ACCESS IN THE AGE OF COMMERCIALISATION OF INFORMATION: THE CASE OF LOCAL RADIO IN THE NETHERLANDS

Introduction

From a situation in the 1970s, where access was in principle guaranteed both at the national level of broadcasting (the “pillared” broadcasting system) and at the local level (non-commercial community radio and cable television), media policy in the Netherlands has recently undergone dramatic changes. At the national level commercial broadcasting has been legally introduced, while there has been a shift in media policy at the local level, away from public community broadcasting and in favour of commercial exploitation of local broadcasting frequencies.

This shift in media policy, together with insufficient public funding of community broadcasting stations, has caused a split between community stations. On the one hand there are stations which, with limited funding, still (try to) operate as public service stations; on the other hand there are public community stations which direct their efforts to maximisation of advertising revenues, adapting their programming to advertising policy, and paving the way for commercial broadcasting as proclaimed by the government as from 1996.

This development not only favours commercialisation of public local radio in the Netherlands and threatens the development and continuation of access programming at the local level, it also plays into the hands of regional newspaper publishing companies. These newspaper companies operate within their distinct regional territories, where there is hardly any competition between companies. Already policies have been implemented by these companies to achieve a synergetic effect by reducing the number of newspaper titles and by redefining the markets of former (local) newspapers, creating less competition between newspapers and endangering for consumers the quality of...
access to a diversity of media content.

The publishing companies have repeatedly stated their interest in the exploitation of commercial radio within their territorial (provincial) markets. The entrance of these companies in the field of local broadcasting will allow them to expand their control of media from print and cabletext to broadcasting, and will further threaten the position of public community stations.

Parliament has recently passed legislation that encourages co-operation between regional and local public broadcasting stations and forces stations to improve their public programming content in an effort to strengthen the position of non-national public broadcasting stations vis a vis the introduction of commercial broadcasting at the local and regional level in 1996.

In this article we will describe the main developments in media policy and developments in local broadcasting in an effort to explain how the concept of public access which from the beginning of broadcasting in the Netherlands always has been a cornerstone of broadcasting policy, has been gradually abandoned. Against the background of these developments, we will discuss in this article possible future policy options to strengthen the element of access programming in public and in commercial local broadcasting.

Public Access in the Context of Broadcasting Policy

Public access in the national broadcasting system. The concept of public access has always been a cornerstone of the Dutch "pillared" broadcasting system. Most institutions — in the areas of politics, education and religion — have been organised in such a way that the social, political and religious "mainstreams" in society are all represented. Traditionally these "pillars" each had their own school system, unions and political parties, so it was logical that access to the national broadcasting system became organised along the same principles.

Access to the national broadcasting system is open to any socio-cultural group in society which can show a membership of at least 150,000. This has resulted in a broadcasting system whereby eight major organisations and a large number of smaller specialised organisations together make up the national broadcasting system, each receiving their share of air time, of the programming schedule and of the license fee.

The national broadcasting system has been organised on the principles of "external pluralism," "openness" and "non-commerciality," thus ensuring access to the broadcasting system for large socio-cultural groups in Dutch society and at the same time offering a guarantee of a diversity of programmes, enabling citizens to make a choice and form their own opinions.

The principle of a non commercial broadcasting system lost its exclusive nature in 1989 when a Dutch commercial TV cable station, RTL4, was admitted, recently followed by other Dutch TV stations such as RTL5, RTLVeronica, SBS6, Euro7, TMF, TV10 Gold and numerous commercial radio stations. With the introduction of these commercial cable TV and radio stations the public broadcasting system has lost a major share of its audience to these commercial cable stations. This in turn has caused the government to develop a media policy which — under the influence of European regulations — opens the broadcasting system for commercial stations and at the same time offers some guarantees to maintain the public broadcasting system.

Public access in regional and local broadcasting. The principle of "external pluralism" in the national broadcasting system as outlined above, was not directly replicated when it came to the development of a policy for regional (provinces) and local (municipalities)
broadcasting. Local and regional broadcasting have developed along different lines, although recently forms of co-operation are being initiated.

Regional radio already existed in 1945, although on a very limited scale in the northern and southern parts of the Netherlands. It came under the responsibility of the national broadcasting organisation NRU (Dutch Radio Union, later NOS). Independent local and regional radio was introduced in 1976 in Amsterdam and the municipal area of Eindhoven. Provisions were made that regional radio should broadcast programmes that are of particular interest to the province, region or city the station serves. To ensure this an advisory board with representatives of socio-cultural groups in the area is set up. The composition of this board of representatives is approved by the ministry responsible for broadcasting policy. This board oversees, and in the end is responsible for the programming of the regional station. The regional stations are operated by professional journalists and financed out of the license fee.¹

In the 1980s a further expansion of regional radio in the Netherlands was realised with as a result that today there are 13 regional radio organisations — one for each province — whereby five organisations produce several regional editions within the province (Hollander 1994).² Instead of “external pluralism” — as in the national broadcasting system — access in regional broadcasting has taken the form of “internal pluralism,” i.e. “access to policy” via the board of representatives. Access to production is very limited, because of the professional organisation of radio production in the regional stations.

In the case of local broadcasting, which from 1974 until 1988 took the form of local cable television and radio, the same principle of “internal pluralism” was applied. The principle of “external pluralism,” it was felt by the government, should not be replicated at the local level, since a further “polarisation of society” at the level of the municipality was not felt desirable. Therefore local or community cable television and radio came to be organised as follows:

- one license per municipality;
- organisation according to principle of “internal pluralism;” a board of representatives from socio-cultural groups in the municipality (to be approved by the ministry and municipality) responsible for programme policy;
- programme content to relate primarily to issues and activities in the municipality;
- advertising not allowed (Hollander 1982).

In contrast to regional broadcasting, no structural public funding was made available to local cable stations. Local cable stations depended on grants, contributions by members and donations. Therefore programme production became the responsibility of unpaid local volunteers, according to the slogan “from the community, for the community, by the community” (OLON 1982). These guidelines for the organisation of local cable television and radio allowed in principle for a certain degree of access at the level of policy and planning (board of representatives) and for access at the level of programme production (local volunteers). But the absence of any structural financial compensation also restricted further development of local broadcasting.

This restrictive policy which existed until the introduction of the Media Law in 1988, also implied that the motivations and philosophies which had led — together with the availability of a cable infrastructure — to the introduction of local cable television and radio or “community stations,” were left more or less intact. In general, these motivations and philosophies can be linked to concepts such as media participation, access and citizen involvement in local politics (Hollander 1982). However, changes were beginning to occur.

The organisation that was founded in 1981 as a pressure group for community television and radio initiatives (OLON), stated that within one year more than 100 new initiatives had come into existence (Manders and De Wit 1983). These new initiatives
could be divided into three categories: (a) the original initiatives from 1974, (b) ex-radio pirates who want to legalise their activities, and (c) new initiatives from circles of social welfare and community work, media professionals and from local government and local politics.

This development has gradually led to a division in the local TV and radio initiatives between "community-oriented" and "music-format oriented" stations. The full consequences of this difference in orientation between local cable TV and radio stations became apparent when the possibility for over-the-air radio broadcasting came into view. It is this development that lay open the forces within the group of local cable TV and radio initiatives that later caused a gradual abandonment of community access philosophies in a number of stations.

**The Case of Local Radio**

The development of local radio in the Netherlands has gone through several stages; from community oriented cable stations to a stage of professionalisation, when local radio broadcasting over the air was introduced, to commercialisation when advertising became an important source of income for more than half of the local radio stations. In each of these stages local broadcasting stations were forced to choose between their original goals and intentions as community stations, or to prepare themselves for the future when local commercial radio would be introduced. Basically it was a choice between becoming a small scale community-oriented station with no other funding than grants, donations and contributions, or developing into an advertising market-oriented, large scale, music-format station on a (semi-)professional basis.

**Professionalisation of local radio.** In 1984 in a government paper regulating the use of cable systems, it was announced that local cable TV and radio stations would have the possibility to broadcast their radio programmes over-the-air. Although it would take until 1988 for this regulation to come into effect, the result of this announcement was an increase in the number of local broadcasting initiatives. From 41 local cable stations in operation in 1984, the number of stations increased over the years to more than 300 stations in 1992 (OLON 1992). The fact that nowadays less than one-third of this number of stations broadcasts cable TV programmes indicates a shift in emphasis from cable TV and radio to over-the-air radio broadcasting.

With this shift from cable TV to local radio over-the-air came the need for more continuity in broadcasting schedules. This in turn prompted a more professional operation in the stations, meaning more people, more control and more centralisation of responsibilities. In some cases, professionalisation and centralisation of responsibilities led to the departure of volunteers who had been ideologically motivated by notions such as "public access" and "community involvement." In all cases however where stations expanded their broadcasting schedules, this operation put additional pressure upon already limited funds.

The matter of financing local broadcasting stations became a key issue in the 1980s. The options put forward by the organisation of local broadcasting stations OOLON included in the first place structural financing out of public funds, but also advertising as an additional source of income was considered. In various government papers (see Van der Linden and Hollander 1993) advertising in local and regional broadcasting was discussed. The end of the matter was that there was no consensus or majority in parliament on this issue. Therefore the final regulations concerning local and regional broadcasting in the Media Law of 1988 consolidated the existing situation.

In retrospect the Media Law from 1988 can be seen as a last attempt by the government to maintain the barriers between public broadcasting and private enterprise i.e. the
newspaper publishing companies. In an effort to protect the position of the public broadcasting system the government more or less closed its eyes to the fact that commercial radio and TV companies via satellite and cable already had penetrated the Dutch market and that newspaper publishing companies wanted to expand their activities from print into electronic media. The fact that private enterprises including newspaper publishing companies had been allowed in 1984 to operate local cабletext on a commercial basis and that advertising in local and regional broadcasting was considered a viable option, only demonstrated that the barriers between public broadcasting and private enterprise were eroding.

When in the early 1990s became clear that European Council regulations would not look favourably on national governments protecting their national broadcasting systems and that commercial media enterprises had to have a fair chance to operate in national markets, Dutch media policy gradually shifted towards a more liberal course. These changes became first apparent in the government policy on local and regional broadcasting, even before commercial broadcasting was legally introduced at the national level in 1993.

The introduction of advertising in local and regional broadcasting. A new government which came into office in 1989 declared that advertising in local and regional broadcasting would be permitted. Several considerations had led to this change in policy. One was that the number of local radio stations had increased dramatically — already 225 stations in 1989 — and was expected to increase even further. This development placed the phenomenon of local radio firmly on the media policy agenda, not only for the national government, but also for the local authorities. In view of future development, some sort of structural funding for local broadcasting stations had to be devised, particularly since local authorities became more and more reluctant to subsidise local broadcasting indefinitely out of their own funds. Since an increase of the license fee was not a politically viable option, advertising in local (and regional) broadcasting came under serious consideration by the government.

There were, however, serious drawbacks. Introduction of advertising in local and regional broadcasting would threaten the advertising markets of the regional newspapers, local and regional weekly advertising newspapers and local cабletext companies and ultimately threaten the diversity of the (print) information sources at the regional and local level.

In addition, the large newspaper publishing companies who own most of the regional and local print media (including cабletext), had made it known for years that they felt it necessary to expand their print activities into electronic media, such as commercial regional and local broadcasting. Introduction of advertising in public local and regional broadcasting would effectively block these ambitions (Van der Linden and Hollander 1993). Therefore, newspaper publishing companies became an important factor in the issue of advertising in local and regional broadcasting.

The position of regional newspaper publishing companies. Over the last eight years the Netherlands has been faced with an ongoing and increasing concentration of ownership of the press, especially the regional press. Nowadays, the five major regional newspaper publishing companies together have a market share of 96 per cent. The regional newspaper markets are geographically organised by the publishing companies. The five major publishing companies each cover their own provinces. This situation implies that at the level of provinces and municipalities there exists hardly any competition between regional newspapers. In 85 per cent of all Dutch municipalities only one regional newspaper is published (Bakker 1993). The regional newspaper publishing companies do not limit their activities to regional newspapers but have expanded into "shoppers"
or free advertising weeklies and cabletext services (see further Van der Linden 1993).

It is highly probable that when newspaper publishing companies become involved in local and/or regional commercial broadcasting, they will do that within their territorial markets, creating an overall control of information production and distribution, thus limiting the choice of media and media content for information consumers within their markets.

**Commercialisation of local radio.** Against this background the government came up with a compromise between the necessity of additional funding for local broadcasting stations and the demand from the newspaper publishing companies to gain access to electronic media. In 1990 the government presented a paper on advertising in local and regional broadcasting which outlined the following construction.

Local and regional broadcasting stations can apply for a license to sell air time (on over-the-air radio and cable TV and radio) to advertisers, **on the condition** that they have come to an agreement with the (or more) main regional or local newspaper(s) in their region (province or municipality). This agreement is to stipulate the form of cooperation between the local or regional station and the local or regional newspaper(s).

Co-operation can be limited to the transfer of a percentage of the net revenues from advertising by the local (or regional) station to the newspaper(s). It can also include forms of co-operation in the field of advertising acquisition and or programme production (WVC 1990). The government presented no further guidelines on these issues. It felt it was up to local and regional broadcasting stations and newspaper publishers to come to practical solutions.

Newspaper publishing companies reacted vehemently against this policy. It denied them, they argued, the right to get effectively involved in commercial broadcasting at the regional and local level and the percentage they would receive in return would only be a fraction of the share they would lose in the advertising markets (Van der Linden and Hollander 1993). In the end they accepted this policy as a political fact.

Local and regional broadcasting stations welcomed the fact that they could finally generate additional income from advertising and tried to make the best of the situation. The policy was accepted by parliament and came into force in September 1991, with the provision that the situation would be evaluated at the end of 1994.

The introduction of advertising had an immediate impact on the operation of local radio stations in the Netherlands in the sense that it promoted further professionalisation and eventually commercialisation of local broadcasting. The reasons for this rapid development can be described as follows. First of all, a number of local authorities felt no longer obliged to subsidise their local stations, since advertising as an additional source of income had become available.

This in turn created a situation whereby legally and formerly **public** local stations became dependent on advertising as their main source of income, which made them **de facto** commercial stations. This development was reinforced by the fact that a number of former radio pirates, under the banner of public local stations, devised strategies to develop advertiser-friendly programme formats in an effort to maximise advertising revenues. These strategies include middle-of-the-road music formats and (informal) network formation between adjacent stations to broaden the geographical basis for advertising acquisition. In the development of this strategy they were sometimes assisted by newspaper companies who used their influence during negotiations with local stations about forms of co-operation.

Finally, a number of stations came into severe financial problems when, after a period of time, the effective revenues from advertising lagged behind the revenues projected in the annual budgets. Stations, mainly in the larger cities such as provincial capitals, had...
negotiated bank loans to invest in housing, equipment and personnel and went bankrupt when they could not meet their financial obligations. Given all of the above, it came as no surprise that these developments created a split between advertising market-oriented, pseudo commercial local radio stations, and community-oriented public service stations.

It is therefore remarkable that a number of local radio stations, mainly in the smaller cities (between 20,000 and 30,000 inhabitants) succeeded in maintaining their position as community-oriented local radio stations. These stations receive their funding from grants, contributions and donations and from a (limited) amount of additional advertising. The stations are operated by local unpaid volunteers and programming consists of a balanced mix of music, local information, sports and service programmes (Hollander et al. 1994).

A recent national survey of local radio listeners seems to confirm the success of local radio stations in smaller cities. Results indicate that there is a great variety in share of the listener market that local radio stations occupy. Local radio stations appear to be more successful in terms of market share and appreciation in smaller communities than in the major cities (Intomart/STONLO 1994).

Likewise newspaper publishing companies were not satisfied with the government's policy on advertising in local and regional broadcasting stations. In August 1992, more than 60% of the local stations with a licence for advertising did not have an agreement with a newspaper publisher, either because the newspaper publisher was not interested, or in the specific municipality no main local or regional newspaper could be found (Van der Linden and Hollander 1993). But also in the cases where an agreement had been reached, co-operation was usually limited to a percentage of the net advertising revenues to be paid into the account of the newspaper companies. Effective participation by newspaper publishers in advertising acquisition or radio production was seldom the case. Newspaper publishers seem to have endured the experiment with local broadcasting stations, but the experiment certainly has not changed their demand for access to "real" commercial broadcasting.

The experiences of the regional broadcasting stations form an exception to this negative evaluation of the advertising experiment. All regional radio stations have come to an agreement with newspaper publishers and co-operation between newspaper publishers and the regional stations has been realised in the form of advertising acquisition. Regional radio stations have managed to acquire substantial revenues from radio advertising and these additional resources are being used, in some cases, to increase the number of radio editions in several provinces.

**Access and local radio.** In general, the introduction of advertising in local and regional broadcasting has caused negative effects in terms of a lesser amount of community orientation, access programming and citizens participation for substantial categories of local stations, with the exception of local stations in smaller communities. Professionalisation and commercialisation of local radio, as result of a government policy which made local radio stations dependent on advertising as the main source of income, has gradually led to the abandonment of access practices by an increasing number of local radio stations, again, with the exception of local stations in smaller communities.

The announcement by the government that as from 1996 commercial local broadcasting will be introduced makes it improbable that the development as outlined above will be corrected. On the contrary, this announcement puts a premium on the efforts of legally public, but de facto commercial local radio stations, to become serious contenders for licenses for local commercial broadcasting in their respective areas. Regional newspaper publishing companies, if not becoming directly involved in commercial local radio themselves, will be interested in partnerships with successful pseudo commercial stations in their markets.
Looking back at the origins of local broadcasting in the Netherlands, one should keep in mind that the concept of public access, as it was introduced from the United States in the early 1970s, has been regarded as a philosophy more or less foreign to the Dutch broadcasting situation inasmuch as the notion of access was already firmly incorporated in the Dutch broadcasting system. At present, after 20 years of local broadcasting, one can justifiably conclude that the concept of access has gradually become so foreign to parts of the local broadcasting situation in the Netherlands, that it will probably have to be rediscovered.

The Future of Local Radio in the Netherlands

The gradual abandonment of the notion of access in local broadcasting can be seen as a result of the adaptation by local broadcasting stations to changing technical (over-the-air broadcasting), financial (advertising, no public funding) and market conditions (listener market, advertiser market, prospect of commercial broadcasting).

These changing conditions however were a result of a change in government media policy, from a policy to protect public broadcasting systems (national, regional and local) towards a more liberal, market-oriented broadcasting policy. This change in policy was again inspired by the impossibility for the government to maintain public funding of a broadcasting system at three levels of society (nation, province and municipality), by the demand from newspaper publishing companies to gain access to commercial broadcasting and by EC regulations which have forced governments to open their media markets to commercial media enterprises.

Local broadcasting stations were further confronted with these developments in 1992, even before the trial period for advertising in local and regional broadcasting had ended. In a letter the government announced that it had come to the conviction, based on legal advice from a government committee (Cie 1992), that EC regulations implied that the introduction of commercial broadcasting in the Netherlands would be legally and factual inevitable.

This meant that frequencies for local and regional radio would have to be made available to commercial enterprises, unless the government could present a justification for the use of these frequencies by public local and regional stations. The government felt it could justify the use of radio frequencies by regional radio stations.

The government felt however, that it could not fully justify the use of radio frequencies by public local radio stations and the reservation of frequencies for public local stations which had not yet come into existence, while at the same time denying access to commercial stations.

To strengthen the position of local and regional radio, co-operation between local and regional stations has been promoted by the government. This proposal has encountered heavy opposition, not only from the organisation of local broadcasting stations OLON, but also from local authorities and national political parties. It was felt that the “forced” integration of local and regional stations effectively put the fate of local broadcasting stations into the hands of the regional stations, for local stations which could not or wanted not to concur with the conditions for integration put forward by the regional stations, would be banned to the cable.

A majority in parliament felt that public local broadcasting had proven its value in the Dutch broadcasting system and therefore could not be dissolved, to make room for local commercial stations. It was felt that co-operation and integration between local and regional stations would be a positive development and strengthen the position of local and regional public broadcasting, but this would have to be conducted on a voluntary basis. Therefore, local stations which could not or wanted not to co-operate, should be
able to maintain their status under the Media Law. They should be allowed to keep their radio frequencies and licenses for advertising (Hollander et al. 1994). In 1994, legal provisions were made to promote co-operation between local and regional broadcasting stations and became effective in 1995.

Co-operation between public local and regional stations can take several forms. From negotiations currently under way, several possibilities have emerged. The first is that local stations will broadcast part of the daily programme of the regional station over their own frequency. This makes it possible for local stations to cut back on the amount of music programmes (often compiled by a cd-robot) scheduled in order to stay on the air 24 hours a day. Another more far-reaching form of co-operation is that local stations in the major cities operate as local editions of the regional stations, especially regarding news and information-based programming.

Which forms of co-operation will prevail depends on the situation in each of the 12 Dutch provinces. Some provinces do not have sufficient number of large cities for the regional stations to effectively co-operate in the form of a network of local editions. Other provinces have a relatively large number of local stations in middle-sized cities. These stations are generally not interested in taking over the programme of the regional station as a “window programme” for a large part of the day but are, on the other hand, too small to operate as a local edition for the regional stations (Hollander et al. 1994). In these cases, co-operation might be organised in the form of “news pools” where regional and local stations deliver and receive news items of local or regional interest.

As a consequence of the discussion about “vertical” forms of co-operation between local and regional stations, “horizontal” forms of co-operation between local stations are also coming into existence, although no definitive legal provisions have been made yet for this form of co-operation. The future of local radio will depend, it seems on the question which form of networking — horizontal and or vertical co-operation between public local and regional stations, or commercial networking between commercial local stations will persist after 1996.

Rethinking Access

As mentioned earlier, the concept of public access, when imported from the USA into the Dutch broadcasting situation, was regarded somewhat as a foreign concept, since the notion of access was already embedded in the national broadcasting system through external pluralism, and in the local broadcasting system in its internal pluralism, in combination with operation of local stations by volunteers from the local communities.

What the above analysis of the case of local radio in the Netherlands has shown is that concepts such as internal and external pluralism do not function by themselves. These concepts are elements of a much broader philosophy of public service broadcasting that has a long tradition in the Netherlands. When government media policies change, however, from a more protective policy to a more liberal or market-oriented policy, conditions for public service broadcasting such a financing, central licensing and control change with them, affecting the operation of local broadcasting stations from within.

It is expected that at the regional and local level a dual system of broadcasting will develop: public local and regional broadcasting and commercial broadcasting. In view of the shortage of radio frequencies, only one frequency will be available in every municipality. As a consequence, national or, more likely, local authorities in the future will have to make decisions as to which stations will receive licenses: public stations which will probably cost local authorities money (subsidies, grants) or commercial stations which will be able to pay money to local authorities.

Until now, Parliament has been in favour of a right of preference for public local
stations. But even then, these stations will have to compete for the listeners and advertising markets with commercial local stations in adjacent municipalities, and this competition will likely have a negative effect on access conditions in the operation of local radio stations. Another option — one that has hardly been discussed in media policy debates on local and regional broadcasting in the Netherlands — is the possibility for local authorities to enter into negotiations on access conditions with commercial local radio stations. There are some indications that this might be an attractive prospect for commercial local radio stations.

Very recent developments in market strategy by regional newspapers indicate a shift by these newspaper to a more regional and local profile. Regional newspapers in the Netherlands have always viewed national newspapers as their main competitors. Surveys on regional newspaper readers have indicated, however, that readers expect their regional newspapers to be more “regional” or “local.” Readers want to be able to identify with their newspaper as a local or regional medium (ISK 1993). Several regional newspapers already have changed their profile from a national newspaper regionally distributed to a more local or regional profile.

A recent Intomart/ STONLO (1994) survey on local and regional broadcasting audiences has revealed the same tendency. The main motivation for listening to local radio is the fact that it is local in its content and orientation. People prefer local radio above regional radio because local radio informs them better about what is going on in their communities. This is one of the reasons why public regional radio stations want to set up local editions in co-operation with public local stations. In view of this tendency it might also be profitable for local commercial stations to develop a local profile by incorporating access conditions in the operation of the station instead of competing with music-format stations which are already in operation at the national level and which cater to much larger audiences.

Whatever strategies will be followed and whatever policies will be developed by the government, the main conclusion remains that after twenty years of public local or community broadcasting in the Netherlands, the concept of public access will have to be rethought and redeveloped in the context of the rapidly changing local and regional broadcasting system.

Notes:

1. Regional broadcasting has primarily been over-the-air radio broadcasting. Since the early 1990s, regional cable television has come into existence in some provinces (Jankowski 1995).

2. In the province of Zuid-Holland exist two regional stations: Radio Rijnmond en Radio West.

3. The criteria for a "main" local or regional newspaper being 5% market share and 1/2 a page average per day of news and information about the municipality.

References:


WVC. 1990. Reclame bij lokale en regionale omroep. Rijswijk: WVC.


