





Educational, Scientific and Cultural Organization

With the support of the Communication and Information Sector



# A Road Map to Public Service Broadcasting

Elizabeth Smith





Educational, Scientific and Cultural Organization



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### **Foreword**

UNESCO has been committed to promoting editorially independent Public Service Broadcasting (PSB) as a cornerstone of democracy and inclusive knowledge society. Made, financed and controlled by the public and for the public, it is neither profit nor state-driven, and should thus be free from both political interference and pressure from commercial forces. It should ensure pluralism and programming diversity. It should receive appropriate funding, be accountable and transparent. Once these conditions are met, PSB can be an essential part of a democratic society.

PSB faces few challenges to its role and its resourcing, even in countries where it exists. In some countries it has degenerated into state broadcasting with limited editorial independence and pluralism of expressed views. In other countries, PSB has never been introduced. It is therefore important to describe existing strategies and regulations on PSB, and whenever the political opportunity arises suggest the introduction of the PSB in a country. This booklet gives case studies of where positive regulatory transformation and pro-active PSB policy is taking place – Bhutan, Namibia and Sierra Leone.

UNESCO, together with other internationally recognized stakeholders, is willing and well-equipped to assist its Member-States to reform state broadcasters into public service media and to assist in regard to updating legislation, policy and practices, models of funding and role in a digital world. For example, this publication is a product of UNESCO's cooperation with the Asia-Pacific Broadcasting Union (ABU) and the Commonwealth Broadcasting Association (CBA), its traditional and long-standing partners.

Finally, I am grateful to Elizabeth Smith, former Secretary General of CBA and a world known expert, for authoring this book. I am sure that it will contribute greatly towards fostering PSB in all regions of the world.

### **Janis Karklins**

Assistant Director General for Communication and Information, UNESCO

### **Preface**

The debate about the evolution of Public Service Broadcasting continues to be of vital and urgent importance. This is especially true at a time when so much information is available anywhere at any time via digital media technology. The digital era has heralded more channels and more choice. What audiences choose to watch, listen to or engage with is critical for Public Service Broadcasters. To survive and thrive they must maintain audience support and funding, without this we will witness not only the decline of Public Service Broadcasting but a substantial erosion of the public media space.

Audiences are now able to choose media that reflects their own individual tastes, interests and viewpoints. It is possible to live in a personalised media 'bubble', an echo chamber that reflects rather than challenges or tests an individual's views and opinions. But there are still many occasions when a shared media space is vital for any society to function effectively. A public media space where people can share ideas and explore common identities and emotions.

For decades Public Service Broadcasters have provided forums for citizens to come together at times of emergency or disaster. They have been a platform for sharing national celebrations or grief. It's clear that many Public Service Broadcasters are well placed to continue or become the trusted public media space for the nations they serve. But to do so they must rise to the challenges of transforming for the digital era while maintaining the established principles and values of Public Service Broadcasting.

### Sally-Ann Wilson

Secretary-General, CBA. 2012.

# **Definitions of Public Service Broadcasting**

What is Public Service Broadcasting? This has been debated over the years. It does not stand still but constantly evolves. Currently it is moving from just broadcasting into the interactive world of Public Service Media. So I give below three definitions: a widely accepted one, the definition in the UNESCO Media Development Indicators, and one that I offer to capture PSB in the digital age. You will see that the essence of all definitions is that PSB delivers public value to listeners and viewers.

### **Principles that guide Public Service Broadcasting**

"An Asia-Pacific Approach to Public Service Broadcasting", edited by Jose-Maria Carlos, 2009<sup>1</sup>

"PSB:

Is for all citizens

Reflects diversity

Offers quality content

Practices editorial independence

Should be financially independent

Demands creative and professional human resources

Adheres to strong accountability practices

Cultivates strategic partnerships and collaboration"

### Indicators of PSB

### **UNESCO** Media Development Indicators 2008<sup>2</sup>

"PSB is broadcasting made, financed and controlled by the public, for the public. It is neither commercial nor state-owned. It is free from political interference and pressure from commercial forces. Through PSB, citizens are informed, educated and also entertained. When guaranteed with pluralism, programming diversity, editorial independence, appropriate funding, accountability and transparency, public service broadcasting can serve as a cornerstone of democracy."

### The attributes of broadcasting-led public service media:

### Elizabeth Smith 2011:

- 1. A clear and legal mandate
- 2. Nationwide access with maximum interactivity and crossplatform strategies
- 3. Opportunities to learn about, and participate in, national cultures
- 4. An independently-appointed strategic Board, with guaranteed protection from government and commercial interests
- 5. Editorial impartiality on political issues
- 6. Content for all communities, including all ages, both genders, and linguistic, religious and ethnic minorities
- 7. Substantial funding, ideally on a 3-year basis, with regular inflation reviews
- 8. A range of accountability and transparency mechanisms

### How to assess which organisations are full Public Service **Broadcasters:**

UNESCO's Media Development Indicators includes the following Key Indicators, among many others<sup>3</sup>:

- The goals of PSB are legally defined
- The public service remit of the PSB is clearly defined in law
- The PSB has specific guarantees on editorial independence and appropriate and secure funding arrangements to protect it from arbitrary interference
- The PSB is publicly accountable, through its governing body
- The PSB has a proven commitment to consultation and engagement with the public and CSOs, including a complaints system
- Public involvement in appointments to the governing body<sup>4</sup>.

Another way to assess Public Service Broadcasters could be through the use of standardised Key Performance Indicators. Some work has been done on this by Fulvio Barbuio, Head, Corporate Treasury & Performance Measurement, ABC. His work "Performance Measurement: A Practical Guide to KPIs and Benchmarking in Public Broadcasters" is a key document.<sup>5</sup> He runs the International Benchmarking Group, which aims to assist participating Public Broadcasters to improve their efficiency and effectiveness and strive for better practice. At the moment, however, the work is still ongoing. There is also a more complex but very thorough system detailed on http://www.certimedia.org/ which offers a Swiss-based Quality Management Standard for media and internet content producers.

http://www.unesco.org/new/en/communication-and-information/intergovernmental-programmes/ipdc/ special-initiatives/media-development-indicators-mdis/

http://unesdoc.unesco.org/images/0016/001631/163102e.pdf page 54

Published by the Commonwealth Broadcasting Association in 2008. http://abc.net.au/ internationalbenchmarking/

### Introduction

Public Service Broadcasting has been under attack from commercial rivals, and indeed from non-broadcast media, for many years. Some people, including in Asia and Africa, believe that it now an outdated concept which belongs to yesterday. The dazzling future is thought to lie with Pay TV and Pay Per View, or the proliferation of audio and video content via the Internet. The interesting thing is that, in Europe and in some other areas, public service broadcasting is doing well, and is leading the digital revolution.

This book makes no effort to cover every country. It focuses on those who have either achieved PSB, in a variety of countries, or are trying to do so. It is aimed at those who are thinking about going down this path, but do not know exactly how to do it.

So large areas of the world are left largely uncovered, such as the USA, China, Russia, and Central and South America. Instead the focus is on those countries, mostly in the Arab World, Asia and Africa, which have "national" or "state" broadcasters, and are now increasingly interested in how to improve the quality of their broadcasting. There is particular interest in broadcasting which does not act as an arm of the government but is impartial and independent, and more broadly supports local culture, democracy and development.

Although much of community broadcasting is run on public service principles, I am not covering this sector, but am focusing on how state broadcasters can be helped to make the transition.

This book also tries to open minds to the new opportunities offered to broadcasters by the digital switch-over to lead the way into interactive Public Service Media. Where broadcasting used to be about transmission outwards, we are now in a world where radio and TV are moving from passive, top-down broadcasting to being interactive. The audience is now increasingly a user, a player and a publisher. The audio and video product can be made available not just on radio and TV but linked to websites, electronic publications, electronic games, mobile devices, DVDs and social media. In more and more parts of the world, the user is becoming in charge of what he/she uses and when he/she uses it. He/she can also control whether he/she is a receiver or a giver of content.

Paradoxically, in addition to these high-tech developments, the digital switchover - by offering many more channels and radio frequencies can be used to help the developing world with many more languages and programme choices, for example for the rural poor and the marginalized.

The first chapter looks very briefly at some of the countries where there have been the most interesting PSB developments in recent years. Then there is examination in detail of how three countries - Bhutan, Namibia, and Sierra Leone – are currently trying to bring about their transformation to Public Service Broadcasting. And finally there is a road map for others to follow. outlining the basic steps that need to be taken.

The background to all this is that most national broadcasting organizations were set up in the 1930s to 1950s, with noble aspirations to be Public Service Broadcasters. In the developed world, many of these have settled into stable public service organisations, most notably in Australia, Canada, the UK, France, Germany, Japan, and South Korea.

With the decolonisation following the end of the 1939-45 war, many of the Public Service Broadcasters of the developing world evolved into state broadcasters, committed to "nation-building". Some of these state broadcasters have helped keep regimes in power with overt support at elections and in everyday news coverage. Others have, over the years, served their publics comparatively well. Many state broadcasters think of themselves as Public Service Broadcasters and they do have some of the attributes, especially in cultural and minority programming. However many state broadcasters fail the crucial tests relating to independence from the government and fair election coverage. The culture amongst the content producers is often one of being a civil servant rather than a journalist or creative person. The dominant expectation is loyalty to the government of the day rather than to the ethics of politically impartial journalism.

In many cases where national broadcasters have become state broadcasters. and act as an arm of the government, the state often pays towards salaries and capital costs, but the broadcaster is required to fund the programmes out of advertising revenue. Such hybrid organizations have the worst of both worlds: they are expected to support the government, in return for the grant, and they are also beholden to their advertisers.

With the arrival of more competition, through a multiplicity of digital channels, many state broadcasters are facing declining audiences. Their output is regarded as tired, and too pro-government. A more contemporary and unbiased approach would be preferred by much of the audience. In some countries, the quality of news, for example, is higher on local commercial channels, and the commercial channels also lead in entertainment programming. There is also increasing use of mobile and PC-based news and entertainment, especially among the young. Faced with such competition, the audiences of state broadcasters are generally falling, sometimes drastically.

If the credibility or the audience for a state broadcaster sinks too low, the station becomes increasingly irrelevant. Eventually, a point is reached when even a Government keen to have the support of a state broadcaster cannot justify its cost.

So is there anything such state broadcasters can do to arrest their decline? How can they stem their audience losses and start moving towards the attractive programming of full Public Service Broadcasting, and take advantage of the opportunities of the digital world? How can they reap the healthier audiences which digitalisation can bring through interactivity?

Moving from state to full Public Service Broadcasting cannot be done without Government agreement, but it also needs a broader involvement of civil society and ordinary members of the public. It may only be possible to achieve PSB in societies where there is freedom of speech and where a party will relinquish power following defeat at the polls. The Media Development Indicators expect to see evidence of PSB engagement with the public. They look for a proven commitment to consultation, for example in discussion forums. They also expect a complaints system, with evidence that the PSB responds to complaints systematically, and they expect public involvement in appointments to the governing body<sup>6</sup>. Additionally, they look for: a regulatory system that works to ensure media pluralism and freedom of expression and information; the state is active in promoting a diverse mix of public, private and community media, the state plan for spectrum allocation ensures optimal use for the public interest; and the state does not discriminate through its advertising policy.

Accordingly, this booklet explains the steps that need to be taken to influence policy makers' thinking. It takes a broad view of what Public Service Broadcasting is or could be, encompassing various forms of commercial income. These forms may include advertising income, sponsorship, grants, pay per view, cable channels, income from interactivity such as the use of mobile phones, and from the sale of programmes, products, facilities and archives. Broadcasting organisations can develop new digital channels which not only bring in new audiences but also new revenue to enrich their programming. The objective for a public service broadcaster is always to try to separate the income source from influencing content, and to work to public service values.

There is now major new thinking going on about Public Service Broadcasting. There is a window of opportunity to move broadcasting into completely new realms, linking it with the interactivity of the internet, with mobile phones, with mobile TV, with electronic books and databases. The days of separate boxes for internet, TVs, radios and mobile phones are limited. Where the new opportunities are pioneered by a PSB, the motivation is not to make money out of the public, but to enrich lives. The difference shows.

There is support in the booklet for merged and independent regulators, rather than for supervision by a Ministry of Information. In this way, public service content can also be required from a range of suppliers.

Some argue that the only guarantee of independence from government is profit. That is what James Murdoch, chairman and chief executive of News Corporation, Europe and Asia, put forward in his Edinburgh Lecture in 2009.<sup>7</sup> In August 2011, the Director General of the BBC, Mark Thomson, taking into account the damage done to News International by the exposure of phonehacking at the UK newspaper News of the World, hit back: "The only reliable, durable and perpetual guarantor of independence is integrity. It is not profit. Nor who you know. Nor what corners you can cut. It's integrity."8

The BBC is heading towards a reduced income in the years ahead. But the way for the BBC to keep its unique position, argues Mark Thomson,

http://www.guardian.co.uk/media/video/2009/aug/29/james-murdoch-edinburgh-festival-mactaggart

http://www.guardian.co.uk/media/2011/aug/24/mark-thompson-attacks-james-murdoch

is to focus on "ethics and values". One reason the broadcaster's output is popular, he adds, is that viewers "trust it more than other sources"

Moving towards Public Service Broadcasting is not a quick process, unless it is driven by a crisis. In stable conditions, widespread and vocal public support is needed to drive quality broadcasting nearer to the top of political agenda.

As Javad Mottaghi, now Secretary-General of the Asia-Pacific Broadcasting Union, put it when he was Director of the Asia-Pacific Institute for Broadcasting Development: "Promoting PSB requires passion and patience – passion because it is all about the public and their interest. Therefore, it should be promoted by love that comes from our hearts and minds. And patience, because any positive change has to be done diligently and with perseverance."

The operating independence that Public Service Broadcasters enjoy makes it easier for them than for a state broadcaster to move into the fast-moving digital world of more channels and interactivity. It may be significant that one of the world leaders in interactivity - the BBC - is a Public Service Broadcaster. It has an outstanding website, linked in with its programmes. It has a "red button" system which TV viewers can press to get additional information on their TV screen. And it has the BBC iPlayer allowing viewers to access TV programmes online for a limited time after transmission. These developments will come more slowly to the developing world, but they have great potential even there, especially through interactivity via mobile phones. People in the developing world do not want to be left behind, and are leapfrogging into the interactive world. Many parts of sub-Saharan Africa, for example, are ahead of Europe in mobile phone technology, especially for money transfers. Interactivity is a need which public broadcasters can satisfy. As a basic minimum, they should go all-out to develop trustworthy and constantly updated websites, packed with quality news and information, as well as programme-related material. These services publicise their programmes and make the experience more interesting and enjoyable. By helping to create the demand for high speed connectivity, the public broadcaster can lead the country towards the information society.

<sup>9</sup> Carlos, Jose Maria An Asia-Pacific Approach to Public Service Broadcasting, 2009. published by AIBD and FES page viii

Moving towards Public Service Broadcasting not only enhances the cultural life of a country. It can make a major contribution to democratic development. This is particularly important in election coverage. Most state broadcasters do not treat all the contestants fairly, but feel obliged to favour Government candidates. This is also true in much of their news coverage, which favours the President/Prime Minister/Government. Often the doings that day of the President are deemed higher up the news agenda than an increase in the price of a staple food.

Fair election coverage is an essential aspect of the democratic process. It enables power to pass to another party in an orderly way - the single most important aspect of democracy. Fair news coverage over the years, in which both good and bad things are reported about the governing party, and the opposition parties, helps the electorate to reach an informed view of the quality of the candidates, to vote accordingly, and to help keep governments accountable and focused between elections.

So moving towards Public Service Broadcasting is not just "nice to have". It is a major supporting pillar of a functioning democracy.

# **Chapter 1. Recent Moves towards PSB**

The transformation of broadcasting is usually linked to major political upheaval, but not always. We had a wave of transformation of state broadcasters into public service ones in the years after the Berlin Wall came down in 1989 and communism was abandoned in most of Central and Eastern Europe. We could well be heading for another wave in North Africa and the Middle East as Tunisia, Egypt and Libya lead the way in hopes that they may become fully democratic societies.

These are the dramatic changes, but there are also windows of opportunity in stable states when broadcasting can be transformed. The essential factor is that the quality of broadcasting becomes a major political issue and that there is widespread public support for improvement in governance and for the adoption of public service values in broadcasting. There needs to be a demand for unbiased reporting and an end to "managed" news.

Many regional efforts have contributed to progress on PSB – particularly, for example, the contribution made by the African Charter on Broadcasting and the Windhoek Declaration, as well as the efforts in the European Union.

In Central and Eastern Europe, after the Berlin Wall came down, and the totalitarian Communist regimes collapsed, broadcasting systems were transformed out of all recognition. Many now offer pluralist broadcasting and independence from excessive state pressure. Of course there are variations, with some performing better than others. Generally speaking, the most progress has been made where the commitment to democracy is greatest.

In the post-Communist society of Mongolia, for example, the transition is developing in a positive way. A new law on press freedom in 1998 paved the way for media reforms. The state-run National Radio and Television, MNB, became the Public Service Broadcaster following the enactment of the Law on Public Radio and Television in 2005. As the DG of MNB, Naranbaatar Myanganbuu explains: "We faced many difficulties to get to where we are today. The state funding made the public doubt in our credibility and

impartiality. To gain the public's trust we had to raise awareness of PSB among our own staff who were as confused as anyone else."10 Since becoming a PSB, MNB has had to lobby constantly for its survival, raising awareness among its audience. However, today the situation has got better and the state as well as the public understands the importance of having PSB. As the DG puts it: "MNB has gained public trust as the most trusted source of information. We are not yet a full PSB but we are getting there."

Not all transformations, however, are linked to democratic developments. In Thailand, PSB was introduced under a military government. It came into being because of strong pressure by civil society groups and the media. It was in 2008 that Thai PSB was set up as a commercial-free broadcaster with editorial independence. It is financed by taxes on tobacco and alcohol - the so-called Sin Tax. It has an elected Board of Governors, with 4-year terms. and it works closely with a 50-member Audience Council. Earlier, before the military coup, the elected government headed by Thaksin Shinawat had failed to pass a bill to free all media from government and military control, despite an overwhelming majority in the House. So some of the thinking in Thailand is that it needed a 'bureaucratic' rather than a 'political' government to pass such a law. The current difficulty for PSB in Thailand, according to Somchai Suwanban, Board Member of Thai Public Broadcasting Service, is how to change the mindset among editors, journalists and programme makers who are used to commercial media cultures. They are accustomed, he says, to "serving those in power, or those who have got money, rather than serving 'public interests'."11

He believes that the legislation provides enough guarantee for them to be independent, free from political and economic interference. They do not, however, feel - he says - that they are yet a full PSB, and will not be one until the majority of the staff have a 'public service consciousness'.

In Western Europe, EU countries are now guided by the Audiovisual Media Services Directive 2010 which amends and renames the earlier Television Without Frontiers Directive, and provides less detailed but more flexible

<sup>10</sup> Naranbaatar, Myanganbuu, DG of MNB, e-mail interview with Elizabeth Smith 25.2.2011

<sup>11</sup> Somchai, Suwanban, Board member of Thai Public Broadcasting Service e-mail interview with Elizabeth Smith 21.2.2011

regulation. Also in 2010<sup>12</sup> the European Parliament adopted a resolution on Public Service Broadcasting in the digital era.<sup>13</sup> This stresses the need for stable funding for PSBs and calls on member states to end political interference. There are seven clauses encouraging good practice in PSB and many helpful recommendations.

Following the Arab Spring, there are deeply-felt demands for new systems of broadcasting free from Government pressures. In Egypt, for example, the consensus among the victorious majority is that very major changes in the media are urgently required. While the demonstrations were in progress. there was the extraordinary use of new social media, bypassing the irrelevant state media, and - despite government attempts to cut it off - it had a huge impact (alongside satellite TV services).

"As Egypt evolves and moves along a path of political reform", says Nailah Hamdy, Journalism Professor at the American University of Cairo. "The media must be reformed. This call has been made by the protestors at Tahrir Square, by politicians, media scholars and the general public. I see a future where a public service broadcaster must emerge." <sup>14</sup> There are many models that might work for Egypt but Nailah Hamdy thinks that a BBCstyle organisation will emerge as the alternative to the state-owned media. "I believe that a new Government will set a high priority to changing the structure that we currently have." A lot will depend on the quality of outside advice which the new government of Egypt turns to, and which countries it comes from.

In Africa, there is one country which, emerging from civil war, has taken steps to try to transform its state broadcaster into a PSB - Sierra Leone. A new Broadcasting Act in 2010 laid down that the organisation is: "accountable to the public through an independent board, protected against interference of a political or economic nature, with editorial independence and adequately funded in a manner that protects it from arbitrary interference". 15 Inevitably.

<sup>12</sup> http://ec.europa.eu/avpolicy/reg/tvwf/index\_en.htm

<sup>13</sup> http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2010-0438+0+DOC+XML+V0//EN&language=EN

<sup>14</sup> Interview by Elizabeth Smith with Professor Nailah Hamdy by e-mail on 21.2.2011

<sup>15</sup> http://www.sierra-leone.org/Laws/2010-1.pdf

however, there are major difficulties in achieving this, but the intention to transform the broadcasting service is there.

In South Africa, the dramatic transition to full democracy in 1994 led to comparable changes in their state broadcaster, the South African Broadcasting Corporation. Keeping the same name, the white-dominated organisation - once an essential pillar of the apartheid regime - was successfully transformed into a non-racial PSB. In recent times, however, there has been concern expressed by some that the SABC was, in certain instances, too close to the dominant party, the ANC. 16 There have been financial problems, and the broadcaster has been handicapped by major disagreements over top appointments. In June 2011 a policy review process was announced, with a particular emphasis on the funding of public broadcasting in the digital age. 17 It is hoped that this fundamental review will identify exactly the problems faced, and come up with solutions that will see public broadcasting in South Africa in a strong position for the current decade.

Further north. Tanzania set out in 2007 to transform its state broadcaster TBS into a full Public Service Broadcaster, TBC. A DG committed to full PSB, Tido Mhando, formerly of the BBC World Service, was appointed. Considerable progress was made. However, following the elections of 2010, which the incumbent Government won narrowly, his contract was not renewed. The impetus towards PSB has now slackened. TBC still reports to the Minister of Information just as in the past.

In Indonesia, there have been very major changes in broadcasting in the past decades. As a result of the political reform movement in 1998, the state broadcaster RRI changed its status into a government-owned company under the Ministry of Finance. Following the promulgation of the Broadcasting Law in 2002, RRI was transformed into a Public Service Broadcaster which is independent, neutral and non-commercial, whose sole function is to serve the public interest. As stipulated in the Broadcasting Law, no intervention in RRI editorial policy by anyone is allowed. RRI is under the direct command of the President, but as the Head of State, not as the Head

<sup>16</sup> See South Africa: Public Broadcasting in Africa Series, Open Society 2010 page 241-245

<sup>17</sup> http://www.ngopulse.org/press-release/sos-welcomes-minister-s-schedule-launch-broadcasting-policy-review

of Government. Under the present law and regulations, RRI's funding is still part of the Ministry of Finance's budget and its personnel management must follow policies adopted by the Board of Civil Servants. As Parni Hadi, President/Director of RRI from 2005-10, puts it: "I think the transformation of the mindset of civil servants to be professional broadcasters and the increasing public trust are the most fundamental achievements."18 He feels it is likely that, with strong public support, especially from Indonesian NGOs, and increasing awareness and confidence among the employees, RRI will overcome any attempt by the ruling powers to regain control over RRI. He reports that the present RRI management is now trying very hard to revise the Broadcasting Law to strengthen the status of RRI as an independent institution.

In South Korea, KBS was launched as the national broadcaster in 1945 and then reshaped into a public service broadcaster in 1973. This means that it has been an independent, non-state entity for many decades. As regards its funding, it has a license fee. This, however, accounts for a mere 40% of KBS' income and KBS is now largely dependent upon commercial income including advertisements. KBS is currently planning to boost its license fee income in an effort to secure a financial system that creates better public services. 19

India is one of the most interesting countries as regards PSB. Extensive efforts have been made over the years to transform the giants of India's state broadcasting, Doordarshan and All India Radio, into full PSBs. In 1997, the Indian Government set up the Prasar Bharati Board, bringing them together as part of a move towards PSB status. This has, however, proved very difficult in practice. New arrangements were proposed in 2011. Following the passing of the Prasar Bharati Act by the Rajya Saba in December 2011, there is some progress, but it is slow.

A neighbouring country, Nepal, was in turmoil for more than a decade until the end of the monarchy and the establishment of a federal multiparty democracy in 2008. After the success of the People's Movement, the new government formed a high level commission to look into the state media.

<sup>18</sup> Hadi, Parni, President/Director of RRI interviewed by e-mail by Elizabeth Smith 21.2.2011

<sup>19</sup> Kim, In-Kyu, President & CEO, KBS, interviewed by e-mail by Elizabeth Smith 7.9.2011

It recommended that the government should transform the state media into a Public Service Broadcaster. However, the recommendations are not yet fully implemented. In late 2010, a memorandum of understanding was signed between the Nepali Ministry of Information and Communication, the Japan overseas cooperation agency (JICA) and Radio Nepal to formulate communication policy, law and other legal provisions to transform Radio Nepal into a PSB. The project is now on course, with support from the present government.20

Areas such as the Pacific Islands face exceptional difficulties in sustaining Public Service Broadcasting. Small populations make it almost impossible to raise sufficient public funding to run the kind of stations audiences want. Many Pacific people still live in rural areas, and communities are often separated from each other by vast ocean distances or by very mountainous terrain. As a sympathetic neighbour and partner, Mark Scott, MD of ABC, in Australia, puts it: "Private sector commercial broadcasters tend to focus on the capital cities and larger towns as that is where advertising profits can be made. The PSBs, on the other hand, are often the only national institution that can attempt to provide timely information to all communities, urban and rural, across the nation. This is understood by Pacific Island governments, as they regularly seek outside assistance to improve their PSBs in terms of both content and technical infrastructure."21

In the Western hemisphere, the islands of the Bahamas have been trying for years to change their state broadcaster into a full PSB, so far with limited success. The Broadcasting Corporation of the Bahamas, under its call sign ZNS, has provided its government with a full business plan and a strategic document with its vision for future transformation. At the time of writing, decisions about the fate of ZNS by the politicians, however, continue to be awaited.

The fate of the national broadcaster in the Bahamas is typical of many organisations around the world. The will is there among the broadcasters and the public, but many governments fail to see what is in it for them. Full PSB status generally comes with full democracy, but it can be lost as well

as gained. Even in a full democracy, the struggle to create it can be hard to win. The one essential factor for creating or sustaining PSB is the support of the public, but this by itself is not enough. Also needed is political will.

Remember, however, that with mobile phones – and increasingly TV on mobile phones - with satellite and cable TV, with the internet, and with Facebook and Twitter, the state broadcaster no longer lives in a world where other sources of images and news can be blocked out. It is now not only international radio which exposes a state broadcaster as biased, out of date and incompetent. As well as the words, the images are everywhere now, with most impact from international satellite TV. State broadcasters have lost their monopoly power. The only choice remaining for them and their governments is either to transform themselves into a PSB, or to wither away, losing audience and influence, until there is country-wide agreement that they are not worth the money devoted to them.

This, however, is not yet a truth universally acknowledged, and the pace of change varies widely, according to political developments in different countries. Eventually, however, there must be a very limited future for the state broadcasters - unless they take action now to ensure that they have public support and transform themselves into full Public Service Broadcasters.

### Summary of key points from recent developments:

Change is most rapid following major movements towards democracy. These opportunities must be seized, especially in the Arab world.

- 1. The support of civil society can be crucial to the establishment of a PSB.
- 2. Some governments think state broadcasting serves them well, especially at election times, and cannot see the gains they would make through better governance.
- 3. Even when they have been set up with good legislation, some PSBs do not always manage to retain their independence from government. This has to be constantly defended.
- 4. Unless state broadcasters are transformed into PSBs that are valued by their public, many are likely to face closure in the years ahead.

### Chapter 2.

# Three case histories: Bhutan, Namibia and Sierra Leone

Some countries are currently en route towards Public Service Broadcasting. It is instructive to look in detail at how they are trying to make progress. So I selected three – the Himalayan Kingdom of Bhutan, the partly desert country of Namibia in Southern Africa, and the verdant Sierra Leone in West Africa – and base my comments on visits to each in 2011.

### **Bhutan**

Bhutan Broadcasting Service is well on the road towards PSB and is broadcasting good quality programming which meets virtually all the criteria for Public Service Broadcasting. As we shall see, however, their situation is vulnerable and a few adjustments are needed in the legislation relating to them, to ensure their continuation as a strong PSB in the years ahead.

Radio broadcasting began in Bhutan in 1973 when young volunteers in the National Youth Association began transmitting 30 minutes of news and music on Sundays. Six years later the Government incorporated the station under the Ministry of Communications. In 1986 it became the Bhutan Broadcasting Service and transmissions rose to three hours a day. Today, BBS broadcasts 24 hours a day, including repeats, in four languages. The output includes news, current affairs, religious programming, health programming and programmes for women and for children and youth. The youth programming includes education.

A turning point for the station came in 1992 when the then King issued a Royal Edict delinking the Bhutan Broadcasting Service (BBS) from the Ministry of Communications "to give it the flexibility to grow in professionalism and to enable it to be more effective in fulfilling its important responsibility to society."<sup>22</sup> This was an enlightened move, part of the progress toward democratisation and constitutional monarchy led by King Jigme Singye

Wangchuck. BBS was made into an autonomous corporation governed by an editorial board comprising representatives of the government, media professionals, scholars and eminent citizens. The staff lost their civil service status and became employees of BBS - a crucial move, which affects how the staff think about their position, emphasising that they are not part of Government.

TV started much later in Bhutan than elsewhere. It was not till 1999 that it was launched, to coincide with the Silver Jubilee celebrations of the coronation of His Majesty the Fourth King. It started with one hour of transmissions a day in the capital, Thimpu, but by 2006 it was transmitting in the capital and some regions via satellite links with some local rebroadcasting. BBS TV now broadcasts for five hours daily in the evenings, including news, announcements, plus various programmes and documentaries. The same output is rebroadcast the next morning. Three additional hours of entertainment programmes and live music request shows are broadcast on weekend afternoons.

There is now discussion as to whether the legislation of 2006 is still appropriate or needs to be amended. BBS receives an annual grant from the Government. There is a strong case that this should be altered to 3-year – or better still, 5-year - funding, to allow for strategic planning and to minimise opportunities for government pressure. There are also strong arguments for enshrining the independence of BBS in legislation. The present government prides itself on the freedom allowed to BBS, but such governments are rare in the world and they may not always be in power in Bhutan in the future. Under discussion is possible legislation defining the independence of BBS, and its control of its operational costs. The advantage of controlling operational costs is that BBS could move to zero-based budgeting and find savings which could be deployed for new initiatives. It could also plan strategically and live less hand-to-mouth. In return for passing these powers to BBS, the Government could, if it chooses, define more specifically what kinds of general output it required from BBS, ask it to lead the population into the information society, and demand full financial accountability as to how their funds are spent.

The support for BBS as a Public Service Broadcaster is strong in both the

Bhutan InfoComm Media Authority and the Ministry of Information and Communications. As Wangay Dorji, Head of Communication, BICMA, put it at a Forum run by the Bhutan Centre for Media and Democracy on October 21 2011: "The Draft Broadcasting Policy is committed to uphold in principle that independent broadcasting in the dual system of public and private broadcasting is an essential element of the democratic culture of Bhutan." Kinley T. Wangchuk, Director of the Ministry of Information and Communication, feels that there is a need to amend the Media Act of 2006, which, he says, has not kept pace with the fast changes in the media.<sup>23</sup> He acknowledges concern that the PSB status of BBS needs to be defined. "We are at a critical juncture, transferring a state broadcaster to PSB. We are grappling with the procedures as to how to do this."

Government figures in Bhutan sometimes speak of the media as the fourth arm of the Government. Others, such as Siok Sian Pek-Dorji, Executive Director of the Bhutan Centre for Media and Democracy, are emphatic that the media is the fourth arm of governance, as distinct from government.<sup>24</sup> An MP, Karma Rangdol, who was at the Forum on Broadcasting at which Siok Sian Pek-Dori made these remarks, told me, amid lots of laughter: "BBS is a Government arm that works against the Government". "Very healthy," I said. He went on to say that he approved of a free media even when it hurt.

Entering the BBS building, the Vision and Mission statements are on the wall, doubtless to encourage staff and inform visitors. The Vision defines BBS as: "A trusted Public Service Broadcaster of international standing reflecting the Bhutanese expression". And it sees its Mission as: "Excellence in broadcasting, inspired by the values of Gross National Happiness, promoting the well-being, equanimity and sense of community among the people of the Kingdom of Bhutan".

Some statements of this kind are sometimes conspicuous in their neglect. But these are taken seriously by the staff of BBS who try hard to live up to them. The new challenge ahead for the station is the imminent arrival of one or more commercial TV stations. So far BBS has had a near-monopoly in locally-originated TV, though there are local cable companies which originate

<sup>23</sup> Kinley T Wangchuk, Director of the Ministry of Information and Communication, interviewed by Elizabeth Smith 19 October 2011

<sup>24</sup> Forum on "The Potential of Broadcasting in Bhutan" 21 October 2011 in Thimpu

some local material. BBS also competes against over 50 overseas channels, including many Indian news and entertainment channels and international ones such as the BBC and CNN. For radio, five local entertainment channels have been licensed and one college radio. Bids are now invited for national commercial TV channels for Bhutan, and the expectation is that they will be up and running by the start of 2013. This will mean a major change in the culture of Bhutan, protected as it is to some extent from the full force of local consumer-driven commercial TV. Accordingly, some argue that it would be wise to treat commercial TV in Bhutan as tourism is treated: to go for quality rather than quantity. This would mean licensing only one commercial channel rather than a few. The danger, critics argue, is that the country is not rich enough to support a multitude of channels: there would be so little income that the quality of their output is bound to be poor. However, the Government is committed to an Open Media policy and changes in this area seem unlikely in the near future.

It should be remembered, however, that market forces cannot meet all the TV and radio needs of the public. The commercial sector, unless required to behave otherwise by the regulator, sees its mission as making money for its shareholders rather than to serve rural populations, or minorities or the disadvantaged.

TV is such a powerful medium that it affects the way people think. Commercial TV encourages people, especially the young, to think that success and happiness lies in possessions rather than within oneself. The traditions of Bhutan go back to its history as a successful subsistence economy, where money had little meaning. As a British envoy, George Bogle, put it when he travelled through Bhutan in 1774 the people of Bhutan: "are strangers to falsehood and ingratitude. Theft and every other species of dishonesty to which the lust of money gives birth, are little known.... The common people are good-humoured, downright and I think thoroughly trusty."25 It would be sad if present policies were to squander this heritage.

One change which might be viewed sympathetically is for action to increase the size of the independent production sector in Bhutan. This is unlikely to grow unless the regulator specifies that a certain proportion of the output of

all broadcasting organisations is provided by independents. This could start very low and build up as the sector grows.

There is likely in the future to be pressure on BBS to shift the balance of output to where it is most needed. The outlying regions are not as well served with local content as they would like to be. Bhutan has much of its population living as subsistence farmers, in areas without the roads which would enable them to sell produce and increase their incomes and opportunities for education and health care. They are served primarily by radio. This is likely to continue to be the case for a long time. BBS has plans to extend its regional coverage through enhanced regional centres, starting with one in the East.

Some at BBS would like an additional channel, so that they would have one PBS channel and one entertainment one, funded by advertising revenue. Plus an additional radio channel in the main local language of Dzongkha. The disadvantage of funding a new channel by ads could be that it would open BBS to charges of competing unfairly – taking money from advertisers which the advertisers feel should go to the commercial sector. Additionally, many viewers would probably watch only the entertainment and would no longer be exposed to the socially beneficial output which BBS transmits.

So the future for broadcasting in Bhutan hangs in the balance. There is currently a window of opportunity to improve the broadcasting legislation. The task is to get defences in place so that PSB in Bhutan can continue and develop, and withstand what different-thinking governments may try to impose in the future. The time for action on this is now.

### **Policy Options:**

 Organise new legislation. This should define the independence and impartiality of BBS, include 3-year funding and pass control of its operational spending to BBS. There is also an opportunity to increase citizen involvement in the accountability of BBS. In return, the Government would define what it requires from BBS, including, for example the hours of news and of children's programming and education, and full financial accountability.

- Though this seems unlikely at the moment, the Government might look again at its policy of Open Media. It will be difficult to remove the licence of any commercial TV companies, and Bhutan might find itself as a much more consumer-orientated society than it would really like. If the principle of Open Access to the media was modified, the Regulator could add a diversity requirement to its licensing criteria. This would mean that aspiring licensees had to offer some material not already being supplied, and so all sectors could be better served. The regulator could also consider - though this is difficult - some kind of a quality threshold for the commercial sector, and take away licenses if this is not met. The regulator could require a low proportion of PSB content from all the commercial licensees, even if this might not be popular with them. Some control over the number of commercial channels could also be considered. to keep out those verging on pornography and the kind of shopping channels which can influence viewers towards becoming obsessive consumers.
- The Government or the regulator may like to consider imposing a quota for independent local production, to encourage the independent sector.

### Namibia

Namibia is a country with a good vision for the future, looking to transform itself into a knowledge-based society. Its government is committed to human rights, individual freedoms, civil liberties, multi-party democracy and the information society.

Civil society, and especially the Media Institute of Southern Africa, based in Windhoek, has done some important studies of broadcasting developments in the region. There is also the research carried out by the Open Society Foundation on Namibia's Public Broadcasting, published in 2011.26 This includes recommendations for broadcasting reform in Namibia, which stress civil society involvement. The NBC is currently a state broadcaster, with its main funding a state subsidy, and it is accountable in the first instance to the Ministry of Information and Communication Technology and the second instance to the Namibian Parliament.

NBC's DG, Albertus Aochamub, who took up his post early in 2011, has now drawn up an Action Plan to help it move towards PSB, and is engaged in the task of trying to persuade his government that this is the way ahead. The key aspects of this plan are:

- In line with the Draft Broadcasting Policy, 2008<sup>27</sup> which, in 2011, had not vet been adopted - the Government should "reposition the National Broadcaster as a Public Broadcaster which will be mandated to a public service vocation."
- To this end, NBC should urgently develop its allocation of up to five digital channels, and so improve the range of choice.
- One digital channel would continue to carry the present mix of PSB programming, with programming innovation and greater interactivity.
- Another digital channel would be entertainment, supported by advertising but also with public service values. Albertus Aochamub argues that the income would do much to help NBC to reach its target of tripling its own revenue by 2015. It would also protect the public purse from rising costs, and lower the financial burden on the public in the long run.
- A third digital channel would cover Parliament when sitting, and offer increased airtime for Government information.
- At a later stage, a digital Home Channel could be developed with advertising income, but public service values, focusing on cooking, gardening and growing food, health, adult education, the care of children and living a useful old age. There would also be a focus in this channel on exposing the difficulties of marginalised groups and giving them a voice, and a policy of developing programming in local languages so far as is possible.
- On an advertising-supported basis, there could be interest from the public in a digital Youth Channel, including inexpensive locally-made children's programming, plus local youth music and features. The channel

would be run according to public service values with information about educational and job opportunities, as well as entertainment, and would be designed to give the young people of Namibia a voice. It could also cover local youth sports.

- Radio, which reaches many more Namibians than TV, would continue to be developed, particularly in its use of local languages. As the use of Information and Communication Technology (ICT) spreads, more and more opportunities for interactivity should be developed for radio. Its potential for helping in local emergencies should be fully developed through user-generated content, i.e. broadcasting text and other messages sent in by the public. Inexpensive digital links will enable NBC to transmit programming cheaply in both directions between the capital and regional centres.
- The potential for NBC to deliver broadband to homes and businesses along with the digital signal could be developed to help with interactivity in such programming. (In practice, this could entail a wireless broadband download path interfacing with a cellphone low-bandwidth upload). NBC needs to revise and refresh its Editorial Guidelines, News Guidelines, Election Guidelines, and Advertising and Sponsorship Guidelines, with a view to a new Broadcasting Code. As the Draft Broadcasting Policy puts it: "Namibian Broadcasters, in conjunction with the Regulatory Authority, will be responsible for developing self-regulating codes". 28 NBC needs to take the lead in this area by coming up with its own internal Guidelines, and publish them in draft, and invite comments, before they are adopted.
- NBC plans to continue the NBC Innovative Programming Think Tank to develop fresh and interactive programming and schedules for the new channels, and ways to re-invigorate Channel 1.
- There is the intention to set up a small group within NBC to look at Legal and Constitutional issues. This is asked to identify legislative and constitutional obstacles to moving towards full PSB, and to come up with solutions. These are likely to include:

### 1. A new NBC Act

- 2. A contract with the Government defining what is expected from NBC and an annual performance agreement.
- 3. A review of funding mechanisms, including the option of monthly payments, and payments by mobile phone, and for regular reviews to take inflation into account.
- 4. A review of the options for a new way of appointing the Board of NBC. As the Draft Broadcasting Plan, puts it: "The Public Broadcaster will be independently governed". 29 And in another section: "As a public service broadcaster, the NBC will have its own mandate and will be governed through its own Board, appointed through a transparent process."30 Finding the right mechanism for this is difficult, but it is the way to ensure a robust NBC, working for the public interest.
- 5. There is also a case for suggesting the setting up of public accountability mechanisms such as civil society forums. These can strengthen support for the PSB and help it develop in a way that responds to the needs of civil society.

### **Timing**

It is expected that the work outlined above would take about two years. There is a hope of legislation being introduced in 2013.

#### **Immediate** measures for NBC not requiring Government legislation:

- Implement zero-based budgeting as quickly as is feasible
- Introduce Key Performance Indicators. 31 This means measuring, for example, cost per transmitter hour, output per producer per year, and

<sup>29</sup> Draft Broadcasting Policy 2008 page 12. 6.2.2006

<sup>30</sup> Draft Broadcasting Code 2008 page 21. 12.1.2006

<sup>31</sup> Barbuio, Fulvio Performance Measurement CBA 2008

cost per programme hour. Through an audience research survey every year, there can be KPIs for the numbers reached and the trust they have in NBC. KPIs are an excellent measure of achievement for a public service broadcaster where achievement cannot be measured simply by the profit and loss account. KPIs can convince the Government that NBC is cost effective and well run. This helps to justify its public income. They also give a basis for a comparison of achievements year by year. And the figures can be used to compare NBC's performance against those of other broadcasters of comparable size. The downside is that the process is time-consuming and bureaucratic, though easier to do once costs are known through zero-based budgeting.

- Bring in targets and performance-linked bonuses for increasing advertising and sponsorship income.
- Adopt an enriched programme schedule on the existing channel, with planning going on for the completely new areas to be covered in each of the digital channels
- Organise more training, in both innovative programming and in modern broadcasting management.

### How NBC can make progress towards PSB

Albertus Aochamub hopes to switch NBC on to an upward spiral, with increased income enabling more training and higher programming standards. He argues that the full use of ICT should enhance the lives of Namibians through increased opportunities for education, knowledge of job opportunities and a more informed and participatory democracy. To maximise support for developments, there is a need to publicise the changes and stress the benefits they will bring. A drive by NBC to increase media and information literacy would also be useful.

The alternative is a downward spiral in which NBC loses audience progressively to the increased competition and so becomes increasingly marginalised. The battle for PSB in Namibia is by no means won.

### Sierra Leone

Early in 2010, the state broadcaster of Sierra Leone, the Sierra Leone Broadcasting Service, was transformed into the Sierra Leone Broadcasting Corporation. It was set up as an autonomous and politically neutral PSB by the Sierra Leone Broadcasting Corporation Act, passed in 2010. It was officially launched on 15 June 2010 by the UN Secretary-General of the UN, Ban Ki Moon, who said: "SLBC is born from a marriage of UN Radio and the country's state-controlled radio. It is a historic gift to every man, woman and child in Sierra Leone."

The local political context was that the two major political parties had their own partisan radio stations, noted for criticism of each other rather than spreading peace and understanding. It was accepted that it would be beneficial to society if both were closed. But the main opposition party felt it unfair that they should close theirs, while the Government retained the state broadcaster. Following discussions with the UN post-conflict organisation in Sierra Leone, UNIPSIL, a deal was done by which all agreed that SLBC would be transformed into a politically neutral and independent PSB, and that both political radios should close.

So, for local political reasons, this is an organisation that cannot revert to being a state broadcaster. It cannot be allowed to fail.

However, just over a year later, it was almost overwhelmed by difficulties. The biggest of these was financial. It has also suffered from major disagreements between the Board and the Director General. Because of this, the necessary procedures for running a public corporation have not all yet been put in place. A deal was signed in November 2010 for an expensive satellite system, to be paid for by a bank loan. The Government had to pick up the bill for salaries for some months, on a temporary basis. Requests have also gone from SLBC to the Government for more funding to reduce the bank loan. This is an unfortunate development for an organisation set up to be independent and autonomous, and it compromises its independence.

Meanwhile on the programming side, it is recognised that there has been some improvement. New programmes have been launched and major political issues are covered in a reasonably fair way. The Opposition gets a good showing in discussion programmes, and the public, sending in their views by text, gets opportunities to comment too.

As Sierra Leone approaches Elections in 2012, the issue of fairness becomes more and more important. Various international broadcasting organisations have offered to help ensure fair coverage, and the UN has set aside some funds to help with this. It is fervently to be hoped that SLBC will be able to come through its current financial crisis soon, so that it can focus on the key editorial issues ahead.

### How SLBC can move towards PSB

- It must live within its income and not ask the Government for more money
- It must reduce its staff to a much lower level and have fewer, better qualified staff
- It should abandon delivery by satellite as too expensive and revert to traditional point-to-point relays to reach local transmitters
- It should comply with all the transparency and other requirements of the Broadcasting Act, such as regularly publishing its accounts and annual reports within three months of the end of the year.

# Chapter 3. The Road Map

### Preparing for the process

A national broadcaster is in an exceptional position to lead the way into public service media, covering electronic publications, websites, magazines, DVDs, and electronic games, as well as traditional TV and radio. The huge advantage of this being led by a PSB is that the motive is not to make money out of customers, but to help them, using all the resources of broadcasting to make the new interactive opportunities as universally available as possible. As Jo Bardoel and Gregory Ferrell Lowe explain in *From Public Service Broadcasting to Public Service Media*: "The evolution from a transmission mode to a proper communications mode demands that public service broadcasters learn to be public service communicators. This is crucial because media-society relations are likely to be less about the 'information society' than the 'interaction society'. The combination of one-way media technologies and the Enlightenment-orientated paternalistic assignment of the last 80 years produced a supply-driven (or push) PSM culture. What is now needed is a demand-driven (or pull) PSM culture."<sup>32</sup>

Sometimes broadcasters do not realise their potential power to set the political agenda. They can run media literacy campaigns to help the public better understand how the media operates. As explained in the Introduction, what is needed is a long term campaign, lasting years, to put the need for quality interactive broadcasting nearer the top of the political agenda. This can be done if broadcasters enter into partnerships with appropriate organisations, such as voluntary support groups and think tanks. In India, for example there is an organisation called the Friends of the Prasar Bharati. South Africa has SOS, a coalition to support Public Broadcasting. The UK has the Voice of the Listener and Viewer. There are other comparable and

<sup>32</sup> Bardoel, Jo. and Lowe, Gregory Ferrell. From Public Service Broadcasting to Public Service Media Nordicom, 2007 p 17

<sup>33</sup> http://www.friendsofprasarbharati.org

<sup>34</sup> www.supportpublicbroadcasting.co.za

<sup>35</sup> http://vlv.org.uk

useful organisations in many parts of the world. The academic world and the print media are also likely to contain key allies. These partners may organise events and publications which raise awareness of the need for a full PSB. The target audiences are legislators, broadcasting regulators, the civil servants concerned with broadcasting policy and media consultants and analysts. As Tim Suter, MD. Perspective Associates, in the UK, puts it: "Moving towards PSB is all a question of political will and political expectation. Politicians have to be convinced that there is something in it for them. This can be improved quality of governance, through a long term increase in the level of trust in government and public bodies."36

Governments round the world are increasingly committed to the principles of good governance and to working for a better society. They have to be convinced, however, of the major contribution which Public Service Broadcasting can make towards this. Through the guidelines which Public Service Broadcasters should adopt, there will be fairer coverage at elections, more objective news, enhanced cultural programming and extended service to all parts of the community, geographically, linguistically and ethnically. It can be pointed out that, if nothing is done, the Government will in due course lose the political support previously provided by its broadcaster, as declining audiences make it increasingly irrelevant. At that point it cannot justify public funding, and the institution will have to be closed.

Improvements in the broadcasting scene can be greatly helped by an independent broadcasting regulator, rather than having all broadcasting under a Minister for Information and Communications. If this is not in place, then this is one of the changes where support from independent groups, academics and the media is needed. The regulator needs to be designed to have institutional autonomy to issue broadcast licence conditions without political interference, and to have the resources to monitor and hold broadcasters accountable to these.

#### Specific Steps to take to maximise support among opinionformers

The aspiring Public Service Broadcaster needs to:

- Set up, or encourage local organisations which campaign for quality broadcasting. It also needs to stimulate universities and think tanks to do research and mount lectures and discussions about options for broadcasting policy.
- Through such partners, organise an ongoing series of public meetings on topics such as "Broadcasting in the 21st Century", "Broadcasting as an agent for social change", "Developments in Broadcasting round the world", and "How having a world-class PSB helps the Governance of a country".
- Set up a small group of staff to look at Legal and Constitutional issues. This is probably the most important aspect of the campaign. The group would probably include the Legal Adviser, the Company Secretary, and the Head of Policy/Strategy. They would be asked to identify legislative and constitutional obstacles to moving towards full PSB. Having identified the problems, the next task of the Legal Group is to recommend solutions. This would take up to a year or even more. As the work is completed, the papers would be published and comments would be invited.
- Keep the staff on side by setting up internal discussion meetings and inviting their comments via a closed website, and also by involving them in the public meetings.
- Set up internal groups to draft Programme Guidelines, (with reference to international standard), News Guidelines (including news priorities), Election Guidelines, and Guidelines for Advertising, for completion within a year.
- Obtain a commitment to get moving towards PSB into the country's National Broadcasting Policy.

- 7• As support for Public Service Broadcasting builds up, open discussions with the Minister of Information and through him/her, with the President/ Prime Minister, to seek their support in moving towards full PSB. Set up regular discussions on progress
- Set up meetings with sympathetic MPs of all parties, involving them in the process.
- Publish the draft Guidelines produced by the staff working groups, on the website and open discussions about them. Invite comments. Encourage supportive organisations to organize events based on the draft Guidelines, to involve the public and build public support.
- Publish the papers of the Legal Group, identifying constitutional and legal obstacles, and their suggested solutions. Invite comments via the website. After a month or two for reaction, open discussion on these points with the Government and start getting the necessary legislation and constitutional changes into the legislative programme.

#### Arguments to use to convince people of the need for PSB

- a) Broadcasting, especially radio using local languages, can reach almost the entire population, literate or illiterate. Because of illiteracy, distance, poverty and lack of education, no other medium can rival radio for reach and influence. Most other media reach only the urban elites. So radio has a key role in PSB. Radio is inexpensive and ideally suited to be financed by a licence fee or similar mechanism. It can then make a major contribution to an informed society.
- b) Where it is widely seen, TV is now such a major influence that it is important that it should be of a high standard, reflecting the diversity of national cultural values. The potential for a PSB in TV to contribute to education and understanding is so great that it should not be allowed to be simply a mechanism for making money, or acting as a government mouthpiece. If all broadcasting is commercially funded, this contributes to society becoming consumer –focused and greedy for material goods.

- c) With the high cost of internet access in the developing world, the use of ICT is low. However, there is considerable potential for the use of mobile phones for socially useful information, and any links between these and the broadcaster should be developed. Public Service Broadcasters are in a strong position to introduce more opportunities for viewers and listeners to participate in the programmes, through SMS messages, phone calls and e-mails. This greatly strengthens their appeal and their capacity to be in touch with current concerns.
- d) In the developing world, the main challenges to a good society are unemployment and poverty, unequal income distribution, lack of education, skills shortages, corruption, lack of affordable health care and a fragile democracy. All these topics can be explored and explained through the Public Service Broadcaster, with structured and entertaining adult education covering economic development, health information, literacy, skills for the workplace, how to defeat corruption, and how to develop small businesses and supplement meagre incomes through enterprise and improved farming techniques.
- e) Most countries are committed to freedom of expression through their membership of the UN, whose Declaration of Human Rights includes Article 19, affirming that "Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers." Interactive Public Service Broadcasting offers these rights to the public in an effective way that nothing else can. In the face of increasing pressure from outside to conform to principles of good governance, it helps to have a PSB rather than a state broadcaster.
- f) The existence of a Public Service Broadcaster can make a major contribution to democratic development, through fair election coverage and objective news, and can also help with the development of quality governance.

#### Sources of help

Help in the move towards Public Service Broadcasting may be available from international organisations such as the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Asia-Pacific Broadcasting Union, the European Broadcasting Union, the Southern African Broadcasting Union, the African Union of Broadcasters, the Caribbean Broadcasting Union, the Asia Pacific Institute for Broadcasting Development, the Commonwealth Broadcasting Association, the Friedrich Ebert Stiftung, the Media Institute of Southern Africa, the Thomson Reuters Academy, the Thomson Foundation in Cardiff, and the development agencies of the major donor countries.

Over the years, UNESCO, in particular, has made a very significant contribution to the survival and development of PSB. Details of some of their assistance are given in Annex 1. UNESCO's help covers events and publications, including Guidelines, and, in some cases, specific help to individual countries and organisations. Particularly significant publications have included Werner Rumphorst's *Model Public Service Broadcasting Law.* This was commissioned by UNESCO and the International Telecommunication Union and published in 2003. It was tested and adapted by UNESCO with experts from the countries concerned. There is also *Public Service Broadcasting: A Best Practices Source Book*, published by UNESCO in 2005, dealing with the whole range of PSB issues. In 2008 came their key work on Media Development Indicators.

The Asia-Pacific Institute for Broadcasting Development, often in association with the Friedrich Ebert Stiftung of Germany, has also made a major contribution, both by promoting the values of public service broadcasting at its Asia Media Summits and by publications such as *An Asia-Pacific Approach to Public Service Broadcasting* by Jose Maria Carlos.

<sup>38</sup> Rumphorst, Werner Model Public Service Broadcasting Law Handbook (Revised Edition 2003).

<sup>39</sup> Public service broadcasting: a best practices sourcebook, published 2005 ISBN: 9968-9424-9-9 (spa) http://www.unesco.org/new/en/communication-and-information/resources/publications-and-communication-materials/publications/full-list/public-service-broadcasting-a-best-practices-sourcebook/

<sup>40</sup> http://www.unesco.org/new/en/communication-and-information/intergovernmental-programmes/ipdc/special-initiatives/media-development-indicators-mdis/

The key aim of the Commonwealth Broadcasting Association [CBA] is currently to support Public Service Broadcasters through digital transition. The CBA has vigorously promoted Public Service Broadcasting since its origins in 1945, at its conferences and in its publications. It has done a substantial amount of training round the world, and has produced, with support and funding from UNESCO, key works such as the *Editorial Guidelines* by Mary Raine, 41 and the *Guidelines for Broadcasting Regulation* by Eve Salomon. 42 It has also published a booklet by Martin Scott on *Guidelines for broadcasters on promoting user-generated content and media and information literacy*. 43

Consultants and lobbyists can also give invaluable help on strategy and in organising lectures, studies, conferences and booklets. They are specialists at reaching regulators, politicians and the civil servants dealing with broadcasting, and any Commissions or Enquiries into broadcasting in the future. After all, this is how support for the introduction of commercial broadcasting was built up in most countries. Too many public service broadcasting conferences are aimed at the broadcasters, and only involve them. The real need is for ones aimed deliberately at those with the power to alter things. It is no use preaching just to the converted.

#### Timetable for Action:

This is an ideal timetable – the process may well take decades rather than years.

#### Year 1.

- Start to work on support from public opinion, key stakeholders and within the state broadcaster.
- Identify the key legislative changes needed.
- Get the organisation into good order, with zero-based budgeting, key performance indicators and guidelines.
- Following a training needs assessment, train staff in multi-media skills, and in the attitudinal changes needed to deliver PSB.
- Identify supportive organisations and legislators.

<sup>41</sup> www.cba.org.uk/Resources/publications/guidelines.php

<sup>42</sup> www.cba.org.uk/Resources/publications/broadcast\_regulation.php

<sup>43</sup> http://www.cba.org.uk/Resources/publications/documents/UGCbookWeb.pdf

#### Year 2:

- Target opinion-formers for their support.
- Ensure that the legislation is drafted and agreed.
- Obtain Government agreement on future funding, structures and on accountability, as well as the mandate to which the broadcaster has to work.
- Within the organisation, develop cross-media strategies to take full advantage of digital opportunities.

#### Year 3.

- Ensure that the legislation is passed.
- Prepare the necessary new staffing structures.

#### Policies underpinning the process

When preparing for the transition to PSB, it is essential to bear in mind the eight key attributes of Public Service Media:

- 1. A clear and legal mandate for the PSB.
- 2. Nationwide universal access with maximum interactivity and cross-media strategies.
- 3. Opportunities for the viewers and listeners to learn about and participate in national cultures.
- 4. An independently-appointed strategic Board, with guaranteed protection from state and commercial interests.
- 5. Editorial impartiality on political issues
- 6. Content for all communities, including all ages, both genders, and linguistic, religious and ethnic minorities.
- 7. Substantial funding, ideally on a 3-year basis, with regular inflation reviews.

8. A range of accountability and transparency mechanisms including reports to parliament, and co-operation with performance monitoring of its licence conditions by an independent regulator.

## A detailed examination of how to achieve above the eight key attributes:

#### 1. A clear and legal mandate for the PSB.

The Government needs to define what is expected from the Public Service Broadcaster in regard to democracy, education, cultural advancement, linguistic service, youth and children's needs. This then needs to be incorporated into the broadcasting policy, laws and the regulatory provisions. Without good policy, law and regulation, it is impossible for the PSB to operate to the maximum benefit of the public.

## 2. Nationwide access with maximum interactivity and cross-media strategies

Most state broadcasters are already set up to reach the majority of people. Sometimes this is mostly by radio. There may be a need to try to extend the reach of TV. There will unquestionably be a need to extend the interactivity of all the services of the state broadcaster, and to think in terms of making material available on a wide variety of platforms. Care should be taken, however, that a disproportionate amount of the funding is not dedicated to small urban TV audiences. The radio that reaches country-wide offers a greater impact per dollar spent. Through the use of mobile phones, and websites, radio can be made more interactive. There may also be a need to look at whether there are adequate services in minority languages and for disadvantaged groups.

There may be a need to seek additional funding for extra digital TV channels and for going digital in all broadcasting and office equipment. Once the transition to digital is achieved, there are advantages in lower staffing costs, increased reach, and the potential to serve minorities far better through additional channels. It is a duty of the PSB to lead the way into the digital world, to ensure that set-top boxes are available and

to see that their services are available free to air. Where feasible, the PSB can encourage the exploitation of the boxes as a computer in the home on which broadcast content and even broadcast data (such as could happen with Wikipedia) can be saved. The may even be a plugin modem for a return path, making for smart TV sets. There is also the potential for the broadcaster to become the internet service provider.

Working in the digital world requires PC skills, so training in these is essential if such skills are not already widespread. Staff also need to become multi-skilled, so that, for example, a journalist can file the same story, in different formats, for TV, radio and the web.

It can be pointed out that embracing the digital revolution will enable the Public Service Broadcaster to lead the way in the use of user-generated content and interactive technology, so contributing to the achievement of Millennium Goal 8F, which is to "make available the benefits of new technologies, especially information and communications".44

#### 3. Opportunities to learn about and participate in national cultures

This is an area where the record of state broadcasters is generally good. It is important, however, to include a requirement to reflect national cultures in the new mandate for the Public Service Broadcaster. Programmes about the arts, cultures, religions, history and geography of the country enrich the viewers and are an important part of the justification for the public money spent on Public Service Broadcasting. A Public Service Broadcaster with an enabling policy towards user-generated content can open doors to participation in cultural activities. However, such programmes are not cheap to make - content offered by the public carries risk, and needs assessment before use - and this has to be taken into account. As mentioned above, there are now major opportunities for additional regional, specialist and linguistic radio and TV channels. In some countries, the choice may be made to fund these commercially, while retaining public service values. By using the opportunities offered by the digital age, involvement in cultural events can be greatly increased, so benefitting the viewers and listeners.

## 4. An independently-appointed Strategic Board, with guaranteed protection from government and commercial interests

A guarantee of independence should be incorporated in the mandate for the broadcaster. It is an essential aspect of Public Service Broadcasting. It fits with the desire of most governments to be seen to be governing according to international best practice.

It may be that the country has already committed itself to fair coverage via its commitments to good governance and through signing up to UN or regional declarations. For example, the right to freedom of expression, laid out in Article 19 of the Universal Declaration of Human Rights, is guaranteed in a treaty ratified by 167 states. This is the International Covenant on Civil and Political Rights. 45 The UN Human Rights Commission and the European Court have both stressed the importance of a free media in the political process. The Commonwealth, in its Affirmation of Principles during the Commonwealth Heads of Government Meeting in Trinidad in 2010, emphasised that open dialogue and the free flow of information, including through a free, vibrant and professional media, enhance democratic traditions and strengthen democratic processes. The UNESCO 1996 Declaration of Sana'a called on the international community to guarantee the independence of Public Service Broadcasters, "International assistance in Arab countries should aim to develop ...electronic media, independent of governments in order to encourage pluralism as well as editorial independence. Public media should be supported and funded only when these are editorially independent and where effective freedom of information and expression and the independence of the press are guaranteed; State-owned broadcasting ...should be granted statutes of journalistic and editorial independence as open public service institutions..."

The UNESCO 1997 Declaration of Sofia noted the need for state-owned broadcasters to be transformed into proper public service broadcasting organisations. "State-owned broadcasting ...should be, as a matter of priority, reformed and granted statutes of journalistic and editorial independence as open public service institutions. If supervisory regulatory broadcasting authorities are established, they must be fully independent

<sup>45</sup> The Declaration was adopted at the UN General Assembly on 19 December 1948 and the Covenant on December 16, 1966

of Government".

In 2001 the African Charter of Broadcasting, following on from the Windhoek Declaration ten years earlier, recommended that: "Public Service Broadcasters should, like broadcasting and telecommunications regulators, be governed by bodies which are protected against interference." This was echoed in the Declaration on Principles of Freedom of Expression by the African Union's Commission on Human and Peoples' Rights, agreed in Gambia in 2002.

Independence from the state is crucially important during elections, and the loss of support from the state broadcasters at such times may be the key element in a government withholding agreement on moving to Public Service Broadcasting. However, the Government in power today may find itself in opposition in due course. Its members may then appreciate the fair and impartial coverage of elections which is at the heart of PSB. It is an essential part of good governance. So this is not an area for compromise.

An awareness of how established public service broadcasters have handled this area is useful. Key publications include Toby Mendel: *Public Service Broadcasting. A Comparative Legal Survey* and Jose Maria G. Carlos *An Asia-Pacific Approach to Public Service Broadcasting.* They show that some of the independence has to be structural. It comes from the way in which organisations are set up. But independence also comes from the political environment, from the expectation that the national broadcaster will behave independently of both the state and of commercial interests.

If those aspiring to create a Public Service Broadcaster do not have a supportive environment, what can be done? There is a saying: "If you cannot be a descendent, you can always be an ancestor." If you do not inherit greatness, you have to make your own. You have to be the person who makes changes, who exerts influence. You have to behave in a way that people recognise is right. Power to do good is not always granted. It may have to be seized.

<sup>46</sup> http://portal.unesco.org/en/ev.php-URL\_ID=47094&URL\_DO=DO\_TOPIC&URL\_SECTION=201.html part 11 section 2

<sup>47</sup> www.achpr.org/english/declarations/declaration\_freedom...

When planning a transition to PSB, considerable thought has to be given to the new structure for the governance of the organisation. The experience of established Public Service Broadcasters shows that many of them have an independent Board of Governors to hire and fire the Director General or CEO, and to oversee the achievement of his/her mandate. In practice, because Government money is usually involved, the Government usually has a role in appointments to the Board of Governors. In some cases there is involvement by Civil Society or business and the trade unions, or academics – sometimes with some kind of Government approval.

Jose Maria Carlos spells out some requirements to ensure independence:48

- "The selection process should be open and transparent so the citizens can watch and scrutinise the process.
- Members of the Board may be appointed by the parliament or any elected body.
- The members of the Board may be chosen from among the nominees of associations and organisations representing various sectors in the broadcast industry, and they shall serve with a fixed term.
- Each Board member shall be of proven and unquestionable probity, integrity, honesty and reputation. There should be representation from the district/regional and national levels as appropriate.
- Members of the Board shall not represent or advocate any vested interest, political or otherwise. They must declare their interest. A register of interest will be maintained to ensure there is no conflict during their term of appointment.
- They should be appointed for terms of 3-5 years, and it should not be possible for the Government to remove them except on grounds of misconduct or incapacity."

A mechanism to ensure that there is not a change of all the Board members at once, after a change of government, is to provide for staggered terms.

Here is how Toby Mendel sums up: "Editorial independence is often promoted by ensuring a clear separation between the governing body, with overall responsibility for the organisation, and managers and editors, who have responsibility for day to day editorial decision-making. The governing body may set directions and policy but should not, except perhaps in very extreme situations, interfere with a particular programming decision."49

It is interesting that some PSB organisations do not have in place strong legal defences for their independence. The BBC and Australia's ABC are two organisations with surprisingly weak statutory protection.

The BBC's Charter and Agreement provides that the BBC must provide accurate and impartial news. Another clause requires that the Corporation shall be independent in all matters concerning the content of its output. The BBC Governors, now renamed and reorganised into the BBC Trust, are the ones who have to ensure the delivery of this. They are appointed by "the Queen in Council" on the advice of the Cabinet. Toby Mendel describes how: "Formally, the powers of Cabinet in relation to the appointment and termination of members is almost unfettered, so that Cabinet has broad discretion over who is a member of the Trust. This system therefore offers very few formal safeguards against abuse. In practice, however, when new Trustees are wanted, the post is advertised and individuals are shortlisted and then interviewed, in a process overseen by the Commissioner for Public Appointments, an independent office."50 The aim is to have a political, regional and professional balance on the Board.

In the case of Australia's ABC, the ABC Charter mandates it to provide comprehensive and independent news and information. Section 78 (6) of the ABC Act places constraints on the Government to direct the ABC.

<sup>49</sup> Mendel, Toby Public Service Broadcasting: A Comparative Legal Survey Toby Mendel P 15

But their system provides few guarantees for the independence of the Board. "It is appointment by Government. There are no prohibitions on membership and the grounds for dismissal are broad."51

Both organisations, however, have managed, over the years, to maintain their independence. Sometimes this has required heroic efforts by their Boards. This is expected and has country-wide support. Their independence is protected by the expectation of the public and the politicians, rather than by the detail of any legislation.

In Japan's NHK, a Board of Governors is appointed by the Prime Minister, with the consent of both Houses of the Diet. There has to be a geographical spread among the Governors and they have to be experienced in key disciplines such as education, culture, science and industry. Unusually, having been appointed, they select the Chairman. They also appoint the President and approve the appointment of other senior executives who make up the Board of Directors. There is then a division of responsibility between the two Boards, with the Governors having responsibility for overall policy and the Executives running its execution.

The Japanese Broadcast Law (1950) guarantees free editorial policy for the NHK and commercial broadcasters. Over the long years of LPD domination, NHK was often thought to follow a government line. However, Toshiyuki Sato, Special Controller General Broadcasting Administration, NHK, explains that this is to misunderstand the Japanese way: "It is the culture of Japanese media that they do not tend to fight openly but resist subtly and firmly against any violation on the editorial policy."52

#### 5. Editorial impartiality on political issues

Independence and impartiality are intertwined. The public service broadcaster should not support any political party, but treat all parties in a fair way, taking into account their size and number of MPs as well as a basic minimum equity standard.

<sup>51</sup> Mendel, Toby as above p 23

<sup>52</sup> Sato, Toshiyuki Special Controller General Broadcasting Administration NHK interviewed by e-mail by Elizabeth Smith 12.05.2011

There are a number of excellent guidelines for fair election coverage, including the CBA's Editorial Guidelines, supported by UNESCO and written by Mary Raine. 53 These can be modified to suit local conditions and adopted by any broadcasting organisation. If it can be shown that the PSB acted in line with their own publicly adopted Guidelines, this can provide substantial protection against complaints by those powerful politicians who are less interested in fair coverage than in positive coverage.

The PSB should be able to act as a watchdog over the conduct of the elections, and to expose wrongdoing within government, opposition parties, civil service or businesses or any other sectors.

Where the PSB takes advertising income, experience shows that it is helpful to have a clear separation between those making the programmes and those receiving money from advertisers. This means advertisers not sponsoring whole programmes, but rather having their ads allocated to slots between programmes on a rate card basis. This reduces the risk of, say, a car tyre manufacturer sponsoring a programme about cars, and putting pressure on the production staff to cover their own tyres in the programme.

#### 6. Content for all communities, including all ages, both genders, and linguistic, religious and ethnic minorities

A commitment to this within the mandate is likely to be agreed. There is likely to be a requirement to serve all sections of society with all types of programming, including the most modern and innovative interactive programming. It is this range which gives public service broadcasting its diversity, depth and broad appeal. If done successfully, PSBs can also command big audiences.

The most successful Public Service Broadcasters manage to run very popular programming alongside programmes for elites. Quiz shows, children's programmes, entertainment, sport, lifestyle programming and interactive audience participation shows all have a part to play. It is essential that those made by a Public Service Broadcaster have public service values. This means that an interactive quiz show, for example, cannot just be about bringing in money from the phone calls. It should extend the range of knowledge of the viewer or listener. It means that in entertainment shows there are appropriate standards of decency and language. Lifestyle shows should have a strong element of adult education. Some of the best PSB sports coverage can be innovative and explanatory, with electronic devices and analysis which helps people fully understand the finer points of the game.

There is also an opportunity for the PSB to lead the way in compliance with the copyright laws, in text and music and programming. It is all too common for these to be ignored in the developing world, which impoverishes the domestic creative arts. Through specialised programming, broadcasters can also lead the public into the use of open material on the internet, which comes without copyright, such as Wikipedia, and into the new developments of Creative Commons, for material with only limited copyright. There are also movements such as the Open Movement for free access to software from which many of the public could benefit and which deserve exposure.

### 7. Substantial funding, ideally on a 3-year basis, with regular inflation reviews

The most important requirement is to ensure that the funding is not part of normal government expenditure, administered by a government department. This is what two of the best-funded PSB's have achieved. Both the BBC, with its licence fee, and NHK with its receiver fee, have the independence to spend their funds as they think best. They can plan strategically, and make savings which they can then invest in new developments.

Despite financial autonomy, such broadcasters are nevertheless not completely free of pressure. At times when the size of the next financial settlement is under discussion, the BBC becomes nervous and there are sometimes implied threats from the government that unless they become more cost effective, the settlement could be a lot less than the

broadcaster would like. And in the case of NHK, Toshiyuki Sato, Special Controller General Broadcasting Administration, NHK, admits<sup>54</sup> that there is a point in the funding cycle when pressure could be applied, i.e. when the level of the receiving fee - equivalent to a licence fee - is set. As he puts it: "some critics see that NHK becomes sensitive in producing programmes or reporting news to avoid conflicts when the NHK budget bill is tabled in the parliament."

In Japan in 2010, the receiver fee provided 96.6% of NHK's overall revenue, approximately USD 8 billion.<sup>55</sup> It is prohibited from making a profit or from carrying advertisements. Its strong and stable financial base – it is one of the world's best-funded public service broadcasters – gives it considerable strength.

So adopting some kind of mechanism other than a direct government grant is ideal. Consideration can be given to a dedicated tax, as in the case of Thailand's Sin Tax on alcohol and tobacco. Other ways of collecting a licence fee are along with an electricity bill, or taxing radio and TV sets at the point of sale. These last measures, some of which have been adopted in Pacific Islands, are probably the best option in small states, where the cost of collection is high, and in countries which have no tradition of paying a special licence fee for radio and TV. It is far more difficult to introduce a new licence fee system than to keep and develop an old one.

Another model, tried in different forms in Singapore and New Zealand, is to allocate funding for Public Service Broadcasting, available through a bidding system. This means that any broadcaster can bid for the money and in return must transmit the specified programmes. These could be the coverage of Parliament, local drama or cultural programming, or whatever is required. This is a good and fair system, though its short term nature – contracts are usually for up to three years – means the broadcaster is unable to build up really experienced specialist units.

It is essential that the Public Service Broadcaster, unlike a state broadcaster, is not part of the accounting system for Government

<sup>54</sup> Sato, Toshiyuki, Special Controller General Broadcasting Administration, NHK, interviewed by e-mail by Elizabeth Smith 12.05.2011

<sup>55</sup> Mendel, Toby Public Service Broadcasting: A Comparative Legal Survey, p.49 UNESCO 2011

Departments. It needs to have control of how it spends the money allocated to it. Of course it has to account properly for all its expenditure and publish regular and detailed accounts. But it cripples its independence if it remains part of the Government bureaucracy.

Employees of a PSB are public servants, but not Government servants. They should not receive Government pensions or government housing. This can be painful for those affected by a transition to PSB who lose what they had expected for their old age, and may also lose the homes they are living in. So transitional arrangements may need to be made in advance. The agreement of the government needs to be sought to find ways to cushion the pain.

Toby Mendel's *Public Service Broadcasting: A Comparative Legal Survey*<sup>56</sup> looks at eight public service broadcasters: those in Australia, Canada, France, Japan, Poland, South Africa, Thailand, and the United Kingdom. Of these, Japan, Thailand and the UK get the vast majority of their funds from public funds. In Australia, Canada and France between 65% and 85% comes from public funds. And in Poland and South Africa only between 30% and 18% comes from public funds. The other major source of revenue is from advertising. A mixture of public and advertising funding is very common among the broadcasters of the developing world. It has the danger, however, that, in order to attract the ads, the broadcaster has to behave like a commercial broadcaster. This means that the mandate to serve the public is harder to achieve, and consequently the public funding is more difficult to justify.

The ABC and NHK, and the BBC when broadcasting to the UK, do not transmit advertisements. The ABC is not funded by a licence fee. Both it and the other public service broadcaster in Australia, SBS, get direct grants from the government. Here is how Mark Scott, MD ABC, defends ABC's ad-free role: "Commercial broadcasters will not provide services and content unless they are profitable. With the wealth of choice now available, issues of integrity, trust and independence become critical. It is PSBs which offer local content, including local drama and programming for children, and cover news seriously, including maintaining foreign

correspondents. A trusted public service broadcaster such as ABC is also the medium of choice that people turn to in any disaster."<sup>57</sup>

Interestingly, Australia's SBS, set up to serve ethnic minorities, is financed by a mixture of government funding and advertisements. It is, like ABC, an outstanding Public Service Broadcaster.

Canada's public service broadcaster, CBC/SRC is also financed by a hybrid system, with the CBC/SRC receiving a Government grant for its radio services while CBC TV receives both a grant and commercial income, principally advertising. Mixed funding has been Canada's model since 1932. CBC Radio became commercial-free only in 1974. Compared with the more prevalent licence fee model, funding from taxation places the public broadcaster in a position of greater reliance on government, and therefore threatens the integrity of public broadcasting. This is evident in governance issues but CBC's programming independence is protected by legislation and public opinion in Canada.

There is never enough Government money for all the calls upon it. A public service broadcaster contributes to the quality of life but may not compete successfully against claims for education, health care and infrastructure to help business and industry. Nevertheless, as Toby Mendel puts it in *Public Service Broadcasting: A Comparative Legal Survey*: "International standards, as well as national practice, establish clearly that providing public financial support for public service broadcasters is essential to the successful delivery of their mandates." <sup>58</sup>

Exactly what form the public subsidy takes is influenced by the cultural norms of a region. A recent study of funding for public service media by the EBU<sup>59</sup> shows that there have been major changes over the past few years in the funding of the Spanish and French national Radio and TV channels – there has been complete or partial elimination of advertising and the introduction of new funding for public service media. And the licence fee has been replaced by a state fund in Iceland's RUV. Public

<sup>57</sup> Scott, Mark MD ABC, interviewed by Elizabeth Smith by email 10.8.2011

<sup>58</sup> Toby Mendel Public Service Broadcasting: A Comparative Legal Survey UNESCO 2011 p. 17

<sup>59</sup> EBU Funding of Public Service Media Geneva 2010 page 6

funding rather than a licence fee is also favoured for Slovakia. More EBU member organisations increased their public funding between 2008 and 2009 than suffered a decrease. So there is very much a future ahead for non-license fee funding for public service broadcasters. The choice of which system to go for is very much determined by what is most common in a particular region.

It is likely that quite different forms of PSB may be adopted in the future. As mentioned earlier, a possible system is to allocate public funding which can be bid for by any broadcaster. This is a route favoured by commercial operators who feel it is unfair when all the public money goes to one broadcaster. I see this as a possible route to increase the amount of Public Service Broadcasting where commercial broadcasters are dominant, and as a supplementary form of public funding even where there is a strong PSB.

Public Service Broadcasters are seldom as well funded as they would like. In such cases, they may need to seek additional funding from non-government sources. PSBs need to make the case that spending on their broadcasting services can save governments from having to spend even more money elsewhere – for example, promoting the prevention of HIV-Aids can pre-empt an increase in pressure on national health services.

Non-Government sources of money may include:

- Advertising and sponsorship.
- The sale of facilities, including the hire out of studios and transmitters.
- Pay-per-view and pay TV. Among the most successful models of this are Home Box Office in the USA and Sky in the UK. Their very substantial incomes mean they have the funds to commission original programming and, in the case of Sky, to buy major sports rights. Pay-TV can provide ways for a PSB to offer additional premium channels. Care must be taken however, to ensure that the financial predictions will ensure profits even in lean times, otherwise high start-up costs

could prove a heavy drain on the PSB. What is particularly critical is that the guest for commercial success does not come to dictate the focus and programming of a PSB, but remains a means to reinforcing the core business rather than supplanting it.

- Additional "free" digital channels funded by advertising but operating with public service values.
- The exploitation of archives.
- Programme sales and products associated with programmes.
- New technology for interactive activities, linked to programming which may – for example through the use of income-generating call-ins from mobile phones - bring in considerable income.
- Appeals for funds directly to the public, as with public broadcasting in the USA.
- Funds from Foundations and NGOs, usually associated with programming to raise awareness of HIV/AIDS, corruption or climate change. It is essential that when agreements for the use of such funding are drawn up that the independence of the broadcaster is not compromised.
- Stable and appropriate income is particularly hard to access in small states. Ambitions to "do everything" and be a mini-BBC are not realistic. The only way ahead is to transmit quality local programming but for limited hours and to use low cost, even domestic, digital equipment and multi-skilled staff. Advertising income in small states is often higher for radio than for TV and can include very local ads, plus lowcost notices of births, marriages and deaths, as well as sponsorship and funding from NGOs. Advance agreements with the NGO's, as mentioned above, should ensure that the broadcaster keeps control of the editorial content. Ideally, the ability to access external funds could be specifically allowed in a new Broadcasting Act, or at least not prevented.

• As well as maximising income, it is also important to minimise costs. This means regular and rigorous reviews to reduce all expenditure, using zero-based budgeting systems by which all departments offer up savings and the management board decides, on the basis of their priorities, which offers to take. It is usually least disruptive to programme quality to take more from overheads and technical areas than from programme staff and budgets, but there are always some trims to be done there too. There may also be opportunities to leverage assets, expertise and expenditures with external partners/service providers to minimise cost and improve effectiveness.

#### 8. A range of accountability and transparency mechanisms

These should include Annual Reports to Parliament, and co-operation with performance monitoring of its licence conditions by an independent regulator. There may also be provision for some civil society monitoring of the output. The broadcaster should agree to these in exchange for state funding

To ensure that the Government funding is spent appropriately, the Broadcasting Act is likely to make provision for full financial accountability. This will be linked with performance measures, to the observance of agreed Guidelines, and to satisfactory mechanisms for dealing with complaints. Complying with these requirements is not cheap, so provision for costs should be included in the budget agreed in advance with the Government. This will need to cover the cost of commissioning audience research and the introduction of annual zero-based budgeting, so that the costs of all the different activities are known, and can be measured year by year. The performance indicators will normally, as a minimum, cover audience reach, audience share, the level of appreciation, types of programming, staff numbers, and programming and staff costs.

It is also essential that the broadcaster agrees to regularly-convened forums with civil society. In the interests of transparency, the maximum amount of information about the broadcaster's policy, practice and performance should be publicly available on its website.

Conclusion: a process, not a quick fix

Transforming the broadcasting of a country from state to public service is a long, hard and difficult road to travel. It is, however, well worth doing. It cannot be done without the support of the public, the opinion-formers and the government, but if these are specifically targeted, it should be possible to achieve over a number of years.

There is no need to be pessimistic about the future of Public Service Broadcasting in the digital age. There is a huge range of broadcasting emerging, ideally with key public service values at the core. PSBs will offer "most trusted" websites, informed blogs, balanced political coverage in the news, and fair election coverage. Because of the range and quality of their programming, Public Service Broadcasting will shine out alongside programming made at low cost for the greatest financial return.

At the heart of PSB values is concern for the citizen in all his or her diversity and language competencies: many people will enjoy other offerings but when it comes to a disaster, political upheavals, major national events, or the need for mother tongue content, or even "something different", it is to the Public Service Broadcaster that they will turn – even in a world of 500 available channels. Through the opportunities offered by digital technology, the Public Service Broadcaster is not only a source of discovery and delight but the route for ordinary people to communicate with leaders in all sorts of fields, and to influence the way things develop.

# Annex 1: UNESCO's contribution to PSB

#### **UNESCO's Strategic Action:**

- "To promote and strengthen editorially independent public service broadcasters to enable them to fulfill their cultural and educational role;
- To build on strategic alliances with major professional stakeholders, decision-makers and civil society;
- To advocate, to sensitize governments and public opinion on the unique mission of PSB;
- To advise Member States on legal, regulatory, financial and other major issues related to PSB;
- To promote associations of citizens for quality broadcasting;
- To encourage media professionals to reduce violence both in news and fictional programmes in electronic media with special emphasis on children and youth."<sup>60</sup> Much of the achievement of this Strategic Action has been carried out in partnership with like-minded organisations, so reducing the cost to UNESCO and maximising impact. As well as encouraging commitment to the principles of PSB through conferences and seminars, by funding training, and through the work of its local officers, UNESCO has commissioned some useful booklets. Recent publications specifically covering PSB include:
  - CBA Editorial Guidelines 4th Edition by Mary Raine
  - Freedom of Expression and Broadcasting Regulation by Toby Mendel and Eve Salomon

- CBA Guidelines for Broadcasters on Promoting User-generated Content and Media and Information Literacy by Martin Scott
- CBA Guidelines for Broadcasting Regulation by Eve Salomon
- Public Service Broadcasting: a comparative legal survey by Toby Mendel
- PSB: A Best Practices Source Book by Indrajit Banerjee and Kalinga Seneviratne
- The Importance of Self-regulation of the Media in Upholding Freedom of Expression by Andrew Puddephat
- The Regulatory Environment for Broadcasting: an International Best Practice Survey for Brazilian stakeholders by Toby Mendel and Eve Salomon
- UNESCO Media Development Indicators http://www.unesco.org/new/en/communication-and-information/ intergovernmental-programmes/ipdc/special-initiatives/mediadevelopment-indicators-mdis/

## Annex 2: Abbreviations

ABC – Australian Broadcasting Corporation

ABU - The Asia-Pacific Broadcasting Union

AIBD - The Asia-Pacific Institute for Broadcasting Development

AIR – All India Radio

AMIC – The Asia Media Information and Communication Centre

AUB - African Union of Broadcasters

BBC - British Broadcasting Corporation

BBS - Bhutan Broadcasting Service

CBA - The Commonwealth Broadcasting Association

CBU - Caribbean Broadcasting Union

DD – Doordarshan, India's state TV Broadcaster

EBU - The European Broadcasting Union

FES – The Friedrich-Ebert-Stiftung, Germany

KBS - South Korean Broadcasting System

KPI – Key Performance Indicator

MNB - Mongolian National Broadcaster

MISA - Media Institute of Southern Africa

NBC - Namibian Broadcasting Service

NHK – Nippon Hōsō Kyōkai, Japan Broadcasting Corporation

PSB – Public Service Broadcasting

RRI – Radio Republik Indonesia

SABC - South African Broadcasting Corporation

SBS - Special Broadcasting Service, Australia

SLBC - Sierra Leone Broadcasting Corporation

SLBC - Sri Lanka Broadcasting Corporation

SLRC - Sri Lanka Rupavihini (TV) Corporation

TBC - Tanzania Broadcasting Corporation

TPBS - Thai Public Broadcasting Service

UNESCO - The United Nations Educational, Scientific and Cultural

Organization

# Annex 3: Useful Publications

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# Annex 4: Sources of Quotations

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Chu, Pui-hing, former Director of Broadcasting in Hong Kong

Clark, Ken, General Manager International, Fiji TV

Dorji, Kinley, Secretary Ministry of Information and Communication, Bhutan

Ghose, Bhaskar, former DG Doordarshan, and former Chief Executive Lok Sabha TV

Hamdy, Nail, Journalism Professor at the American University of Cairo

Juzefovics, Janis, PhD researcher at London's Westminster University, formerly a news reporter then producer with Radio Latvia

Lightbourn, Edwin, GM BCB

Martin, Joseph, founder and web administrator of Friends of Prasar Bharati

Mhando, Tido, former DG Tanzania Broadcasting Corporation

Morrison, Ian, Spokesperson, Friends of Canadian Broadcasting

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She has done recent consultancies in Namibia, Lesotho, Bhutan and Sierra Leone. Previously she was Secretary-General, the Commonwealth Broadcasting Association and before that she was Controller (i.e. Director) of English Programmes for the BBC World Service. Earlier she was a BBC News and Current Affairs Producer.



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