



Videocracy or pluralism? The ongoing challenge

by **Vittorino Ferla**

A 20-nation report profiles the current state of regulation, policy and independence in European television. In the light of the generalised failure of public service broadcasters, it would appear that commercial channels are destined to get the upper hand, even as Eastern European countries become increasingly "European", for better or for worse

Television used for political aims; a market divided between public service and commercial television, an advanced process of concentration into big groups and an increasingly video-dependent European population: these findings, which liken the Italian experience to that of other EU member States, emerge from the latest report of the Open Society Institute (OSI) on regulation, policy and independence in European television.

EU RADIO AND TELEVISION MARKET
ANALYSIS BY BROADCASTER TYPE (1998–2002)

	Total net turnover (in million €) 1998	Total net turnover (in million €) 1999	Total net turnover (in million €) 2000	Total net turnover (in million €) 2001	Total net turnover (in million €) 2002	Net turnover trend 2002-2001 %	Percentage of total net turnover 2002 %
Total	50,213	56,961	63,269	66,259	65,387	-1.3	100
Public-service broadcasters (radio & television)	23,353	25,689	26,896	28,549	27,769	-2.7	42.5
Commercial broadcasters (television)	14,548	16,640	18,713	18,187	17,349	-4.6	26.5
Commercial broadcasters (radio)	3,302	3,302	3,893	3,898	3,935	1.0	6.0
Telesales broadcasters	727	1,034	1,297	1,518	1,730	13.9	2.1
Pay-TV	2,989	3,320	3,569	3,784	3,915	3.5	6.0
TV packages	3,671	4,956	6,485	7,410	7,722	4.2	11.8
Theme channels	1,623	2,019	2,416	2,912	2,967	1.9	4.5

Source: European Audiovisual Observatory



The report confirms that television is the primary source of information for most Europeans and remains widely considered the most influential medium in forming public opinion. The figures speak for themselves: close to 4,000 television channels are now available in the 25 European Union (EU) member States and the other 10 countries aspiring to join the Union.

The report, which is an extremely important contribution to the ongoing debate on the future of television in Europe, contains a general overview as well as 20 country reports on the state of television, both public service and commercial.

It is precisely the comparison of public and private that makes it clear that television broadcasting in most European countries functions as a “dual” system of public service and commercial broadcasting. Public service television – considered a vital element of democracy and part of European culture – enjoys special esteem at the policy-making level. However, public service broadcasting is on the brink of radical change. The technological revolution is unstoppable and 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

_Public broadcasters in Eastern European countries are changing radically, starting with the now unstoppable technological revolution, which favours commercial television stations. Above: the control booth of a European television studio; facing page: a studio in Sarajevo

TOP TEN EUROPEAN TELEVISION GROUPS (2003)
CLASSIFIED BY UNCONSOLIDATED OPERATING TURNOVER

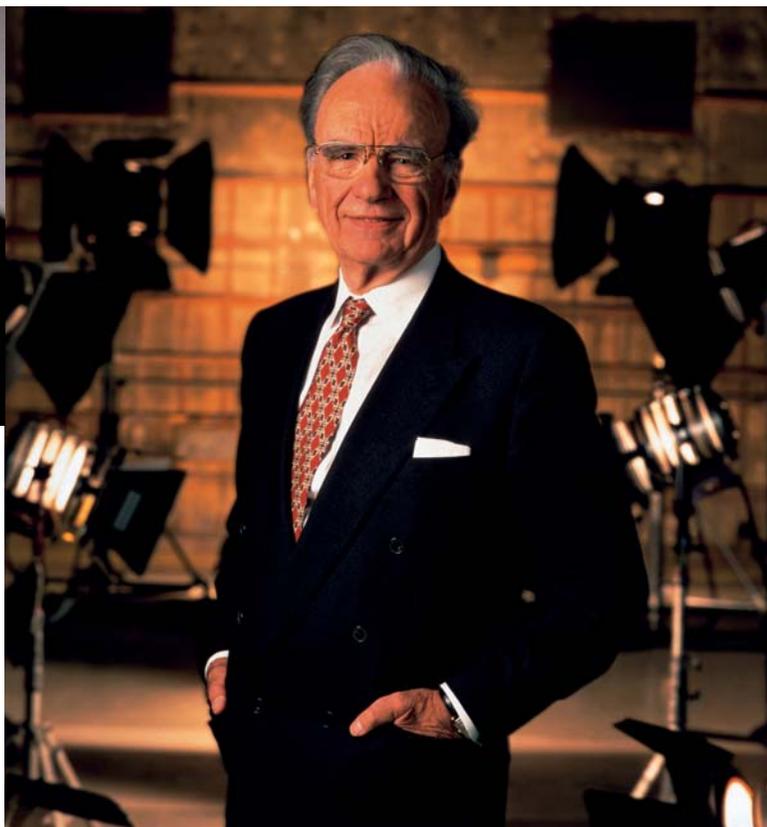
Position	Group	Country	Principal lines of business	Type (public/private)	Unconsolidated operating turnover (millions of euros)
1	British Sky Broadcasting	United Kingdom	TV	Private	4,242.1
2	BBC Home Service	United Kingdom	TV+Radio	Public	4,214.1
3	RAI	Italy	TV+Radio	Public	2,736.7
4	RTI	Italy	TV	Private	2,008.2
5	ZDF	Germany	TV	Public	1,778.4
6	TF1	France	TV	Private	1,596.2
7	RTL Television	Germany	TV	Private	1,589.0
8	Canal+	France	TV	Private	1,585.0
9	France 2	France	TV	Public	1,573.5
10	France 3	France	TV	Public	1,416.0
Total					22,739.2

Source: European Audiovisual Observatory

BERTELSMANN

media worldwide

Grazia Neri/AFP



The lead players in the growth of post-Communist television are big media groups in a position to control the bulk of the television market. The Bertelsmann group is present in the print media in Eastern Europe as well as via a commercial broadcaster, Rtl 7. Right: Rupert Murdoch; facing page: Silvio Berlusconi

GROSS ADVERTISING SPEND (2003)

CLASSIFIED BY TOTAL PER CAPITA GROSS ADVERTISING SPEND

Country	Per capita gross television advertising spend (€)	Gross television advertising spend (millions of €)	Total gross advertising spend (millions of €)	Share of television advertising (%)	Channel with the highest share of advertising in the market (share as %)	Channel type
Italy	164.17	9,143	25,624	35.7	Canale 5 (33.1)	Private
Hungary	91.34	924	1,412	65.4	TV 2 (58.0)	Private
Germany	90.00	7,428	17,407	42.7	RTL (30.7)	Private
U.K.	88.42	5,237	11,986	43.7	ITV1 (51.4)	Private
France	87.10	5,373	16,366	32.8	TF1 (54.4)	Private
Turkey	82.31	5,866	7,855	74.7	Samanyolu TV (20.5)	Private
Slovenia	82.17	161	276	58.3	Pop TV (57.6)	Private
Slovakia	53.65	288	411	70.1	Markíza (76.2)	Private
Croatia	53.15	235	394	59.8	Nova TV (55.1)	Private
Romania	51.50	1,117	1,294	86.3	Prima TV (26.6)	Private
Latvia	49.45	115	NA	33.5	LNT (37)	Private
Czech Rep.	48.89	500	1,034	48.3	TV Nova (66.5)	Private
Lithuania	48.35	167	231	72.3	TV3 (48.4)	Private
Estonia	44.59	60	101	25.6	TV3 (53.7)	Private
Poland	36.82	1,406	2,410	58.3	TVP1 (25.5)	Public
Serbia and Montenegro	25.94	210	261	80.6	Pink TV (46.2)	Private
Bulgaria	17.28	135	193	70.0	bTV (45.1)	Private
Macedonia	16.63	33	44	75.8	A1 (38.3)	Private
Bosnia and Herzegovina	4.69	11	18	63.8	FTV (50)	Public
Albania	4.42	7	14	54.0	ND	ND

Source: IP International Marketing Committee



PUBLIC TV: PERCENTAGE OF AUDIENCE (2003)

Country	Public television share of daily audience (as a percentage)
Croatia	72.9
Poland	51.2
Italy	48.6
France	46.4
United Kingdom	46.2
Germany	44.4
Serbia and Montenegro	35.5
Romania	35.0
Slovenia	34.7
Bosnia ed Erzegovina	31.8
Czech Republic	30.2
Bulgaria	24.8
Slovakia	21.8
Macedonia	21.2
Lettonia	18.4
Hungary	17.5
Albania	ND
Estonia	16.7
Lithuania	11.8
Turkey	9.9

Source: European Audiovisual Observatory; IP International Marketing Committee; EUMAP research

traditional justification for their privileges.

From the political point of view, public service networks in Western as well as Eastern Europe suffer from a marked dependence on political parties and Government. However, particularly when financially backed by politicians or part of larger enterprises operating in other sectors than the media, commercial television can also become an instrument for pursuing political or business interests.

The comparison of these two sectors offers interesting points for reflection. The country reports in fact cover all the States of Central and Eastern Europe, South-Eastern Europe, a few selected Western countries and Turkey. In particular, the report covers the eight Central and Eastern European countries that became EU members in May 2004 (the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia); Bulgaria and Romania, awaiting membership in 2007; two candidate countries (Croatia and Turkey), four older member States of the Union (France, Germany, Italy and the U.K.) and potential EU candidates in South-Eastern Europe (Albania, Bosnia Herzegovina and the Republic of Macedonia), and also contains a special report on Serbia.

It emerges from this comparative analysis that television markets across Europe are highly concentrated both in terms of ownership and viewership (although in Western Europe there is a higher concentration than in Eastern Europe). However, in the past decade the transition countries have seen mergers and acquisitions and the establishment of large media groups controlling much of the broadcasting market.

TEN COUNTRIES, TEN TELEVISION BROADCASTING METHODS

From Albania to Slovakia via all the European new entries, the television profiles of ten countries getting to grips with the problems, hitherto unknown to them, of the media. An often-unregulated process of liberalisation and privatisation has led, in the growth of television in post-Communist countries, to a variegated scenario with one common denominator: the introduction of public service television modelled on Western Europe and the entry of foreign investors. These countries are adapting at different speeds to the guidelines dictated by the European Union



ALBANIA

257 CHANNELS, BUT WHAT GETS ON TELEVISION?

The radio/television system needs to be restructured. Despite progress made by private TV, the rules that should regulate the market in this sector are still chaotic. The main regulatory agency, the National Council for Radio and Television, has limited powers and insufficient financial resources and the journalists of this country work under truly difficult conditions.

Covering about 73% of the country, programs broadcast by State-owned networks reach many more households compared with the programs of commercial networks, but the commercial stations are much preferred to State-owned ones. The cultural and more serious programming of State-owned television seems inadequate and lends itself to accusations of bias in favour of the executive power. Political pressures, especially when elections are close, are rather strong.

The issue of funding sources is murky. Even if the fees paid by subscribers are supposed to be the main source of funds, in fact they are not. More than half of State-owned television's revenues come from the national budget, and there is little transparency in the way this money is spent.



BOSNIA-HERZEGOVINA

TELEVISION IS HOSTAGE
TO POLITICS

Bosnia Herzegovina is the only country in Europe that doesn't have a single public-service provider that broadcasts to the entire country; instead it has three State-operated television companies which compete among themselves, just like their commercial TV counterparts. With more than 100 private networks authorized, all trying to survive in an extremely poor market environment, commercial television is in over-supply and is as inefficient as State-owned TV.

The complicated system of governance of State-owned TV, imposed as part of the Dayton Accords of ten years ago, has encouraged management to emphasize national interests rather than respond to the needs of the citizens. Just recently, in October 2005, regulations were adopted to restructure the sector but which also set up a cumbersome and politicized system – with four legal entities – a sure bet to become too costly for this poor country and too rigid to last very long.



BULGARIA

HOW DISTANT
ARE EUROPEAN STANDARDS

Despite the reforms that have characterized this sector over the past seven or eight years, the television industry is still dealing with serious problems in Bulgaria, the worst of which is a less than total compliance with EU standards and guidelines. For the most part laws are inadequate and policies governing new technologies have still not been completed. The public service and the Authority which governs the industry still suffer from a lack of independence from political power, while the commercial television networks are insufficiently transparent as to their ownership and funding of the means of communication. On one hand, political interference is due in large part to the composition of the agency that regulates the industry; its members are elected from among the state authorities. On the other hand, interference by economic power is made possible mainly because of the inefficiency of existing legislation.



CROATIA

MOVING SLOWLY
TOWARDS INDEPENDENCE

In recent years Croatian television has undergone major reforms which have led to change, and these need to be strengthened in order for public



The development of post-Communist broadcasting in Central and Eastern Europe has been characterised by the introduction of Western European models of public service television and the influx of foreign investors. In building their public service television systems, the countries in this region have mainly drawn inspiration and concrete example from British, French and German models. Today, the countries monitored in this report are no longer separated by major ideological or philosophical differences, which also affects broadcasting, but the degree of “Europeanisation” in the CEE and SEE regions, in terms of both political liberties and media structures, varies widely from country to country. The essential difference lies in the greater vulnerability of public service broadcasting in the Eastern European countries to political and economic pressures.

During Communism, in all Central and Eastern European countries television was used as the mouthpiece of the ruling party, and usually served to glorify the countries’ political leaders. In the 1990s, the State broadcasters in the new European democracies began a gradual (but as yet incomplete) process of transformation towards a model of public service television. Meanwhile, there was an explosion of commercial channels, which were often unlicensed and illegal. Adapting to the Western European model of organising the broadcasting sector was, for many Eastern European countries, 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.

In transition countries, public service broadcasters often lack



funding and face political interference and pressures, as well as low professional awareness. Many reporters for this research wrote that in their countries the distinction between the public service and commercial networks has become increasingly blurred in terms of programme content and quality. Investigative journalism and minority programming are scarce commodities in both public and commercial television. Newscasts have often become markedly tabloid, particularly on commercial television.

The condition of public service broadcasting in Europe's new democracies gives special cause for concern. 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 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.

The reports also provide a rich picture of current and potentially troubling developments in three main areas: broadcasting regulators, public service broadcasting and commercial television.

Broadcasting regulators are bodies that make the entire broadcasting system work. They grant and oversee broadcasting licences and counter the development of monopolies. It is therefore vital that regulators be fully independent of Government, both in their operations and in their funding. Yet, we learn from the country

service to become a reality, one that is truly independent and capable of protecting the journalists of both State-owned and commercial TV from economic and political pressures. On the other hand, the commercial networks, even though they have greatly increased their programming, are still dealing with the problem of transparency. Until the 1990s government pressure on the Croatian radio/television system hindered the country's integration into Europe. Since that time, independence and professional standards have improved, leading to greater impartiality in reporting the news. A new government was elected in 2000 and this too played a role as the government has generally avoided manipulating content.



ESTONIA

CLEAR RULES FOR TV ARE NEEDED

Despite enormous progress having been made with the creation of a State-owned radio/television system and the corresponding liberalization of the private sector, Estonia suffers from inadequate regulations for governing the industry, and an incomplete adjustment to international standards. Rules that regulate the entire system need to be reformed, and funding for this public service is uncertain as well as insufficient. Clear rules are also lacking for regulation of concentration in the media industry, as are definite procedures to respond to the complaints of citizens, or guarantees to ensure the editorial independence of commercial networks.



LATVIA

TV REFORMS: THEY ALL NEED TO BE REDONE

Ten years of major reforms in the Latvian television system have not solved certain problems – such as regulations based on agreements worked out by the major players. Regulation of the industry has suffered from a lack of independence, a situation that might worsen if the bills being considered by Parliament were to be approved. Autonomy and the system for funding public-service TV are unfinished projects and the industry is suffering from particularly restrictive conditions which limit Russian language programming. Lastly, Latvian journalists suffer from a lack of shared professional standards and inadequate training.



MACEDONIA

WHERE MEDIA IS CONCERNED, IT'S THE GOVERNMENT THAT DECIDES

The process of reforming the media system in the Republic of Macedonia has been underway now for over a decade. The media landscape was initially filled by more than 300 private radio and television broadcasters, and to put an end to such a chaotic situation the Government had to introduce a moratorium on new licenses. The main laws that regulate the industry were passed six years after the country gained its independence and are still in force.

The Authority was created in 1997: its composition reflects the relative strengths of the major political parties in power; it is economically independent due to the fees paid by the subscribers, but it has limited prerogatives as its powers are only consultative. Major decisions are taken by the Government – which grants licences and can take them away – and can penalize the companies that operate in the industry.



POLAND

AFTER THE CORRUPTION, WHAT'S NEEDED IS REFORM

Poland has still not succeeded in setting up consistent information policies based on a broad consensus of the parties in Parliament, and this is primarily due to the fact that the regulatory agency, the National Broadcasting Council, is composed of members chosen exclusively on the basis of their political affiliations, and, according to official sources, inclined to commit serious irregularities when licenses are handed out.

It should not be forgotten that the very enactment of laws to regulate the radio/television sector in Poland was at the centre of the most serious scandal in the history of this country's democracy; it was the "Rywingate" affair, a system of corruption put in place to obtain changes and favours as the media laws were being drafted.

Even though the scandal forced changes in the composition of the National Council and provoked a clamp-down on political interference in the programming of this public service, these changes have yet to show much effectiveness. The report published by the OSI has made recommendations to the Government and the Parliament aimed at rethinking the role of the Authority – from the ground up – putting in place procedures to ensure that the professionals remain politically neutral, and taking the appropriate steps to make the criteria for granting licenses transparent and fair.

reports that such independence is in jeopardy. Appointment processes are often flawed, resulting in Government officials' "favourites" being appointed to high roles in regulatory bodies. Regulators are insufficiently funded, and thus unable to carry out monitoring and other tasks essential for the oversight of broadcasters. In some cases, they are also not given sufficient sanctioning power to have a real impact on the national broadcasting set-up.

Perhaps one of the most significant findings of the reports is that there is no single "model" that fits the needs of all regulators, in so far as their independence goes. An appointment procedure that produces a highly independent regulator in one country will not necessarily do so in a different country. A procedure that empowers civil society to make appointments can be effective in countries with active and independent civil society players and not effective in those with weak civil society. Context, we learn, is ignored at considerable peril.

Public service broadcasting, the reports clearly show, is facing an identity crisis. The advent of commercial broadcasting – often by deluge – has put enormous pressures on public service broadcasters to enter into "ratings wars" with commercial broadcasters. The



THE OPEN SOCIETY FOUNDATION

The Open Society Institute (OSI) is a private foundation created in 1993 by investor and philanthropist George Soros, which aims to shape public policy to promote democratic governance, human rights and economic, legal and social reform.

On a local level, OSI implements a range of initiatives to support the rule of law, education, public health and independent media. OSI also works to build alliances across

borders on issues such as combating corruption and rights abuse. Founder and Chairman George Soros, a Hungarian national, survived the Nazi occupation of Budapest. Having left for England in 1947, he began collecting funds to help black students attend the University of Cape Town in apartheid South Africa in 1979. Influenced by the work of the philosopher Karl Popper, Soros has always worked, through his own organisations, to implement programmes involving educational institutions and media. He created OSI to support the philanthropic foundations he set up starting in the 1980s in Eastern and Central Europe and the former Soviet Union to help countries make the

inevitable result has been the “dumbing down” of public service content in many countries.

Finally, the diversity of content and impartiality of news content is becoming increasingly at risk in the commercial broadcasting sector, where cross-ownership is on the rise, ownership structures are becoming increasingly opaque and the number of broadcast media players is radically shrinking. The lack, or retreat, of pluralism in television is spreading across the regions covered in the report and is threatening the information and cultural needs of citizens.

The pressures are great, and so are the challenges. The report’s recommendations point a way forward, with an aim to securing a central role for broadcasters in the process of democratisation, and in the service of the right to information held by all.

transition from communism.

The Open Society Institute has now extended its network, which encompasses more than 60 countries, to other parts of the world – Africa, South America and Asia as well as the U.S. – where the transition to democracy is of particular concern. These organisations are primarily engaged in building and maintaining open society infrastructure and institutions. Two specialised programmes within OSI compiled the television report outlined above. The EU Monitoring and Advocacy Program (EUMAP) monitors selected human rights and rule of law issues in Europe together with local NGOs and civil society players. EUMAP reports promote the active engagement of civil society and encourage a direct dialogue between governmental and non-governmental players on human rights and rule of law issues. The Network Media Program supports independent media and quality journalism. Concretely, it supports initiatives aimed at introducing media legislation that meets internationally recognised standards, enhances the professionalism of journalists and media operators, strengthens trade associations and establishes self-regulatory systems. OSI and the Soros Foundation network have invested over \$400 million annually over the last few years to finance projects related to civil society and rights protection.



ROMANIA

TELEVISION SAILING
IN ROUGH WATERS

Despite the rich media landscape, a law that should guarantee the independence of the means of communication and substantial foreign investment, the state of television in Romania is still like a ship in rough waters.

For a long time now, the public service has been suffering from a lack of independence from political power, while a look at the organizational charts of commercial television reveals disproportionate concentration and very little transparency. The most alarming fact is that in both the public and private sectors journalistic freedom is limited and the content of television programming is more and more scandalous and vulgar.



SLOVAKIA

LOTS OF PROGRESS,
BUT MANY PITFALLS

After almost a decade of “political” occupation, Slovakian radio/TV has made some unexpected progress in the space of just a few years.

But notwithstanding this progress, further reforms are necessary in the public service if its economic and political independence is to be guaranteed. In the private sector, there is a lack of transparency as to the ownership structures, while local televisions need greater pluralism. Even though the quality of television programming has improved, journalists still have not managed to carry out any full-scale investigative journalism which might check the scandalous events that so often afflict the information sector in Slovakia