

CHALLENGES FOR PBS IN COUNTRIES IN TRANSITION

1. Overall Situation

1.1. Media Market

The countries in transition in Europe mostly have limited sized markets and even lower standards of living in comparison with for example the present members of the European Union, which are determining factors of the broadcasting industry economy. All transitional countries are below or at least at a critical size for attracting significant investments to finance real competition in the broadcasting industry markets and support creation. (**exceptions: R. Murdoch's plans for Bulgaria, NRJ, RTL, etc.**)

The broadcasting economy of the countries in transition is driven by the **television advertising market**: this media is by far the strongest on the broadcasting industry landscape, while other categories of resources are, for the most part, very limited.

Private operators, with the noteworthy exception of Poland, dominate today's television-related market. However, **radio broadcasting**, on the contrary, is more often dominated **by public operators**. The radio is generally not very strong and is characterized by **relatively weak equipment rates, and by limited advertising revenues**.

The development of broadcasting markets, in particular terrestrial television, being very costly, was only able to take place with the **help of foreign investments**. The public broadcasting industry nevertheless holds a determining place on the broadcasting landscapes of candidate countries: **its objective weight and its competitive positioning linked to its funding and its audiences** have an impact on the entire industry. Legislative debates on the restructuring of the public pole (statutes, management, funding and missions) take place on an ongoing basis. In some cases, especially in radio broadcasting, there are **too many players** with respect to market capacity. On the other hand, in other cases, **competition does not have a strong enough role**, which impedes market growth.

For the forthcoming years, a growth could be foreseen in pay television as well as sales on products like DVD players; the market being rather handicapped at the moment by the **spread of piracy**. On the other hand, it is not very likely that public finances in these countries will allow a real increase in public funding. Likewise, the new media still have limited economic weight.

As for **the national broadcasting production industry**, it is fragmented and in the process of being restructured, while the concept of independence still has a rather limited significance. **These markets, which were opened up to private companies fifteen years ago still have not reached maturity. In addition, it is essentially on the growth of the advertising market, which itself is closely tied to economic growth, that development in the industry lies.**

1.2. Legal and regulatory framework

Implementation of the legal framework of new pluralist broadcasting sectors **took place between 1991 and 1998**. This legal framework is neither complete, nor stable: amendments were still being added in 2003 and others are underway. It is based on a liberal inspiration: few constraints with respect to market access, or the program contents. The *Television without Frontiers* directive is transposed almost entirely throughout the countries with the exception of Turkey, but **putting it into effect will take more time**. Reinforcing the **roles of the regulatory authorities**, institutions that are still fragile and which exercise varying degrees of power, appears to be one of the main conditions of implementing the existing Union institutions and programs.

Transition countries implement **public policies** that are globally somewhat **reserved** in the broadcasting industry. Prominent traits in these countries' policies are confidence in the **market economy** and in the **natural development of the sector** and, due to their history, non-coercive intervention when it comes to the media.

2. Possible scenarios for those countries joining the European Union

2.1. Expectations from joining the EU

Market players, and more specifically foreign investors, expect **one of the main consequences of entering the Union** to be an acceleration of normalisation of practices and **greater legal security**; they request more **transparency and stability**, and hope that adhesion to Europe will induce increased political pressure that will enable this to take place.

2.2. Stigma and dogmas about EU requirements

Preliminary conclusions and recommendations of the EUMAP reports

1. The “identity crisis” of public service broadcasting

Public service broadcasting, whether run by public organisations or privately-owned companies, differs from broadcasting for purely commercial or political reasons because of its specific remit, which is essentially to operate independently of those holding economic and political power. It provides the whole of society with information, culture, education and entertainment; it enhances social, political and cultural citizenship and promotes social cohesion. To that end, it is typically universal in terms of content and access; it guarantees editorial independence and impartiality; it provides a benchmark of quality; it offers a variety of programmes and services catering for the needs of all groups in society and it is publicly accountable. These principles apply, whatever changes may have to be introduced to meet the requirements of the twenty-first century.

It is a matter of concern that many European countries have so far failed to meet the commitment that their governments undertook, at the 4th European Ministerial Conference on Mass Media Policy held in Prague in 1994, to maintain and develop a strong public broadcasting system. It is also worrying that the fundamental principle of the independence of public service broadcasting contained in Recommendation No. R (96) 10 of the Committee of Ministers is still not firmly established in a number of member states. Moreover, governments across the continent are in the process of reorienting their media policies in the light of the development of digital technology and are in danger of leaving public service broadcasting without enough support.

Public service broadcasting was born in Western Europe and has evolved by adapting itself naturally to the needs of a mature democracy. In central and eastern Europe it is not yet socially embedded, since it was “transplanted” into an environment that lacked the necessary political and management culture, and in which civil society is still weak, has inadequate resources and little dedication to public service values.

Many EUMAP country reports highlight the lack of distinctiveness between public service broadcasting (PSB) and private broadcasting, which is considered a result of the “identity crisis” that public service broadcasters across Europe have been experiencing over the past decade. However, there is general consensus that that public broadcasting should maintain and strengthen a distinct role in a democratic European society. EUMAP believes that:

- There is a need for a debate at the national levels on the role of PSB in the booming multichannel environment. The outcome of such a debate should be a statement on the role and philosophy of public broadcasting in a democratic society.
- There is also a need for a pan-European debate on further reform of public service broadcasting.

2. Strengthening the role of broadcasting regulators and broadcasters

In many countries covered by the EUMAP monitoring, the influence of Governments and politicians on broadcasting regulators was identified as the key impediment to building and ensuring a diverse, impartial and pluralistic broadcasting landscape. EUMAP recommends that:

- Governments should strengthen their support for ensuring that broadcasting regulators are financially and operationally independent.
- Governments should adopt legislation directed at eliminating political interference in media outlets and media regulators.
- The activities of national parliaments in adopting media policies and legislation should be closely monitored by independent bodies, including civil society organisations.
- In transition countries, external assistance in drafting and implementing media legislation, when requested by these countries, should be supported further continue.

3. Low public participation

The EUMAP reports highlight a lack of public consultation in the field of broadcasting regulation and monitoring. To ensure that PSB responds to public interest, the public should have a more significant role in the debate on media policies and in the regulation of broadcasting. EUMAP recommends that:

- Regulators and State authorities should help financially the expansion of viewers’ associations to be socially representative.
- At the national level, the NGO community should be much more closely involved in drafting media legislation; adopting media policy; and monitoring broadcasters. Several national reports advanced the idea of facilitating the

creation of independent structures or offices (for instance within universities) to monitor broadcasting.

- At the national level, part of the frequency spectrum should be reserved to non-profit broadcasters such as community media.

In conclusion, to allow public broadcasters, both television and radio, to continue to contribute actively to the achievement of European policy objectives, in the most efficient and up-to-date manner, **Member States must ensure that there is a clear future-oriented public broadcasting remit, accompanied by a solid funding mechanism which allows public broadcasters to fulfill their remit in every respect**, not least with regard to what politicians themselves expect when speaking of public broadcasters' contribution to European policy objectives.

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