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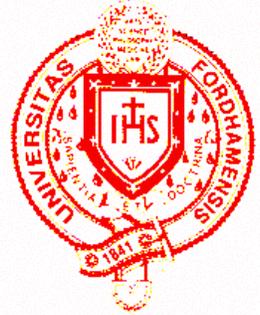
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WORKING PAPER

**POLICIES OF INERTIA OR INNOVATION?
EUROPEAN PUBLIC SERVICE IN TRANSITION
FROM PSB TO PSM**

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POLICIES OF INERTIA OR INNOVATION?

EUROPEAN PUBLIC SERVICE IN TRANSITION FROM PSB TO PSM¹

These are, once again², challenging and transitional times for public service broadcasting (PSB). As Jakubowicz (2008) puts it, “[p]ractically the entire societal, media and technological context in which public service broadcasting was born has changed fundamentally since then”. This is certainly true in all contexts where PSB has existed, but particularly pronounced in Europe where public service has played such a significant role in broadcasting systems. The basic dilemma is about the role of public service in the ‘new media’ era, as *public service media* (PSM). This term now officially depicts a European-wide approach, as it was cited in the 2007 recommendation of the Council of Europe. The recommendation, formally supported by 47 countries, defined public service media as technology-neutral, offering various services in diverse platforms. Similarly, the European Union Audiovisual Media Directive of 2007 noted that PSB should be able to benefit from technological advancement (see discussion in Jakubowicz 2008, 8).

But how is the transition from PSB to PSM reflected in policies about and around public service? Public broadcasting in most of the European countries has been in the forefront of the digital development. Consequently, the situation has raised questions of the remit, funding, and broadly speaking, the role of public service in the ever expanding multi-channel and multi-media markets. While many European public broadcasters have lead the way in developing digital infrastructure for the *digital terrestrial television*, they may have had less financial and other resources to develop *new kinds of content* than their commercial competitors. Also, the new media forms provide a challenge. For instance, it seems that the *internet* has been too important to be excluded from the public service operations, but its role in the service palette and its possible commercial features have been debated upon in many countries.

¹ This working paper is based on a chapter by Aslama & Syvertsen (2007) [*Public Service Broadcasting and New Technologies: Marginalization or Re-Monopolization?*, in de Bens et al. (eds.) *Media Between Culture and Commerce*. Brighton: IntellectBooks]; modified and updated with Syvertsen’s kind permission.

² See an account of the challenges of the European public service broadcasting in the past decades, in d’Haenens et al. (2008).

It seems, then, that the importance of public service, in principle, lives on, and is articulated in many statements and media-related public debates all around Europe; however, concrete policy measures that are essentially nation-bound reflect a variety of responses. Jakubowicz (2008, 1) provocatively claims that while the PSB legacy lives on, the regulatory and policy frameworks for PSM have displayed inertia and resistance to change. This working paper explores this statement, and depicts policy approaches and implications that concern the European public service broadcasting and the ‘new’ media in the 2000s. Specifically, it will illustrate, with examples from Europe, to what degree are policies developed that will allow and make possible for public broadcasting institutions to evolve into multimedia organisations, using the new technologies to continue and renew the public service tradition.

Broadcasting Policies: Trends and Measures

Until very recently, the stand of the EU on the role of public service broadcasting and new technologies has been ambiguous (e.g., Näränen 2003) and still remains at a very general level. Accordingly, policy makers in different countries have responded differently to the challenges posed to public broadcasters.

As Table I illustrates, there exists a catalogue of possible responses that policy-makers have at their disposal when dealing with the issue of public broadcasting and new technologies:

Table I: Public broadcasting and new technologies: possible policy responses

Policy response	Explanation and examples
Allow	Public broadcasters are <i>allowed</i> to enter new distribution platforms and develop new services. Broadcasters are allowed to develop new forms of content, for example, in the form of niche channels or new forms of multimedia or interactive content.
Oblige	Public broadcasters are <i>required</i> to take part in certain activities or distribute their services on certain platforms. The justifications for introducing such obligations may be, for example, that such services are crucial to combat the digital divide or further industrial policy goals such as a rapid transition to the information society.

Restrict	Public broadcasters are <i>restricted</i> from entering certain distribution platforms, employ certain business models, or develop certain services. The justification for such limitations may be, for example, that such services are incompatible with the broadcasters' public service remit or that public broadcasters are distorting competition by entering new areas.
Support	Public broadcasters are given special <i>support</i> , for example in the form of grants, financial incentives or increased licence fees, to develop new services and enter new platforms. The political justification may be, for example, that such services are crucial to realise cultural, social or industrial goals.
Protect	Policies are developed to <i>protect</i> public broadcasters, their investments, their positions, and/or their possibilities to enter new platforms. A form of protection may for example be to develop digital terrestrial television platforms, so that public broadcasters may have privileged access to a digital distribution network. Other measures may include policies to protect public broadcasters' right to attractive content.

These approaches are by no means exclusive of one another. For example, while PSB transition may be protected with its privileged access to digital terrestrial television platform, its activities in the Internet might be heavily restricted and it might not be encouraged by any special measures to create new kinds of new media or interactive contents. The following discussion demonstrates some key dilemmas and approaches.

Old Medium, New Platforms: Public Broadcasting and Digital Television

The key issue pertaining to new technologies and public service broadcasting has been digital television (DTV); a development well on its way in 2008, despite slow beginnings and delays in most European countries. For public service broadcasters, the core concern is the same as with all new communication technologies: how to avoid marginalization in a situation where new distribution platforms, controlled by other operators, are increasing their presence. To protect their future position, public broadcasters have encouraged policy makers to develop terrestrial networks or introduce regulations against so-called walled gardens and proprietary

technologies.³ Yet it has also been argued that the use of public service broadcasters as pioneers and as infrastructure builders of digital television has been less of a veiled effort to save PSB than a way for governments to push digitalization within certain timeframes (Galperin 2004, 234).

For public broadcasters there is also the choice of whether to enter cable and satellite platforms operated by others, as some of them have done, or to reserve their content for platforms where they have more control, such as digital terrestrial television. For example, it has been the policy of NRK and BBC to be available on all platforms. After some debates, the Finnish YLE still decided to refrain from cable distribution but expanded from digital terrestrial to satellite, a marginal means of distribution in Finland.

It seems that, nationally, there is a mixture of cultural and economic policy goals behind the drive to establish terrestrial television platforms. The following arguments have been presented in several countries in support for digital terrestrial networks, although the emphasis may differ:

Table II: Arguments in favour of establishing digital terrestrial television networks

Arguments	Explanation and examples
Combating the digital divide	Digital terrestrial television is seen as a vehicle to get everybody on-line regardless of age, gender and educational differences. Born (2003, 773-774) argues for example that the British government wanted to establish terrestrial networks as a means to foster social inclusion and political activity. Coppens (2003, 152) writes that the main purpose of the Flemish VRT was to respond to the government call to combat the digital divide, and grant all citizens “equal opportunities to be part of the new information society”. Equal claims have been prevalent also in the Nordic countries.
More rapid transitions to the information	Establishing digital terrestrial networks is seen as tool to further broader industrial policy matters, such as advancing the country or region into a full-fledged information society. In

³ One of the European-wide issues is the unwillingness of the EU to impose regulation concerning standards for digital television transmission and reception. This has resulted in different standards for satellite, cable and terrestrial transmissions and, accordingly, in the need for viewers to acquire different set-top boxes. Consequently, digital satellite operators are employing proprietary and non-interoperable standards in order to “lock in” their existing subscribers (Brown & Picard 2004, 6).

society	Finland, for example, the emphasis was on developing the country as a leading information society corresponding to the advanced role of mobile communications in the Finnish economy (c.f. Castells & Himanen 2003, also Brown & Picard 2004). Corcoran (2002, 55) places the plans for DTT in Ireland within the governments “ambitious plans to exploit the benefits of the information society”.
A more cost-effective infrastructure and analogue switch-off	Since digital distribution is less expensive than analogue distribution, terrestrial networks are seen as a way to save money on public broadcasting in the long run. In some countries, Britain among them, the argument was also that the state would make money on selling of radio spectrum that was no longer in use (Collins 2002). The goal is thus to bring about the eventual switch-off of analogue transmission networks to release spectrum for alternative uses (Brown & Picard 2004).
Mobile distribution	The fact that terrestrial digital television was the only TV platform that could offer mobile distribution was held as an important argument in Norway (Syvertsen 2004a).
Create competitive markets	Since digital and cable operators have already established digital networks, the argument has been that terrestrial networks are crucial to introduce more competition. Collins states that one of the purposes of the British government was to create competitive markets (Collins 2002, see also Born 2003). Also in Norway, Spain, France and Italy, the potential to generate increased competition in the national market was cited as important (Brown & Picard 2004, Syvertsen 2004a).
National regulation of digital broadcasting	Digital terrestrial broadcasting leaves national policy-makers within more control over digital television. Corcoran (2002, 53) argues that in the Irish case this argument was pronounced. Indeed, the key document was “very tightly framed within the discourse of the nation”.
Regional broadcasting	The promotion of regional and special interest programming was cited as an important reason for digital television in Germany (Brown & Picard 2004). Also in France, channel capacity has been reserved for regional broadcasting (SOU 2004, 132).
Protect public service broadcasting	Since digital terrestrial television is more easily regulated, establishing terrestrial networks may be seen as a way to protect public service television. This argument was very pronounced in Norway (Syvertsen 2004a, 192), but also emphasised in countries such as Britain (Collins 2002, 9).

The difficulties associated with the switchover imply that digital television will evolve along different paths in different countries. Transition periods from analogue to digital broadcasting are expected to be quite long in many countries. One estimate is that satellite will remain the prominent digital platform, accounting for some 40% of the market. Some public broadcasters may have real difficulties going digital at all. In Ireland, the public broadcaster was initially “squeezed out” in the political deliberations, and in 2002 there was no sign of the DTT platform that had legally been provided for in a broadcasting bill a few years earlier (Corcoran 2002, 63). And, as the recent country case reports by the Open Society Institute (2008) illustrate, in many former Eastern European countries the mere existence of public service is in severe trouble, let alone a development of terrestrial digital television platform. In Eastern Europe, as elsewhere, the advent of digitization and new technologies has brought PSB under increasingly critical scrutiny. The development of satellite distribution coupled with the emergence of internet distribution of content has accelerated the globalization of the media market. Simultaneously, there seems to be a trend of tighter government regulation, or ‘re-politicization’ of PSB; a response by governments that have lost regulatory control over the commercial media. This alone puts PSBs in increasingly difficult situations, coupled their limited budgets that are stretched by funding shortfalls, and their need to invest in new technology.

Also the regulatory frameworks established for public broadcasting and digital terrestrial television vary greatly country by country. In some countries the public broadcasters are seen as crucial vehicles to combat the digital divide and further the information society. These institutions are therefore *obliged* to take part in certain activities. Contrary to the case of the internet and of mobile media, many public broadcasters also seem to be *supported* financially to develop digital television. In Germany and the U.K., for example, the annual fee for the PSB was raised to accommodate the costs.

In other countries, public broadcasters have been *allowed* to enter digital platforms, but do not receive particular encouragement or sufficient economic support to do so. This has been the case, for example, in Greece and Hungary. In fact, in Finland YLE was designated the role of the infrastructure builder and its budget became tighter in terms of content production. Yet at the

same time, the commercial broadcasting organizations were relieved from their so called ‘public service fees’ that had been used to finance PSB, with the explicit rationale that they would now be able to develop attractive content for the digital age.

More specific *requirements* and *restrictions* also apply in some cases. In some countries, minimum limits for geographical coverage are imposed. In Austria, PSB activity, apart from the two terrestrial TV channels, has to be outsourced to a subsidiary company (EPRA 2004). To sum up, in many cases public broadcasters have been granted technical and financial resources to play a leading role in digital terrestrial television. The development of terrestrial digital platform is also seen as a way of *protecting* public broadcasters. Indeed, an analysis by the European Platform for Regulatory Authorities concludes that “when the proactive approach of the PSB meets a regulatory model that assigns a leading role to the PSB, the DTT seems to find a favourable context to develop” (EPRA 2004). In many cases, this flagship position has not come without challenges. Regardless, it has been argued that PSBs have played a significant role in enhancing consumer interest in digital services and making the target of prompt analogue switch-off across Europe, as set by the EU, for 2012, seem achievable (Iosifidis 2007).

New Medium, Restricted Entry? Public Broadcasting and the Internet

European public broadcasters are increasingly utilising the internet and mobile media. For over a decade, radio stations available via the internet have proven to be successful endeavours (Fontaine & Le Borgne-Bachschmidt 2001). All the members of the European Broadcasting Union are present in the internet and a great majority has teletext operations. However, there is a great variation on what is being developed. While the BBC, for example, views the internet as a true content provider, with commercial services included, the French and Hungarian broadcasters utilize it as a public relations vehicle and a support for its traditional programming. This is very clear by the user statistics: the more developed the site, the more prominent presence of the public service online. The BBC sites reach some 56% of the UK population whereas the figure is only 12% for France Televisions Interactive (EBU 2007). In the globalising media market place, national differences still prevail, due to different amount of resources and differing legal provisions regarding the public service broadcasters and the new media.

The uneven development is partly caused by variations in financial resources and strategic capacity. Many of the smaller European broadcasters, particularly in Eastern and Central Europe, have only a small staff and no standard organization structures for their new media and multimedia activities. There is still much uncertainty about how important the internet will become as a supplement (or as a threat) to broadcasting. It has been thought that online viewing could indeed cannibalize television viewing (EBU 2007, 11), and this creates insecurity about whether the business models developed for the internet and on-line media will make them profitable investments. Commercial enterprises are anticipating that new forms of finance, such as e-commerce, on-line merchandising and on-line advertising will make them less dependent on traditional advertising (Roth 2002) but the trends are still very contradictory regarding the advertisement-based sustainability of online activities.

These same possibilities are in principle open to public broadcasters, but in order for these organizations to exploit such new forms of revenue, new policies or liberalisation of existing regulations may be necessary. It seems that the same questions have arisen as when commercial

broadcasters entered the public service-dominated radio and television market: can those sites be separate, commercial entities in which advertising plays a significant part? (Hills & Michalis 2001). Should public broadcasters be allowed to use public funds, for example from licence fees, to develop services for the new media? Should they be allowed to establish partnerships with commercial media? Some public broadcasters for instance, the BBC, Swedish SVT, and Norwegian NRK have made deals with YouTube, in order to distribute contents in that platform and gain new audiences. YLE in Finland is also planning to cooperate with its commercial counterparts, allowing them to distribute its contents.

While many national governments and regulators have so far taken a passive stand towards the involvement of public broadcasters in new media, there are signs that the issue is becoming more controversial. An EBU survey from the beginning of the millennium showed that half of the funding for mobile services offered by member organizations, was acquired by commercial revenues (mainly advertising and sponsorship), whereas the share of commercial funding in internet activities constituted one third of total funding (Mournier & Drumare 2001). While policy-makers in some countries are keen to see these figures grow, others are introducing more restrictive regulations. The situations in Germany, Britain and Norway stand out as contrasting examples of the different policy approaches that have been developed thus far. Moe (2008a) suggests that these three cases are examples par excellence of the kinds of responses taken in Europe: (1) BBC with its wide-ranging service and a clarified status; (2) the NRK in Norway that has taken an ambitious approach but facing obscured regulations, and (3) the German ARD that can operate with a limited scope under a strict regime.

In Germany, the public broadcaster ARD is allowed to pursue on-line activities, but only services that complement their programmes. On-line sponsorship and advertising is prohibited, and there is, still in 2008, considerable pressure to prevent the broadcaster from using public funds on the internet. In Britain, by contrast, the BBC has a massive web presence, with the government's approval. In 2000 the BBC site was divided into a public site and an advertisement-funded commercial site, but there are ongoing debates as to whether advertising should also be allowed on its massively popular public site. Following complaints about cross promotion between television and the internet services, some restrictions have nevertheless been imposed. In 2004

the BBC decided to shut down five of its websites in response to government review: it concluded that part of the BBC's web presence was having an adverse impact on commercial providers of competing services (Phillips 2004). As Moe (2008a) notes, some of BBC's new services were quite exceptional and beyond conventional PSB remit; they challenged the notion of universality and arguably could be said to stretch the PS mission (mobile news services that were launched as commercial venture, ringtones, interactive games). In relation to the 2006 charter revision, further plans were made for a concrete public value test for each new service prior to its approval. So, according to Moe (op cit.) some narrowing of the BBC's online activities could be envisioned; but, in general, the government has encouraged the BBC's on-line developments, commercial activities and partnerships included.

The Norwegian public broadcaster NRK obtained the right to transmit advertising on the internet and teletext in 1999, and since then the two have become important advertising media and marketing outlets for the broadcaster (which have no regular advertising). However, NRK's further regulatory status is undefined; as Moe (op cit.) argues, this is due to the fact that the government recognizes the dynamic nature of new services and without too specific framework, it is easier to stay open to new possibilities.

But even within the culturally homogenous Nordic region, policy approaches to the issue of public broadcasting on the internet vary greatly. In contrast to Norway, in Sweden and Finland, the public broadcasters SVT and YLE are allowed to launch internet activities, but strict restrictions apply on collaboration with commercial partners and funding: advertising and/or sponsorship is not allowed in any of the new technology services. The Danish case is in-between and reflects the dual situation of television: Parallel to the rules governing the television channels, no advertising is seen on the DR web sites, while ads are permitted for TV2's internet activities.

To summarize, it appears that most public broadcasters are *allowed* to enter the internet, but that in several cases *restrictions* apply as to how profoundly they may exploit new media. More restrictions may be imposed as the new medium matures; it appears that restrictions are being

imposed in several countries regarding advertising and/or sponsorship on the internet (Betzel 2003). Restrictions are, however, only one barrier to entry.

The other side of the coin is whether the public broadcasters are actively encouraged or *obliged* to enter new markets, and whether their efforts are *supported* legally or financially. Generally, *encouragement* or support, have not been forthcoming regarding the involvement of public broadcasters in the internet and mobile media. As a consequence, the less affluent public broadcasters have had fewer opportunities to develop new services.

Public Service Television Going Mobile?

The role of public service organizations in promoting digital terrestrial television and the use of the internet by PSBs are the two key issues that have been discussed in Europe for over a decade. Also, for quite some time, many PSBs have experimented with and included different mobile media additions, such as news services: Already in 2001, 40 percent of the members of the European Broadcasting Union were active in mobile media (Mournier & Drumare 2001). However, the question of mobile television is a more recent dilemma. With the development of the terrestrial digital infrastructure, the core function of PSBs was at stake and most governments supported, if not forced, this development. Although there has been little national support for public service organizations to be in the forefront in the progress of mobile television a recent report by the European Broadcasting Union (EBU 2008, 22) states that many PSBs are regardless involved in content provision, and they are to some extent in all key launch plans for mobile television. Many of them have already experimented in 3G networks.

The EU has taken a step in spring 2008 to standardize Digital Video Broadcasting Handheld standard (DVB-H) to the EU List of Standards. This is to serve as a basis for encouraging the harmonised provision of telecommunications across the EU and thus promote the adaptation of the new platform.⁴ The policy approach is, again, that of *allowing* public broadcasters try out a new public service distribution medium but not specifically encouraging them. National measures determine much of the progress. In Finland, for instance, YLE has encountered difficulties regarding the copyright, which have hampered its possibility to join the platform.

Yet the EBU report (2008, 22-23) claims that public service organizations have a great responsibility regarding mobile television: Before a (free-to-air) market for mobile television is established public service organizations should be in the forefront in monitoring the developments and advancing a ‘conducive’ regulatory environment. But if mobile television is not seen, like digital terrestrial television, as a public project, and supported and encouraged by policy measures, its advancement as a public service platform will be challenging.

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<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/451&format=HTML&aged=0&language=EN&guiLanguage=en>

New Technologies Equal New Contents?

As noted above, public broadcasters in many countries seem to be supported and encouraged to become public service media organization. But what about the content of the services that they are developing? To what degree are public broadcasters using the new opportunities to produce new forms of content and address new audiences? To what degree are policies being developed to encourage and support new forms of content and modes of address?

Two strategies in particular stand out for public broadcasters in the digital environment: the development of thematic or target channels, and so called enhanced television, that is, content with additional services. As Hujanen (2004) notes, the point of departure for the digital transition to many public service television broadcasters, from BBC to the German ARD, the Greek , the Swedish SVT, and the Finnish YLE, seems to be the following: they simulcast existing analogue channels and add new thematic ones to their digital channel bouquet. Most of the new channels seem to avoid challenging commercial competitors head on, as they focus on informational and educational genres. Neither, however, is there much evidence that substantial amounts of original programming are produced for the thematic channels. Among the thematic channels on offer are news and current affairs channels, children's channels, and various cultural and educational services.

The BBC offers channels for both pre-school and older children. The Swedish SVT, together with the educational broadcasting service UR, is as at 2004 planning to launch a "Knowledge Channel", in Britain and Italy the BBC and RAI both have special channels for documentaries and culture, and the Finnish YLE *Teema* combines educational, cultural and science programming. In Sweden and Italy, sports channels are either planned or included in the public service portfolio (Jutterström, Söderberg & Björk 2004).

Although the new digital channels are certainly extending the public service output, many worry that the development towards thematic channels may be detrimental to public broadcasting. Thus, Hujanen (op cit.) claims that generalist channels should remain an essential feature of the

public service digital supply and that this is necessary, if public service broadcasters are to act as a factor of social cohesion.

The second main strategy is enhanced television, i.e. content coupled with additional services. These may include communicative features (chats), entertainment (voting or participation in games from home) and transactions such as TV shopping (Orava & Perttula 2004).⁵ Interactive possibilities are more relevant for some public service programming: whereas news and weather, sportscasts, studio discussions, reality programmes, game shows and advertisements are “ITV-ready”, dramatic content is much more difficult to enhance (Gálik 2002). This may lead to some forms of programming being prioritised at the cost of others.

In the early days of digital communication, some public service broadcasters opted for daring explorations in order to try out interactive possibilities. In Norway, the NRK put on a show called Forfall (“Decay”) in 2001, where a well-known performance artist and broadcaster was locked into a shop-front window with the mission of decaying as much as possible (mentally as well as physically) in a week. In Finland, YLE broadcast an interactive drama series for a month in 2000 and later the show was transformed into an installation that became a part of a new media art exhibition. In both cases, one of the purposes was to try out off-broadcasting-time possibilities (OBT) and the combination between different functionalities such as TV, radio, phone, SMS, the internet and chat. This kind of experimental content could not be easily imagined as a part of commercial programme and strategy development, and in general public service has opted for less avant-garde strategies when new services are made permanent. Later applications include more prominent use of mobile phones and SMS messages as supplements to programmes or as basis for programmes of their own, also both in NRK and YLE (Beyer et.al 2004).

A recent study by Enli (2008) on a multi-platform quiz show initially in commercial format, adapted by several European PSB channels, demonstrates that there seems to be a certain

⁵ Regarding interactive services, two models seem to be emerging: walled gardens and enhanced television. The latter is the alternative to public broadcasters. Each model includes e-mail, electronic programme guides, limited Internet browsing, the ability to interact with programmes in real time and voting on programme content (Corcoran 2002).

implicit public service quality requirement for interaction and participatory programmes, that this is clearly evident in the adaptations, and this extends to the legitimacy discourses by the PSBs, stating that their new relationship with audiences is that of partnership and participation.⁶ Indeed, Syvertsen (2004b) distinguishes between serving the public as citizens, audiences, customers and players/participants, and has found that that public broadcasters are predominantly using the digital opportunities to serve the public as audiences and customers, rather than as citizens and participants.

The European Broadcasting Union (2002, 40) has argued that the traditional idea of universality may need to be rethought in the new era – not just universality of the *contents* as manifested in the traditional generalist channels, but also universality across the full portfolio of *services*, some of them specialized or tailored for specific audiences. The EBU seems to want it all: it maintains that the elements of the public service content-strategy in a digital environment should include 1) full scale and distinctively public service content and programming; 2) traditional generalist channels also in new multimedia environments; 3) new elements in existing concepts; and 4) new interactive services, as well as services for the on-demand environments (op cit. 17-18).

In the current phase, it seems unclear what kind of universality will be achieved and what exactly the new technologies will imply regarding a potential renewal of the content. This depends partly on the policy and regulatory framework: are the public broadcasters obliged or enabled to do something new? It appears that content regulations imposed on digital channels of public broadcasters are rather limited. In some countries, most notably in Scandinavia, there are requirements concerning cultural programming, subtitling for the deaf and the amount of programming time that may consist of repeats, but the programme requirements are not very strict. In a majority of countries, however, digital theme channels are not even defined in the legal remit (see Betzel 2003). The remit of the Flemish eVRT is to guarantee the user access to accurate, reliable and quality information, entertainment and services based on VRT-products

⁶ This was also the main theme of a recent conference on public service media, RIPE @ 2008, see <http://www.uta.fi/jour/ripe/>.

and products from third parties. Coppens (2003, 155) claims that the remit is vague and unimpressive, and even less clear for the digital than for the analogue services.

Many analyses of digital television tend to end with the same conclusion, that the transition from analogue to digital amplifies rather than reduces the need for content regulation. Regulation in the form of *quotas* and general remits is not sufficient, and may even be counterproductive as it encourages media companies to spread the resources thinly instead of investing in original productions (c.f. Corcoran 1999). Generally, the boom in digital channels is turning content and talent into scarce and expensive goods, and the problem in the future may be to fund the regular services, and not just the new ones. EU regulations do not seem to rule out the possibility that public broadcasters may develop pay-TV-channels in order to obtain new revenue, but the exclusivity of the services could lead to claims that public service is failing universality. Much of the content production and its possibilities are also closely connected to organizational and related financing models: whether (1) integrated models where radio, television and on-line services are produced within the same entity (e.g., the BBC, Italian RAI, German ARD); (2) fragmented models where there are various entities for radio and television (as in the case of the PSB in France and Sweden); (3) various models for regional television, (4) possible autonomous companies for production (France, Germany); and (5) possible autonomous companies for archives (Lange 2008).

It is still too early to identify a clear pattern regarding content regulation for digital services. In most countries the emphasis is on establishing services and building up a customer base for the digital media. From this point of view, content regulation is considered counter-productive. So far there appears to be little evidence that public broadcasters are using the digital opportunities to develop more distinct content and new ways of addressing the audiences, and neither is there much political encouragement or demand that they actually do so.

Reduction or Renewal of Public Service in Transition from Broadcasting to New Media Era?

In the beginning of this decade it was feared that new technologies might pose a threat of marginalization for public broadcasters in the market-driven situation. Yet, as depicted in the article, the multifaceted transformations due to new technologies suggest multiple risks and uncertainties, as well as evoke different policy reactions nationally. This is illustrated well in the tree scenarios that were put forward in Danish policy debates in the beginning of the Millennium – *The Sea of Information, The Digital Lagoons and The Media Islands* (Jauert 2003, 198-199):

The Sea of Information scenario gives the dominant position to the internet as the most individual and interactive medium. Contents are then produced and distributed with an infinite number of providers. *The Digital Lagoons* (also known as the gatekeeper scenario) places a few global companies that are active across the media and technologies in charge of the whole media chain. They control everything from copyrights to set-top boxes and programme subscriptions.

These two scenarios implied a strong possibility of marginalization of publicly-funded and nation-bound public service institutions. The third scenario of the *Media Islands* suggested however, that public broadcasters may retain a more dominant position. The lack of demand for interactivity and of investments in technology makes it difficult for new services to earn a return, and consequently, the media landscape may not change as much as many of the prophets of the new media revolution have claimed.

Indeed, it seems that many players in the field, from public broadcasters themselves to politicians, scholars, and intra-governmental bodies such as the Council of Europe and the EU believe at least implicitly in the third scenario and are convinced that public service broadcasting is worth investment and support, even and especially in the new media era. As one market analysis proposes, channel proliferation and increased competition for audiences may lead to content-regulation focusing on a decreasing number of channels and the role of publicly funded broadcasters becoming more – not less – important.

It might be, then, that the actual situation in most countries resembling the *Media Islands* scenario is creating political will and policies that instead of marginalisation advocate a kind of ‘re-monopolization’ of public service. Collins (2002, 11), for instance, has argued that the BBC’s

position may be seen as a “threat to competition, diversity and pluralism”. The Government uses the BBC to achieve its industrial policy goals – it is a more flexible instrument than private operators, but the result may be that the BBC may ‘crowd out’ other operators in the public service market, for example alternative arts and history channels in this instance. Current must-carry rules for public broadcasting makes the situation worse, since this leaves no incentive for cable operators to include other specialist channels.⁷ Concern about re-monopolization is voiced also in other countries, but carries less weight in smaller markets. For instance, the Flemish digital policy provides public broadcaster VRT with a terrestrial monopoly, but this is not called into question as VRT already has a monopoly on analogue TV (and 95 percent of the households are connected to cable) (Coppens 2003, 154). While the segmentation and diversification strategy may work well in large television markets, it may not work in smaller European public service broadcasters where more populous neighbours are rolling out digital television.

Furthermore, as Storsul and Syvertsen (2005) point out, regulation does not follow similar courses for digital television and new media operations. While public service has now been endorsed as technology neutral in the intra-European level, traditional measures influencing the television market, such as public ownership and licence fee, still prevail in many European countries. New regulatory principles, such as minimum and self-regulation, horizontal regulation and competition regulation, will be more influential for newer services.

From the viewpoint of national public service broadcaster, the new media era brings about a multi-layered mission. Based on the case of Finland, Aslama et al. (2004) argue that because of the balancing act of generalist and specialist policies, public service television faces three – partly contradictory – demands. First, the question is of *diversification system-wide*. It is clear many European public broadcasters do not intend to compete with their commercial competitors with ‘more of the same’ but aim at filling in the gaps. When new channels enter the digital market, they might even have to become more distinct in order to correct ‘the market failure’. Second, public service needs to secure a universal service *within the public service channel system*. Pay-TV services in many digital platforms require diversification by public service

⁷ See Collins’ (2002, 12-13) list of the BBC’s anti-competition actions.

channels, so that diverse programming is offered for free or is only minimally charged. Lastly, there are still proponents of the idea of a *full-service channel* to be maintained in the public service remit. A fragmented multi-channel strategy, the argument goes, may transform television, the former medium of social cohesion, into a medium of fragmentation that leaves lone consumer surf in specialized channels or an individual sharing everyday experiences on Facebook (c.f. also Ellis, 2000). Lastly, public service cannot be marginalized regarding new services and platforms, but it must be able to manifest, and add to, *diversity in online and other activities*.

PSB in the digital terrestrial television platform is most often allowed, required and/or encouraged to respond to these diversity challenges. In contrast, as Moe (2008b, 262) summarizes the European developments, the EU and national policy approaches so far have “merely offered ad hoc regulations”, with the three tendencies already depicted above: (1) internet services are often assessed in isolation, not as a part of the public service palette (2) the internet is an appendix to broadcasting; and (3) public service is to supplement (not innovate and compete with) commercial online activities.

It can be, justifiably, argued that the platforms are just means to fulfil a public service remit. But if such remit is to be taken seriously, it can be argued that all platforms are very much needed. For example, to follow Nissen (2006), the European PSM can be envisioned to have three very distinct socio-cultural contextual challenges that translate to three distinct mandates that, in turn, require three different approaches to contents and services. First, the mainstream markets today do not bear much resemblance to the mass markets of the earlier decades. The obligation of public service organizations is to serve an individual citizen and now one citizen may have very different needs from the next. Consequently, a PSM organization must provide contents and services to very specific, small groups. Second, the trend that Nissen (op. cit) refers to as ‘globalization’ calls for sustaining and fostering culture and cultural diversity, as well as supporting democratic processes. This, in contrast to the first task, calls for contents and services distinct to PSM that bring together larger audiences. Lastly, socio-cultural developments such as individualization and fragmentation require the unifying power of public service media, so that it can have a high reach and thus form a ‘civic market place’ next to the purely commercial one. If

these tasks for the PSM are to be taken seriously, it is evident that multi-media approaches are needed and development for distinct contents must be supported. In that case, the platform-specific disparity in policy approaches is the key challenge in the transition from PSB to PSM.

What can be predicted for the era of public service media is that is that public service may still face some reduction of remit or funding in some countries, but it is not becoming extinct. As noted in the beginning, the political will to support it has not vanished, either in the EU or nationally. Given the recent approaches by the Council of Europe and the EU towards PSM, public service might receive more encouragement and support for its 'new media' activities. Yet, the degree of regulation as well as investment in innovative contents and services will vary country by country, as the fundamentally nation-bound characteristics of public service broadcasting will remain. As Moe (2008a, 236) notes:

“Due to different historical developments, national political systems and media markets, implementations of public service broadcasting have traditionally differed greatly between nations. The needs of each society will continue to differ. Thus, in a digital media system, it is imperative that such divergences continue to be reflected in regulatory frameworks. Media governance needs to provide room for expression of national peculiarities.”

And as Jakubowicz (2008) suggests, policy measures alone will not guarantee the sustainability and success of PSM. He calls for *internal* re-organization (for best possible production practices for all platforms) and *external* re-thinking about audiences (building a culture of engagement and participation). Still, policy and regulatory frameworks can play a crucial role in supporting and encouraging the transition. It is apparent that media governance regarding PSM should not be that of inertia, but that of innovation, in terms of media organizations, nationally and at the EU level.

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