

Public Service in the Digital Environment: Theory and Practice

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- *Deregulation and the liberalisation of European television markets, as well as the popularisation of digital TV, have led general-interest and state public broadcasters to a structural challenge. In the face of the challenge of the digital era, the new technologies can improve and complement television's public service mission. I studied the Spanish, British and Finnish cases to check whether public action can motivate or delay the expansion of digital television and internet over public TV.*

Key words

Public television, digital television, internet and public sphere.

Deregulation and the liberalisation of European television markets, as well as the popularisation of digital TV, have led general-interest and State public broadcasters to a structural challenge, similar to that of the 1980s.² Since then, we have seen a number of strategies to reverse falling ratings, such as the popularisation of content, cooperation with third parties in funding projects and the rationalisation of management through programme contracts. These actions have proven to be insufficient, because they did not assume the change but rather covered the successive holes that appeared. In the current context it seems fair to suggest that there is a real danger of concentration, that commercial operators barely meet the social and political functions of communication and that the experience of 20 years of liberalising policies and deregulation have not led to more pluralism. Signal digitalisation, as well as its interaction with other technologies, represents a unique chance to open the range of services and renew and innovate the public television mission within a broad concept of communication policies.

As proactive measures for overcoming these difficulties, public television has to meet three goals: become a counterweight to business oligopoly and audience fragmentation, expand consumers' possibilities of choice and positively influence the national media ecosystem. The idea that the public media play a central role in the national media ecosystem is presented as a central theme in the discussion of the *Report on the Reform of State-Owned Media* and in the review of public service broadcasting in the United Kingdom.

The health of contemporary democracies is explained in line with their media systems, while television, which acts as the organiser of private life, is the catalyst and debate forum of the affairs of public life. Television's social responsibility lies in obligations taken on with society, something that has

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traditionally been known as public interest and which is reminiscent of the illustrated project of modernity. How is this abstraction determined in the daily task of 24/7 broadcasting? How can we survive the hyper-commercialism of the media, the concentration of ownership and infotainment? Any attempt at reaching goals must be associated with quantitative and qualitative indicators involving meeting the public service mission. The first two goals have immediate effects on the weekly programming schedule. The duty of public stations is to provide content that is substantially different from that offered by the private stations. As in other areas of the public service, the idea is not to repeat but, on the contrary, renew and innovate, and offer alternatives in leisure, information and culture. In this definition there is room for general and minority programming alike. The cost analysis has to focus on meeting the mission, not on tenths of audience figures. The way to reach this goal is to set up a stable funding system that makes it possible to sustain an audience figure and plough any possible profit back into new services and risk content. The third goal is the result of the establishment of long-term public policies. The national media ecosystem is the result of the television system, the institutions that monitor its proper operation, the content that is broadcast, the pluralism and impartiality of the news service and the interaction between market, public and audience. In an open society, all these elements interact in the creation of active citizens.

A New Model for a New Environment

There is widespread consensus about the fact that public stations have to meet their tasks in the digital world. The functions are innovative and alien to the traditional view of public-service television, anchored in the analogue world. Some private agents have opposed the participation of public operators in cyberspace, believing that most online activities distort the commercial basis of the services associated with new technologies, in particular the internet. To counter this argument, public operators have to abandon the economic version of the use of digital TV and internet and invent a synergetic vision of the management of public broadcasting companies in the framework of global public policies for the development of the information society. The

paradox is the multitude of possibilities the technologies offer when applied to the public-service concept. The more successful a public operator is, the more criticism it receives from private agents. I believe this conceptualisation is erroneous, because “the *commercial* concept is only valid if there is a difference between the behaviour of the public and commercial systems, which is also recognised by public opinion and vouchsafed at the judicial level”.²

The first step towards reaching this goal is to convert public operators’ websites into reference portals. The idea is to make use of the force of the brand, which in today’s competitive environment is the most important commercial and institutional asset. As a value in the cultural industry, the brand is a substantial part of products and a signal of identity above and beyond quality. The public-television consumer has to find online the initial response to his or her social communication needs: the public-television website becomes the main door to accessing the network and an authorised source of news and leisure information. At the same time, a reference website makes it possible to obtain new income from other commercial information possibilities. In the field of programming, a complete rundown of prepared programming can be published online, with all sorts of details about the production (actors, directors, languages in which it is available, etc.) and successive complementary channels of archive material, related links, etc., can be created. Also, the web can act as an authority source that redirects the user towards other hyperlinks of interest. It would be a good idea for quality content with a loyal public to be closely related to the production team. As a source of income, the internet makes it possible to expand the framework of action to right across the planet. In the area of distribution and dissemination, webstreaming does not appear to be a short-term technology. On the other hand, digital television opens the door to a more democratic distribution of station content via the multiplication of basic channels, the creation of minority channels, individualised services, interactive services, standard online content services, online pay services and other more advanced management resources.

The fragmentation of television audiences reduces the common public space, which is the basis of the democratic concept of the media. The synergetic model opens the range of possibilities of advancing in and shoring up the public

service mission as a centripetal force that encourages plural communication and as a vehicle for revitalised civic culture. The content has to vouchsafe equal opportunities for citizens to actively take part in civil society and must promote independence and individualisation. Synergy is explained on the basis of the creation of added-value content for the citizen in way that ensures the opportunity of obtaining and using knowledge in an increasingly globalised world.

The Experience of Spain, Finland and the United Kingdom

The erratic broadcasting policy of the 1990s has heavily punished the RTVE group. The multiplication of its debt and the absence of a general plan of public communication policies has further affected its crisis. It has not adapted to the new environment, but maintains a structure and content typical of the analogue world. In relation to its online projection, the issue was barely touched on during the Popular Party's time in office, despite there being a framework of action within additional provision 16 of Act 24/2001 on fiscal, administrative and social order measures. The Act accompanying the budgets defines the public service function and explicitly mentions the active promotion of the development of the information society through four lines of action: 1) Participation in technological development; 2) Use of all the distribution and dissemination platforms and channels, new production technique and the dissemination of audiovisual communication programmes and services; 3) Development of new services, including digital ones, and 4) Bringing the services and actions of the different public administrations closer to the public. Of the measures begun, I only want to highlight the project to digitalise the TVE historic archive, included within the framework plan, which aims to open the possibilities of using the content of the television catalogue. Until now, new technologies have contributed almost no income to the organisation's funding and it has let a number of opportunities pass it by, such as those resulting from the most successful programmes like *Operación Triunfo*, *Memoria de España* and *Cuéntame*.

In the summer of 2004, shortly after taking over as the head of the group, Carmen Caffarel acknowledged it did not

have a good enough online presence and announced a new design of the portal with the aim of improving the content and the informative services as part of a broad commitment to a quality public service. In the field of information, teletext, the station Canal 24 Horas and Radio 5 would be transformed into digital services that would contain staff members. 18 months on, the success of the measures is arguable. Programmes like *Redes*, *El mundo en 24 horas*, *Crónicas* and *En portada* do not have an online team to put material of interest, primary sources, unaired cuts, original programme scripts, hyperlinks, etc., on the web. The programme websites provide information on the technical team and timetable or are linked to private interests, e.g., in the case of *Redes* (www.smartplanet.es).

The web services indicate the level of adaptation to the digital environment, because they show the process of the creation of value and confirm that public service television does not necessarily have to be exhausted in the analogue world. The RTVE website does not meet any of the three classic functions of journalism: the news services do not have a specific section, with nothing even rudimentary like teletext. From the viewpoint of the internet consumer, the webpage holds no interest because it contributes no added value or differential elements. In relation to the creation of public-sphere spaces, it does not permit the creation of forums, interest groups, email or any other service typical of the digital environment. One can only find, with difficulty, seven blocks with a dubious level of updating. There are no audience figures on the site.

The sales area of RTVE is a bit better, although it still not provide figures of comparison. In 1998 the first steps were taken in the online contracting of spaces and it was positioned on the online television advertising market. For five years, experiments were done with sales formats and the online contracting service was launched in March 2003. This involved a multichannel system for reserving advertising spaces which, over the internet, supported the whole of the advertising purchasing process at TVE, from sending a purchase request through to the definitive awarding of the campaign. It included an XML channel designed for the media buying agencies and a web channel for non-specialised enterprises.

The process of legal dispersion has been very damaging to the normal development of the public service in the digital

environment. A lack of legal definition and administrative chaos have been a hindrance to digital TV, which should have acted as an engine of transformation. Royal Decree 2169/1998 of 9 October published the National Technical DTTV Plan which organised the broadcasting industry on the premise of conditional access and forced users to pay part of the changeover from analogue to digital technology". This strategy was a mistake in the development of DTTV and confirmed the hypotheses that users were not interested in the reception technology but rather in content, which was more interesting in the satellite offers and which led to expectations of the failure of the new operator. According to the Telecommunications Market Commission (CMT), the lack of viability of two or more projects on the Spanish market and the difficulty companies had in meeting balances would end up promoting concentration or a single dominant operator. This trend occurred in year 2002, when the two main agents merged and the third one, Quiero TV, which purported to have more than 200,000 subscribers, disappeared. After its closure, the CMT recommended "maximising the involvement of the current terrestrial television licensees and public, state and autonomous-community companies that constitute the terrestrial analogue television market, as well as the definitive resolution of the conflicts and problems that are a burden to the development of this market".³ It also advised that, after a particular date, it would be necessary to distribute and market television sets with technical devices for the reception of digital broadcasts. As these sets already existed, the obligation of incorporating them to analogue ones would stimulate the rollout of digital television and generate a virtuous circle of growth.

The new regulatory framework approved by the Socialist government is aimed at putting an end to the above-mentioned conflicts and establishing a stable and long-term legal order. The first regulation approved was Act 10/2005 of 14 June on urgent measures to promote terrestrial digital television, the liberalisation of cable TV and the promotion of pluralism. The legal strategy does not seem to be appropriate, because it allows analogue broadcasts until 2010, subordinates development to autonomous-community regulations (which will increase dispersion in the legal field and in terms) and authorises the creation of a new analogue station. The framework is complemented by Royal Decree

944/2005 of 29 July establishing the DTTV National Technical Plan, which repeals the plan of 1998. The new technical plan reorganises frequencies and awards the RTVE group the main role in migration. It will manage a complete multiplex with the possibility of making autonomous-community-wide breakouts for the dissemination of four free-to-air TV stations, as well as connection services for public service provision. A second multiplex is reserved until the conclusion of the reform of RTVE. Multiple frequency channels will be able to do regional breakouts, while these in turn will be able to do provincial breakouts. Antena 3 TV, Tele-5, Sogecable, Net TV and VeoTV received a channel within the three multiplexes available for private operators, although the first three already carry out broadcasts in simulcast.⁴ At the same time, after the analogue blackout scheduled for 2010, each operator will have a complete multiplex. It will then be considered whether private operators will be able to make territorial breakouts. The seven remaining stations available in the current system will be assigned by a public competition. The frequency of the former Quiero TV will be reassigned to free programmes for State coverage. In the autonomous-community field, each community will have two multiplexes which will be assigned in line with their own regulations. The two multiplexes will enable the broadcasting of eight complete programmes (stations), with a capacity to make provincial, local, insular or regional breakouts. The local stations that broadcast will be awarded shortly, no later than January 2008. Royal Decree 945/2005 of 29 July approved the general regulation on the DTTV service provision, which corrected the excessive laws determined by a final ruling from the Supreme Court. The new technical regulation is developed in ITC Order/2476/2005 of 29 July. Royal Decree 946/2005 of 29 July created, in fact, a new analogue television station. It was an erroneous strategic decision because the Spanish experience demonstrates that DTTV needs the unconditional support of all the levels of the sector. The modification of the licence contract and the authorisation for uncoded broadcasting in analogue contradicts the spirit of Regulation 10/2005 of 14 June. The definitive distribution of the 20 free digital stations that will broadcast DTTV was approved in November 2005. RTVE will have a digital version of TVE-1 and La 2, Canal 24 Horas, Teleduarte and Clan TVE/TVE 50 Aniversario.

Each of the three private companies will have three channels, while Net TV, VeoTV and GAMP (Gestora d'Inversions Audiovisuals, the license holder of the 6th analogue station) will only have two for now. Each autonomous community will have a further two multiplexes (eight channels), except Catalonia, which will have three. Finally, 281 local demarcations will have one multiplex.

In conclusion, RTVE has not been able to handle the digital challenge, even though it is a station with leadership capacity (30% of the audience with the two stations) in the analogue world. A lack of strategic planning and absence of a previous definition of what the broadcasting public service involves has put a brake on the public group acting as a promoter of the digital migration. In her latest appearance before Congress, Carmen Caffarel presented a plan with five work lines and a reinforcement of TVE's role in the development of DTTV. She urged that the measures become a reality now, for qualitative and quantitative indicators to be agreed upon and for long-term revisions to be made about the level of compliance of the public broadcasting mission in the digital environment.

In comparison with the public and private failure of the Spanish case is the success of the Finnish public station, YLE. In 1995, the Ministry of Transport and Communications approved the 2010 Strategic Plan for Radio and Television, which served as a reference framework for successive broadcasting projects, such as signal digitalisation (1996); the creation of a satellite to cover the needs of Finns living abroad (1997); the establishment of a stable debate forum on digital television (1998); the awarding of licences for DTTV broadcasting (1999) and successive development phases. In late 2005, 99.9% of the Finnish population had access to two multiplexes and 78% to a third one. The distribution of licenses awarded a four-channel multiplex to YLE to meet its public service broadcasting mission. YLE TV 1-D broadcasts fiction content and current-affairs documentaries, while TLE TV 2-D offers general programming simulcast with the second public analogue station. YLE Teema is a station dedicated to culture, science and education in all their manifestations. Finally, YLE24 is a 24-hour news channel. YLE has upheld a nucleus of general public interest with high viewing figures (20-25%), while the other stations complete the catalogue of universal service duties. With this strategy, YLE has overco-

me the crisis of the transition to a new broadcasting system and avoided its marginalisation in the broadcasting panorama.

Experience confirms the hypothesis of the European Broadcasting Union that defends the maintenance of one or two strong channels that profit from the strategic position of the public operator brand and which lead migration. Without this leadership, the permanent lack of liquidity and low short-term profitability would have destabilised the national industry and left it in the hands of Swedish and British companies. YLE's visibility in the new market conditions has been a success: 62% of productions broadcast by the public operator are domestic ones, a figure that rises to 70% when it comes to children's programming. In the sphere of new technologies, the YLE website is one of the most popular and enjoys great credibility. During the 2005 municipal elections, 657,000 different hits were recorded in a week, and during the disaster in South East Asia in December 2004, there were 900,000 hits one weekend. Since 2004, it has offered a specific space for the creation of virtual communities. Finally, since 2004, YLE has offered part of its news services in a 3G version for mobile phones, as well as applications for education and culture.

The United Kingdom has opted for a mixed solution. The BBC has been a pioneer in the changes applied, both in its public television function and as a business model. The Board of Governors has accepted the digital challenge and considers the Corporation to be an organisation composed of radio, television and the new media, which enrich the services offered by the two traditional ones. Its interactive services (BBCi) and website (www.bbc.co.uk) are natural extensions of the service and have different objectives, but always with a view to meeting the BBC's mission.⁵

Investment in the digital curriculum has increased in a sustained fashion over the past four years. In 2003, spending came to 451.52 million euros, 29 million up on the previous year. This figure was maintained in 2004 with 451.80 million euros and underwent a qualitative leap in 2005 when it grew to 512.87 million euros.⁶ These investments are justified by the constant investment in infrastructures, content and differentiated services, and meet the public value philosophy, which aims to increase the range of services and defend democratic values in a globalised world, and value for money, which aims to optimise the value of the license fee.⁷

The web services are aimed at complementing the broadcasting offer and increasing the profundity, interactivity and ease of access to information, training and entertainment information. The internet services work in a very acceptable manner and receive an average of over 10 million monthly users, with a rise in 2005 of 1.7 million over the previous year.⁸ According to figures from metasearch engine Lycos50.com, BBC News is the second-biggest source of information in the world after CNN. It has RSS technology, downloads to mobile phones and PDAs and is the British site with most recorded content, with more than two million pages, specialist sites, virtual communities, associated blocks, etc. The public mission was even more closely adjusted following complaints from the private sector and the publication of the Graf Report, which included the revision of the Corporation's functions in the digital world. It closed services and cancelled offers that distorted competition. In total, it relocated 10% of the budgets earmarked at content to meet the public service and agreed to commit 25% of its content to outside production. In 2006 it wants to increase access facilities for the handicapped.

Its success has facilitated online commercial expansion via two activities: the BBC Creative Archive, which has been offering more than 2,000 video clips and audiovisual archives (over 100 hours of content) since September 2003, and the Interactive Media Player (iMP) system, which makes it possible to download radio and TV programmes broadcast. They are available free to users who pay the licence fee and on a pay system for other users.

BBCi offers two ranges of interactive services.⁹ On the one hand, BBCi 24/7 includes news, weather information, sports and programming-related information. In 2005 it had an average of 6.1 million hits per month. BBCi eTV offers specific services for particular events. It scored a noticeable success during the 2004 Olympic Games, with more than four million hits. Its success seems to rely on the type of media event, because the pilot project Ten O'Clock News, a daily news service, was withdrawn due to low ratings.

Thirdly, digital television received a public and private boost after the failure of ITV Digital, the first British experience, which was composed of 28 television stations, two radio stations and three interactive platforms. In March 2002, the company's administrators declared a suspension of payments because "the market did not ask for this type of

business". The leading shareholders lost 3.65 billion euros in the initial investment in content, confirming the vicious-circle theory we saw previously with the case of Quiero TV in Spain. As a result of the closure, 1,500 direct jobs were lost and the hegemonic position of BSkyB was consolidated. Following the collapse of the ITV Digital pay station, the licences from the awarding company went to the BBC and the company Castle Crown which, in collaboration with BSkyB, launched a new DTTV offer. Freeview, as it is called, is free and offers more than 30 TV stations, more than 20 radio stations and a wide range of interactive services. The price of the digital TV receiver is around 85 euros. A single payment is made for access to the whole of the offer. The service includes BBC1 (a digital version of the analogue station), BBC2 (a digital version of the analogue station), BBC Choice 3 (to promote new talents and innovation), BBC4 (designed for a multicultural society), CBeebies (under 5-year-olds), CBBC (children aged 6 to 13), BBC News 24 (24-hour news channel), BBC Parliament (parliamentary and related information) and the interactive services of BBCi.

Coordination between public and private organisations has generated a stable offer and one the public likes. In 2005, the Corporation's digital stations obtained 44% viewing figures (three points higher than in 2004). I should also point out the leadership of the channel BBC News 24 within its segment and the success of the children's stations, with 6.4% for CBeebies and 5.7% for CBBC.¹⁰ The BBC has completed its function as a driving force with a complete and varied content offer, while the awarding organisation left more than 800,000 decoders already installed in British homes. Fruit of the expansion of demand was the appearance in March 2004 of Top Up TV, a second DTTV offer. It includes the basic Freeview package plus a further 10 thematic stations (including TCM, the Discovery Channel and Boomerang, among others) at a price of 12 euros per month.

Conclusions

The Spanish, Finnish and British experiences demonstrate that the action of a public station can either motivate or delay the information society in a country. Public and private

companies have to work together in order to move towards a competitive environment in which there is no absolute free competition. All other things being equal, the fixed costs will be increasingly higher and the sustainability of the companies on the market will be lower. If there is not enough financial support, the crisis will not be overcome and, as in the case of Quiero TV and ITV Digital, the operator will disappear. On the other hand, if public television leads the aggregation of services of a compensated offer and with a reference price, the audiovisual market can receive the boost needed, as has happened in the United Kingdom and Finland. All the agents come out winners, because the service is standardised, minimum requirements marked and technical standards established.

Secondly, public television can participate in the processes of the creation of value if it adjusts its content to the mission and raises the level of quality. The values that have to prevail are the promotion of active citizens through information, education and social integration, as well as diversity and innovation. The criteria for evaluating these values have to be expressed in a particular manner in programming percentages, audience figures, attention to minorities and minors, promotion of national cultural diversity and independent productions, coordination with public administrations, support for innovation, digital literacy programmes, the elaboration of quality and style manuals and a privileged relationship with institutes of education, among others.

Notes

- 1 A wave of liberalisation invaded the sector in the 1980s. In 1980, Western Europe had 36 public operators and only three private ones. Other countries in the environment, like Japan, Canada and Australia offered a similar panorama with the prevalence of the NHK, the CBC and the ABC respectively. At the end of the 1990s, the figure was turned on its head: private stations represented 56% of the total market and grew from three to 59 operators.
- 2 MCQUAIL, D. "Commercialization and Beyond". In: MCQUAIL, D.; SIUNE, K. (eds.): *Mitjana Policy. Convergence, Concentration and Commerce*. London: Sage, 1998, p. 126.
- 3 *El sector en 2002: Informe anual (The Sector in 2002. Annual Report)*. Madrid: Telecommunications Market Commission, 2002, p. 89.
- 4 A simulcast consists of maintaining identical programming in digital and analogue.
- 5 See GRAHAM, A. and DAVIES, G. *Broadcasting, Society and Policy in the Multimedia Age*. Luton: University of Luton Press, 1997. ISBN 186020550X and GRAHAM, A. et al. *Public Purposes in Broadcasting: Funding the BBC*. Luton: University of Luton Press, 1999. ISBN 1860205615.
- 6 See *Annual Report and Accounts 2001/2002*. London: BBC, 2002; *Annual Report and Accounts 2002/2003*. London: BBC, 2003; *Annual Report and Accounts 2003/2004*. London: BBC, 2004; and *Annual Report and Accounts 2004/2005*. London: BBC, 2005.
- 7 *Building Public Value. Renewing the BBC for a Digital World*. London: BBC, 2004.
- 8 *Annual Report and Accounts 2004/2005*. London: BBC, 2005, p. 39.
- 9 Idem, p. 41.
- 10 BBC News/Entertainment: UK shows 'boost digital watching', <http://news.bbc.co.uk/1/hi/entertainment/4529658.stm>