

## A New Hope or a Lost Cause? The EBU's Vision 2020 Report and the Future of Public Service Media

**Peter A. Thompson**, *Victoria University of Wellington*

One might be forgiven for assuming that public service broadcasting is an anachronism when a *Google* search places a *Wikipedia* entry for an eponymous band specialising in retro-themed audio-visual performances<sup>1</sup> at the top of 31 million other links. The decreasing salience of public service media (PSM) provisions in a digitally converged market has been repeatedly narrated through neoliberal policy discourses, often with eager support from vested interests in the commercial media sector. Debate over the desirability and sustainability of PSM has nevertheless lost little of its perennial academic appeal (e.g., see Garnham, 2003; Hanretty, 2012; Jacka, 2003; Jakubowicz, 2007; Thompson, 2011a; Tracey, 1998). As Michael Tracey wryly commented at the 2012 Réseaux IP Européens conference, “whatever the contemporary tempest within which PSB finds itself, its demise – long predicted – has become a death so lingering as to have come to constitute a new form of life” (2012, p. 2).

Exactly what forms PSM might take in the future is the central theme of the European Broadcasting Union's recent “Vision 2020” report (European Broadcasting Union [EBU], 2014<sup>2</sup>). Subtitled “Connecting to a Networked Society”, this 100-page document outlines a range of political, economic, social and technological challenges facing public service operators, and makes a series of strategic recommendations for public service media in response to the changing political, economic and technological environments. This short commentary will outline some of the key points raised in the report, and discuss some of the issues raised by its recommendations both for public service media in other regions and also for political economy scholars.

The overarching concern of the report is the strategic repositioning of PSM and the redefinition of their scope and function in response to the “networked society”. This is understood in terms of two key trends—fragmentation and digitization (EBU, 2014, p. 10). Fragmentation is explained as a combination of individualization and the erosion of traditional social identities and bonds, resulting in more fluid and plural taste communities. Although the EBU regards new media as potentially empowering for citizens, fragmentation and digitalization are regarded as forces disrupting the social bonds between PSM and their traditional audiences, and potentially, the position of PSM in the media ecology.

The challenge the EBU envisions is not only to engage a more elusive and transient audience. It is also important to counter the erosion of institutional trust in public service arrangements, and the increasing political and social expectations on PSM to deliver value for money on increasingly tight budgets. The Vision 2020 report emphasises the need for PSM to demonstrate a “Return on Society” (the term “public value” is avoided, presumably to avoid confusion with specific metrics

for PSM performance, such as the BBC's public value tests). The preceding formulation seeks to connect and build trust with stakeholders in the networked society and legitimate the continuation of public funding (EBU, 2014, p. 12).

The pressures on PSM identified by the EBU are by no means unique to the European context, and the rationales underpinning the report are neither unfamiliar nor surprising. The commitment of a pan-European PSM body to collective strategies for some of the common challenges is a significant development. However, this also entails a number of potential limitations which need to be taken into consideration when analysing the recommendations. The Vision 2020 report stemmed from the work of three expert working parties, and had input from over 150 EBU members. Given the imperative to identify common ground, it was inevitable that the report could not focus on the specific institutional arrangements in each national context (a point the report acknowledges). A certain degree of generalisation is therefore understandable, although critical political economists might challenge some of the more generalised sociological assumptions. The extent to which digital media have dissolved traditional social bonds and identities into a postmodern fluidity is a particular point of contention (on this point, it is instructive to see the exchange between Garnham, 2003 and Jacka, 2003).

In this regard, there is perhaps a tendency to overstate the extent to which digital media have transformed audience behaviour, and fatally undermined linear free-to-air broadcasting models. New digital media are indeed redefining value chains in important ways, but traditional public service broadcasting services continue to occupy a key position in the media ecology. For example, Chris Hanretty's recent (2012) report for the British Academy provides some countervailing evidence supporting the view that public broadcasters, by and large, remain in "rude health" and are still fulfilling core functions<sup>3</sup> (especially in comparison with some commercial sector operators).

That does not obviate the EBU's point that in some countries, PSM are in genuine crisis (notably Greece) while many others have suffered significant cuts to funding (including Portugal, Spain, the Netherlands, Iceland, Romania, Ireland and Belgium). However, in such cases, macroeconomic conditions and government policy settings have had more immediate impact on the viability of PSM than have digitalization and fragmentation. Indeed the former directly shape the extent to which the latter pressures are likely to influence PSM provisions. Although the broader political and economic context is recognised, the EBU focus is more on the potential response of PSM themselves than on the need for any wider reform of market or political arrangements, as the recommendations, summarised below, suggest:

1) *Better understand your audience.* This calls for the creation of a "mutual relationship with audiences" and notes that "developing a more personalised media offer requires a much deeper knowledge of audiences". To this end, the Vision 2020 report proposes increasing audience research including user data (for non-commercial purposes).

2) *Increase engagement and diversity.* Following on from understanding the audience, this proposes a strategy to ensure socio-demographic diversity of content emphasising "innoversity" (innovation + diversity) in format design and delivery across a range of platforms.

3) *Set priorities in your portfolio.* This entails continuous improvement in quality, diversity, interaction, personalization and context (while taking account of budget pressures). More specifically, this proposes applying a "Fewer, Bigger, Better" principle to programming and services. The need for audience share and reach is balanced against universality, inclusivity and relevance. This also includes a call for "courageous" programmes dealing with major social issues,

a revitalization of “high” cultural forms, and a proposal to explore co-productions with other PSMs as well as engaging audiences in the creative process.

4) *Be the most relevant and trusted source of information.* This emphasises “agenda-setting journalism” and prioritises high quality news, current affairs, documentaries and consumer information. It also calls for an “internet first” strategy, with a focus on continuous updates, but recognises that the aim for immediacy should not compromise accuracy and reliability. The need to counter superficial commercial journalism with context and greater investigative depth to ensure that PSM retain audience trust is also noted. To this end, there is also a call for greater journalistic education and training and also for collaboration among PSM media (particularly in respect to providing local perspectives on global stories).

5) *Be more relevant to younger audiences.* This recognises that young people need a distinctive strategic focus, partly because of their greater usage of new media (which requires PSM to increase their presence on the new networked platforms). It is suggested that PSMs deliver targeted content on the platforms young people use, and that they tailor content formats accordingly (including features amenable to immediacy, interactivity, feedback, sharing, etc.)

6) *Empower, curate and share.* This covers what the document calls, “Return on Society” and a refocusing of what public service entails, notably in regard to curating and sharing content, digitizing archives and cooperating with other media (e.g. offering platforms to newspapers or allowing local producers access to studios). The role of PSM in helping bridge the digital divide, and developing the “digital commons” through collaboration with universities, cultural organisations and consumer groups is also highlighted, as is providing support to communities coping with social problems or disasters.

7) *Accelerate innovation and development.* This emphasises the need to adapt infrastructure to the new media environment and the need for PSMs to become “pathfinders in value-based innovation”. The aim here is focus on investing in the development of new platforms and technical standards in conjunction with other PSMs. In turn, this will help reduce the costs of competing/duplicating platforms and help focus competition on content quality.

8) *Ensure prominence.* This recognises the continuing importance of universal availability, free at the point of reception, regardless of platform. This not only includes migration to digital signal transmission and ensuring access to the commensurate spectrum, but the development of multi-platform distribution strategies in ways that ensure PSM content can be easily located/navigated. One suggestion here is to seek a collaborative over-the-top service for PSM services. The importance of regulatory safeguards such as net neutrality provisions is also highlighted.

9) *Transform organisational culture and leadership style.* This posits a need to transform PSM organisational structures and cultures. Among the suggestions here are “changing mind-sets and training your employees to become more flexible, agile, communicative and service-oriented”, “adopt the highest possible standards of governance”, and “replace fear with curiosity and a spirit of trial and error”. Other suggestions include “raise trustworthiness at every level of your activities”, “unsilo your staff and programme departments”, and “shift the focus of leadership from control to inspiration [and] “walk the talk” as an organisation”.

10) *Make the case for PSM.* This recognises that the continued legitimacy of PSM depends on the balance of relations between governments, markets and society and the need for PSM to adapt to the new environment. The main emphasis here is on ‘soft advocacy’ and the promotion of PSM’s capacity to provide a “Return on Society” through the development of new measures and the promotion of quality content. The need to support claims for adequate financing is also emphasised.

It is not the aim of this commentary to question the collective wisdom of the EBU expert working parties which formulated the recommendations—they are eminently sensible from the perspective of European public service media providers. However, their scope and focus raises a number of issues which deserve further scrutiny. First, the emphasis throughout is primarily on the PSM themselves as the agents charged with responding to the various challenges. Although this appropriately reflects the authorship and purpose of the report, it inadvertently serves to bracket out questions involving the broader political economy, such as the macroeconomic policy settings underpinning government cuts in support for public services.

The report rightly notes the need to take account of country-specific contextual factors, and perhaps the need for broad agreement on a generic set of strategies would become unduly complicated were specific political and economic issues to be critiqued. Nevertheless, with the exception of recommendation 10 (making the case for PSM through ‘soft advocacy’), there is much left unsaid about the structural conditions which underpin the problems facing PSM. In that respect, the Vision 2020 report is under-politicised and implicitly assumes that these conditions need to be accommodated rather than directly critiqued.

Secondly, perhaps with the exception of recommendations 4 (be the most relevant and trusted source of information), 6 (empower curate and share) and 10, the report would not seem completely out of place in the boardrooms of commercial broadcasters. Recommendations 7 (accelerate innovation and development) and 9 (transform organisational culture and leadership style) would certainly sound familiar to many large organisations. Although public service and commercial media may seek audience ratings and reach for different reasons, as broadcasters, they share some common priorities. They both seek to stabilise their position in the media ecology, by copying shifting value chains amidst increasingly elusive audience demographics and the increasing uncertainty of traditional revenue streams. In other contexts, the drive by PSM to extend their presence across digital platforms may risk conflating technical and public service imperatives (see Thompson, 2011a, 2012<sup>4</sup>). There is therefore a need to differentiate between strategies specific to PSM and those generic to the free-to-air broadcasting sector.

Thirdly, it is apparent that a number of the recommendations are framed as desirable outcomes rather than as specific processes/actions, and that putting them into practice may entail contradictory tensions. For example, the imperative to ensure diversity of appeal across demographic groups and develop more presence on new platforms (recommendation 2) may not align neatly with the “fewer, bigger, better” proposal (recommendation 3). To pursue all the proposals would doubtless require significant additional funding at a time when PSM funding has been subject to increasing scrutiny and cuts. In fairness, the Vision 2020 report does acknowledge strategic dilemmas throughout the report, but these are not all unique to PSM, and although the report offers diagnostic insight, the recommendations are by no means straight-forward solutions.

The Vision 2020 report goes on to explore a number of themes in more detail. Space precludes a full discussion of these, but two in particular raise specific questions relevant to political economists of PSM. The first appears in section 3.6 “Prominence & Findability – Major Bottlenecks” which usefully discusses changes to the broadcasting value chain. One important concern here is the potential for market failures and a shift in media power-relations if the vertical integration of traditional broadcasters is compromised by proprietary technologies (including EPGs and bundled or “walled garden” models encompassing content, network and hardware) and by new aggregator-distributor models (involving mergers between network providers and content producers which could potentially threaten net neutrality<sup>5</sup>). Section 3.6 also identifies an important policy question

about re-transmission/licensing fees and the relation between PSM and cable/subscription operators which often carry free-to-air channels as part of their basic packages. The emergence of new bottlenecks and gatekeepers outside the control of PSM are duly noted, but these are issues which need to be addressed on a political level. They entail state interventions in media markets which directly challenge corporate media interests.

These considerations offer an important corrective to the assumption, popular among proponents of free market policies, that the proliferation of new digital platforms will ensure a diversity of content and thereby obviate much of the need for continued PSM subsidies. This has been particularly evident in New Zealand, where the government removed the public service Charter from Television New Zealand (TVNZ) and discontinued the funding for the commercial-free channels TVNZ 6 and 7 in 2011 and 2012 respectively. The government's justification was that in the digital context, funding public broadcasting *institutions* was inefficient and that contestable public subsidies for local *content* (administered by NZ On Air) could better advance public service functions (Thompson, 2011a, 2011b, 2012). The government has also refused to contemplate re-regulating the retransmission licensing agreements between the near-monopoly pay-TV provider, Sky and the free-to-air operators. Sky pays nothing to the FTA operators despite these channels representing over half the audience viewing on its DTS platform (although Sky does pay to carry TVNZ archive channel, *Heartland*, and the former TVNZ 6 ad-free children's component, Kidzone, these are now behind a paywall). Indeed, the pervasive assumption that the switchover from analogue to digital transmission will remove spectrum scarcity (and ostensibly remove a cornerstone premise for PSM) is far from self-evident. The independent non-profit PSM operator *Stratos* was forced to close down in 2011 because it was unable to afford access to digital spectrum rights and transmission services from Kordia (the government agency responsible for auctioning digital frequencies). *Stratos* was eventually reincarnated as *Face TV*, but this is carried exclusively on Sky's DTS platform. Affordable spectrum access is therefore not a given and depending on policy arrangements this may still act as a bottleneck for some kinds of PSM.

The other important theme in the Vision 2020 report is section 3.8 "Governance, Role & Remit and Funding Trends", and the Appendix from Experts Group III on the same issues. These sections are the most political part of the EBU report, and identify a series of risks to PSM, most prominently the need to sustain the political legitimacy of PSM and its public funding in the face of changes in technology and audience expectations. Of particular importance is the recognition that changes in the value chain stemming from digital convergence have intensified competition for revenue and market share from commercial interests in other media sectors. This includes contestation of PSM's position in the digital media ecology from hard copy and online newspapers as well as from commercial rivals in the broadcasting sector.

Indeed, in the European context, commercial media interests have lobbied for tighter restrictions on the scope of publicly-funded PSM operations on the pretext that these distort the market and preclude the growth of commercial businesses. On that point, it is important to note that, although the European Commission Audiovisual Media Services Directive explicitly supports the right of states to support public service media, it also serves to quarantine the scope and scale of that intervention. As the report rightly notes, "PSM now need to prove that their new services provide public value and do not unduly hamper the possibilities of other market players" (EBU, 2014, p. 70). It is also noted that, between 2007 and 2012, the value of PSM funding in the EBU region (adjusted for inflation) decreased by 9.8% in real terms. In turn, this not only makes it more

difficult for PSMs to sustain core services while trying to develop a presence on new platforms, it also places them in a more dependent position on government for any increase in revenue.

As Experts Group III pointedly observe, “Funding models are at best vulnerable to market and political pressure; at worst they may be linked to particular transmission technologies which could leave them stranded yet facing the prospect of a vigorous public debate about the extent to which they should retain all the funding in the future especially if it is refocused on a broader range of media” (EBU, 2014, p. 99).

The report goes on to note that there is a need to (re)gain the external support of policy makers as well as engender commitment to the public service mission among PSM managers themselves. As section 3.29 argues, at the same time as PSMs need to create a virtuous circle where they provide quality services and increase public trust in order to legitimate their public subsidy, there is a risk of “downward spiral” whereby a lack of stable funding leads to cuts in services, reducing public support and threatening the legitimacy of continued subsidies.

The report notes that in the Netherlands, Germany, and Finland, public licence fees have been replaced with various forms of taxation. In the UK, the BBC’s licence fee funding has been maintained but subject to renegotiation in an increasingly hostile political environment (see Thompson, 2011a). The latest funding round in 2010 saw the BBC take on funding responsibilities for the World Service and Welsh channel, despite a budget freeze for 6 years. One recent consequence of this has been the closure of BBC Three (BBC News, 2014).

Similar trends are evident elsewhere. In New Zealand, in addition to the removal of funding for TVNZ 6 and 7, Radio New Zealand has had a funding freeze for over six years despite expectations that it will expand its online services. In the US, the Corporation for Public Broadcasting has come under sustained pressure from the political right and in 2013, budget cuts saw its workforce reduced by 11% (Sefton, 2013). In Australia, meanwhile, the ABC was recently challenged by Prime Minister, Tony Abbott, for not being more supportive of Australian foreign policy interests (ABC News 2014a). Shortly afterwards, despite previous government undertakings to the contrary, the ABC and SBS received 1 percent budget cuts and ABC’s recent \$220 million, 10-year contract with the Department of Foreign Affairs and Trade operate Australia Network (the Asia Pacific television service), was summarily cancelled (ABC National Radio, 2014; ABC News 2014b).

These developments are indicative that the kind of threats to PSM identified by the EBU are by no means confined to Europe (and indeed, are arguably worse elsewhere). However, even if the challenges appear to be generic, their articulation depends on specific institutional settings, including the position of the PSM in their respective national media ecologies and the disposition of relevant government ministries (Thompson, 2011b). The 2020 Vision report certainly provides a very useful diagnostic, and its call for a collaborative approach among PSMs in seeking strategies to sustain the legitimacy of public service provisions is laudable. However, the academic community (particularly political economists) can play a role here by expanding the political discourse and engaging with media and policy makers and other civic stakeholders. It is important for academics to provide empirical research that debunks flawed mythologies about the digital media environment and critiques default pro-market policy settings which may obstruct the wider effort to realign government policy and broadcaster priorities with public service principles. PSMs obviously have to adapt to the new environment, but there is no need to apologise for or dismiss public service principles as a “pointless juju stick...a term now drained of all meaning and purpose”, as former UK Channel 4 boss, Michael Jackson put it (quoted in Broadcast Now, 2002;

see also Jackson, 2003). On the contrary, public service media need to be made meaningful, but in the context of a wider movement to reclaim the digital commons.

## Endnotes

[1] [http://en.wikipedia.org/wiki/Public\\_Service\\_Broadcasting\\_\(band\)](http://en.wikipedia.org/wiki/Public_Service_Broadcasting_(band))

[2] The EBU is the advocacy group for public service media representing industry members across 56 countries.

[3] Hanretty notes that although PSMs have, overall, lost some audience share, in countries with multiple PSM providers, audience share has been stabilised or even increased. He also notes highly varied outcomes of PSM online ventures with both successes and failures. His report also finds evidence to support the claim that PSM play a significant role in supporting an informed citizenry (a point also noted in the Vision 2020 report), particularly for those who are less politically engaged. However, there was insufficient evidence to support the notion that PSM should support national cultural identity.

[4] For example, in New Zealand, TVNZ's "inspiring on every screen" strategy paved the way for a shift in institutional focus from universal service/inclusivity principles (engaging a wider proportion of the population) toward the development of new digital platform developments and the more commercial priority of reaching target demographics and maintaining revenue.

[5] At time of writing, there are proposals from AT&T to acquire DirectTV, while Comcast has proposed a takeover of Time Warner.

## Author Bio

Peter Thompson is a senior lecturer in the media studies programme at Victoria University of Wellington. He has published extensively on the evolution of media policy in New Zealand, especially in respect to the public service broadcasting reforms between 1999–2008. He has conducted research on behalf of the Ministry for Culture and Heritage and the NZ Broadcasting Commission. He was appointed chair of the working party which reviewed public submissions of the (now repealed) TVNZ Charter. His other major research interest, stemming from his doctoral work, concerns the role of communication systems in financial markets and the significance of reflexive feedback loops for financial reporting and the generation of bubbles and crashes.

## References

ABC News (2014a) *Prime Minister Tony Abbott says ABC not on Australia's side in interview with 2GB*. 4 February. Available at: <http://www.abc.net.au/news/2014-01-29/tony-abbott-steps-up-criticism-of-abc/5224676> (accessed 22 March 2014)

ABC News (2014b) *Budget 2014: ABC, SBS funding cut, Australia Network contract cancelled*. Available at: <http://www.abc.net.au/news/2014-05-13/budget-2014-abc-sbs-funding-cut-ausnet-contract-cancelled/5450932> (accessed 2 June 2014)

ABC Radio National (2014) *ABC managing director Mark Scott responds to Budget cuts*. Available at: <http://www.abc.net.au/radionational/programs/breakfast/mark-scott/5451576> (accessed 2 June 2014)

BBC News (2014) *BBC three to be axed as an on-air channel*. 5 March. Available at: <http://www.bbc.com/news/entertainment-arts-26447089> (accessed 7 March 2014)

- Broadcast Now (2002) Public Service broadcasting – Still providing a service? Available at: <http://www.broadcastnow.co.uk/public-service-broadcasting-still-providing-a-service/1135687.article> (accessed May 22 2014)
- European Broadcasting Union (2014) *Vision2020: Connecting to a networked society*. Full report. Available at: [http://www.eurovision.com/files/live/sites/ebu/files/Knowledge/Publication%20Library/EBU-Vision2020-Full\\_report\\_EN.pdf](http://www.eurovision.com/files/live/sites/ebu/files/Knowledge/Publication%20Library/EBU-Vision2020-Full_report_EN.pdf) (accessed 16 June 2014).
- Garnham N (2003) A response to Elizabeth Jacka's "Democracy as Defeat". *Television & New Media* 4(2): 193–200.
- Hanretty C (2012) *Public broadcasting's continued rude health*. London: British Academy Policy Centre.
- Jacka E (2003) "Democracy as defeat". The impotence of arguments for public service broadcasting. *Television & New Media* 4(2): 177–191.
- Jackson M (2003) Comments from "Ian Fraser Interviews Michael Jackson". *A New Future for Public Broadcasting Conference*. 20–21 November, Wellington.
- Jakubowicz K (2007) *Public service broadcasting – A new beginning or the beginning of the end?* Council of Europe. Available at: [http://www.coe.int/t/dghl/standardsetting/media/doc/PSB\\_Anewbeginning\\_KJ\\_en.pdf](http://www.coe.int/t/dghl/standardsetting/media/doc/PSB_Anewbeginning_KJ_en.pdf) (accessed 24 May 2014)
- Sefton D (2013) *Appropriation cuts lead to layoffs and furloughs throughout CPB*. 3 May. Available at: <http://www.current.org/2013/05/appropriation-cuts-lead-to-layoffs-and-furloughs-throughout-cpb/> (accessed 20 June 2014).
- Thompson PA (2011a) Running on empty? The uncertain financial futures of public service media in the contemporary media policy environment. In: Winseck W and Jin D-Y (Eds) *The political economies of media*. London: Bloomsbury Academic, pp. 223–240.
- Thompson PA (2011b) Neoliberalism and the political economies of public television policy in New Zealand. *Australian Journal of Communication* 38(3):1–16.
- Thompson PA (2012) Last chance to see? In: Hirst M, Phelan S and Rupa V (Eds) *Scooped: The politics and power of journalism in Aotearoa New Zealand*. Auckland: AUT Media/JMAD, pp. 96–113.
- Tracey M (1998) *The decline and fall of public broadcasting*. Oxford: Oxford University Press.
- Tracey M (2012) "this strange disease of modern life...": The concept of public value and the triumph of materialist modernity. Paper presented at the RIPE 2012 conference, Value for Public Money – Money for Public Value. 5–7 September. Sydney. Available at: <http://ripeat.org/wp-content/uploads/tdomf/3246/Tracey2012.pdf> (accessed 20 March 2014)