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Introduction

Media policy-makers in the UK and across Europe have put high in their agenda the value of public service pluralism. Although it is notoriously difficult to define media pluralism, considerations of the principle involve issues as diverse as guaranteeing the availability of a broad range of programming genres, ensuring a range of providers that meet the standards of impartiality and editorial independence, engaging factors such as quality, experimentation, transparency, access and choice. The digital world offers an abundance of programmes, the ability to choose between different providers and diversity of individual choice, but as communities become more disconnected there is the question of how these public values will be preserved. A main issue of concern in the digital age is whether digital switchover and increased channel competition may result in an overall decrease of programming plurality and original production.

In the UK, in January 2009 the Office of Communications (Ofcom, 2009b), the UK regulator for broadcasting and telecommunications, published its final statement of a long-running Public Service Broadcasting (PSB) review, titled 'Putting Viewers First', setting out recommendations for the future of PSB. The Ofcom review identified a

number of challenges and opportunities concerning the current PSB system, including: the transition from analogue to digital; that audiences value Public Service (PS) content and they want it sustained; and they want choice beyond the BBC. Having considered that the public continues to value the benefits of PSB and that plurality (defined as competition in the provision of public service content) is critically important, Ofcom's main recommendations to government were to: maintain the BBC's role and funding at the heart of the system; free-up ITV and Five as commercial networks with a limited PS commitment; create a strong, alternative PS voice to BBC with Channel 4 at its heart. It can be seen that propositions include 'institutional' competition for PS provision to end the BBC's near monopoly in the area, competition in the provision of PS programming, and 'contestable' funding (that is, income top-sliced from the licence fee). These propositions were echoed in the 2009 Digital Britain report.

The first part of this article discusses PSB and pluralism in the UK broadcasting market and critically assesses Ofcom's developing ideas with regard to provision of PSB in the digital age. The second part outlines the state of plurality of PS providers and PS programming in other European territories for comparative purposes. The main point is that although the public broadcasting system is under strain across Europe due to licence fee limits, regulatory and social changes, the debate on plurality of institutions, plurality of channels and plurality of sources of funding is well advanced in the UK but less so in other European countries. PSB is still primarily defined in terms of 'internal pluralism' and therefore most European countries have mainly focused on pluralism within the PSB, rather than between different providers.

Institutional Competition and Plurality

Institutional competition refers to the situation where we have more than one PSB to deliver PS purposes. In view of an emerging deficit in the provision of public service broadcasting as television moves to digital, Ofcom suggested in 2004 that quality in PSB through the transition to digital could be in danger. Ofcom's analysis considers whether the digital switchover and the intensified competition that will follow will force commercial PSBs to water down or give up their PS remit. There are at least three sorts of pressures that make it difficult for commercial channels to deliver PS content in the digital world: pressure of audience fragmentation; pressure of alternative media; and pressure of advertising revenues. These pressures will only intensify as today's cartography is seen by Ofcom as transitional to the fully digital era envisaged for 2012 and beyond.

While the UK viewers have so far benefited from provision by five PS television broadcasters (BBC1, BBC2, ITV1, Channel 4 and Five), changes in the market may mean it is no longer realistic to expect commercial broadcasters to deliver significant PS obligations. The assumption that PS provision will become more difficult in a digital age is generally true. Recent data suggest that the amounts of money being invested in original UK content creation have been reduced from £3.1 million in 2004 to 2.6 million in 2008 (Ofcom, 2009a). ITV1 and Five have already been released from some of their obligations around regional, religious, children and arts content. ITV in particular has

reduced regional news bulletins from 17 to nine, with a halving of news budgets, and in March 2007 was given the green light by Ofcom to reduce the hours of children's programming it broadcast each week on ITV1 from eight to five.

This is now government policy. The 2009 Digital Britain report explicitly made a case for progressive liberalisation for ITV (and Five), so that they can move towards becoming fully commercial networks. Meanwhile, for Channel 4 it is envisaged a new, modernised and more online focused remit. The Digital Britain report (itself influenced by the Ofcom review) visualises Channel 4 as the main source of UK-wide competition and plurality in the provision of public service content. A key principle is that Channel 4 should retain an independent, publicly-owned public service broadcaster, primarily commercially funded and focused on delivering innovative content and services on a range of digital platforms. In terms of types of public service content, the Digital Britain report sets out the Government's intention to enshrine in Channel 4's remit a 'solid commitment to children's content, with priority given to older children'. There is also the suggestion for Channel 4 to 'deliver news for the developed nations, English regions and more locally', alongside 'enhancing its online news provision'. It can be seen that the essence of the UK's 'external plurality' policy is the plan to turn Channel 4 as a 'mini-BBC'. However, the report ruled out public funding for Channel 4, so the problems for the advertising-funded broadcaster will be how to deliver quality and diverse programming genres with edginess and how to survive financially without public funding and given the declining advertising revenue.

The basic idea of establishing competition to the BBC and to avoid the country being left with just one PSB has been on the agenda for quite some time. Ofcom's conclusion of the first PSB Review from 2003 to 2005 was that 'the BBC should remain the cornerstone of PSB, but should not be the only provider'. This argument has found some supporters from the academia. Schlesinger (2004) provides a number of far-reaching undesirable consequences for having PSB production largely or exclusively limited to one institution such as the BBC. First, the analytical separation between PSB and its particular institutional incarnations would be largely undermined. As the quasi-monopolist of PSB, the BBC would be overwhelmingly identified with it. Second, this would make the future of PSB more vulnerable by largely equating it with one institution's output and profile. Third, it would impair the capacity of British television to develop alternative ideas about public service outside the BBC. Last, given that institutions are far from perfect, a BBC near-monopoly would mean that the corporation largely became its own measure in matters of performance, thereby reinforcing an inward-looking culture. In sum the future of PSB would be less sustainable and more vulnerable because everything would hang on the fate of the BBC. As a result Schlesinger believes that there is a need to ensure that more than one institution is centrally tasked with providing PSB. In his words, 'competition between organisations whose purposes are focused on public service broadcasting, within a market dominated by a commercial imperative, is a desirable counterweight to the unmediated impact of commercial imperatives to a quasi-monopoly' (2004: 4).

The idea behind Digital Britain report's suggestion that Channel 4 could be encouraged to take more steps into multi-media content, thus turning into a strong competitor to the BBC, implies that contestability not only in PS provision but also in PS funding is on the agenda. This is likely to influence greatly the BBC. True, the existence and track record of the BBC gives confidence that standards can be maintained and that the BBC should continue to act as a benchmark of quality across the entire UK broadcasting system. But this can be achieved as long as the BBC's current level of funding is maintained. The argument about 'contestability of institutions' implies 'contestability of funding' too and therefore proposes an end to the integrity of the licence fee as an exclusive resource for the BBC. Diverting or 'top-slicing' BBC licence fee income to other PS broadcasters has initiated a hot debate. The next section discusses whether other PSBs should be offered a portion of the licence fee in exchange of the provision of PS content.

Wider Distribution of Public Funding (Top-Slicing)

Top-slicing is the option of distributing public funding (typically licence fee income) to more than one broadcaster in order to ensure plurality in the provision of PS content. Public money could be distributed more widely and TV licence fee income could be made available to providers other than the BBC on a contestable basis. In return the recipients of a portion of the licence fee should enhance their PS output. The idea of top-slicing the BBC's licence fee and creating a separate fund has many supporters. Current Channel 4 Chairman Lord Burns, in his advice on BBC Charter Review to the Secretary of State for Culture, Media and Sport, said that wider distribution of licence fee funds, via

competition, would help sustain plurality in PS content. He envisaged the creation of an independent Public Service Broadcasting Commission, which would be in a position to award part of the licence fee to other broadcasters (Burns, 2005).

Irwin Stelzer, Director of Economic Policy Studies at the Hudson Institute, suggested that there should be as much competition within the funding framework as possible and that competitive bidding for licence fee income would get the best out of the system (cited in Whittingdale, 2008: 44). Tim Gardam (2003), a former director of programmes at Channel 4, argued that splitting licence fee money with other broadcasters allows independent producers, undoubtedly an important part of the mix to deliver effective PSB, to bid direct for finance. And of course wider distribution of public funding provides a resonance as a means of preserving programme plurality on ITV, Channel 4 and Five as the digital world erodes the traditional incentives for making them.

The Government, through its Digital Britain report, proposed to use a ‘contained contestable element’ of revenue generated by the TV licence fee to support essential PS content priorities, such as the continued provision of high quality news from independent providers and original content for older children. The Government’s research demonstrated that only a third (35 percent) of people thought the licence fee should be used exclusively for BBC content and services, whilst 65 percent advocated re-routing a portion of the licence fee to commercial broadcasters in return of producing PS content. However, the Goldsmiths Leverhulme Media Research Centre (2009) noted that the TNS/BMRB poll produced for the Digital Britain report cited uncritically ITV’s claim

that it can no longer afford to make regional news and makes no reference to any other potential funding sources. In his submission to the DCMA consultation, Steven Barnett (2009) pointed out that the real problem with the government survey was that respondents were primed to think about plurality in news and were offered no other options for spending the switchover money. Barnett criticized the survey as effectively worthless as a measure of true public opinion, for by asking questions about local news consumption and the importance of news plurality – and then informing respondents specifically about the ring-fenced portion of the licence fee and the parlous state of ITV – the questionnaire primes respondents to give answers which are consistent with the government's desired outcome.

Top-slicing certainly presents a very fundamental change in the ecology of PSB and in particular in the clear relationship between the BBC and the licence fee. There are two issues here. First, would the BBC continue being independent if it was drained of resources? Barnett (2009) claims that the core of the BBC's success has been a single, uncomplicated instrument of funding which has provided financial stability, democratic accountability and independence of political interference. Barnett argues that the introduction of top-slicing will affect the independence of the BBC by legitimizing political intervention. There are surely lessons here about the connections between transparency of funding, accountability to audiences and PSB independence. One only needs to take a look at the PSB systems of France, Italy and Spain (see below). The other issue is whether the BBC could deliver public purposes with less money. Would it be a good idea to weaken the BBC's ability to deliver PSB mission in order to enable other

broadcasters to deliver theirs? This is categorically opposed by a camp that defends the licence fee and opposes breaking the link between the licence fee and the BBC, as this would be like ‘cutting an umbilical cord with viewers and listeners’ (Jones 2008). Maggie Brown (2008), a regular columnist in *The Guardian*, says that top-slicing is not the answer to TV’s problems and takes a critical stance of the policy of sharing the BBC licence fee income around other worthy users (see Gibson 2008).

In an article in *The Guardian* Polly Toynbee (2008) is categorically against giving a portion of the licence fee to broadcasters other than the BBC in return for PS content and here is why: the BBC reaches well over 90 per cent of the population with its many services and independent studies show that the licence fee is acceptable. Toynbee agrees with Jones in that once the link between the BBC and the licence fee is breached then the way is opened to go much further and reduce the organisation to a US-style niche subscription service offering only education and information. The BBC is Britain’s most powerful global brand capable to provide quality and diversity of content. This will be jeopardised if the BBC channels were drained of funds, Toynbee concludes. In their response to the Digital Britain report, the Goldsmiths Leverhulme Media Research Centre (2009) suggested that top-slicing the licence fee would be a precedent that would be hard to roll back and difficult to contain in the future. In the same vein, the Broadcasting Entertainment Cinematograph and Theatre Union expressed a fear of the ‘slippery slope’ danger that follows from top-slicing, ranging from a modest initial percentage to a much more significant ultimate percentage (BECTU, 2009).

In an open letter to licence fee payers posted on 9 September 2009, the Chairman of BBC Trust Sir Michael Lyons suggested that top-slicing will affect greatly the BBC as it would break the clear link in the minds of the public between the licence fee and the BBC. He expressed concerns about any attempt to use the licence fee to subsidise commercial operators, as proposed by the Government in its Digital Britain report, as this would threaten the BBC's independence and reduce accountability to licence fee payers. The BBC Trust through its Chairman acknowledged there is a lot of debate recently about the future of the corporation and much questioning of its role and size and promised stronger efforts to serve all citizens, produce more distinctive programmes, tighter editorial standards, imaginative partnerships with other stakeholders including independent producers, and better value for money. In fact, responding to its commercial critics, in February 2010 the corporation acted to curb its activities which impact on the wider industry, including narrowing the web site, dropping a number of radio stations, and curbing pay to top talent.

Alternative Funding Sources – Industry Levies

These are all welcome steps, but critics still argue that it is only competition between providers that can maintain the 'public interest' - drive up quality, innovation, origination, range and diversity. This presupposes that there exist properly funded PSB providers in addition to the BBC and a plurality of funding sources. Given the opposition to licence fee top-slicing from different camps as well as the advertising decline in the current difficult economic climate, new models of replacement funding might be needed.

Ofcom acknowledged that and brought forward a wide range of possible funding sources, including Existing Funding (the licence fee, direct government funding and regulatory assets), Extra Value (BBC Partnerships, other partnerships, digital switchover surplus), and New Funding (direct government funding, industry levies – levies charged on revenue from organisations such as Internet Service Providers (ISPs), mobile phone operators, broadcasters, video labels, and so on). Other funding models include the charging of news aggregators that exploit news content (see Goldsmiths Leverhulme Media Research Centre, 2009), but this section mainly focuses on industry levies as the preferred alternative mechanism for delivery of sustainable PS output.

Levies could include direct media levies on broadcasters, ISPs, mobile phone operators, cinema owners or computer games manufacturers (IPPR, 2009). BECTU (2009) suggested that levies would be eminently justified, especially in the case of non-PSB broadcasters and the new media. The Institute for Public Policy Research has conducted a study for BECTU and the National Union of Journalists into the potential of industry levies as a means of funding of PSB and concluded that one percent levy on pay TV operators like Sky and Virgin Media could generate around £70 million a year, whereas a similar fee imposed on the five main mobile operators could bring in around £208 million yearly (IPPR, 2009). Industry levies appear to be a popular option among the UK public for raising additional revenue, for Ofcom (2009b) found that about half (50 percent) of those polled thought that industry charges were accepted. Not only that. The IPPR study found that levying successful players in the media and communications sectors has been adopted successfully in other countries, contributing to healthy industrial and cultural

industries. In France, for example, when attempting to transform the PSB president Sarkozy favoured a 0.9 per cent tax on telecommunication companies and ISPs.

Whatever means can be freed up for public service content, there has to be assurance that this funding (or at least a large part of it) can be used to bring new voices to the marketplace for ideas. Emphasis should be given on creating the conditions and culture to ensure content is in the 'public interest'. As the Goldsmiths Leverhulme Media Research Centre (2009: 6) submission put it, 'industry levies...will not, on their own guarantee diversity and deliberation. Distribution of money syndicated for media production in the public interest should happen according to strict criteria requiring independent regulation to ensure that recipients of public money fulfil a series of public policy obligations'. Such obligations would include investing in original content, sustaining independent news production nation-wide and in the regions, and guaranteeing plurality.

But is the case of public funding a unique British consideration or is it an issue debated beyond Britain's borders? In respect of sharing the licence fee the UK case appears quite unique, although in respect of new media levies there is indeed continental European precedent, with countries like France introducing this system at a level of 0.9 per cent of relevant firm revenue. The following section presents a European dimension to the current UK debate on contestability in PS institutions and contestability in funding, focusing mainly on the issue of licence fee sharing.

The European Dimension

The above section showed that traditionally the UK has had a multiplicity of PS providers/programming with the BBC, Channel 4 and S4C in Wales and considerable PS obligations on ITV and Five, but as Ofcom's analysis indicates it will be hard for commercially funded broadcasters to sustain their PS obligations. This has initiated a debate on whether something should be done about it. This debate has gathered pace in the UK without anyone asking whether the historic situation was unique to the UK, whether it is coming under pressure everywhere, and whether the current UK preoccupation is generally held or is it peculiar to the UK debate (Iosifidis, 2008). This section looks at the European context for the current PSB debate in the UK. It investigates a number of European public broadcasting systems to check whether Ofcom's concern that there should be more than one PSB is unique in the UK. The article also considers the European debate about internal versus external pluralism to assess whether other countries have mainly focused on pluralism within the PSB or between different providers.

Public Service Institutional Competition in Europe

With the precondition that one refers to broadcasting serving and competing in the same market, Ofcom's concern that there should be more than one PSB seems to be unique. True, in countries such as Belgium, Switzerland and Spain there have been established more than one PSBs because of historical, cultural or linguistic reasons, but these broadcasters normally serve different communities. For example, in Switzerland different

PSBs serve the German, Italian and French communities and another one the local dialect, while in Belgium different PSBs cover the Flemish and Flanders communities. In Spain, public broadcaster RTVE serves the whole country and the seven regional broadcasters operate in various provinces, each serving only one province or autonomous community different regions.

France Télévisions, the French public broadcaster and Arte, the Franco-German cultural channel, do not testify to a plurality of PSBs, as Arte has always meant to be a niche broadcaster. France 2 and France 3 are mainstream channels, but have of course been folded into the France Télévisions holding. The same applies to Greek TV broadcasters ET-1 (mainstream), NET (mainly news) and ET-3 (covering events from northern Greece) which operate under the auspices of ERT A.E., the Greek unified body of broadcasting. In the largest Eastern European country Poland there are 19 PSBs (radio and TV separately at a national level, and 17 regional public radio broadcasters, all in the name of devolution), but again, there are no equivalent broadcasters operating in the same market.

Germany has two PSBs (ARD and ZDF) serving the same national market, but as Jakubowicz (personal communication) put it ‘that is an accident of history, given that the federal structure of ARD was imposed by the occupying countries in Western Germany, and ZDF was then created separately’. Today there are nine broadcasting corporations in the Länder (states) that cooperate under the ARD, which is the first channel, and each broadcast a third channel in their own Länder. In some cases there is one broadcaster in

each Land (WDR for Northrhine Westphalia), one for several Länder (NDR for Schleswing-Holstein, Mecklenburg-Vorpommern, Hamburg and Lower Saxony), even one for a town (RB for Bremen, which is an independent town). Later on new PSBs were founded out of the ARD and Mainz-based ZDF, namely Kika (a children's channel), Phoenix (an information and documentary channel), 3sat (a cultural channel in cooperation with Austria and Switzerland), and Arte (the Franco-German cultural service).

This complicated system ensuring plurality of PS institutions is attributed to the fact that Germany is a federal state and broadcasting issues are by definition cultural issues which are by constitution in the responsibility of the Länder (Barbara Thomass, personal communication). Maintaining both a national channel and regionally-focused ones contributes to plurality, much the same as in the UK, although in contrast to Germany where the regional output is safeguarded by the constitution, in the UK many fear that regional programming is in peril as terrestrial commercial broadcasters have been released from some of their obligations around regional (as well as religious and arts) content.

The French approach of PSBs also maintains both a national provider and regionally focused channels, but contrary to the German situation it has always been hard to secure provision of regional news and political coverage (Kuhn, 2010). PSB is undertaken by various public companies, established and regulated by the 1986 Law relating to Freedom of Communication. The main elements of the PS mandate are contained in Article 1 of

the 1986 Law which provides, among others, for the regulatory body CSA's independence, promotion of programme quality and diversity, emphasis on national audio-visual production to promote the French language and culture. However, broadcast regulation has become a bit of a political football as a succession of different governments has substantially amended the CSA's mandate and weakened its role.

In the smaller European territory of Denmark, in spring 2002 the government opted to privatise the nationwide television channel TV2, which until its foundation in 1988 has been partially funded by the licence fee. Despite its privatisation the channel must still abide by certain PS obligations with respect to news and current affairs and a continued financial commitment to Danish film.

Apart from Germany and Denmark where there does indeed exist some form of competition between PSBs, there is little evidence that European countries aim for competition between broadcasters for the production and distribution of programmes in key PS genres. On the contrary, the majority of European countries aim for a unified public service system. In Sweden for example, up to the end of 1995 the two public channels were competing openly with each other, with SVT1 showing Stockholm-based programmes and SVT2 broadcasting programmes from other parts of Sweden. In January 1997 the two channels were reorganized under a common administration and have since cooperated closely in the areas of production and broadcasting (Iosifidis 2007: 157).

Even in Germany fierce competitors ARD and ZDF occasionally coordinate their scheduling in order to avoid programming duplication. In fact, the kind of formalized co-operation which used to exist in the old days (for example, regular meetings to discuss programming issues or conflicts of interest) does not exist any more. It simply does not work in a dual system of public and private, multi-channel television. However, since ARD and ZDF still jointly acquire rights in premium content such as sports (Olympics, Football World Cup), there is a need to co-ordinate at least in this important programming genre. As Runar Woldt put it (personal communication) there are from time to time ‘gentlemen's agreements’ to avoid direct competition when it comes to expensive own productions. It should also be noted that ARD and ZDF are partners in several channels: Arte, 3sat, Kinderkanal, Phoenix. However, fierce competition between ARD and ZDF occurs in other cases as both channels typically target audience groups which are not targeted by most of the private channels, that is, older age groups, well-educated and information-oriented groups.

Plurality Provision in Europe

The issue that the digital switchover and the intensified competition that accompanies it forces commercial PSBs to water down or give up their PS remit is certainly true in France where PS plurality is hard to keep going, particularly as provision increases generally across television and audiences fragment. The PS television sector is in very poor shape and is reeling from Sarkozy’s recent decision to take advertising away from PS channels (Kuhn, 2010). The French President is willing to end the public service

channels' partial dependence on advertising and turn them purely non-commercial. Advertising revenue brings in around €800m (£600m) annually for France's public channels, representing 40 per cent of their total budget. Although the President ruled out an increase in the licence fee, he nevertheless suggested compensating for the shortfall by raising taxes on commercial broadcasters who would benefit from increased advertising revenues. Under this plan France Télévisions relies more on the licence fee but it has significantly less resources.

In Spain there are no PS obligations for commercial broadcasters. The main concern is to ensure that RTVE really provides a PS output since for the last decade has been very commercialized (at least the first channel TVE-1) (Bienvenido León, personal communication). The Spanish public broadcaster is plagued by chronic debt which has resulted in a most serious financial problem. It does not receive a licence fee but instead it depends on commercial income and state grants. Funding through these means rather than a licence fee is insufficient to cover its operational costs. To plug the deficit that ballooned soon after the arrival of commercial rivals, the public broadcaster has been relying on state-guaranteed loans, allowing it to accumulate debt of around €8 billion. Most strikingly RTVE is characterized by low-quality programming, news manipulation and adoption of a programming strategy based on entertainment, to the detriment of culture and education. It has therefore been openly criticized for not differentiating itself enough from its private competitors (Iosifidis 2007: 126-9).

Likewise in Italy non-PSBs are not obligated to provide PS content. The Law proposed by the centre left government (which has still to be approved) might in fact aim at diminishing RAI's PS responsibilities (there is a provision that RAI's two main channels be privatized and the third to remain as the only publicly funded channel), without however expanding its PS obligations to other players (Cinzia Padovani, personal communication). In Germany too the commercial broadcasters are not subject to PS obligations. The German constitutional court even ruled in several occasions that private channels are allowed to be truly market oriented as long as PSB exists (Barbara Thomass, personal communication).

Overall, there is little evidence in Europe to support the UK government's idea, supported by Ofcom and the Digital Britain report, of setting up a competing body to offer programmes with a PS content. Although there is evidence of a decline in the range of PS output offered by European free-to-air broadcasting, public or private (see León 2004), either due to licence fee funding limits or due to competition for dwindling advertising revenues, there is no similar to the UK policy development elsewhere in Europe.

Internal vs. External Pluralism

European countries have mainly opted for providing pluralism within the PSB, rather than between different providers. PSB is still primarily defined in terms of internal pluralism in most locations. As far as the debate on internal/external pluralism is

concerned in the large country of Spain, there are no clear rules for the participation of independent content providers in public TV. In fact, a few production companies take most of the cake and in many cases content providers for RTVE are ‘friends’ of the political party in power. Concerning the commercial channels, in many cases the production companies are wholly owned by broadcasters (Bienvenido León, personal communication).

The Italian way to secure internal pluralism within the PSB has been reflected in the practice called ‘lottizzazione’, according to which each RAI channel, each news bulletin and public affair programme, had its layers of political affiliation. Lottizzazione has worked well from the early-1970s to the early-1990s, resulting in variety of output for an otherwise monolithic broadcaster. Although this practice still continues today its legitimisation and effectiveness have shifted. According to Cinzia Padovani (personal communication) today’s internal pluralism is mainly related to the various scheduling and programming strategies for the different audience targets of the various channels. Only RAI3 continues to provide an element of internal pluralism.

In the federal state of Germany PS plurality is considered as a cultural issue and by constitution is in the responsibility of the Länder. When German PSB post-WW2 was modelled after the BBC the prime concern was to prevent political influence on programming. However, the issue of access for independent producers has never acquired the same degree of political salience that it has in Britain.¹ The German system of internal pluralism has served reasonably well so far and looking at its entirety one has to

admit that the German broadcasting produces diverse and quality output. This does not mean that there are no critics of the system, for some politicians and private competitors feel that the current system is too weak to function and there are increasing calls for the establishment of an institution similar to the BBC Trust to ensure pluralism. This has resulted in the implementation of a new procedure dubbed ‘three step approach’.

The three-step-approach applied by ARD and ZDF to new programmes or projects since 2007 is a direct consequence of the controversial discussions between Germany and the European Commission about the funding and definition of PSB. The three-step test initially evaluates the contribution of a service to public interest objectives, then assesses the contribution of the service to quality and pluralism, and finally evaluates the cost of the service as against its public value and market impact. This approach to some extent draws on the concept of the British ‘Public Value Test’, a mechanism for weighing public value against market impact, but is far less formalized. In contrast to the public value test applied by the BBC Trust, this is basically an internal process between the management of ARD/ZDF and the governing bodies. However, at various stages, external expertise will/can come into play, for example through consultations or experts (Runar Woldt, personal communication).

Whereas internal pluralism prevails in Germany, the situation is rather different in France. France Télévisions, like Channel 4, commissions most of its production from external producers and pluralism is provided via an increase in diversity of supply. But again that is an ‘accident of history’, as the old ORTF production resources, hived off

into a separate company upon the break up of ORTF in the mid-1970s, were finally privatised, leaving France Télévisions with almost no production capacity, except in the regions. Production obligations, which find concrete expression in a complex set of quotas, broadcasting time limits, and multiple contributions to audiovisual and cinematographic production, aim at preserving national culture through the programming of French and European works. However, internal pluralism has always been hard to secure in the French case, especially in news and political coverage.

In Italy the notion of pluralism has been associated with quantitative issues. For example, the introduction of digital terrestrial television is being seen by many as the solution to the lack of external pluralism, as if more channels would automatically result in a more plural TV market! The proposed Italian Law promotes and supports a more independent and diversified pool of independent producers, but given the recent government upheavals there are doubts as to whether it will ever become law. In the Netherlands there was a plan to leave PSB organizations with the task of producing only the news and current affairs, with all the rest commissioned from external producers, but it was never implemented. Otherwise the independent production sector exists primarily because of the ruling of the Audio-Visual Media Services Directive that obliges European broadcasters to commission at least 10 per cent of their programming from this sector.

Conclusion

Technological change and digital uptake have brought a large amount of audiovisual content to people, including content which exhibits PS purposes and characteristics. There is continued demand for PSB, although the ways in which people access and consume PSB content may change. There are more providers and some of them have expanded output of PS content, including news, science, history and arts programming, but concerns have been raised that following switchover existing terrestrial broadcasters will reduce their provision of PS content as audiences fragment and their market share declines. In Britain the pressure on the current system is already becoming obvious as commercial broadcasters are seeking to scale back their level of provision of UK-produced children's content, news and regional programming.

Existing broadcasting institutions will certainly matter in delivering PS programming for the transition to digital, but there may need to be different models of intervention and funding if viewers are to retain access to specific types of PS output. Is institutional competition the answer? This paper showed that there are diverse points of view, but two things are certain: first, as the UK government acknowledges, 'the market alone will not provide plurality in the ownership, commissioning, editorial and production of public service content that remains essential' (DCMS/BIS, 2009: 141). Second, institutional competition for PS provision risks becoming unacceptable if this implies a weaker BBC, which remains Britain's most powerful global brand and the most trusted source globally.

The vigorous UK debate on PS plurality of institutions and plurality of funding has not so far featured in European discussions. The issue of top-slicing or contestability in funding

is unique in the UK and not debated to a great extent in the rest of Europe. This absence in thinking about institutional competition of PS provision in European territories other than the UK is part of a wider neglect to clearly specify the public service mandate and define public service activities. Regulators discuss these issues less in other EU countries, perhaps because of the lower levels of legitimacy enjoyed by PSBs in there, especially in some of the Southern European and Mediterranean countries. The debate in the UK has implications both for the breadth of activities pursued by the BBC in the future, but also for its programming and financial scrutiny. But the European dimension to the British debate about the future of the BBC and PSB more generally is underplayed and underdeveloped. While the BBC is taken for granted in the UK as it is perceived as a cornerstone of PSB and the debate largely focuses on plurality of institutions, plurality of channels, and of plurality of funding sources, the public service ethos is less well implemented and more susceptible to political attack in Italy, France or Spain, where little national discussion has taken place on PS purposes (especially citizenship), content and funding methods (Iosifidis, 2008: 188).

The continental European emphasis on internal pluralism is at odds with the UK's 'external plurality' policy under which all free-to-air terrestrial broadcasters have typically been given PS obligations. Even today, at a time when private channels have been relieved from some of their PS obligations, Channel 4 is visualised by the UK government as the channel to carry a much expanded remit, alongside the BBC. It is clear that this is the essence of the UK's 'external plurality' policy, under which 'institutional competition' ensures the continuing supply of PS content, thereby addressing the 'public

interest' issue in the digital age. In direct contrast, the continental European emphasis continues to be on 'internal pluralism' as the most appropriate approach to maintain PS content.

In any case, there is a need for intervention to address deficits in the existing PSB model and serve public purposes in media, including new online and on demand media, potentially through industry levies. This could involve levies on ISPs who increasingly transmit broadcast material made possible due to expanded bandwidth. It could also encompass levies on telecommunications companies and third generation mobile networks who also allow video material over their fixed/mobile lines/airwaves. Technological convergence has made it feasible for firms to engage in various sectors and benefit financially. The main task for policy-makers in the coming years is to balance traditional concerns over plurality and diversity of supply with concepts which were previously less emphasised: convergence; contestability; value for money; transparency; and accountability. The continuing supply of PS content should remain the biggest single issue facing European media policy-makers.

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¹ In Britain, independent producers are operating on a raised production quota and there appears to be a widely shared set of values relevant to PSB in the independent sector.