equality etc.
- Country, culture-specific
- Contested
Definitions... broader and more detail

- Thomas (1999) - the entire system, public media and communications
- Quality - cultural policy (including access to the arts, promotion of domestic and independent film industry) and protection of vulnerable programme types (news, children's programmes, high cost drama).
- Accuracy and impartiality - reliable and credible news, education and information for the public as a contribution to the national political debate
- Plurality and diversity - the allocation of scarce public resources to as wide a range of operators as possible and the promotion of diverse types of content to cater to all segments of society
- Access - universal affordable access to core services which provide high quality, accurate news and diverse content
- Taste and decency - consumer protection from an influential medium, including the protection of children from harmful material
- International competitiveness - an industrial policy goal to promote growth and development in international equipment, content and network markets
PSB Definition: Example YLE Law

Chapter 3 The duties of the company; Section 7 Public service

The company shall be responsible for the provision of comprehensive television and radio programming with the related additional and extra services for all citizens under equal conditions. These and other content services related to public service may be provided in all telecommunications networks.
As special duties involving public service, the company shall:

1) support democracy and everyone’s opportunity to participate by providing a wide variety of information, opinions and debates as well as opportunities to interact;
2) produce, create and develop Finnish culture, art and inspiring entertainment;
3) promote the educational nature of programmes, support the citizens' study activities, and offer devotional programmes;
4) to treat in its broadcasting Finnish and Swedish speaking citizens on equal grounds and to produce services in the Sami, Romany languages and in sign language as well as, where applicable, also in the languages of other language groups in the country;
5) support tolerance and multiculturalism and provide programming for minority and special groups;
6) promote cultural interaction and provide programming directed abroad; and
7) broadcast official announcements, for which further provisions shall be issued by decree, and make provision for broadcasting in exceptional circumstances
The European Broadcasting Union (EBU www.ebu.ch)

- Founded 1950, HQ in Geneva

- “largest association of national broadcasters in the world”: 75 members (56 countries) + 45 associate members

- Cooperation: “facilitate the exchange of audiovisual content”, events (Eurovision Song Contest etc., sports rights...)

- Lobbying: “works to ensure that the crucial role of public service broadcasters is recognised and taken into consideration by decision-makers” (Brussels office)
Future of PSB?

- Financial crisis
  - Commercial broadcasters revenues decline → more ‘unfair’ state aid complaints to the European Court
  - PSBs marginalized: ‘news and opera channels’?
- Strong support from public and politicians, for how long?
  - Younger generations grown up with commercial media
  - With digitalization, more choice, is psb/psm recognized as special by the public
  - Licence fee evasion, free riders
Additional reading

- Public service broadcasting and state aid – frequently asked questions