On a global basis, public service media face ideological, political, and technological challenges. At issue is the question of whether they will be able to redefine their role in societies increasingly dominated by market values, and by a powerful sense that the private realm, rather than the collective and the public, is the defining sphere of human activity. Historically public service broadcasting institutions represented key loci for democratic participation. It seems understandable then that concern is increasingly expressed about the future of democratic principles and participation, if the institutions of public service broadcasting are to be totally replaced by commercial and global media.

For these reasons, interest about public service media among communication scholars, public policy makers, political groups, programme makers, media activist groups (such as The Cultural Environment Movement in the US, and the Campaign for Quality Television, in the UK), and members of the audience, continues to be high. Conferences are being organized (the annual “Spry Memorial Lecture” in Canada; the RIPE@2002 conference in Tampere, Finland, in January 2002; the Public Service Media and Global Media panel, at the Global Media Conference in Spokane, Washington, in July 2002), research projects are being funded on how to measure the impact of public service broadcasting on their audiences (World Radio and TV Council, project founded in 1999 by the Hoso-Bunka Foundation, to be released in 2002), while case studies continue to provide information on PSBs around the world (Dahlgren, 1999, McChesney, 1999; Hutchinson, 1999).

The interest in the fate of public media stems from the conviction that their function as spaces where to foster originality and innovation, and promote national, regional, and local identities, is more urgent now than it has ever been. As Tracey and Rowland concluded in their Report to the Hoso-Bunka Foundation in 1995, even though the ideas embedded in the institutions of public service broadcasting are not at step with the prevailing social and cultural principles of the times, the canon of public service media has to be constantly re-asserted. Specifically, their project concluded that “a continuing commitment to the idea of excellence, worth, quality, civility, intelligence is not the lexicon of dewy-eyed but of components of aspirations without which decent democracy will not, cannot prevent, that public broadcasting is thus vital…element in a system of human affairs”(p. 31).
Methodology
From reading the reports, the press releases, and, especially, the debate on PSBs in the national press, one senses what might seem a disturbing contradiction between the necessity to be aggressive in the market place “even more than commercial broadcasters are,” (McKinsey, 1999) and the pursuit of their public service obligations. It is upon this contradiction that the present and the future of public service broadcasting is played, and it is this contradiction that we plan to investigate in this paper.

We analyzed annual reports, press releases, and newspaper articles, with the ultimate goal to explore the relationship between the philosophical principles on which the institutions of public broadcasting rest and their contemporary conditions. In this vein the main question framing our enquiry is: how and in what ways is public service broadcasting changing in the contemporary audio-visual environment? A series of corollary questions follow: how is the legitimacy of public broadcasting institutions being justified at the national level? how is the notion of public service being articulated in different national settings? how are various public broadcasters responding to the challenges of the global media market and digitalization?

The Study
For the purpose of this paper, we focused our attention on four major broadcasters: the British BBC, the Italian RAI, the Australian ABC, and the Canadian CBC. The goal was to get a feeling for what was happening in the sector by analyzing a sample of broadcasters that are representatives of three major clusters: the ones that tend to focus on distinctiveness over market share (such as the Australian ABC); the ones that focus on market share over distinctiveness (like RAI in Italy); and finally those that have maintained a considerable audience share together with a distinctive approach, such as the BBC. We will look at two features in particular: the trend towards digitalization and PSBs’ funding.

In the future, we plan to further explore the issues that will unravel from this pilot project and examine a larger sample of public. In each case, we will look at structural, financial, editorial, and philosophical responses to the ideological, political, and technological challenges that all of these organizations face. The investigation will also look at the work of such bodies as the European Broadcasting Union and the Asian Broadcasting Union.¹

Positive Trends?
Not surprisingly, there is a stark discrepancy between the declaration of adherence to the principles of public service broadcasting made by the broadcasters themselves, and the reality of ideological and political struggles and intense commercialization that these broadcasters are encountering, in differing degrees, everywhere. We’ll start our discussion by commenting on the positive trends described by broadcasters and their associations.
“Happily (writes Bob Collins, Chairman of the EBU Television Committee) public broadcasting in Europe is not in crisis, although—he admits—it has its proper anxieties” (EBU Yearbook 2000). Not only the crisis seem to be over, “the production of fiction, documentaries and animation has increased significantly in Europe—and indeed—public broadcasters have done a lot to increase public awareness of new technologies and...are prolific producers of content”.

In Canada too, it seems that the Canadian production of the CBC is not only improving, it is also well received. In the top 10 Canadian entertainment series in English, in the year 2000-2001, CBC’s programmes occupy the first four positions, whereas Radio-Canada’s productions occupy all the first ten positions in the Top 10 Canadian Drama and Entertainment Series in French. Notwithstanding the reduced finances, in the year 2000-2001, always according to the corporation’s annual report, the CBC was able to add 750 hours of children programming, while increasing its nation-wide share for the 2 to 11 years-old market. It comes natural to ask how the CBC is able to achieve such results in the midst of increasing government opposition and the consolidation of the media industry, while its funds are constantly being cut. The answer is: cutting jobs, streamlining the production, converging their newsrooms, downsizing the corporation, reinforcing whatever political ties and alliances they have.

The McKinsey report on the conditions of public service broadcasting (1999), seems to agree that there is, indeed, a certain positive trend. Analyzing data from the European Broadcasting Unit and Nielsen, the report affirmed, for instance, that, even though the audience share erosion was still a reason for concern, it had slowed down for most PSBs in the period 1994-1997 (13). However, whereas there are data that apparently confirm such a trend, the situation is not as positive as it might seem. Let’s take a look at the Italian panorama. In 1995-1996, for instance, RAI’s audience share increased, largely due to more hours of children programming and light entertainment. However, the representiveness of RAI, its institutional status as the Italians’ television, was gradually declining. Symptomatic of such phenomenon, were the results of a poll conducted by CENSIS in 1995, indicating that a high percentage of people interviewed defined RAI’s news programs as “unreliable”.

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3 RAI’s institutional role, even though is still an important one, is a declining phenomenon. In the days immediately following the terrorist attacks on New York City and Washington DC, Italians invariably tuned to RAI channels, and specifically RAI1, to follow the news and public affairs programs. RAI’s press office reported that more than 8 million people watched “Porta a Porta” (“Door to Door”), a public affair program on RAI1, on September 12, 2001. And when the President of the Republic gave his speech on the same day, people “watched it on RAI1, even though the same speech was being broadcast live on all the national networks” (Siliato, 2001). A behavior, this one, clearly indicating that the majority of Italians, in times of crisis, still tends to “identify RAI [and particularly RAI1], with the institution” (Siliato, 2001). However, even this trend is now decreasing. Siliato affirms: “it has certainly always been true that people tended to prefer RAI’s channels in times of crisis, and this is still true. But it is a little bit less so each time” (Siliato, 2001). A justification for this phenomenon can be found in the fact that, for effect of counter-scheduling, RAI’s programs have become increasingly similar to the programs offered by its competitor. It is not a surprise, then, if RAI is loosing its distinctiveness, and with it, its institutional role. The imperatives of the market have dictated RAI’s main objective, while quality programming, distinctiveness, and innovation, have become secondary concerns, duties to fulfill, rather than the core philosophy of the institution. Until RAI implies strategies of counter-scheduling there is no alternative to homologation. In the Italian broadcasting market, "non-homologation", Siliato emphasizes, “will increasingly be the exception, rather than the norm” (Siliato, 2001).
More recent data on the Italian public broadcaster’s audience share seem, at a first glance, to point towards some positive results. RAI’s share in prime time has increased 3.04 per cent points from January to June 2001. In the same period, the prime time share of Mediaset (RAI’s commercial competitor), has decreased 3.26 per cent. The 8 p.m. news bulletin program on RAI1 flagship channel, “Tg1”, received an average audience share of 34.31 percent in the month of August 2001, 7.53 percent more than its commercial competitor, “Tg5”.

Meanwhile, for RAI flagship channel, RAIUNO, the average viewers in prime time has remained constant from 1998, whereas the average viewer per-hour has increased.

However, these encouraging data fail to provide necessary and crucial information on whether, for example, the most watched programs on RAI are U.S. or other foreign products or re-runs or domestically produced programs modeled after American programs. With a closer look, in fact, we noticed that the highly rated programs on a randomly selected day (September 19, 2001) were “The Quiz Show,” (cloned from the British “Who Wants To Be A Millionaire?”), and “Law & Order” and “Zorro” (both U.S. imports).

In Australia the situation is not rosy either. Until one year ago or so, also the Australian ABC could claim that its audience share was slightly increasing. However, in the first eight months of this year, audience share for the ABC has plummeted despite the director-general’s commitment to make popular programmes to attract more audience.

Similar conditions in the UK, where the BBC flagship channel, BBC1, has been loosing viewers in what observers define as a ‘brutal and intensifying’ terrestrial competition with ITV.

**Digitalisation**

In order to meet the challenges of globalization of the media markets and enter the digital platforms, public broadcasters are encouraged to “be ambitious, imaginative and resolute”, and offer new services in the new technologies. Public broadcasters across the world are determined to fully participate in digital technologies, and, as with Yleisradio Oy (YLE) the Finnish PSB, to be the main national content provider for digital communications. At the European level, the role of public service broadcasters in digital communications is strongly encouraged: “the choice of channels increases through digital technology, so too does the need for trusted broadcasters providing reliable information and programming for all. Greater quantity does not mean greater quality: the role of the EBU and its members—serving all citizens of Europe—will only grow as the media market becomes more crowded” (Albert Scharf, President of the European Broadcasting Union, quoted in Tracey, 2001). Strong public service broadcasters, the European Broadcasting Union states, are needed to

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create a “socially inclusive digital environment...[in such environment] quality European audiovisual content production needs to be encouraged along with creativity in the development of new media”.

BBC Online, for instance, has become Europe’s most visited web site, and this, according to Colin Browne (former director of Corporate Affairs at the BBC), demonstrates that “public service values can find exciting new vehicles in the digital age”. However, the move towards digitalization has spurred intense criticism and debates at the national level. The BBC’s plans for digital expansion, for instance, have drawn critiques from those who would like to see the BBC more committed to fulfilling its public service mandate. Let’s give an example. In June 2000, right after the government had increased the license fee, the BBC, headed by Greg Dyke, lost to ITV the football icon series *Match of the Day*, one of the BBC’s most popular sport series. On that occasion, critics argued that instead of pumping taxpayers’ money into the BBC News 24 channel (“that scarcely anybody watches”, as somebody commented), efforts should have been made to retain the football program.

In Asia as well, public service broadcasters have been aggressive in ensuring their presence in the digital environment. The Japanese public service broadcaster, Nippon Hoso Kyokai (NHK), for instance, has begun digital broadcasting on January 1, 2001, providing pitch-sound quality of Hi-Vision (HDTV) along with data broadcasting. The Japanese public service broadcaster is also present with a 24-hour channel (NHK Digital Hi-Vision), which offers news, sports, entertainment, dramas, and documentaries. NHK is also broadcasting its main news programmes in digital Hi-Vision.

In Canada, according to the CBC Annual Report, 2000-2001, audience research reports that the CBC web sites are considered highly reliable by users: 21 per cent of Anglophone web users rely on the information they gather from the CBC web site, and 33 per cent of francophone internet users believe that Radio Canada is the most credible source of information.

On the other side of the globe, the Australian ABC is also pursuing digitalization. With the Government financing only fifty per cent of the second phase of the ABC’s Digital Broadcasting Conversion costs for the year 2000, the Australian public service broadcaster has been proceeding toward digitalization of its radio and television studios, and commenced digital transmission on January 1, 2001. Not only, then, digitalization is proceeding at a fast pace, public broadcasters seem to be considered reliable sources compared to others on the internet.

Notwithstanding these positive numbers, and even though the race towards digitalization is necessary for survival, the broadcasters’ attempts to re-define their public service role in the new digital environment is troubling and unclear. Critiques have been made against ABC’s director-general Jonathan Shier, for instance, for focusing too much on digitalization while undermining the “core business” of TV and radio. Furthermore, the

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commercialization of the ABC’s web site has recently caused concern among staff who fear that the online editorial policies will change as ABC online endorses commercial links. Journalists are concerned that such “endorsements are product promotion, and [will] undermine the [ABC’s] editorial integrity” (“Aunty tangled in nasty Web, ABC staff fear”, in *Sidney Morning Herald*, July 24, 2001). Recently, the ABC announced the launch of its kids channel with all-Australian programmes. Unfortunately, however, only those people with a decoder will be able to watch the programs because the service will be broadcast in digital format. Hardly a “universal service”!

**A Core Site of Struggle: Children TV**

The problem is that public broadcasters are caught in between Scylla and Cariddi, i.e., on one side they have to reinforce their “core services”, while on the other, they are expected to promote digital alphabetization, accelerate the take-up of integrated digital TV sets, and, of course, be competitive.

The debates surrounding the new children digital channels that the ABC is launching are emblematic of such struggle between two conflicting notions. The current debates in the UK bear to the point. As we write this report, the UK government has approved the BBC’s ambitious plan for digital expansion. The plan, which was first proposed by director-general Greg Dyke last January, consists of for four new digital television services, BBC3 and 4, plus two children’s services. The cable, satellite and digital broadcasters (who were quite successful in thwarting the BBC’s plans for a digital license fee in 1999) have obviously opposed the plan. The commercial broadcasters argue against the BBC digital expansion fearing that their own revenues, and, together with them the quality of their outputs, will plunge (some observers fear that the new BBC kids channels might luckily suck up most of the advertising revenues). They argue that the BBC should stick to its public service mandate, thereby creating digital services only for those viewers who are not catered by commercial broadcasters (like the elderly). The BBC justifies its free-to-air kids channels assuring that they will bring quality programmes without advertising, encourage the switch towards digitalization of TV sets, and stimulate the independent producers’ sector (who, indeed, seem to welcome the decision of the government to approve the BBC’s digital expansion). The Corporation promises that 80 per cent of its programming will be “made in the UK”, but does not specify what portion of its schedule will be repeats, and whether the US imports will be shown in prime time.

These debates, as we said, go right to the heart of the controversy: how should the public service remit be conceived in the digital era? What are the spaces and the rationale for its legitimacy? Furthermore, the fact that such debates are happening around the kids channels is also indicative of the intense struggle around children programming. As such, children’s TV is a perfect example of the PSBs’ on-going conflict between their public service remit and their commercial necessities.

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8 Gerald Kauffman, “you’re throwing money at all the wrong targets, Mr. Dyke”, *Daily Mail*, June 16, 2000.
Finances
The CBC has seen its government funds cut steadily in the last five years. In the 1999-2000 report, the Corporation announced that it would no longer have guaranteed access to the Canadian Television Fund, neither would it be able to access the Equity Investment Project. The 1999-2000 report confirmed that the “CBC will continue to be affected by the increased competition for audience and advertising revenue from new television services” and that the continual cuts will jeopardize the corporation’s ability “to sustain a high quality and competitive all-Canadian television schedule”. It will be interesting to follow what will happen next, now that Carole Taylor, a former advisor to the federal Liberal Party’s platform, and close aid to Prime Minister Jean Chretien (long-time foe of CBC), has been appointed chairwoman of the CBC. Taylor and Donald McDonald, recently re-appointed chairman of the ABC, both share a history of supporting government cuts to the public sector. Things like these go a long way in revealing the dominant philosophy underlying top management’s decisions and preferences.

The diminishing funds have had serious effects on what the CBC has been able to achieve. Since director-general Rabinovitch took office, his goal has been to strengthen the corporation services and its programming, and to downsize it, as when, last year, he announced plans to cancel the 14 hour-long regional newscasts. Even thought the cuts were not implemented as Rabinovitch had envisioned, the CBC proceeded in reducing local news programming and cutting hundreds of jobs. Such drastic solutions, which resulted in low morale among employees and fierce attacks from the national press, unions, and politicians, had already been announced in the 1999-2000 annual report. On that occasion, Rabinovitch wrote that “since the majority of CBC’s funds are spent on employing human resources, productivity improvements will translate into staff reductions in areas of the organization where operational changes can be implemented without effecting the on-air quality of programming.” It is interesting to notice that while the available funds for television and radio services and transmission and distribution had been constantly diminishing from 1995 to 2000, the expenses for corporate management had been increasing over the same 5-year period. This fact did not go unnoticed in the press. On September 15, 2000, the Ottawa Citizen noted, that “the CBC [was] laying off 300 employees countrywide, but that this number [did] not include a single manager—and that was, the reporter noticed—very typical of CBC!” Such a quote is representative of a wide spread lack of trust and respect for the corporation, and the growing animosity against its management.

In Australia the situation is similar. Low morale among employees, changing editorial policies due to increased commercialization, closer ties between the top management and the government of the day, job cuts, poor programming, increasing political interferences, are some major problems that have been facing public television in Australia. Even though new funds have been recently granted to support local programming, ABC’s public money has been reduced over the years. Since 1997, the corporation has embarked on the most comprehensive outsourcing program in its history, and, as a result, its “programmes are being replaced by cheaper overseas buy-ins and re-runs”. (John Millard writes in an opinion piece on January 20, 1999, on The Sidney Morning Heralds). As the Australian government reduces its support, ABC shops and ABC centers have
been providing the corporation with strong cash flow. But the increasing commercialization, carried through even more forcefully by the current director-general Jonathan Shier, has been stirring public debate and causing a diminishing popularity of the ABC among Australians. Shier, who came to the ABC from commercial television, planned to deeply restructure the corporation chasing audience share and intense commercialization. Instead, ABC programs have failed to rate in the top 20 in the spring of 2001, while ABC’s share has decreased in the first months of this year. Shier has been often accused of ‘crimes’ against the ABC: finding and staff cuts, the decline of Australian programming, low staff morale, long-term and popular staff being sacked, department heads leaving, and increasing political interference in programming and editorial policies (recently Shier, for example, pulled off the air a program intended to investigate into political scandals involving a member of his own Liberal Party). On the production side, various observers accuse the current director-general of having caused many in-house producers and technicians to leave the corporation, which makes it difficult to believe in the ABC’s ability to produce quality local dramas. The corporation is also loosing its contracts with the independent production industry (on which the ABC increasingly depends for local products). According to some sources, the difficult relationship between the independent producers sector and the corporation has become worse under Shier’s leadership. Recently Cox Knight Productions, for instance, took its drama series (one of the highest-rating programs in Australia) away from the ABC, and made a deal with Channel Ten.10

A Critical Analysis

More hours of news and current affairs, a commitment to devolution, not only in the news, but also in drama and fiction (BBC Annual Report 2000-2001), more hours devoted to children programming (CBC) and new children entertainment and culture channels (BBC and ABC, August 2001), and the broadcasters’ presence in the digital context: all seem to confirm some degree of optimism. However, the rosy conditions described in the annual reports appear less rosy when looked at more closely.

“The language of conversations of these broadcasters are actually, and predictably, being defined for them, rather than by them. It is the language of that world of communication which is driven by technology and market forces” (Tracey, 2001). The McKinsey’s report indeed underlines in various occasions that the organization has to be “[a] lean organization, as—if not more—cost-effective than its commercial rivals; and able to market its unique benefits effectively to its audience” (p. 36). Public broadcasters do not dictate the pace of transformation; in fact, they better learn quickly how to speak the language of competition and new technologies, and recite the mantra of choice and individual freedom. Take a look at RAI’s annual report and you will get a sense that the public service remit is almost a burden for the corporation, which is, now more than ever, projected into competition and markets in that peculiar mixture of political and broadcasting systems that is the Italian landscape. By reading RAI’s annual reports, one gets the feeling that RAI’s public service mandate is merely felt, at least by the management, as a duty that must be carried on, without much enthusiasm.

Overall, the public service remit appears, at its best, a noble mission to pursue, at worst a formal duty to comply with in order to access public funds. Something, the public service mission, that, as the BBC chairman recently wrote, “we need to continuously remind ourselves of”, as it is in constant peril of being forgotten even by the broadcasters themselves! In any case, what seems to obsess the broadcasters is to ensure funds, to be competitive, and to chase audience. It is not the public service ideal that sets the tone of the discourse, but rather the values of the market and the pace of technology.

The McKinsey’s report also pointed out that the presence of distinctive public broadcasters in any given market was likely to set off “a virtuos circle” with their commercial competitors, as “there is a strong linkage between the health and funding model of the PSB and the overall quality of each national broadcasting market” (p. 4). Examples from previous years are *Pride and Prejudice* on the BBC, which prompted ITV to create *Moll Flanders*, and Channel 4, *The Camomile Lawn*. This is a good point, one that underlines that public service broadcasting is not only good for its own viewers, but also for the ones who do not even watch it. “The public value of civic broadcasts—writes David Cox—may prove greater than might be suggested by the size of their audience”. More recently however, some observers have noticed that there is an improvement in the range and quality of pay-TV. *The West Wing* on E4 (Channel 4’s new digital channel), the History Channels, and Artsworlds, represent quality commercial digital television. Consequently, these observers argue, the BBC “can no longer claim a monopoly on quality.” These examples, however, are not sufficient to claim that the market can provide quality TV. Most of the things on pay-TV is and will continue to be “dreadful—third rate American movies and sitcoms, or shopping”. We believe, indeed, that quality can only be nurtured by creating an environment in which creative talents can thrive sheltered from the necessities of the market. In that resides much of the value of a public service broadcaster, also, maybe even more so, in the digital era.

For the PSBs to stay strong and to influence the market, their core services should be strong. However, we noticed that, pressed by the necessity to offer new services, PSBs tend to undermine their public service programs and seclude them in specific channels (see RAI3 in Italy, or BBC in the UK, as examples). The danger is that the public service might become a niche service, a “burden” as it seems to be for RAI, rather than being the foundational philosophy informing the institution as a whole.

Other problems that we encountered are the working conditions of the employees, journalists and creative people alike. They have been suffering from the downsizing, job cuts, and management practices that, as somebody put it (referring to Jonathan Shier of ABC), “are over-obsessed with ratings”. How this “obsession for ratings” is influencing the editorial policy, the creative freedom, the working conditions and consequently the outputs of public service broadcasters is a crucial question worth to be further explored.

Consistent and reliable funding is obviously a major problem and all the PSBs that we analyzed are restructuring their operation, downsizing, and offering new services. Even thought the license fess were increased in both
Italy and the UK, in the future such sources of income will become more and more indefensible. The alternative is to have commercial resources of revenues and/or subscription. RAI is an example of a public broadcaster 44 per cent of whose revenues come from advertising. As it is true that "the problem of advertising is not the source, but the linking of the raising of advertising to ownership and control of the system" (Tracey, 2001), we are also aware that broadcasters who must rely on advertising money tend to become less distinctive and, therefore, to have less of an impact on the overall broadcasting market. At any rate, advertising resources are also destined to diminish. The trend in most PSBs seems to be towards expanding services and pumping the revenues from commercial arms into the "core services".

Overall, the contradiction between commercial needs and public service mission has become even more acute in the digital environment as all broadcasters are struggling to define their role in the new environment. They need, as Renato Parascandolo (head of RAI Educational) told us, a ‘bureaucratic imagination’, which is inherently contradictory.
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