

Text of the Presentation of **Matthias Künzler**, (University of Chur, Switzerland) for the Plenary Session 1: "Public service and public interest content in the digital age: taking stock of stakeholders' views" on 24 May 2018

- To be read in conjunction with the PowerPoint slides available here:

<https://www.epra.org/attachments/luxembourg-plenary-1-public-service-and-public-interest-content-in-the-digital-age-presentation-by-matthias-kunzler-university-of-chur>

Ladies and Gentlemen, Thank you very much for the kind invitation and the possibility to talk about the challenge to legitimate PSM in times of digitisation.

Referring to the debate that just took place in Switzerland, the country where I am coming from, I am giving a short overview of this debate. I will conclude that there are still strong arguments for establishing PSM-organizations but that we need a new approach to legitimize the organization by the citizens.

Public Service Media are under pressure across Europe, as we all know. The probably most intensive debate about the future funding and institutionalization of public broadcasting was held in Switzerland for over a year due to the referendum "No-Billag" which called for the abolition of the broadcasting fee and a ban on all public funding of radio and television stations. [On the slide you see a few advertising slogans which were used during the campaign.]

At the end, the referendum was clearly rejected by almost 72% of the voters and surprisingly enough young people rejected it as well. Thus, the debate in Switzerland has faded for the moment.

In contrast to Switzerland, I have the impression that the debate about the future of PSM and public funding has intensified in many other European countries.

Depending on the country, the arguments used in these debates differ; nevertheless, there are also some similarities. One of the major points of critique is that many PSM-programs especially in the field of entertainment or sports are difficult to distinguish from the programs of private broadcasters. Many citizens therefore no longer see the reason, why they should pay licence or household fee for such services they pretend to get free.

This argument is summed up in a report drawn up at a Swiss university made for the opponents of public broadcasting:

[Read the quote on the slide]

As we see, the authors call for a new approach of broadcasting regulation, which no longer delegates the public service remit to one PSM-organisation, but decentralizes the public service-remit by tendering the production of such programs to private companies.

Another demand in these debates is to limit the activity of public broadcasters to a 'niche strategy', which means that PSB should not produce entertainment, sports programs and so on. In such a "minimalist approach" (Moe / Syvertsen 2009) public broadcasters provide only program services that are unattractive to private providers, for example, cultural programs, etc.

However, these requirements to decentralize PSM and to bring competition into PSM policy is not new. As the Belgian colleagues Karen Donders and Tim Raats have shown, this idea was first formulated by the British Peacock Commission in the 1980s and subsequently debated in different ways in other countries such as the Netherlands, Belgium. New Zealand implemented the model.

The proponents of this model expect a series of advantages. They suppose that this model helps to:

- define and operationalise the public service clearer
- Thus helps to overcome market distortion
- which leads to a more effective use of public money

- and which facilitates new business opportunities for private media companies.

However, the experience from countries that have implemented such decentralized models show that the high expectations were not or only partially met. In New Zealand e.g., where public services-programs are financed by a fund and in the USA where the PSB must pursue a niche strategy, there are still debates about the proper use of public money, as some headlines but also some empirical studies show [see slides]. Besides there are also problems for regulators to enforce the rules.

These examples illustrate that it is very difficult to make a sharp distinction between public and private services in reality – regardless of the regulatory model.

In addition, proponents of the traditional model of public broadcasting argue that a sharp distinction between public and private services is nothing desirable:

Public Service Media should have an impact on the private sector by setting quality standards and by producing additional positive social and cultural externalities to the whole society.

Thus, in order to fulfill such an overall social purpose, it needs an organization. Only the form of the organization makes it possible to align production routines at non-profit objectives, which for example leads to different methods to investigate stories, a different way of dealing with the audience and participants in the programs and so on.

Nevertheless, this brings us back to the starting point:

- How is it possible that a PSM-organization fulfils its public service remit for the whole society and
- What can the organization and probably regulators do in order that PSM-organization and its funding are perceived as legitimate in a digital driven media landscape?

When I was preparing my presentation, I came across a brand new concept developed by the scholars Kaisa Sorsa and Mikko Sihvonen just this year: *The Shared Value Approach*. This approach rose out of criticism of the public value approach, which would base on economic criteria largely.

The new concept assumes that PSM-organisations

- need to be more accountable to the audiences instead to political administration
- PSM should create value for whole society/stakeholders: NGOs, civil society, academia

Sorsa/Sihvonen suggest to implement the concept by being more accountable towards stakeholder needs, to monitor the needs of stakeholders regularly and turn it into a clear strategy.

I was convinced by this concept since it refers to another lesson I have learnt from the No-Billag-referendum in Switzerland:

During the referendum campaign, more and more social groups suddenly came to the scene, wondering what the effects would be on themselves, if public broadcasting would no longer exist. The result was enlightening:

- Suddenly grassroots sports associations announce that e.g. artistic gymnastics, which is quite popular in many villages would no longer be shown in the media.
- Suddenly, the Swiss Academy of Science announces that it is worried that research at local universities and Swiss experts would no longer appear in the media anymore.

I could give dozens of other examples.

Thus, the referendum debate has shown, that PSM-organisations are already well interconnected to the society and civil society organisations but that PSM and many citizens are not normally not much aware about that. Thus, the shared value approach that focuses on the links between PSM and society may help to strengthen the already existing linkages between PSM and civil society and thus raise the legitimacy of PSM.