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Public service broadcasting in Slovenia and Macedonia: creating stars

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CHAPTER THREE

CREATING STARS IN SLOVENIA AND MACEDONIA: A ROLE FOR PUBLIC SERVICE BROADCASTING IN SMALL STATES

SALLY BROUGHTON MICOVA

With the break-up of the USSR and the dissolution of Yugoslavia in the early 1990s, many small nations in mid and eastern Europe gained political independence—and with that, responsibility for their own media system. This coincided with a new interest in western Europe in the challenges of small state media systems, partly prompted by the European Community's 1989 Broadcasting Directive *Television Without Frontiers* (TVWF). Focusing on the experience of Switzerland and Austria, Trappel (1991) and Meier and Trappel (1991), for example, argued that small states often operate media systems which are hampered by limited advertising markets, low production capacity and a heavy reliance on public service broadcasting (PSB) (see also Trappel 2010). The concerns of Trappel and others (see also Burgelman and Pauwels 1992) combined with arguments for the protection of PSB as crucial to the survival of both small states media systems and their cultural and linguistic identity in general.

More recently, a special edition of the *International Communications Gazette*, (Puppis et al. 2009) and the book *Small among Giants* (Lowe and Nissen 2011) reiterate the importance of size in relation to media systems and particularly broadcasting. They not only affirm the earlier characterisations of the media in small states but Puppis and his colleagues also suggest that such states might be unduly affected by the European Union's (EU) policies such as rules on the use of state aid the jurisdictional rules established by TVWF, for these can prevent the kind of the interventionist policies favoured by many small states to address problems of low production capacity and low commercial revenues.¹ Puppis et al. call for more research into the impact of both EU market policies on small states media systems and EU support for audiovisual production, namely the MEDIA programme.² They also astutely suggest that the EU's strict rules on state aid in PSB, which require clear definition of its remit, might nonetheless be "a chance rather than a threat" and may even help strengthen the PSB in markets hampered by small advertising revenues (Puppis et al. 2009, 108).

In the last two decades there seems to be consistency in the claims that small media systems are limited by low production capacity and small advertising markets, combined with many questions raised about what kinds of policies might hurt or protect such media systems. This chapter looks at the Republics of Slovenia and Macedonia, two small states in South East Europe. Smallness can be defined in various ways and scholars have debated the relevance of geographic and populations size, economic indicators, international influence (Maas 2009; see Baehr 1975). Smallness can be considered relative when looking at cultural industries in particular (Hjort and Petrie 2007) and less quantifiable factors such as language and political culture can come into play in relation to media systems (Lowe, Berg, and Nissen 2011). Slovenia and Macedonia have unique languages but because the shared history have some linguistic overlap with larger neighbours. They are small both in terms of the commonly accepted population parameters and in terms of overall economic indicators used by Lowe and colleagues.

As producers in the Slovenian and Macedonian PSBs explained, constraints on production capacity in these two markets are not just financial and technical. Both Radio Television Slovenia (RTVSLO) and Macedonia Radio Television (MRT), as they are now called, can trace their roots to earlier, but really developed from the 1960s onwards as part of the Yugoslav Radio Television network (Zei 2004). When newly independent Slovenia passed a law on RTVSLO in 1994, requiring a certain percentage of Slovenian music to be broadcast, it sent producers scrambling. One radio producer recalled that they were forced to keep repeating the same pieces, because they just did not have enough music by

¹The "country of origin principle" has been part of EU policy since TVWF and is now in the Audiovisual Media Services Directive that replaced it (see AVMSD 2010/13/EU, para 33). It means that only one Member State can have jurisdiction over an audiovisual media service, and that must be the country in which it originates.

² The EU's Measures to Encourage the Development of an Audiovisual Industry (MEDIA) programme was launched in January 1991 to support the production and distribution of European audiovisual works, namely film and television productions. http://ec.europa.eu/culture/media/about/index_en.htm

Slovenian artists or composers. After Macedonia's independence in 1991, MRT also went from being a regional centre to being a national PSB. According to the Director of its TV Channel 1, the lack of music that the RTVSLO producer described was not only a problem for radio. For him, it also meant recycling the same guests on his Sunday morning talk shows and other programmes. In both countries producers lack material from which to create content—they lack stars.

Within small media systems, the characteristic of “low production capacity” needs to be unpacked and considered beyond limited financial and human resources for production. We need to understand more about the challenges to creating content and the efforts that are being made to overcome them in order to inform European and national policy. These problems may be unique to those small nations and states that recently emerged from larger systems or have roots in the post-socialist era. Slovenia and Macedonia are not alone in this category. Their experience offers useful insight into the kind of policies might be most useful in small states media systems for encouraging production and generating content.

This chapter therefore looks at what low production capacity means in the media systems within the Republic of Slovenia and the Republic of Macedonia and will specifically examine some of the policy interventions and efforts to boost production being used in these two cases. I will begin by introducing the cases and the production capacity challenges these cases. I will then discuss some strategies and experiences of those working in these small media systems. Some telling differences between the two cases support the arguments mentioned above that PSB is crucial in small media systems. In conclusion, however, I argue that it is not necessarily the entire mandate traditionally associated with PSB that is important but the specific functions that can then be leveraged to generate more production and content throughout these small media systems.

Development of Audiovisual Media in Slovenia and Macedonia

After the collapse of Yugoslavia, the newly independent states of Slovenia and Macedonia gained both the opportunity and the responsibility to redefine their respective media systems. Within the former Yugoslavia, broadcasting was essentially synonymous with Yugoslav Radio Television (JRT), a network of eight regional radio television centres. Though each centre produced its own programming and had its own channels, there was a great deal of shared content, with production centred largely in Belgrade and Zagreb.³ Like other European countries emerging from communism or socialism, Slovenia and Macedonia did not attempt to devise completely new models for their media systems. Instead, they sought to imitate or mimic Western practices, characterised by liberalisation and demopolitisation of the media sector (Splichal 2001; Jakubowicz 2007). Soon after independence, both Slovenia and Macedonia went from essentially having one state broadcaster that operated a few different channels to having a multitude of broadcasters. By 2012, Slovenia (with a population just over 2 million) had 81 television and 90 radio stations, while Macedonia (also with just over 2 million people) had 75 television and 87 radio stations, including PSB channels.⁴ Despite this abundance, there is concentration within each of the markets, with just a few players capturing most of the audience share and advertising income.

In both Slovenia and Macedonia the majority of the populations speak a unique language. Each country also has several minority groups that speak other languages, usually ones shared with neighbouring countries. In both cases the PSB provides programming in both the majority language and minority languages.

Penetration of multi-channel subscription services through cable or other platforms is also high in both countries, with audience shares for foreign channels between 20% and 25%.⁵ One main difference between the two countries is that, whereas Slovenia's PSB is the second largest player in the market in terms of audience share and advertising revenues, Macedonia's MRT is marginalised. In

³ The Socialist Alliance of Working People formed a second public broadcasting network of sorts, but this consisted only of a number of local radio stations in each republic managed at the community level.

⁴ The most recent information for Slovenia can be found at <http://www.apek.si/registri> and for Macedonia at http://www.srd.org.mk/index.php?option=com_content&view=category&layout=blog&id=38&Itemid=27&lang=en.

⁵ According to data in the 2007, 2008, 2009 and 2010 Annual Reports of the Broadcasting Council of the Republic of Macedonia audience shares for foreign channels averaged 24.19% between 2006 and 2010. For Slovenia it is more difficult to arrive at a precise figure because the available data does not present all foreign channels as a category. In Slovenia the data from AGB Neilson disaggregates the Croatian channels, which reached almost 8% share in 2005 and 2006, but had only 3.17% by 2011. The other foreign channels are grouped along with the regional and local stations and the share of this group has grown steadily since 20.42% in 2006 to 26.58% in 2011.

addition, the levels of concentration among broadcasters and foreign investment are higher in the Slovenian broadcasting market than in the Macedonian.

The first commercial broadcaster in Slovenia, the Ljubljana television Kanal A, was launched months before the republic gained independence from Yugoslavia. The new Slovenian state then granted licences for broadcasting to local stations, though the legal conditions made transfer of licences and consolidation possible. In the mid 1990s, ProPlus formed a network of local television stations under the PopTV brand with shared content and shared advertising sales (Bayer 2002, 21-22). Though started locally, ProPlus really took off when American-owned Central European Media Enterprises (CME) acquired 78% of the company alongside the two Slovenian owners (Sparks 1999). ProPlus acquired Kanal A in 1999 and eventually the national networks were legalized as national broadcasters, giving ProPlus the two leading national television stations. Similar networks formed among radio broadcasters. TV3 and Radio Ognjišče, which just days before the passage of the country's first Mass Media Act in 1994 were the only broadcasters to receive national licences (Bašić-Hrvatini and Milosavljević 2001), eventually found themselves dwarfed by the national players that emerged through consolidation and network formation. TV3 was bought by Sweden's Modern Times Group in 2006, although the foreign owners pulled out of the station in early 2012, complaining of unfair competition in the advertising market (Slovenian Press Agency 2012; STA 2012).

According to data from AGB Nielson Media Research Slovenia, the channels of ProPlus and those of the PSB had the largest audience shares in 2011, with PopTV and Kanal A holding 35.59% combined and RTVSLO's three channels holding 26.30%. TV3 was a distant third place with just under 5%. The remaining audience share was split among several local and regional channels, as well as the foreign channels, with Croatia's PSB holding the largest share among them.

In post-independence Macedonia private broadcasters popped up like mushrooms with only permissions for their individual transmitters granted by the Department for Telecommunications in the Ministry of Transport and Communications. Ciunova-Suleska (2007, 145) estimate the number of broadcasters reached as many as 250 before the first Law on Broadcasting was passed in 1997. By the time the law came into effect and the Macedonian government legalized broadcasters through the granting of concessions, televisions A1 and SITEL—as well as radio stations Antenna 5 and Kanal 77—had already established themselves as national players. A new media law passed in 2005 changed the government concession system to one in which a statutorily independent regulator issued licences. However, Skopje stations TV Kanal 5 and TV Telma had already by then been allowed to go national, and a national commercial Albanian language station had been launched. When the transfer was made from concessions to licences in 2006 there were five private national television stations, the three channels of MRT, and 50 local television stations, as well as three national commercial radio stations and 65 local commercial radio stations (Broadcasting Council of Republic of Macedonia 2008). Throughout this period MRT steadily lost both audiences and advertising revenue and licence fee collection decreased. The 2005 law moved the responsibility for licence fee collection from the electric company to MRT itself, which proved disastrous with collection rates sinking below 5% (Beličanec 2009; Broughton Micova 2012). MRT subsisted almost exclusively on ad hoc government transfers until an amendment to the law in 2011 began to improve the situation by making the Public Revenue Office responsible for collection. Nevertheless, commercial stations held onto the lion share of the audience.

As MRT declined A1 and Sitel televisions held audiences through 2010. AGB Nielson Media Research Macedonia's annual audience share figures for A1 and Sitel for that year were 26.66% and 17.87% respectively. In 2010 financial investigation of all the companies owned by A1's owner led to the eventual bankruptcy of the company. A1 lost its frequency as a result of the bankruptcy and ceased to broadcast in July 2011. According to audience figures in 2011 it appears that Sitel and Kanal 5 benefited the most from this closure. Between 8% and 9% of the audience share is held by the national Albanian language stations. The remaining audience share is divided among foreign channels with only a small percentage held by many other domestic channels.

Within both of these markets of approximately 2 million people only a few national players have most of the audience share for television and therefore are able to convert it into advertising revenue. In Slovenia this is ProPlus and RTVSLO, which until October 2011 was allowed almost as much advertising time as commercial stations. In Macedonia national commercial stations divide most of the audience's attention, and MRT struggles to fill the minimal advertising time that it is allowed by law. Some audience data for radio is available in both countries, but I have focused on television both in the interest of space and because in both cases radio production is minimal outside of the PSBs and radio consumption pales in comparison to that of television. Having given an overview of each audiovisual media market and its major players, I will now discuss the production capacity within each market as a whole.

The Lack of Production Capacity

Being a big fish in small pond may have advantages, but one can still only grow as big as the pond allows. The first issue in terms of production capacity is the revenue available to finance production within each system as a whole. As mentioned above, media scholars writing about small states media systems have already pointed out that such systems are limited in the amount of advertising revenue that they can generate. Another challenge for small states is also the amount of income they can raise for PSB (Picard 2011) or other interventions in the market such as subsidies. On the one hand, increasing the licence fee is rarely a popular move, so both economic and political considerations can limit the amount of the licence fee. In Macedonia's 2006 election the licence fee became a contentious issue, and following through on its campaign promise the government cut the licence fee amount by more than 60 per cent in 2008 (Broughton Micova 2012, 135). Although according to law it is supposed to keep pace with inflation, the licence fee in Slovenia has been the subject of political manipulation since 1994 (Bašić-Hrvatín and Petković 2007, 150-153). On the other hand, there are only about half a million households and a limited number of businesses in each country from which collect the licence fee. The table 3.1 gives a picture of what the advertising and PSB revenues, including those from budget transfers.

Table 3-1: Overview of revenues in broadcasting in Slovenia and Macedonia

	Slovenia (€)	Macedonia (MKD)	Macedonia (€)
Total Revenue of non-PSB TV 2009	N/A	1,683,508,410 MKD (454.55 mil A1 TV)	€27,272,863 (€7.36 mil A1 TV)
Total Revenue of non-PSB TV 2010	€77,300,000 (€53 mil ProPlus)	1,112,230,000 MKD (825.03 mil national terrestrial stations)	€18,129,349 (€13.45 mil)
Total Revenue of PSB 2010	€123,044,167	731,091,357 MKD	€11,843,680
Total Revenue of PSB 2011	€109,775,023	1,271,298,592 MKD	€20,722,167
Gross Value of Advertising on TV 2010 (ad time by advertised prices)	€406,059,512	35,315,000,000 MKD	€578,930,000
Advertising revenue reported by all television stations 2010	€69,400,000	1,003,840,000 MKD	€16,362,592

Source: Mediana, Slovenia; Broadcasting Council of Rep. of Macedonia; Milosavljević et al. (2012); Radio Television Slovenia; Macedonian Radio Television

As the table shows, Slovenia's RTVSLO received about five times more revenue than Macedonia's MRT in 2011. However, the total revenue of RTVSLO that year was still much less than the €125 million that the incoming Dutch Government at the time promised to cut from its PSB budget in the following year (Government of the Netherlands 2012). The amount a small population can provide for PSB is further constrained by GDP and income per capita (Picard 2011), and these two cases illustrate this clearly. The data above also shows that the amount of advertising revenue generated by these small

populations does not outstrip PSB revenues. Despite the limitations, the budgets of the PSBs are still greater than those generated by individual commercial stations through advertising and other sources.

The challenge in financing audiovisual media production is only one aspect of the lack of production capacity in Slovenia and Macedonia. There are other resources required, such as the skilled individuals needed to produce content, studio spaces and technical equipment. In both of these cases these individuals are concentrated in the PSBs and the handful of national broadcasters. Independent production is weak, and smaller broadcasters have minimal resources. Tomaz Gorjanc of Slovenia's Agency for Post and Electronic Communications (APEK) explained that the weak independent production sector means the market has trouble producing enough Slovenian content for broadcasters:

[T]here are maybe just one or two bigger producers and all the others are smaller, they don't even have their own studio.... They just ad hoc hire some studio and get together and make some audiovisual work. (Interview, April 2011).

It seems also that there is not much incentive to develop this sector either. For one thing, because of its unique language, there is little market for Slovenian content outside of Slovenia. Within Slovenia there does not seem to be much of a market for true independent production. One producer at RTVSLO said he uses independent production teams mainly as free lance replacements for RTVSLO staff on the production of regular programmes made outside normal working hours, such as the Sunday church service broadcasts, because they do not have to be paid the overtime rates required by the RTVSLO union. The director of a regional TV station said that his station co-operates with other regional stations by trading programmes to fulfil the quota for independent production rather than actually buying or commissioning from independent producers.

In Macedonia the resources within the broadcasters themselves are also a problem. Roberto Beličanec of the Media Development Centre argued that because of the high number of broadcasters the country's professional capacity is spread too thin to support production, saying there just is not the workforce available. Selver Ajdini, director of a local television station in Macedonia, reinforced this claim by saying that, even though he had a studio and decent equipment thanks in part to foreign donations, he did not have enough personnel. According to the Broadcasting Council in Macedonia there were 1475 people employed in television in 2011 and 39.25% of those were in MRT, while 467 in total were employed in radio and 64% of those were in MRT (Broadcasting Council of Republic of Macedonia 2012). These figures include journalists and administrative personnel. As in Slovenia, broadcasters also do not seem to create much demand for independent production. Producers in both the PSB and commercial stations explained that the most affordable—and therefore most common—productions for them were one off programmes in their own studios. Independent production is used primarily if it comes with its own sponsors and advertising, of which the station can get a cut. This has been the case with some of the more popular local versions of foreign formats.

A third aspect of the lack of production capacity experienced in these small countries is material from which to generate content. As described at the outset of this chapter, one of the basic issues is not having enough domestic music to put on the radio and television. This appears to be a particular problem for PSBs that in both cases have higher quotas for domestic content than commercial stations. People in both RTVSLO and MRT cited it as a problem. One person in RTVSLO complained:

[T]he level [quota] for Slovenian music is 40% Slovenian music in programmes and as you can imagine we have our own programme for classical music – 40% Slovenian classical music isn't easy to get?. (Anonymous, Interview April 2011)

However, insufficient material from which to generate content is an issue that spills over into entertainment programming on television and radio, documentaries and other non-news formats. States with small populations can offer a limited amount of talent, events and famous people and the stories or gossip that goes along with them. This not only impact PSBs but also commercial stations. One producer from the private TV Sitel in Macedonia explained:

First of all this is a small market and that market doesn't allow you to create that kind of programme that they have say in Serbia—as a population we are small, as an intellectual capacity, and the possibility to find good guests, good TV hosts in this space is a problem. (Interview, May 2011)

Producers find themselves competing with other stations in the region for stars from the larger linguistic populations in Serbia, Croatia and Albania or Kosovo. Celebrities from other countries in the region are usually also well known in both Slovenia and Macedonia. In the face of competition from foreign channels, Slovenian and Macedonian broadcasters are finding it hard to compete not only on the level of celebrity culture. Both RTVSLO and MRT are obliged to create a certain amount of

documentary and informational programming as well. Subject matter for this kind of programming is also a problem, particularly in light of what is available on other channels. As one producer at RTVSLO remarked: “If you are trying to tell them [the public] about a rabbit that lives in Slovenian fields they will say, what’s that to the anaconda that I saw on the Discovery Channel” (Interview July 2010). Aljoša Simjanovski of MRT talked about his challenges filling the regular agricultural programme saying that material is very quickly “used up”. He explained that harvests or problems in one of the lakes or reservoirs are topics for studio discussion for a while, but that such themes are quickly exhausted, saying “it’s easy for CNN that covers a huge territory” (Interview March 2010). Producers in Slovenia and Macedonia cannot do much to expand the selection of wildlife available in their countries and would probably stop short of inciting a revolt by dairy farmers in order to have something to talk about in their studios. However, they describe some strategies that may increase the amount of material from which they can draw content, and perhaps add to the overall capacity of the market. Looking at these strategies can give insight into the kind of interventions that might be most possible and useful in small states media systems.

Investing in Stars

In both Slovenia and Macedonia the needs of producers to have something to put on air interact with other concerns for the preservation of each country’s unique language and national culture. Older generations that grew up in Yugoslavia easily gravitate towards content in Serbian or Croatian, while younger ones tend to be fluent in English and other languages. With foreign content coming in freely on a variety of platforms, people in the audiovisual media sector—as well as policy makers and regulators—are looking for ways to encourage local production and content less as an industrial measure and more to protect their identity. Vojko Stopar, who was Head of the Sector for Media in the Ministry of Culture at the time, expressed it directly:

It’s a phrase Globalisation, but I really think that we are attacked by this standardisation of cultural patterns... And I think English is becoming everyday language among our youth ... I’m not against [it], but on the other hand I think that we are slowly, slowly losing our identity. And okay, we can slow down this process. Media has a very important role in this slowing down this process of this melting pot—this universal melting pot. But I’m not very optimistic about in 100 years where we shall be. How many people will still speak Slovenian or even think in the Slovenian tradition? (Interview April 2011)

Broadcasting quotas for domestic content are in place in both countries. In Macedonia broadcasters are required to broadcast at least 30% works originally produced in the Macedonian language or language of one of the minority groups if such is its audience. This applies to all programming, and the same percentage applies to music for both television and radio. In Slovenia television stations are required to include at least 5% Slovenian audiovisual works. Both radio and television must air 20% Slovene music daily and their in-house production must reach 30% and 20% respectively. In both cases the obligations are higher on PSB. Content quotas such as these do not necessarily ensure quality programming and may even encourage less culturally valuable content (Iosifidis, Steemers, and Wheeler 2005; Anderson, Swimmer, and Suen 1997). Quotas do serve to ensure the presence of the language and music on the airwaves, which remains an important objective in such small states (Broughton Micova 2013 forthcoming). However, quotas do not solve the producers’ problem of how to fill programmes in a way that will attract audiences, and, as noted above, the obligation can even exacerbate it. At the same time, those with whom I spoke were keenly aware of the fact that if their programming is not interesting to audiences the point of having the language and music on air is lost. One of the things they are doing is investing in music and films: in other words in creating stars.

Even as PSBs across Europe faced cutbacks and despite reductions in its own budget, RTVSLO in 2010 was investing in studios for recording music. Head of Radio Production Janez Ravnikar described how the broadcaster had modernised the studios for its in-house orchestra and big band ensemble and was also producing folk and rock music. In this way the broadcaster fills its own programme while generating new music that can be used by other media and helping to popularise Slovenian talent. After years of financial crisis MRT no longer has its own orchestra or big band. Nevertheless, PSB events such as the Eurovision song contest and the song production that goes along with it create opportunities to generate new music and new stars.

MRT’s Simjanovski argued that the PSB has an important role to play in popularising rising stars in Macedonian music and helping to create celebrities that can then generate material for other forms of content. None of the commercial broadcasters in Slovenia or Macedonia have the capacity or the tradition of investing in music production that RTVSLO and MRT have, but they can and do invest in

international formats such as Pop Idol and X-Factor or create cheaper versions of the same. International formatted programmes may be part of globalisation and the trend of approximation of television content (Esser 2007, 2009), but in countries in which celebrities are in short supply, they can also have a knock on effect in other genres by launching new musicians.

Feature films are expensive undertakings. For small states such as Slovenia and Macedonia with unique languages they are not likely to be commercial ventures, but can be an important investment. Both countries have film funds financed from the state budget. The one in Slovenia is significantly better funded than the one in Macedonia, but there are differences between the two in terms of their investment in film that goes beyond the difference in the film fund budgets.

Slovenian producers have the advantage of accessing the MEDIA programme of the EU. According to the records of the Slovenian Film Centre (SFC), Slovenian producers received grants from MEDIA for 26 feature films from the fund as of July 2012. The SFC by that time had supported 44 films since its inception in 2003. The SFC's investment of €40,672,329 was much greater than the €846,989 from the EU's funds, but the MEDIA programme is only intended to compliment national support schemes. Another thing that could be seen from the SFC's data is that of the 44 films funded by the SFC, 28 were co-produced with RTVSLO including six of those with MEDIA funding.

Perhaps more significant than the access to EU funds is that Slovenia has the advantage of having a strong PSB with resources and an interest in investing in film. According to one of the television producers at RTVSLO, the broadcaster has a specific strategy to invest in film and explained that film is an important tool for preserving the language. He said that as opposed to educational programmes about the Slovene language or even a dramatic series, which he claimed were not popular: "Film is something that means you can have them for two hours, watching in Slovene language something that reflects their conditions" (anonymous, interview, July 2010). If given more resources he said his priority would be to hire younger, promising people for production and make more films.

The Macedonian Film Fund (MFF) is less well endowed than SFC and according to its published records granted only just over €9 million to film productions between 2008 and 2010. Looking into each of the projects supported showed no evidence of co-production with MRT or with commercial broadcasters. This is a stark difference from the Slovenian case.

The projects supported include a number of short films, documentaries and animated productions, which can be thought of as television-friendly formats. Nevertheless, there does not appear to be a direct link with broadcasting as there is in Slovenia, nor is there the added investment by the PSB in film production. MRT's Simjanovski saw investment in feature films and drama as an important part of what the PSB should be doing and greatly regretted the fact that the broadcaster was not able to make such investments. His argument for this priority was that film is important for generating cultural material in general. He talked about it in the context of creating celebrities, but also, according to him, feature film production was space in which to really work with young directors and producers on a common project and build production capacity in the country.

Conclusion

As Turner (2006) has pointed out, films have a life beyond the cinema or even their re-runs on television, because the stars and key films become part of a culture and identity. In Slovenia and Macedonia feature film production was seen by those interviewed in exactly that manner. Investment in films can also contribute to the national celebrity culture and serve as a shared theme in public discourse thereby generating content for other programmes. The producers cited above also seemed to see the very process of making films, which involves large crews, as a training ground for young production cadre. Those working in the audiovisual sector in each of these cases also showed an awareness of the importance of music production, both to the preservation of the national culture and as material for generating programme content. Investment in popularising local musicians addressed the needs of these small states to protect their national identity and the practical needs of producers to fill their programmes.

Film production is expensive—as is maintaining an orchestra or participating in Eurovision. As could be seen by the evidence presented above, within these small and financially limited media markets, the PSB is still the most equipped to make such investments. As cash-strapped as they might be, PSB budgets are still larger than those of commercial broadcasters, and advertising does not provide the kind of revenues needed for such production. As a legacy from JRT days they also have a variety of studio spaces and a tradition of music production. Commercial stations, particularly in Macedonia, are mainly able to maintain news output and produce cheap in studio or format based programmes. Following the models of PSB in Western Europe, both RTVSLO and MRT have full

mandates including the production of news and informational programmes, documentaries, educational shows and entertainment. Considering the scale at which they are operating all of this might not be possible for these PSBs to do well. Neither will they be able to compete for audiences in certain genres with the Discovery Channels and other foreign content so readily available.

This is likely to be the case in other small states in the region. As Puppis (2009) and his colleagues suggested the EU's requirement of more precise definitions of PSB's role in each national context, can be an opportunity to narrow and re-affirm the mandate of PSB in small media systems. What the experiences of Slovenia and Macedonia indicate is that PSB remains crucial to small state media systems particularly as the production potential of the commercial sector is limited. They suggest that where PSB can make the biggest contribution is through investments that not only fill its own programmes, but also generate material the rest of the audiovisual industry can leverage in the production of its other content. However, while producers in RTVSLO spoke of large current investments in music and film production, the producers in MRT could only refer to minor investments and things they would do if they could. In order to play this important role in creating stars and material for the industry as a whole, PSBs must have stable financing systems that maximise the potential of their small markets.

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