



EUROPEAN BROADCASTING UNION

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The Position of Public Broadcasting in Europe: An Essential Territory for Cohesion

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Public broadcasting is directly related to the democratic, social and cultural needs of each society.

This truism, as I am sure you are all aware, is taken from the famous Amsterdam Protocol on the system of public broadcasting in the Member States.

If the "democratic, social and cultural needs of society" had to be condensed into one single term, I think the word "cohesion" would be a good candidate for that. Indeed, what else holds society together if not the combination of democratic, social and cultural elements? As our topic for this morning says, public broadcasting is essential territory for that cohesion.

Let us take just one recent example to illustrate this:

Two months ago, virtually all Europeans followed the Olympic Games on television, each in their own country, enjoying commentary not only in their national language but also geared to the particular interests of the national audience. They suffered the failures and sometimes the tragedies of their compatriots who were competing in Athens, and shared in their joys and triumphs. The national flag, the national anthem, "Spain has won another gold medal", all this contributed to creating a strong feeling of national identity and solidarity. In all European countries, this happened thanks to public television, which also included countless hours of less popular (and sometimes even virtually unknown) sports in the coverage of the Games, which commercial broadcasters - for understandable commercial reasons - would never have done. A perfect example, it seems to me, of what may be understood by "an essential territory for cohesion".

Our topic today is limited to public broadcasting in *Europe*, and this qualifier is not without significance.

There is also (so-called) public broadcasting in other parts of the world. In certain countries, especially on the territory of what used to be the Soviet Union, the reality hidden behind this term is sometimes still essentially a state broadcasting system. Then again, there is public broadcasting in the United States. However, that has little to do with the European notion of the term, since it is essentially a minority service which, furthermore, is labelled by some as performing a mere *alibi* role.

What, then, are the characteristics of European (and especially Western European) public broadcasting which make this system unique and which Europeans are so rightly proud of?

This takes us right back to *cohesion*. Cohesion implies society as a whole. Public broadcasting is there to serve the entire population, as opposed to being a minority service which exists to fill the gap which commercial broadcasting - for perfectly valid economic reasons - leaves open. The "entire population" has a twin meaning:

- Firstly, in terms of *technical* coverage, it means that ideally every household in the service area should be in a position to receive the programme service. This is akin to the *universal service* concept which is familiar in other - result-oriented - public services such as water, gas, electricity, telephony and public transport.
- Secondly, it means all groups and sections of society: rich and poor, old and young (and not just people between 14 and 49 years of age, on whom commercial broadcasters focus), educated and less well educated, people with special interests (whether they be cultural, religious, scientific, sporting, social, economic or anything else), but also society as a whole. The entire population, in this sense, must be served by public service programming (even though it is impossible to please everybody all the time).

If, positively expressed, public service broadcasting is made for the public, for the entire population, it follows, negatively expressed, that it is not made for the government, parliament, or president, for a political party or a church or for any other (private) interest group or for shareholders. It must be *independent* of all of these, serving "only" the interests of the population, of people as *citizens* rather than as consumers.

What does this mean in concrete terms?

Details of the public service programming remit vary, of course, from country to country, perhaps because of different legislative techniques and habits but also, in particular, owing to economic, social, cultural, historical and other realities prevailing in each individual country. Even so, there is a core of common features which are universally valid.

Generally speaking, public service broadcasting must provide programming in the fields of information, entertainment and education/advice for people of all ages and social groups and in any format (such as generalized channels, thematic channels, multimedia services, teletext or other content services, with or without interactivity). It plays an active role in presenting and promoting national culture, whilst also increasing the population's knowledge and understanding of foreign - and especially other European - cultures. Programming includes both mass appeal programmes, such as popular entertainment and coverage of events of major interest to large sections of the

population, and a fair share of programmes catering for special/minority interests. It meets high professional standards in terms of content, quality of production and manner of presentation. It serves as a reference point for all members of the public and is a factor for social cohesion and integration of all individuals, groups and communities. Avoiding cultural, sexual, religious, social and racial discrimination and refraining from sensationalism, it applies high ethical standards and fosters civic values and a sense of individual responsibility within society. Public service broadcasting is expected to put the ever-increasing number of individual items of information which are available to the public into a meaningful context, to concentrate on their relevance for the citizen and for society, to explain the world in all its variety, richness and diversity, and to assist the population in understanding the new environment. Representing an oasis of credibility, public service broadcasting makes a major contribution to ensuring a truly informed citizenship, which is a precondition for a healthy democracy. At the same time, it should provide a platform against a two-tier information society.

Both the Council of Europe (the Prague Ministerial Conference of December 1994) and the European Parliament (of the European Union) have identified this nucleus of common features in important Resolutions, quotations from which speak for themselves:

The Prague Resolution

"Public service broadcasting, both radio and television, supports the values underlying the political, legal and social structures of democratic societies, and in particular respect for human rights, culture and political pluralism"

"Importance of public service broadcasting for democratic societies"

"Vital function of public service broadcasting as an essential factor of pluralistic communication accessible to everyone"

"Reference point for all members of the public and a factor for social cohesion and integration of all individuals, groups and communities"

"Forum for public discussion in which as broad a spectrum as possible of views and opinions can be expressed"

"Impartial and independent news, information and comment"

"Pluralistic, innovatory and varied programming which meets high ethical and quality standards"

"Reflect the different philosophical ideas and religious beliefs in society, with the aim of strengthening mutual understanding and"

tolerance and promoting community relations in pluriethnic and multicultural societies"

European Parliament Resolution

Much similar language was used in the 1996 European Parliament Resolution. To give only a few examples:

"Public sector broadcasting is an aid to informed citizenship, an agency of representative pluralism bringing together different groups in society in a common conversation that shapes public opinion"

"Offer a wide range of quality production in all genres to the whole population"

"Set quality standards in popular programmes followed by mass audiences"

"Serve minority interests and cater for all different sections of the population"

"Provide unbiased and fully independent information, both in mass coverage and in-depth factual programming, capable of earning the audience's trust and of representing a reference point in the rapidly expanding information market"

"Play a major role in encouraging the public debate that is vital for the proper functioning of democracy and provide a forum for debate for all groups and organizations in society"

"Ensure that the general population has access to events of general public interest, including sports events."

Sceptics might interject here that Council of Europe and European Parliament Resolutions are comparable to what in my own country (Germany) is referred to as a politician's "Sunday speech". In other words: beautiful slogans, high ethics, wonderful ideals. But wait until Monday comes and reality catches up with that politician.

Well, such sceptics may be interested to learn what the European Commission has to say on public broadcasting. Perhaps they will be surprised to learn that in 1999, for instance, the Commission stated that:

"Public service television plays an important role in the Member States of the European Community: this is true with regard to cultural and linguistic diversity, educational programming, in objectively informing public opinion, in generating pluralism and in supplying, on a free-to-air basis, quality programming."

Nevertheless, a certain amount of scepticism towards such unanimous praise for the virtues of public broadcasting is not out of place. In fact, does public broadcasting, in its day-to-day programming, really live up to those ideals? Or, to put the question in a more positive and constructive manner: what are the necessary pre-conditions for public broadcasting actually to be able to do so?

As far as I am concerned, there is only one single such pre-condition: the *honest political will of the parliamentary majority* to achieve that goal.

The Amsterdam Protocol expressly confirms that it is for the individual Member States (rather than for the European Union itself) to define the *remit* (the mission) of public service broadcasting and to provide for its *funding*.

I trust that you are all familiar with the Commission's Communication on the application of State aid rules to public service broadcasting (2001). What matters here is that Member States actually make comprehensive use of their competence to define the public service broadcasting remit, rather than allowing the State aid experts of the Commission to second-guess what exactly is covered or, still worse, in their view is *not* covered by a given national definition of the public broadcasting remit.

This is particularly relevant when it comes to new media. It is, in fact, obvious that even the best-quality public service programming cannot fully achieve its goals if, for regulatory/technical reasons, it reaches only part of the intended audience. As more and more people - and especially young people - obtain their information and entertainment from other media, or at least from other platforms, public broadcasters must ensure that their programming is available on all platforms, including satellites, the Internet and UMTS, where parts of the public may be turning for information and entertainment. This also includes on-demand services, even if on a payment basis, and any type of interactive programme service. Otherwise, the role of public broadcasters would be increasingly limited to ensuring that retired people benefit from their service, whereas the rest of the population would be more or less left out. Or as someone recently put it so aptly, public broadcasting would serve as the museum of 20th-century broadcasting, rather than serving the public of the 21st century. As the European Parliament advocated earlier this year:

"To promote cultural diversity in the digital age, it is important that public service broadcasting content reaches audiences through as many distribution networks and systems as possible; it is therefore crucial for public service broadcasters to develop new media services."

Where the remit is clearly defined, and where there are trustworthy control mechanisms to ensure that the public funding (and I shall come to that in a moment) is used only for financing the fulfilment of the public broadcasting remit, there is no problem with regard to the EU State aid rules.

That conclusion is, of itself, naturally very important, but on its own it does not yet guarantee that public broadcasting will actually play its vital role in and for society.

There are essentially two further - and major - pre-conditions that need to be fulfilled: independence and sufficient funding.

Independence is indeed a vital pre-requisite for public broadcasting. To be able to serve the *public*, and no one else, the public broadcaster must be independent from any outside influence or pressure, whether it be from the president (or king), government, parliament, a political party, a church, shareholders or any other interest group. At the same time, it must be just as clear that public broadcasting is not an anti-establishment or opposition broadcasting system.

How can such independence be achieved? In the end, each country needs to find its own mechanism for that, taking into account the prevailing social and political realities, as well as the particular legal and political culture. Just one example: in some countries, the Director General will always remember who appointed him and will, in fact, be expected to do so, whereas in other countries he will, as soon as appointed, do everything to show that he is totally independent and, in particular, not a Trojan Horse of those who appointed him. Essentially, there are three models in Europe today as regards the Director General:

1. Appointed by an independent Broadcasting Council, normally by a qualified majority.
2. Appointed by the Government (normally the Minister of Culture).
3. Appointed by Parliament.

As far as I am concerned, solution one is the best, solution two should definitely be avoided, and solution three (Parliament) would also be viable *if* there is a two-thirds or even three-quarters majority requirement. But perhaps Spain could devise yet another solution.

Once the Director General himself is independent, it must be ensured, furthermore, that he can put together his own management team. If approval of the appointment of certain key managers by an outside body (in particular, the Broadcasting Council) is required, it must be clear that it is only approval of the Director General's own choice, rather than an appointment by such an outside body, possibly even against the express will of the Director General.

To fulfil its remit as defined and conferred by the Member State, a public broadcasting organization evidently needs to have the necessary financial means. Especially in certain countries in Central and Eastern Europe the mistake is still being made of allowing the public broadcaster a more or less arbitrary (and normally rather modest) amount of annual revenue and then leaving it to the organization to see what it can do with it. Especially where the revenue is composed of both public and commercial funding, the exact opposite

procedure should, of course, be followed: there first needs to be an approved expenditure budget, based on the concrete programming decisions made in accordance with the public service programming remit, and then comes the allocation of the funds which are necessary to meet that budget. The latter will have to take into account the - estimated - total revenue from both income sources which may reasonably be expected.

This, however, is not quite the end of the story. What, in fact, is public funding, and how is it allocated?

For economists, it is a truism that public broadcasting is a *merit good* (just like public schools or theatres) which the market itself could never fully finance. Unlike commercial broadcasters, public broadcasters cannot permanently aim for the highest possible audience while minimizing their programme expenditure to obtain it. Furthermore, they tend to be subject to advertising and sponsorship restrictions which do not apply to their commercial competitors. As a consequence, whatever commercial revenue they may be allowed to take in (and, *ideally*, it should be no more than roughly one-third of their total revenue) must be complemented by public funds. Such funds may come from the State budget or - as is customary in Western Europe - from the *licence fee* which every household with a functioning radio or television set is obliged to pay. For instance, the annual licence fee, expressed in Euros, amounts to 220 in Austria, 172 in the United Kingdom, 194 in Germany, 116 in France and 97 in Italy. The relatively low figure in Italy is explained by the fact that more than 40% of RAI's total income comes from advertising and sponsorship.

But public funding, whatever its form, must not only be sufficient, although that is clearly the most important requirement. There must also be sufficient guarantees that those who allocate the amount of such funding, or who decide on the periodic increase in the licence fee, cannot abuse this as a tool for exerting political pressure on the public broadcaster, thereby calling its whole independence into question again. Whereas in the field of music it is perfectly legitimate that "he who pays the piper calls the tune", when it comes to public broadcasting this maxim must be a strict taboo. In practice, of course, this is not always easy to achieve. In my own Model Law on Public Service Broadcasting, which some of you may perhaps wish to have a look at, I have indicated - but without going into much detail - how such risks could be reduced, if not avoided. In fact, it would be interesting to study now in more detail the Laws and Regulations of individual countries to see how each has its own solution for guaranteeing the editorial independence of the public broadcaster, the actual fulfilment of the public broadcasting remit, the overall sufficiency of funding or the strict separation of accounts when it comes to public service activities on the one hand and - permitted - commercial activities on the other hand. However, this would not only take many more hours but is not the theme of the speech which I have been asked to deliver today.

To return, then, in conclusion, to the core of my theme, *public broadcasting as an essential territory for cohesion*, the word "cohesion" should include society as a whole, rather than only certain minorities or a small fraction of society. This

means that public broadcasting needs to have a substantial market share, and a substantial weekly reach, to play this role as an essential factor of social cohesion. Public broadcasting must not be merely a minority broadcasting system or an elite broadcasting system; it must also be a broadcasting system which satisfies the needs and expectations of the large majority of the population, of mass audiences.

Statistics on television market shares (2002 figures) confirm that, with a few exceptions only, public broadcasters in Europe do have a sizable market share and do, therefore, constitute an essential element for cohesion in their respective countries:

Germany (ARD and ZDF):	44.5%
United Kingdom (BBC):	38.5%
France (France 2 and 3):	37.2%
Italy (RAI):	46.4%
Spain (TVE):	32.4%
The Netherlands (NOS):	36%
Austria (ORF):	54.1%
Switzerland (SSR):	32%
Ireland (RTE):	43%
Sweden (SVT):	42%
Denmark (DR):	32.1%
Finland (YLE):	45.4%
Norway (NRK):	42%
Poland (TVP):	53%
Romania (TVR):	39.4%
Czech Republic (CT):	30%
Slovenia (RTVSLO):	35%

but also, to give a true overall true picture:

Greece (ERT):	12.4%
Lithuania (LNRT):	12.2%
Turkey (TRT):	8.3%

"Public broadcasting as an essential territory for cohesion" could also have inspired me to present you with an entirely different speech today. In fact, I could have demonstrated to you the vital role which Europe's public broadcasters *together*, through their professional association, the European Broadcasting Union (EBU), play in the cohesion of European peoples, cultures and societies: *Euronews*, operated by a Consortium of 19 EBU Members, numerous EBU co-productions of high-quality European programming content, including co-productions to explain and promote the European institutions (and especially the EU), daily television news exchanges (of 80 items on average) coordinated by the EBU, etc.

But that is already the beginning of another speech, which I think I had better leave for some other occasion.

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