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Born into Crisis: *Public Service Broadcasters in South East Europe*

Sally Broughton Micova

Scholars and concerned policymakers have discussed an emerging crisis in public service broadcasting [PSB] for more than two decades. Much of this discussion has focused on the adaptations and transformations that established PSB companies in Western Europe should make in responding to increasing competition, technological changes and reduced protections in consequence to the drive to create an increasingly stronger European Common Market. The continuing economic crisis is a pressurising concern as PSB operators across Europe face cuts, budget caps and losses in advertising revenue. Another cause for concern is related to the increasingly interventionist approach of the European Commission [EC] in competition rules about State Aid policy (Harcourt, 2005; Humphreys, 2009). PSB companies are mandated to redefine and often to limit their remit as various commercial interests challenge their ventures into new media. The combination of financial insecurity, policy intervention pointedly seeking to limit the drive to become public service media [PSM] companies, and the potential of public uncertainty about its position and remit has created a condition that amounts to a crisis for PSB in much of Europe.

Although the nature and severity of the crisis may be comparatively new for PSB in Western Europe, this chapter looks at locations where it was born into crisis. As the public service sector fights to regain the initiative in its struggle with and against the commercial sector in media, there are important lessons to be learned from the experience of new PSB companies in the younger independent states of Central and Eastern Europe (CEE)¹. Their experiences suggest three questions that are now keenly important for PSB in the West:

- What risks are entailed in various options for financing?
- How much political independence can be reasonably expected?
- Must PSB do everything, or is it wiser to narrow the remit?

Because reliance on Western models was common throughout the former communist and socialist states of CEE (Jakubowicz, 2004), looking at PSB in these states can clarify potential challenges when the traditional approach is faced with extreme challenges in those places where the model was first developed.

This chapter looks at two of the smaller states within this larger group, Slovenia and Macedonia, to address the three questions. The findings suggest points of general concern and should be of particular interest for other small states, not only CEE but also in the West. I begin with an exploration of the legacy of transformation from socialism to sudden competition and how that differs from the Western experience. I then look specifically at the roles of both license fee and advertising revenue. This bridges into discussion about questions of governance and political

independence. The chapter then discusses the pros and cons of narrowing the PSB mandate based on findings from the cases, highlighting the way co-operation helps to fill gaps. This unofficial and seemingly unconscious narrowing of the remit in response to financial and political pressures is useful for PSB companies attempting to regain the initiative in the face of strong challengers and complex challenges.

From zero to sudden competition

PSB operators in CEE have a very different history compared with the West where PSB developed slowly, typically enjoying a long period of paternalistic monopoly before media markets emerged (ibid. Jakubowicz, 2008: 118). There was considerable time for them to adjust. In CEE, however, former state broadcasters had to change rapidly in the midst of sweeping revolution, and, in the case of Yugoslavia, dissolution. The broader systemic changes characterised by the onslaught of radical liberalisation accounts for the dramatic emergence of private commercial broadcasters, as well as the necessity for these state broadcasting companies to become something else. Bašič-Hrvatini (2002) aptly described the conditions these broadcasters faced at the start of their transformation to become public service broadcasters:

The key problems were economic crisis, absence of adequate media legislation, difficulties in achieving political and financial independence for public service broadcasters, low professional standards, chaotic deregulation and liberalization of the media market, outdated technological infrastructure and delays in introducing new information and communication technologies, and finally, the lack of a clear perspective on the future of PSB (21).

Clearly they were born in and into crisis. It should be emphasised that PSB in this region was not created from scratch. There were large, over-staffed former state monopolies already in place. The challenges they faced in efforts to transform were partly legacies of their former status and partly a more generally shared need to cope with sudden change in the wider social and economic system. This is not to say that all these companies made the transformation in the same way, or with the same degree of success. One could argue that some are still quite far from being public service in anything other than name, mostly because of financial and political dependency issues that are discussed below. I make no claim that Slovenia and Macedonia represent the experience of all CEE states. For one thing, as former Yugoslav republics with just over 2 million inhabitants each, there was the additional shock of suddenly being small after having been part of a much larger system with more extensive resources. However, I maintain that their experiences highlight points of common concern for PSB, although each instance must be contextualised.

Suddenly a different system

The collapse of the socialist Yugoslav system provided Slovenia and Macedonia the opportunity to redefine their respective media systems. Like most other CEE countries, these states did not attempt devising completely new models. Instead, as Splichal (2001) described, they were caught up in a generalisable imitation of Western practices. This was characterised by rapid gains in the pursuit of liberalisation and de-monopolisation in the media sector, with slow or incomplete progress in democratising media systems. Although ostensibly copying the dual system of broadcasting in Western Europe, the push to break former state monopolies meant transformation to PSB took place in a rapidly emerging and highly competitive environment.

Although Radio Ljubljana in Slovenia can trace its beginnings to 1928, both Radio Television Slovenia [RTVSLO] and Macedonian Radio Television [MRT] really developed as part of the Yugoslav state broadcasting system, serving as regional broadcasters for their respective republics (Zei, 2004: 215). Following independence, Slovenia began granting commercial licenses in March 1993 and by April 1994 the frequencies had largely been allocated (Bašič-Hrvatín & Petkovic, 2007: 129). The law transforming RTVSLO into a public broadcaster with a separate governing body drawn from civil society and with secure funding was passed in 1994 (Bašič-Hrvatín, 2002: 23-24)². Through consolidation of local licenses, the now national Pop TV rapidly became the largest commercial station and the greatest competition for RTVSLO (Bašič-Hrvatín & Petkovic, 2007: 135). It appears that in the establishment of the 'dual system', the private sector was given priority.

In Macedonia, a wealth of private broadcasters appeared shortly after independence, reaching as many as 250 (Ciunova-Suleska, 2007: 145). The country finally passed a Law on Broadcasting in 1997, and only began granting concessions to broadcasters two years later in 1999 (Šopar, 2005: 171). The 1997 law set out governance structures with a license fee for MRT, but by this time two national television stations (A1 and Sitel) had already captured large shares of the potential audience, and the same for two private national radio channels. Although legalisation through concessions halved the number of broadcasters, the country was still left with an excessive number in relation to its population (Ciunova-Suleska, 2007). After a decade the two main television channels of MRT had a combined audience share of less than 12 percent. Private broadcasters also held 95 percent of the advertising market (Šopar, 2008: 331-332). Private broadcasters had seized the opportunity created by a legislative vacuum. By the time legislation to regulate them and to transform the former state monopoly into PSB finally caught up, competition was already fierce.

At a different pace

This is a very different experience compared with small states in Western Europe where the pace of change has been slower and steps taken by governments often more conservative. For example, in Portugal PSB maintained a monopoly until 1993 (O'Hagan & Jennings, 2003) and in Austria until 2001 (Steinmaurer, 2009). Although many small states protected their PSB operators from domestic competition as long as possible, they could not stop competition from specialised, foreign and transnational programmes offered on multi-channel services (especially cable and satellite TV). Such

competition also impacts the most well established PSB companies in large states.

A key difference is that before the influx of cable and other platforms offering multi-channel services, most Western PSB companies had long periods of dominate status in domestic markets and were able to consolidate their positions. This means that Western PSB faced new challenges from well-resourced positions and were able to experiment with new services and technologies to reach specific audiences (Johannes Bardoel & d'Haenens, 2008). This was just as true for small countries. For example, Austria and Switzerland invested in strong PSBs to counterbalance the impact of foreign content and stations from neighbouring countries (Trappel, 1991, 2010). In comparison, Slovenian and Macedonian PSB faced high levels of competition from the outset, and from domestic broadcasters as well as from foreign channels available on multi-channel services. This emerged rapidly, before their financing and governance structures were well established or their positions at all secure in these markets. This suggests that policy makers in the West looking at how their PSB can regain the initiative in what is a rapidly changing, highly competitive environment should consider the lessons from these cases before major cuts or overhauls to already established systems are aggressively pursued. This is particularly true for other small states because smallness is an issue when it comes to financing PSB (see especially Lowe & Nissen 2011).

The risks of license fees and advertising

Slovenian and Macedonian laws set out financing systems for RTVSLO and MRT that include a license fee as the primary source of income, combined with advertising and direct funding from the state budget for certain activities. This mixed revenue model is intended to provide stability through the license fee and independence through the ability to also generate revenue via advertising. However, reaching either objective isn't straightforward.

(In)secure license fee

Although many PSB companies are allowed some amount of advertising, with the exception of most of those located in northern Europe, the license fee is the main source of income for PSB in Europe. This type of public funding, a kind of dedicated tax earmarked for a specific purpose, is not only a method for financing but also contributes to the definition of what public service is supposed to be about – a public good funded directly by the public for whom it is required to provide service. This ideal construct is not without problems. First, agreeing the level of the license fee is always a political issue (O'Hagan & Jennings, 2003: 48). The cases in this chapter highlight how easily a theoretically 'stable' license fee can become practically unstable in the hands of politicians. Second, there are limits to how much can be raised by a license fee, especially from a small population and in times of economic hardship.

The license fee settlement is established by law in both Slovenia and Macedonia, and is therefore subject to political debate and compromise

agreement. Current Slovenian law forbids the government from raising the license fee by more than 10 percent, and then only if *economically justified* (Republic of Slovenia, 2005, art. 31). Increases are supposed to be aligned with inflation, however since 1994 successive governments have used the amount to manipulate RTVSLO's financial standing (See Bašič-Hrvatina & Petkovic, 2007: 150-153) thereby leaving RTVSLO vulnerable both to its competition and other forms of manipulation.

In Macedonia the license fee settlement became an issue in the 2006 parliamentary elections. Soon after taking office the winning party called for a drastic reduction from 350 denars (€5.70) to 130 denars (€2.11). A cut of more than 60 percent represents the most drastic instability any PSB company has faced. When times are tight and politics are tough, the license fee is a convenient target for competing politicians. Even the BBC faced the need to head off attacks on its license fee, proposing a three-year license fee cap beginning in 2010 in the face of continued economic difficulty and a change in government (BBC, 2010). It is increasingly clear that the license fee cannot be counted on as a sure thing more or less anywhere, particularly in times of economic or political instability.

Moreover, the total potential for license fee revenue depends on the size and respective wealth of the country. A PSB company can only raise so much from a small population, depending on GDP and income per capita (Lowe & Nissen 2011). With a high compliance rate, in 2009 RTVSLO received just over €82.5 million, or 64.1 percent, of its total income from the license fee (Radio Television Slovenia, 2009). On the other hand, with what it calls *difficulties*³ in collecting the tax, MRTV raised only €922,784 in 2009 (Macedonian Radio Television, 2010). Although since that time collection responsibility was transferred to the Public Revenue Office in January 2011, and collection rates have increased significantly, simple mathematics indicates that even if the collection rates were as high as in Slovenia, MRT would raise just over €5 million. Considering the total of just under half a million households and a correspondingly limited number of businesses on which to draw, neither RTVSLO nor MRT can come close to budgets that typify many PSB operators in small, richer countries in the West, much less giants as in Britain and Germany. These amounts are also incomparable to the revenue that commercial stations can raise through advertising and other income sources.

The commercialisation risk

Advertising is allowed for RTVSLO and MRT, however RTVSLO enjoys significantly more opportunity than MRT.⁴ One of the most sensitive issues is the significance of prime time. RTVSLO's opportunity is restricted and MRT is not allowed advertising at all in prime time. According to MRT Director Petar Karanakov, "It's as if someone tied your hands and tied your feet and then said – swim". Even without limits on advertising, both companies would have to compete ruthlessly for sizable income in such small advertising markets (Puppis, 2009; Trappel, 1991). In Macedonia the estimated television advertising income for 2009 was only €25.6 million and largely divided among the five national commercial stations (Broadcasting Council of Republic of Macedonia, 2010a: 101). RTVSLO may have the potential for more

advertising revenue, but also struggles with its commercial rivals, the biggest of which is PopTV. The gross television advertising market in 2009 in Slovenia was estimated at €314 million, of which Pop TV received approximately 75 percent or €235.5 million⁵. In these small and highly competitive markets, the risk of commercialisation in the fight for advertising comes to the forefront.

It has already been shown that in some PSB companies in the West the tendency towards light entertainment programming is greater among those that rely in part on advertising than in those that do not (Iosifidis, 2007). According to a 2010 analysis by the Broadcasting Council, MRT was not meeting its PSB programming requirements due to an overabundance of light entertainment formats (Broadcasting Council of Republic of Macedonia, 2010b). It is important to note that the pertinent period was a time when license fee collection was still quite low. RTVSLO has also been pushing the limits in terms of advertising in order to compete with its arch-rival, PopTV. In recent years the most frequent violations identified by the regulator were the overstepping of advertising time limits by both RTVSLO and PopTV. Most often, for RTVSLO this has occurred during the airing of major international sports events.

There has been much discussion in recent years as to whether major sports events are a commercial product or a public good (See Solberg, 2007), and whether they still have a legitimate place in PSB provision. So far the European Commission has taken a market-oriented approach, concerned more that PSB companies with publicly subsidies enjoy a degree of buying power that may distort the market for sports rights (Wheeler, 2009: 264). In fact, however, small PSB companies like RTVSLO and MRT do not have superior buying power. Both broadcasters complained bitterly that ever fewer major sporting events are procurable through the European Broadcasting Union [EBU]. If they want a major sports event these companies must enter a bidding war with commercial buyers. MRT's management blame their prime time advertising ban for inability to get major sporting events, precisely because they have no way to recoup even some of this investment. As advertising limits make it difficult to cover costs, some argue there is a risk of drawing funding away from core programmes such as informative or cultural content (Solberg, 2007). But in RTVSLO and MRT, sports are seen as an important collective national experience and part of the core mandate as opposed to a luxury to be relegated to pay-tv services.

As PSB looks to regain initiative, financing is a core issue. While the license fee should remain the foundation for financial support, it is not necessarily secure or stable, and often is inadequate in small states to fulfil the entire breadth of a typical public service mandate. Even in large states the license fee may not be sufficient. The withdrawal of advertising from France T élévvisions in 2009 without an increase in the license fee caused panic as to how the broadcaster would make up the difference (See Arriaza Ibarra, 2009). Although the Slovenian and Macedonian cases highlight risks in commercialisation when PSB is allowed to carry advertising, the risks appear necessary. Creative thinking is of course essential to figure out how advertising in PSB can be structured to discourage unfair competition in light entertainment, while guaranteeing fair opportunity to secure the necessary resources to offer audiences 'big ticket' sporting events and the like.

Political independence: Degrees of influence

One reason for a mixed funding model for PSB is to achieve maximum independence from the two sources of distortion in the complexion of public services: government and commercial interests. However, independence is not only a matter of how the endeavour is financed. It is also a question of the degree to which political elites are prepared to relinquish control (Jakubowicz, 2008; Splichal, 2001). In many former communist or socialist countries new power elites were reluctant to dismantle old systems of control, even as they mimicked the structures and funding mechanisms of the West (ibid.). The influence of political elites in PSB is not unique to the East.

Hallin and Mancini (2004) described four models of PSB governance with an emphasis on varying degrees of political influence, although these did not include countries of the region we are discussing in this chapter. Even the BBC which falls into their *professional model*, the most insulated from political control, was forced to apologise to Tony Blair's government in 2004 for its critical reporting on the government's justification for going to war in Iraq. Expecting PSB to be completely independent from political elites is just not realistic. Expectations can only be fairly based on the specific political conditions in which each PSB company operates. There is a significant difference between RTVSLO and MRT when assessing their independence from political elites. Political independence is not a situation of either/or, but of degree and with particular regard to subtlety in control.

Manipulation through Financing

Looking at these cases, a factor partly determining the degree of political control is the security of finances. While RTVSLO is in relatively good shape with a high level of license fee compliance, in Macedonia both of the two main political camps publicly called on citizens *not to pay* the fee in the periods when they were respectively in opposition.⁶ Such manipulation may be less possible since the commendable move to transfer fee collection to the Public Revenue Office. However, the dangers of this period serve as a troublesome reminder that PSB is always vulnerable. During this period MRT depended on ad hoc grants from the central government. One staff member explained the impact of this:

“While you are dependent on the state, you have to be for the state, for the government . . . When you are independent, when you have money and can employ people and do what you want with equipment; then you can be a bit critical because you don't depend on them financially (anonymous, 2010).”

This put MRT in a Catch-22 situation. While supported by the government it cannot truly operate independently and is considered pro-government. Those in opposition call on an already disappointed citizenry to protest by not paying the license fee, thus ensuring that MRT remains dependent on the government. This situation indicates the very difficult

situation for any PSB company should license fee evasion escalate or their financial security be otherwise jeopardised.

Political Culture and Governance

The fact that PSB companies are not independent from political and other power elites remains their most disappointing characteristic in CEE (Jakubowicz, 2008: 99). It remains a key problem that accounts for accusation that they are 'PSB in name only'. In some cases there is still government control over the appointment of editors, sometimes even over programming (Bašič-Hrvatín, 2002: 20). Based on the two cases analysed here, it is likely that these PSB companies are finding it difficult to break the *government model* of governance, although of course to varying degrees depending on the political culture. By law both RTVSLO and MRT should fit comfortably in the *civic* or *corporatist model* as described by Hallin and Mancini (2004), one in which control of PSB extends beyond political groups to include other "socially relevant groups" (31) such as associations, unions, academic institutions. Both PSBs have at least some civil society groups or academic and cultural institutions in their governing bodies. However, what happens in reality appears more akin to the *government model* in which the party in power controls the PSB. The differing degrees of control exhibited in the two cases highlights the role that political culture plays in determining the nature and impact of PSB governance.

Although according to law and the statutes of MRT there is no avenue for direct government involvement in appointments, in practice that is quite common. One individual admitted, "every time I start to think that I am an independent [*position removed*] I remember that if there was someone else in government I would not be here; it would be someone from [*political party*]. . ." ⁷ Because there is no legal mechanism giving government this power, it seems to be more a case of informal understandings and political clientelism⁸ based on political culture (Jakubowicz, 2008). Within MRT people alternate between important positions and figurehead roles depending on which political party is in power.

Slovenia has a different political culture than Macedonia, which may explain why efforts by political elites to influence RTVSLO are subtler. In the case of RTVSLO political influence has been concentrated at the upper level of governance structures. In 1994 a centre-left government created an RTV Council composed mostly of civil society representatives, which opposition parties claimed was actually controlled by left wing political interests. When a centre-right government took power in 2004 it quickly proposed a new make-up of the Council so that a higher percentage would be appointed by the National Assembly, and with some direct party representatives. This passed with a very narrow margin in a 2005 referendum (See Bašič-Hrvatín & Petkovic, 2007: 144-148). This essentially eroded the *civic model* that had been created earlier. In 2010 another centre left coalition attempted to change the RTV Council after winning election in 2008. Debates echoed those surrounding previous proposals, although this time the effort failed in a referendum. The pattern of successive governments attempting to revamp the government structures of RTVSLO is by now firmly established.

The question that remains is the extent to which political involvement in RTVSLO's upper level governance structures filters down to programming. It appears to depend on the medium and the amount of contact. RTVSLO's Head of Radio Production, Janez Ravnikar, does not have much contact with the Council and believes that is for the best: "They do all have some political influence. If we would be in daily contact with these members, somehow politics would influence the content of our programme". Radio Slovenia has faced little criticism in that regard⁹, whereas television has been accused of being pro-government. A 2006 analysis of RTVSLO's main television news programme *Dnevnik*, showed that more than 43 percent of those appearing in the evening news were from central government, significantly higher than in the main private station (Prpič, 2006). Although this may not be evidence of clear bias, it does suggest a tendency to rely on *protocol news*, providing coverage to official state sources, events and announcements.

This concept of *protocol news* also emerged in relation to MRT's coverage in Macedonia. The idea that MRT had an obligation as PSB to cover protocol news and "document" such happenings was expressed by many of those in management positions. The Director of MRT's first television channel, Aljosa Simjanovski, claimed it was common practice regardless of which party was in power, but admitted it did lead to perceptions of bias among the public. It is likely that, depending on the degree of clientelism and a tendency to seek control of governance structures, these PSBs will more or less lean towards the *government model* of governance.

Political manipulation of the PSB, whether through financing or direct interventions in governance structures, is not unique to CEE. Caffarel and Garcia de Castro (2006) describe how the Spanish PSB was pushed so far into debt by government that its autonomy was crippled, and a series of manipulations of the governing structures followed. Though political cultures may differ in terms of the level of clientelism between political elites and PSB, it is hard for any PSB to maintain complete independence precisely because of its dependence on public funds and the whims of policy makers. Even the Dutch PSB suffered significant cuts to its budgets following its criticism of the government's handling of the Fortuyn murder case (Jo Bardoel, 2003: 92). The cases examined here point to two things that are important for all PSBs. Firstly, as governments look at ways to continue financing PSB in the face of increased commercial competition and struggling economies, they must provide both stability and diversity. Secondly, political independence is more a question of political will than of governance structure. Whether or not civil society is included or who appoints board members is not as important as political elites deciding to leave the PSB alone and the degree to which professionalism within the PSB can isolate programme from influence. As RTVSLO and MRT seek to regain initiative, increased financial independence and professionalism would facilitate perceptions of being pro-Slovenia and pro-Macedonia rather than the mouthpieces of whichever party or coalition is in power. The same applies to other PSB companies as well. It also suggests the importance of de-politicization of content and striking a balance by both reaching out to minority groups and gathering larger audiences through popular social and cultural content (Johannes Bardoel & d'Haenens, 2008).

Narrowing the mandate: Culture and co-operation

In their respective laws the lists of obligations for both RTVSLO and MRT seem to be little different than those found in the BBC Charter and laws framing other PSB companies several times their size. An additional factor in both our cases is the requirement that they produce programming in multiple constitutionally recognised languages, two in Slovenia and six in Macedonia. In talking to managers about the kinds of programmes that are given priority, a common focus appears. Although daily news is most demanding of resources and attention due to its urgency, both broadcasters are investing in content related to nurturing the national culture, particularly in language and music. Given their limited resources and difficulties in shaking off the influence of political elites, this is an effective strategy for dealing with extensive remits, and something to be considered by other PSB companies, particularly in small states operating with small budgets. At the same time, co-operation with international and domestic partners emerges as a useful way of filling in the gaps in their own production.

Culture, language, and music

As with other PSB operators, in Slovenia and Macedonia cultivating the national culture and identity is listed among as an essential obligation. However for RTVSLO and MRT it seems to be the most important part of their role, specifically that aspect that requires promoting language and music. The first things mentioned by MRT Director Eftim Gaštov when asked about the mission of MRT were nurturing “national values” and “national identity”. This was reinforced when he described the programmes in which MRT is investing, namely *The Story of Letters* about the language, and *Macedonia Folk Tales*. Radio Producer Ravnikar at RTVSLO also mentioned taking care of and improving the national culture as main duties for PSB and referred to language twice in that context. The same views are present in the programmes for minority languages. Reshat Kamberi, Director of the MRT’s third radio channel, highlighted the crucial role of the Albanian language radio programme in the standardisation of that language in Macedonia. For Antonio Rocco, Assistant General Director for Radio and Television for the Italian National Community, the preservation of the Italian language and culture in Slovenia was the primary purpose of his programmes. This is not to say didactic programmes about the language or cultural characteristics are preferred. Instead RTVSLO and MRT focus on drama as a vehicle for promoting language. One person in RTVSLO explained:

“You put on 5 minutes of a programme about Slovenian language and they say, ‘ugh what’s this’, and change the channel. . . Film is something that means you can have them for two hours, watching in Slovene something that reflects their conditions (anonymous, interview, July 2010).”

In 2010 RTVSLO doubled film production from the previous year, producing four rather than two full-length films. Both broadcasters are also investing in television and radio drama series. When licence fee collection picked up in 2011, MRT immediately began production of two television drama series. In addition to its long running satirical series, MRT's is now also producing radio drama for children and RTVSLO has two studios operating that are dedicated to radio drama production.

The promotion of national music is both a priority and a challenge. Small states lack production capacity (Puppis, 2009; Trappel, 1991). In music this is not only an issue of equipment and technicians. Macedonia, for example, lacks stars; there is a deficit of popular musicians. Multiple appearances by the same few saturate the screens and airwaves. Managers in MRT express a belief that popularising new stars is an important part of their role. RTVSLO is also investing heavily in producing Slovenian music. After requirements for Slovenian music had its radio stations repeating the same recordings too many times, RTVSLO has modernised studios for its own orchestra and big band. It is devoting significant resources to recording classical, big band, folk and sometimes even rock. The emphasis on authentic national music was clear in both broadcasters, including within the minority language programmes.

Co-operation filling the gaps

Although both RTVSLO and MRT broadcast educational programming in the form of didactic children's programmes and documentaries, these programmes were not priorities except when related to language. Documentary or informative programmes on generalist subjects such as science, history and nature are well covered by foreign channels and subtitled in local languages. There is also a clear impression that RTVSLO and MRT cannot compete with the content offered on such channels. As one person explained, audiences do not want to see a rabbit in a Slovenian field on RTVSLO when they can see an anaconda on *Animal Planet*. At the moment both RTVSLO and MRT are still producing some documentaries related to local topics and basic educational programmes for children, however much of their other generalist informative content is managed through co-operation. While this is may be an adequate solution for fulfilling the requirements, it suggests that perhaps it is time to re-evaluate the extent of the generalist PSB mandate, particularly for smaller operators in smaller countries.

Co-operation can mean working with domestic independent producers or even other public institutions. Due to conditions for overtime pay and working hours in contracts for RTVSLO employees, producers find that for some productions it is cheaper to outsource. Producing drama was considered a priority in both RTVSLO and MRT, yet drama is expensive to produce. Partnerships with other public institutions such as theatres are one way that MRT is managing to produce drama programmes. One example is a children's radio drama produced with the Theatre for Young People.

Both RTVSLO and MRT make use of the EBU and co-operation with other broadcasters. They use the EBU network for their informative programmes, as well as international wire services. Films and documentaries are also exchanged within the network, allowing them to leverage their

production by getting several programmes from EBU members in return. Institutional arrangements with broadcasters in neighbouring countries are also important for providing content in minority languages. MRT's Albanian programmes exchange with RTK in Kosovo and RTSH in Albania, each contributing the type of programming in which they are strongest. The Italian language programmes of RTVSLO exchange with RAI in Italy. In Macedonia, both television and radio rely heavily on agreements for rebroadcast that they have with BBC, Deutsche Welle and even CNN for international news.¹⁰ International co-operation at the regional and European level helps both RTVSLO and MRT meet some of their obligations and enrich their programme offer with minimal resources.

RTVSLO and MRT are not the only PSB companies struggling to fulfil a broad generalist mandate with minimal resources and the problem is not limited to small countries. Since 2008 both France and Spain have decided to eliminate advertising, cutting a huge source of revenue from their PSBs to the benefit of the generalist commercial channels (Arriaza Ibarra, 2009). The changes for Spain's RTVE also include severe limits to its procurement of sports rights and higher obligations towards domestic film production (ibid. : 274), which seems to indicate a direction of mandate narrowing away from the kind of content provided by commercial stations. Although the held up for many years is the PSB that does everything, it may be time to consider what exactly PSBs need to be doing in their specific national contexts.

Conclusions

The reason for looking more closely at the Slovenian and Macedonian cases was not to outline the nature of their unique struggles, but rather to see if there are similarities in those struggles with the situation elsewhere and, especially, to see if there is something to be learned from their experiences of coping that should be generally useful as PSB everywhere attempts to regain initiative in difficult times. I return therefore to the three questions posed at the beginning.

The first question related to the risks of different funding sources. Here I argue that we cannot be complacent about the license fee as a secure source. In times of crisis and stiffening competition the license fee is often under attack. For small countries this method is also limited in the amount that it can generate as a function of population size and economic resources overall. Advertising, while also unstable and carrying the risk of encouraging commercialisation, appears necessary in many cases. This is especially true if PSB is expected to be one of the means through which audiences have access to expensive forms of content, such as sports broadcast. The worst-case scenario is being forced to rely on ad hoc influxes of funds from central government. Near-automatic grants from the central budget for particular services, not subject to the whims of those in power, are a better alternative. However, anything that requires PSB to directly negotiate for funds can be dangerous to political independence.

Even if outright financial manipulation is not a problem, we still must consider what is reasonable to expect in terms of political independence. In the two cases what can be expected is a level of political influence quite

similar to other countries in Southern Europe, typically fitting the *polarised pluralist* model (Daniel C. Hallin & Mancini, 2004). Jakubowicz (2008) clearly identified many similarities between the media systems of polarised pluralist countries around the Mediterranean and those of the post-communist states. He also concluded that any move “northward” would take a long time (ibid.: 118). It is hard to imagine that the levels of clientelism and pressure from political elites in Slovenia or Macedonia are likely to change drastically in the near future. Therefore, in these cases, and I suggest in others from the region, the goal of the PSB should be to achieve a situation in which they are at least perceived as being pro-country rather than aligned to particular political parties.

Hope for movement in this direction is derived from the response to the last question regarding a revision of the PSB remit. Both RTVSLO and MRT are focusing their energies on particular aspects related to language, culture and national identity. This is an appropriate tactic for other states fitting the politically polarised model. If these PSB firms are able to develop their relationships with their publics through non-political programming such as drama and sport, they may be able use this support as an antidote to undue political influence (Johannes Bardoel & d'Haenens, 2008). Increased co-operation and exchange with other PSB companies may also provide some distance from national political party influence.

The PSB as a politically independent generalist broadcaster that provides all types of high quality content and is the keystone of domestic production is an ideal. As competition from commercial broadcasters grows and political elites appear evermore interested in supporting commercial broadcasting interests, this ideal will be increasingly harder to reach in both East and West. Governments in Western Europe and wider that are looking to cut funding to PSB should recall the lessons from CEE, avoiding drastic sudden changes and maintaining diverse sources of funding. As belts tighten in PSB in general, it may be time to re-examine the generalist mandate of PSB. While PSB should not only be relegated to a niche of “worthy” programming that fails to attract audiences (Arriaza Ibarra, 2009: 278), countries, especially smaller ones, should be thinking about what the core functions of PSB need to be in their national contexts. In doing so they should look beyond the traditional PSB territory of linear radio and television to make use of new platforms and in places where politicization is a problem, perhaps focus on non-political content.

End Notes

¹ By Central and Eastern European States I refer to the former communist countries that formed the Warsaw Pact alliance until 1991 and the successor states of the Former Yugoslavia. Although Yugoslavia was a founding member of the Non-Aligned states and significantly more open than the countries in the Warsaw Pact, it maintained a highly centralised single party socialist system of government and economy until it broke up in 1991.

² An earlier law in 1990 had simply renamed the RTV Assembly as the RTV Council and designated that its members be selected by the new national Parliament as opposed to the republic level institutions that had existed within Yugoslavia.

³ In the three years prior to 2009 the collection rates only ran between 1 and 5 per cent (Beličanec, 2009: 3).

⁴ RTVSLO is allowed up to 12 minutes per hour and 9 minutes during prime time for a total of up to 10 per cent of daily transmission time (Republic of Slovenia 2007, Art. 98). Commercial stations in Slovenia can devote up to 15 per cent of daily transmission time to advertisements, but also are allowed only 12 minutes per hour (Republic of Slovenia 2007, Art. 97). MRT, on the other hand is allowed only 7 per cent of an hour, or just over 4 minutes and is banned completely from advertising in prime time, while commercial stations can use up to 12 minutes per hour for advertising (Republic of Slovenia 2007, Art. 91 & 93).

⁵ Figures for 2009 advertising market in Slovenia were drawn from data published by research agency Mediana in Dnevnik in January 2010.

⁶ VMRO-DPMNE in 2006 (REF) and SDSM in 2010 (C.J., 2010)

⁷ Some identifying information and the complete date of the interview have been left out in order to protect the identity of the person interviewed.

⁸ Clientelism, also sometimes called patronage, refers to the systematic dependence on an asymmetric exchange of favours, services or often political support. For conceptual discussion of the definition and impact on political institutions see Graziano (1976), and for examples of clientelism in relation to media systems see Hallin (2002).

⁹ The Director of MRT's first radio channel, Daniela Kanevce, also stated that she felt comfortably isolated from political pressure, mentioning only the obligation to air long government sponsored public service announcements, which she felt were generally in the public interest.

¹⁰ Since these interviews were conducted the BBC world service has cut Macedonian and Albanian language programmes that were rebroadcast on MRT.

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