



## **Public Service Broadcasting: "Future or Funeral?"**

### **The Dual System at a Crossroads – Defining Legislative Standards for the Survivability of Public Service Media – a civic research and advocacy project**

Any country has the right to decide what way to follow but the Poland citizens showed along the history despite the dramatic environment and constant struggles against powerful enemies that they remained a fiercely proud and unique people able to resist and win.

No doubt at all that it will be future for Public Service Broadcasting in Poland as it has to succeed in other countries to preserve democracy, increase media literacy, develop ethics in communication, prepare a better future for those who will come after us.

However to attain the target we must be acquainted about how the Public Service Broadcasting is defined, organised, structured and financed.

The experience collected along the past years emphasise the importance of the funds and its origins. Most European public service broadcasters have a mixed funding system, although the proportions of revenue from particular sources vary widely. The broadcasting fee is the traditional means of funding public service broadcasting and is often regarded as the most appropriate method. The vast majority of the remaining revenue comes from a combination of advertising and sponsorship of programmes.

In Portugal the Public Service Broadcaster (RTP) is grant and advertising allowed. RTP has faced strong competition since market liberalisation in 1992 and its share of the developing advertising market has declined noticeably in recent years, leading to an unstable overall revenue position for the broadcaster. As a

consequence, RTP developed a more commercial programme mix in an attempt to compete head to head with advertising rivals.

RTP's mixed funding system led both to audience share erosion and evidence of a dilution of distinctive public service programming. Steps are being taken with success after 2004, to reduce operating costs, stabilise its share at a lower base and to refocus its channels around a more distinctive public service proposition. The amount of financment is voted by the Parliament each year plus an income tax to be payable by consumers through the electricity bill.

Just to give an idea about the portfolio of RTP let me refer the Portuguese Audiovisual Communication Media Group that comprises the TV main channels RTP1 and RTP2; plus eight other TV channels and the same number of Radio stations. All these comprise the specialties of TV, Radio, Web, Mobile and Interactivity.

RTP International; RTP Africa; RTP Madeira; RTP Azores; RTP North; RTP Memory; RTP Mobile; and the radios stations Antenna 1, Antenna 2, Antenna 3, RDP Africa, RDP International, RDP Azores, RDP Madeira and Radio Mozart.

**As Prof. Vincent Porter refers about Europe's communications challenge in the 21<sup>st</sup> century**, EU moves with the new priorities established by Europe's leaders within the Lisbon Treaty which underline the growing recognition that the EU is not only a union of markets, trading in goods and services, but that it is also one of societies and peoples dealing in social values and human rights.

At the same time, the EU continues to expect broadcasting both to drive economic growth and to play a central role in the development and transmission of democratic, social and cultural values being the public service broadcasters especially crucial in the latter capacity.

It is also clear that the tensions between the EU's economic and political demands from the broadcasting sector are likely to become more intense in a period of economic downturn, since consumers may well cut back their expenditure on audiovisual entertainment, and they could also object to substantial increases in the costs of financing their domestic public service broadcaster.

Thus the recent expansion in the number of television channels could easily recede, and cuts in the budgets of public service broadcasters, including those which rely on the sale of airtime, could easily force them to reduce, or even to eliminate, their own output of democratically relevant programming.

In conjunction with the implementation of the Audiovisual Media Services Directive in several countries were pointed out important implications for future users of media in all EU Member States, reason why the board of European Alliance of Media Associations – EURALVA, take account of them for further decisions over the different matters who care to understand and avoid certain risks when the Directive come into force and the transposition to national jurisdictions will occur.

Among them we would like to refer, for instance, the payment for audiovisual media services. Indeed it is not merely an extension of television services, but it makes it possible for anyone to establish an on-demand audiovisual media service in which the user is required to pay for an audiovisual programme before actually watching it.

It is therefore important to ensure that, before he is asked to pay to watch the programme, the viewer is properly informed about the nature of the programme, and has been provided with sufficient information to take an informed decision.

It was also suggested that all domestic law specifically includes the requirement for the user to be provided with a catalogue of the programmes that are available on-demand.

In addition by requiring providers of on-demand audiovisual services to classify programmes in this manner, a Member State not only ensures that users are properly informed but also, the National Regulatory Authority in that Member State can establish for certain which specific provision of the Directive each programme is required to obey.

The Recognition of an Audiovisual Commercial Communication, and the Prohibition of Surreptitious Audiovisual Commercial Communication is another matter that counts to preserve our interests.

Besides the fact that AVMS Directive requires that audiovisual commercial communications shall be readily recognisable as such, and surreptitious audiovisual commercial communication shall be prohibited, the user of an on-demand audiovisual media service must be informed in advance, whether it contains advertisements or it has been sponsored, or includes tele-shopping, or contains product placement.

We should not forget that the expression «*surreptitious audiovisual commercial communication shall be prohibited*» sounds very nice but extends to surreptitious sponsorship, and to surreptitious product placement and this suggest a proper notification to viewers to avoid surreptitious intentions.

Another important point to watch inside the terms of the Directive at national level is about proposals for self-regulation or co-regulation which all of us certainly want to promote but if a disaffected viewer wants to appeal against a breach of the directive how will he, or she, be able to act?

As you could imagine the issue of Product Placement deserves a special attention and caution because it involves too much complexity and economic interests not yet totally revealed.

If we compared the protection given by the Television Without Frontiers Directive versus AVMS Directive viewers were protected from abuses by the advertising industry in three main ways.

There were quantitative restrictions on the volume of advertising allowed on television but more important any advertisements had to be broadcast separately from the programmes and clearly signalled to viewers as advertisements by optical or acoustic means.

The AVMS Directive has undermined the protections that television viewers currently enjoy and the proponents of increased liberalisation for advertisers, broadcasters and programme producers argue that improvements on media literacy will equip Europe's new generations of the new media to recognise the advertising that will be hidden inside the programmes.

The reality is rather different. The 27 different national laws and regulatory practices will not respond for the needs of the ordinary listener or viewer to avoid being duped. Nor a proper syllabus for media literacy has been implemented in order to adequate common interpreters to the understanding of so many tricks.

I would like to quote Commissioner Viviane Reding that said: product placement was introduced "to allow broadcasters and producers to find additional or alternative sources of financing and therefore to improve the level playing field with US competitors." Therefore the outcome of the AVMS Directive was to remove the

clear separation between programmes and commercial communications, which was previously guaranteed to Europe's television viewers, in order to allow Europe's broadcasters compete with those in America.

If I am giving so much emphasis to this matter that's because will be important be sure how these requirements will be implemented in practice, and by whom?

Each of the 27 Member States will establish its own arrangements. Moreover, the Directive also encourages Member States to set up co-regulatory or self-regulatory arrangements, which may well mean that it will not be the public authorities, but the broadcasters and the advertisers, who will set their own rules. This lobby is quite strong in almost every country and in Portugal they are making a *suit made to measure* according with their interests.

Evidence based on academic research about product placement in American television shows that advertisers are reluctant to pay for their products to be placed in television programmes if they know that audiences will recognise the subterfuge.

What they really want but we should not facilitate is *unconscious* brand recognition.

**Another issue equally important is connected with the fast development and the impact of the social networking sites.**

This is a new challenge to follow carefully not only because it has happened with a sudden increase with positive recognisable impact on society, guaranteeing and facilitating freedom of expression, creating and developing online communities, enable people to meet or rediscover friends and family members, but also with a negative facet.

As recently confirmed by the European Economic and Social Committee there are some apprehension from civil society organisations and associations, families and individuals who have expressed well-founded concerns as to the risk of the illegal and abusive use of this social network that is also known by "Twitter", "Facebook", "Linkedin", YouTube, and few more, with special focus to the use by minors and other vulnerable members of the public, especially people with poor digital literacy.

Furthermore the Committee suggested the use of Codes of Conduct and Good Practice among providers, in addition to good self-regulation practices, the

possibility of establishing co-regulation mechanisms and propose to continue studying the phenomenon.

No doubt that young people should be comprehensively educated on such matters from their earliest school years - an initiative that **ACMedia** implemented since the year 2000 through the project ***Education for Media*** - while proper support should be given to families and more suitable access-blocking or filtering tools should be developed and illegal or harmful practices in this area must be cracked down more effectively.

**An overall view over the new media** suggests different and dynamic ways of following up and the capacity for fast adaptable attitudes to deal with and accordingly to the reality we face everyday around the world.

Sometimes we are impelled to put *hands on* and drive intensively to achieve a better target. However we will not attain a sustainable success if we were not able to enthusiasm and involve the civil society to intervene in a conscious way to promote an effective participation to the practice of citizenship.

Let's also considerer Public Service Broadcasting as an asset that has to be valorised not less than a commodity and even under the classification of "intangibles" the goodwill is such and the add value is so much that we have no right to jeopardise it.

As all of you know, courage is also needed to preserve independence, avoid Government tendency to get involved, frustrate the abusive influence surreptitiously conducted by political parties, or other sort of intruder if not confined with the common good.

Freedom always pays a very high price.

Warsaw, 23 January 2010  
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