

**OSI CONTRIBUTION**

**GROUP OF SPECIALISTS ON PUBLIC SERVICE  
BROADCASTING IN THE INFORMATION SOCIETY  
(MC-S-PSB)**

3<sup>rd</sup> meeting: 27-28 March 2006

This OSI contribution is based on findings and recommendations from the series of monitoring reports, *Television across Europe: regulation, policy and independence*.

Launched in October 2005, the reports were prepared by the EU Monitoring and Advocacy Program (EUMAP) of the Open Society Institute (OSI), in cooperation with OSI's Network Media Program (NMP). The series covers 20 European countries, and includes an Overview report that resumes the main findings from across the countries monitored (hereafter, "*OSI Overview Report*"). The reports are available both on paper and online at: [http://www.eumap.org/topics/media/television\\_europe](http://www.eumap.org/topics/media/television_europe).

The OSI reports touch upon many of the issues to be discussed by the Group of Specialists on Public Service Broadcasting in the Information Society (MC-S-PSB) in their meeting of 27-28 March 2006. OSI would therefore like to take this opportunity to share with the Group the most relevant findings and recommendations from this monitoring.

This contribution is divided in three parts:

1. Selected recommendations from the *OSI Overview Report*, related to the issues to be discussed by the MC-S-PSB.
2. Annex I. A summary of the main findings of the monitoring across the 20 European countries covered. Highlighted in bold are elements which could be of particular interest to the Group's debate.
3. Annex II. A short description of the monitoring project and of the resulting reports.

We hope that this contribution will be useful to the debate.

We remain available for further queries, and for sending copies of the paper reports.

# 1. OSI RECOMMENDATIONS: for the 3<sup>rd</sup> meeting of the MC-S-PSB, 27-28 March 2006

## Debate will include:

### 4. Monitoring of the implementation by member states of Recommendation No. R (96) 10 of the Council of Ministers on the guarantee of the independence of public service broadcasting<sup>1</sup>.

In 2005, the Group of Specialists on public service broadcasting in the Information Society (MC-S-PSB) started monitoring the implementation by Member States of this recommendation (No. R (96) 10 of the Council of Ministers), with a view, if necessary, to providing further guidance on how to secure this independence. A questionnaire on this subject has been addressed to the relevant authorities in the CoE Member States, and also to independent experts, relevant NGOs, media professionals and the public at large.

## **OSI contribution:**

The OSI report puts forward a number of recommendations on the independence and funding of PSBs that are in line with this recommendation (No. R (96) 10 of the Council of Ministers).

## National level recommendations:

- Governments should initiate legislation where needed, and implement existing legislation as required, to ensure that for public service broadcasters, the appointments procedures for the Directors General and for members of the Boards are independent, transparent and fair. (*OSI Overview Report*, Rec. 38, p. 31)
- Governments should initiate legislation to oblige the public service broadcasters to put in place mechanisms to ensure the transparency of their expenditures, and in particular of their utilisation of public funds. (*OSI Overview Report*, Rec. 39, p. 31)
- The Boards of public service broadcasting should be obligated – and where they are so obligated, these obligations should be enforced – to ensure that the programming of the broadcasters is in compliance with their public service remit. This is particularly important in view of the fact that public service broadcasters have tended to yield to commercial pressures, adjusting their programming with a view merely to merely increasing audience share. (*OSI Overview Report*, Rec. 40, p. 31)

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<sup>1</sup> CoE Recommendation No. R (96) 10 of the Committee of Ministers on the guarantee of the independence of public service broadcasting

## Annex 1: OSI MONITORING - MAIN FINDINGS

Close to 4,000 television channels are now available in the 25 European Union (EU) member States and in the other ten countries and territories of the continent aspiring to join the EU.<sup>2</sup> Television is the primary source of information for most people, and is widely considered to be the most influential medium in forming public opinion. Television viewing time has increased steadily over recent years. Television has maintained its dominant position in spite of the rise of new communication technologies such as the Internet.

In Western Europe, the liberalisation of most television markets during the 1980s ended the commanding advantage that public service broadcasters or State television had enjoyed, by opening the frequencies to private players. During the 1990s, State television in Europe's new democracies began a gradual and still incomplete process of transformation into public service television. At the same time, there was an immense proliferation of commercial broadcasting channels, often unlicensed and illegal, in those countries.

Adapting to the Western European model of organising the broadcasting sector was, for many countries in transition, not only a precondition for their eventual membership of the EU, but also part of the general "Europeanisation" of their political, social and economic life. Although broadcasting regulation has been brought broadly into line with Western European standards, the implementation of legislation is often deficient and the operational and financial independence of broadcasting regulators is in many cases flawed. Nonetheless, **in most European countries broadcasting now functions – to a greater or lesser degree – as a "dual" system of public service and commercial television.**

Across Europe, television remains heavily regulated because it uses a limited natural resource, the spectrum of frequencies, which is controlled by the State. Among the other reasons why television is heavily regulated is its perceived immediacy and power. Legislation ensuring various degrees of independence of broadcasting regulators has been adopted in most countries. However, political and commercial pressures on the national regulatory authorities that are in charge of licensing broadcasters, remain a fact of life.

**Public service television enjoys special esteem at the European policy-making level, being considered a vital element of democracy and part of European culture. It is seen as serving the mission to offer an alternative to, and even to raise the standards of, commercial television. Yet, the digitalisation and convergence of communication and information technologies, as well as the competition from commercial broadcasters, have created pressure on public service broadcasting across Europe to re-define its specific remit – to operate independently of political and economic interests – under new circumstances.**

**In addition, the European Commission has demanded more transparency and accountability in the finances of public service broadcasting, and intergovernmental organisations such as World Trade Organisation (WTO) have criticised the privileged position of public service broadcasting in terms of its funding. In Western and Eastern Europe alike, public service television broadcasters are frequently reprimanded for their ties to Government and to political parties, and for a growing commercialisation, with the resulting "dumbing down" of**

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<sup>2</sup> EUMAP research and European Audiovisual Observatory, *Transfrontier Television in the European Union: Market Impact and Selected Legal Aspects*, Strasbourg, 2004, p. 6.

general quality, as they try to keep up with the competition from private television broadcasters.

## Chart 1. Funding of public service broadcasting

Budget of the public television stations (in per capita, in euros)

Germany	85.39
UK	71.09
Slovenia	56.50
Italy	46.50
France	37.43
Portugal	24.95
Spain	21.04
Hungary	15.13
Czech Republic	13.70
Slovakia	11.10
Poland	10.90
Estonia	9.95
Latvia	5.29
Romania	4.42
Lithuania	4.18
Turkey	3.57
Bulgaria	3.19
Albania	2.48

  

Including public radio	
Croatia	38.5
Macedonia	7.76
Serbia	7.47

Source: EUMAP- OSI (budgets for 2003 or 2004)

## Chart 2. Funding of public service broadcasting

Budget of public television stations as percentage of GDP (values per capita, in euros)

Germany	0.51
Slovenia	0.43
UK	0.38
Italy	0.28
Hungary	0.21
France	0.19
Poland	0.16
Czech Rep.	0.15
Spain	0.13
Slovakia	0.13
Romania	0.13
Albania	0.08
Estonia	0.07
Latvia	0.06
Lithuania	0.05
Bulgaria	0.05
Turkey	0.05

Source: EUMAP- OSI

The arrival of commercial broadcasting shook the monopoly of emergent public service broadcasting in the transition countries, and resulted in sharp drops in viewership. Moreover, in this part of Europe, public service television broadcasters often lack funding, and face political interference and pressures, as well as low professional and public awareness of the role that public service television should play. Many reporters for this research wrote that in their countries the distinction between public service broadcasters and their commercial competition, in terms of programme content and quality, has become increasingly blurred. Investigative journalism and minority programming are scarce commodities in both public and commercial television. Newscasts have often become markedly tabloid, particularly on commercial television channels.

Across Europe, television markets are highly concentrated both in terms of ownership and viewership. In most countries, the three largest television channels grab the bulk of the viewership. At the same time, the ownership of private broadcasters tends to be highly concentrated, despite political declarations against the monopolisation of media markets and legislation to limit such concentration. In Western Europe, there is higher concentration of ownership than in transition countries. However, in the past decade the transition countries have seen massive mergers and acquisitions, and the establishment of large media groups controlling much of the broadcasting market. When financially backed by politicians or part of larger enterprises operating in other sectors than the media, commercial television can, and often has, become an instrument for pursuing political or business interests. More often than not there is a low level of transparency of media ownership and interests.

The European Commission has found it difficult to propose any kind of harmonisation of media ownership rules between EU member States, and has indicated that the issue should be left to the member States. The implementation of already existing pan-European standards, such as the Council of Europe's Convention on Transfrontier Television (ECTT) or the EU's "Television without Frontiers" (TWF) Directive, is often hesitant or even deficient, particularly in new EU members and in the candidate States.

In spite of the increased presence of transnational investors in the broadcasting sector, industrial relations in this segment of the media market are mostly played out at the national level, with few examples of cooperation among journalists and other media professionals across Europe. There are only initial attempts to establish minimal labour protection standards and other common rules in spite of massive foreign investments particularly in the broadcasting industry of Central and Eastern Europe. Especially in transition countries, journalists have little labour protection. Foreign investors habitually offer inferior work conditions in comparison to what they provide in their own countries of origin.

Digitalisation has advanced quickly in Western Europe in the past two years after a hesitant launch around 2000. Traditionally, media industry products were sold as concrete material goods, such as books and CDs, or were distributed by analogue terrestrial television broadcasting. Converted into digital signals, media content is now divorced from a concrete form and can be distributed by the Internet, mobile telephony, satellite broadcasting and similar advanced platforms. **Although across Europe many questions about digital roll-out have still to be answered, especially those related to its financing and its implications for regulation, digitalisation is likely to sharpen competition and boost diversity and pluralism. At the same time, it is expected to pose new challenges to public service broadcasting and the existing regulatory frameworks. However, in transition countries, digitalisation is a slow process due to lack of funding, policy and legal frameworks.**

The *OSI Overview Report* brings together the main findings of the monitoring carried out in 20 European countries, which included both transition States and established democracies, and EU member States, candidate countries and potential future candidates. **Overall, if one consistent message emerges from across these reports – and it is one that bears out the warnings of many industry insiders and commentators – it is that public service broadcasting stands on the brink of far-reaching change. The momentum of technological change, the ripples of which are reaching even the least developed broadcast sectors examined in this report, is unstoppable.**

**At present, the powerful commercial broadcasters seem poised to become the clear beneficiaries of this change, while the public service broadcasters appear to risk losing much, if not most, of the traditional justification for their privileges. Nonetheless, as this report shows, the argument for public service broadcasting remains compelling. Public service broadcasting is not only a bulwark against commercial trends that, left unchecked, would be likely to drive standards further down, reducing the less lucrative strands towards invisibility. It also provides essential leverage for raising standards in all programme genres.**

It follows that the goal for broadcasting policy-makers, regulators, concerned media professionals and citizens should be to reap the benefits of this change – in terms of a wider choice of programming, accessible on more, and more convenient, platforms – without in the process losing the achievements of traditional public service broadcasting, in terms of the quality, range and genuine plurality of universally available content, that is responsive to segments of a society as well as to society as a whole. However, there is no certain way to reach this goal. **No single approach can guarantee the achievement of a balanced and durable “dual system” of broadcasting or of independent regulation, and nor is there any single model of successful public service broadcasting. Broadcasting is so deeply rooted in, and dependent on, a society’s political experience, institutions and assumptions – not to mention its journalistic traditions and resources – that each society must evolve its own models.**

**Against this background, the condition of public service broadcasting in Europe’s new democracies gives special cause for concern, and its future is far from secure. These transition States have committed themselves to uphold public service broadcasting, even though it is still an unknown quantity in their societies. In fact, the widespread professional and public indifference to the role of public service broadcasting in these States should come as no surprise. It reflects both the sheer novelty of the concept of public service broadcasting, and the widespread failure of the emergent, or nominal, public service broadcasters to broadcast programming that impresses the public as sufficiently distinct from commercial television to be worth supporting. As a rule, politicians have shown little inclination to respect the autonomy of the public service broadcasters. Even in those States which now see themselves as post-transitional, the public service broadcasters are, for the most part, firmly stuck in mid-transition.**

The *OSI Overview Report* puts forward 41 recommendations, on four main areas – media legislation and policy, broadcasting regulators, public service broadcasting and commercial broadcasting – which are intended to contribute to the European policy debate. All the recommendations are based on the findings of the monitoring, as detailed in this overview section and further developed in the country reports – each of which, in turn, contains more specific recommendations for the particular national context.

## **Annex 2: ABOUT THE MONITORING REPORT “TELEVISION ACROSS EUROPE: REGULATION, POLICY AND INDEPENDENCE”**

The Open Society Institute (OSI) has produced a series of reports monitoring public service broadcasting, commercial television, broadcasting regulatory systems and new technologies, in 20 European countries, combining EU members, candidate and potential candidate countries:

*Albania; Bosnia and Herzegovina; Bulgaria; Croatia; the Czech Republic; Estonia; France; Germany; Hungary; Italy; Latvia; Lithuania; Poland; the Republic of Macedonia; Romania; Serbia; Slovakia; Slovenia, Turkey; and the United Kingdom.*

In each country the monitoring assesses media policy and regulations established in particular to secure the political and economic independence of television across Europe. A regional overview assesses the trends across the region.

### **Monitoring reports**

At 1662 pages, the complete three-volume set of reports is the largest ever comparative survey of its kind. It consists of 20 country reports plus an overview report, which resumes the main findings across all the countries monitored.

The 20 country reports were drafted by local experts with the support of partner NGOs. In each country, the initial findings were discussed during roundtable meetings, where stakeholders – including Government representatives, civil society organisations and media experts – discussed the report in its draft form, and their comments and suggestions were subsequently introduced in the report. The reports are presented to the public, to governments and to the media in each country, and are also available on the web. All country reports are based on the same methodology, thus allowing for a comparative analysis. The reports are divided into the following sections:

1. Executive Summary
2. Context
3. General Broadcasting Regulation and Structure
4. Regulation and Management of Public Service Broadcasting
5. Regulation and Management of Commercial Broadcasting
6. European Regulation
7. Conclusions
8. Recommendations

The overview report was drafted by media experts who also edited the single country reports. It includes a comprehensive annex section, with tables of comparative data.

The country reports and the overview report include concrete recommendations to governments, international organisations and regulatory bodies aimed at ensuring that television can play its democratic role.

The complete three-volume report - as well as a one-volume summary report - are published in English. Each country report is included in the English volumes and is also published in translation, together with the regional overview.

## Further information on this project

For the full text of the reports; the methodology text; the list of local experts who conducted the monitoring and of NGOs who supported them, and for additional information on this series of reports, please see [www.eumap.org](http://www.eumap.org).

Copies of the report can be obtained by using the order form available at <http://www.eumap.org/puborder> or by contacting Miriam Anati at [manati@osi.hu](mailto:manati@osi.hu).