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# CONVERGING PSB POLICIES IN WESTERN EUROPE: THE NETHERLANDS AND FLANDERS COMPARED

JO L. H. BARDOEL AND LEEN D'HAENENS

*Both European politics and public broadcasting are in the middle of a process of reinventing the concept of public service broadcasting and to reconsider to what extent the existing institutions are still serving the idea of public service broadcasting as it was formulated over 80 years ago. Against the background of liberalizing EU and national policies together with rapidly changing societies, it is hypothesized that national broadcasting policies and practices in Europe will converge towards a more unified western and liberal broadcasting model. Therefore, this article will analyze the political debate and policy development vis-à-vis public service broadcasting currently generated in two neighboring contexts: Flanders and the Netherlands. The article digs into the diverging arguments of governments, regulators and broadcasters that are at stake on the future PSB remit, e.g. the mission and program task, organization, and financing mechanisms. Comparing recent debates and policy making in both countries the article concludes that, despite very different national traditions, there indeed seems to be a certain convergence of public broadcasting policies in Flanders and the Netherlands in recent years.*

**Keywords:** Public service broadcasting, PSB mission, PSB program, PSB funding, media systems, convergence, Flanders, Netherlands, EU

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The traditionally (all too) close relationship between public broadcasters and national politics seems to become more distant and problematic, parallel to the audience, which leaves behind public broadcasters in favor of their commercial competitors. Against this reality, this article will analyze the political debate and policy development currently generated in two neighboring contexts where over the past decades very different stances have been taken with regard to public broadcasting. The article will dig into the issues at stake on the future PSB remit, e.g., its mission and program task, its organization and financing mechanisms. Applying Hallin & Mancini's recent typology of media systems in Western democracies (2004) as a comparative tool, it is concluded that despite very different traditions and diverging responses in different time frames, there seems to be a gradual convergence of public broadcasting policies and practices in Flanders and the Netherlands in line with the new, more market oriented media policy of the European Union.

## TWO VERY DIFFERENT MODELS AT FIRST

This article looks into the policies in Flanders and the Netherlands with regard to similar tendencies putting pressure on the public broadcaster's position in an increasingly competitive landscape in which actors with opposing interests are playing. Audience fragmentation, new suppliers and business models, a greater emphasis on branding and marketing, severe budget cuts and limits on advertising income and new financing sources are some of the major challenges that public broadcasters are facing. The aptness of public broadcasters in Flanders and the Netherlands to face these challenges will be assessed, taking trends in national policy into account. Attention will be paid to their respective missions, quality provisions, and funding mechanisms.

Flanders is the northern part of Belgium whose complex political structure has undergone significant changes over the past 25 years. The country comprises three regions (the Flemish, Walloon and Brussels Capital) and three Communities (the Flemish, French-speaking and German-speaking), each with its own legislative and executive institutions. The federal government is exercising power in national affairs. The public broadcasting structure, paralleling the evolution within the structure of the Belgian state, went through the shift from a unitary to a fully federalized model (Antoine, d'Haenens & Saeys, 2001).

The Netherlands has a peculiar tradition with respect to broadcasting closely related to the country's overall socio-political structure of the past century (Bardoel, 2008a). The Dutch system of 'segmented pluralism' (Hallin & Mancini, 2004: 53) or 'pillarization' (Bardoel, 2001) in which social groups and civil society play a vital role represents an alternative to media systems relying mainly on the state or the market. Currently, over twenty public broadcasting organizations share three television channels and five radio stations. However, this Dutch model of external pluralism is eroding rapidly and is starting

to resemble to the more centralized structure of national public broadcasters anywhere else in Europe.

In both countries the mainstream political parties, especially the Christian-democratic and social-democratic formations, tend to be in favor of a broad public broadcaster providing a varied supply including culture, information, educational and entertainment content, except for the liberal parties whose vision is rather directed towards a complementary channel with a limited reach and a program supply responding to market failure, providing content considered as not economically viable by the commercial counterparts.

A recent typology of Western media systems that caught considerable attention and appreciation was proposed by Hallin and Mancini (2004). Resulting from their comparison of media and political systems in most countries of Western Europe and North America, the authors develop three 'ideal types': 1) the 'liberal model', mainly to be found in Great Britain and its former British colonies (United States, Ireland, and Canada) with strong media markets, high journalistic professionalism and a well organized but limited Government intervention; 2) the 'polarized pluralist model' with considerable levels of politicization, State intervention and clientelism in Mediterranean countries like France, Italy, Spain, Portugal and Greece; and 3) the 'democratic corporatist model' in the Scandinavian countries, the Netherlands, Austria, Switzerland, Belgium and Germany with high journalistic professionalism and consensual political systems that strongly rely on the role of organized social groups in society, as opposed to a more individualistic concept of representation in the liberal model. Hallin and Mancini hypothesize that these three models will gradually converge to the liberal model of media policy, due to dominant trends such as globalization and neoliberalism and, closely related to this, the increasing influence of the European Union liberalization policies. Also other authors note the tendency to stimulate a market-oriented approach at both the national and, first and foremost, EU level (Bardoel, 2007; Steemers, 2003; Murdock & Golding, 1999). Whereas Hallin and Mancini compare media and political systems 'tout court' for most countries of the Western world, in this contribution we will focus on the public broadcasting system in the two countries that constitute the Dutch language domain of altogether 23 million citizens in Europe. Public broadcasting is, according to Hallin and Mancini (2004, p. 43) "the most important form of state ownership of media." Due to our much narrower focus we will not use the set of dimensions that Hallin and Mancini have chosen in their comparative analysis (structure of media markets, political parallelism, professionalization and the role of the state), but instead analyze aspects that specifically relate to the broadcasting policy domain such as the recent, external transformations in the television market and in the nature of state intervention, and more internally the changes in the mission, program task, quality control and funding of public service broadcasters in both countries). In the concluding sections we will come back to the main dimensions used by Hallin and Mancini, notably the evolution of media markets, the role of the state and the level of political parallelism.

At first glance both Flanders and the Netherlands seem to fit into the 'democratic corporatist' model with a high level of segmented pluralism. The difference is however that in the Netherlands this societal structure is also reflected in the broadcasting system, whereas Belgium, and Flanders in particular, has chosen a unitary, BBC-like public broadcasting system in its respective language communities. An interesting question in this context is whether and to what extent the convergence towards a liberal model observed by Hallin and Mancini also applies to broadcasting policies and practices in both countries. This would imply not only that broadcasting policies in both countries converge, but also that the Dutch tend to follow the Flemish model rather than the other way around.

This article's main argument is built around the identification of a clear tendency towards convergence between the Flemish and the Dutch public broadcaster's policies and practices. Originally, i.e. in the monopoly era, two very different models — the highly politicized, polarized pluralist model in Flanders versus the corporatist model in the Netherlands — have been looking at one another, each serving as the source of inspiration for the other at different occasions. This 'mirroring' practice may have resulted in a converging movement towards the EU model, not in the least enforced by the European Commission's interventionist policies as of the end of the 1980s.

## DIFFERENT REACTIONS TO COMMERCIAL COMPETITORS

Since its launch in the 1920s, the Flemish public broadcaster evolved from a polarized pluralist model with a high level of state intervention and politicization, similar to the Mediterranean broadcasting tradition (Saeys & Antoine, 2007), to a democratic corporatist model with a public broadcaster following a BBC-like model. The Dutch public broadcaster, on the contrary, characterized by cautious political intervention, has been since its beginning a decentral, externally pluralist broadcasting system allowing for internally homogenous organizations responding to ideological and religious movements in civil society. Table 1 looks into the strength of the market position of the main players after over a decade of co-existence of the public broadcaster alongside commercial competitors.

### Flanders: Aiming at a BBC-like Model

Broadcasting in Belgium can indeed be considered a prototype of broadcasting in Western Europe, dominated for years by public broadcasting organizations drawing deeply for their inspiration upon the ideas of the BBC. This situation changed profoundly at the end of the 1980s, when European legislation became dominant and the monopoly of the public broadcaster came to an end. When launched in February 1989 with a *de iure* monopoly status for 18 years, the commercial channel VTM immediately gained 27 percent of the viewers market. It became by far the most popular TV channel with a market share of 37

percent by the end of the year, at the expense of the Dutch stations and both channels of the Flemish public broadcaster. Despite the fact that the average Flemish viewer already had a wide range of programs on the cable network, it was only in the 1990s that the viewers market fragmented (Antoine, d'Haenens, & Saeys, 2001). The VTM monopoly on advertising was ended *de facto* in February 1995 by the setting up of VT4, a subsidiary of SBS (Scandinavian Broadcasting System), targeting Flemish viewers and Flemish advertising. By broadcasting from Great Britain, it got around VTM's monopoly on advertising. Not only creaming off part of the advertising market, VT4 also forced VTM to make investments to counter competition, such as setting up a second channel (Ka2). Both stations initially hoped to reach a new audience by showing prestigious programs, but soon had to adapt their policy because they failed to reach the expected audience. After a dramatically low audience share in the beginning of the 1990s due to the launch of these commercial newcomers, the public broadcaster went to great lengths rendering its programming more attractive (Saeys & Van Baelen, 1996; De Bens & Paulussen, 2005).

### Netherlands: An Externally Pluralist Model

The Netherlands has chosen a unique broadcasting system, commonly characterized as pillarization (Lijphart, 1975). In this system, broadcasting was left to social movements that had already established their own organizations in politics, education, health care, culture and leisure (Bardoel, 2008a; Van der Haak & Van Snippenburg, 2001). Since the liberal bourgeoisie dominated the state apparatus until the introduction of general elections at the beginning of 20th century, three social groups, the orthodox protestants, the roman catholics and the social-democrats, considered themselves underprivileged. They all hoped to gain from this pillarization process that provided for a weak state and a strong civil society. The ideological foundation for this strategy is to be traced back to the Calvinist and Catholic social ideologies, which can be labeled respectively as 'cultural sovereignty' and 'subsidiarity' (the latter concept has obtained wider usage more recently in the context of European integration).

After the introduction of commercial television in the Netherlands, due to the new EU Directive 'Television without Frontiers', in 1989, the Dutch government had to 'reinvent' its broadcasting policy in the 1990s. In a first response, commercial broadcasting via cable was legalized, but public broadcasting had to be defined for the long term as well. As of 2008 three large parties dominate the Dutch television market (Bardoel, 2008b; Netherlands Media Authority, 2002). Dutch commercial television is owned by foreign companies enjoying minimum program obligations (Machet, Pertzidou, & Ward, 2002) other than the provisions of the European Television without Frontiers EC Directive. A total of 19 national channels, ten generalist and operated by the three large groups (public, RTL- and SBS-group) and nine thematic channels operated by other commercial broadcasters, make up the current Dutch television market. In 2005 John de Mol, one of the founders of Endemol

*Table 1: Market share of main players in Flanders and the Netherlands*

Countries	TV audience market share (in %, 4 years +. ***)									
	Daily share					Prime time (18:00-24:00)****				
	2001	2002	2003	2004	2005	2001	2002	2003	2004	2005
Flanders										
EEN*	25.0	26.4	27.9	28.2	27.0	28.0	29.5	31.3	31.8	30.8
CANVAS/KETNET	8.5	9.6	10.0	9.4	9.4	8.1	8.2	8.9	8.4	8.1
VTM**	27.2	25.4	23.6	22.9	22.0	31.8	30.2	28.1	27.7	27.8
KANAAL 2	7.3	6.4	6.2	5.2	5.6	8.1	7.0	6.7	5.9	6.2
VT4	6.4	6.3	6.8	6.7	6.4	6.2	6.2	6.8	7.3	7.3
The Netherlands										
Ned-1*	11.9	11.1	11.2	11.1	11.9	13.4	12.4	12.2	12.1	12.6
Ned-2	16.3	17.2	15.7	18.4	15.1	16.6	17.0	16.5	19.4	15.9
Ned-3	7.8	7.6	7.5	6.6	6.3	8.4	8.2	7.9	7.0	6.5
RTL 4	15.1	15.8	16.4	15.4	14.7	16.2	17.1	17.7	16.6	16.0
SBS 6	10.2	9.3	9.6	9.6	9.8	10.8	10.5	11.5	11.4	11.8

\* Main public broadcaster; \*\* Main private broadcaster; \*\*\* The Netherlands 6 years+; \*\*\*\* Prime time varies from country to country; Source: European Audiovisual Observatory (2006)

production company, launched a new channel Talpa that — despite high investments in football and fiction - never became successful and was taken over by RTL in 2007 to become the fourth RTL channel. Almost fifty percent of the program output of the public channels contain information and education, while on commercial channels the proportion of these program categories is about thirty percent. More than half of the programs on commercial channels are fiction, and on the public channels this proportion is about twenty per cent.

## CO-EXISTENCE IN A COMMERCIAL ENVIRONMENT: A CHANGING GOVERNMENT STANCE

By the end of the 1980s the response to the commercial competitors in the television market in the two countries proved to be very different. On the one hand, the Flemish government opened up the market in a limited fashion and helped organizing commercial competition from within. Moreover, Flemish publishers were found ready to invest in broadcasting activities. In the beginning, prospects were promising as the commercial competitor could enjoy a monopoly and the public broadcaster's audience figures were consistently declining. It was only in 1995 that the overly politicized moloch of the public broadcaster managed to properly fight back the terrifying prospect of becoming completely redundant. The Dutch government's intention, on the other hand, was first to postpone the

arrival of commercial broadcasters as much as possible. Nevertheless, with the help of European legislation, the Dutch broadcast landscape ended up being surrendered to foreign parties (RTL group and SBS), with a very open market and high levels of competition as a consequence. The Dutch public broadcaster was already familiar with a system of internal competition and supplied entertainment including for the Flemish audience during the monopoly era. This made that the urgency for drastic change was not felt all that much. Changes in the program supply were felt necessary only by the end of the 1990s, due to a gradually declining market share of the public broadcaster and the unconditioned soft-touch legislative regime enjoyed by the commercial broadcasters. By way of comparison: by the end of the 1990s, the VRT had become the example of a revitalized broadcaster, even at EBU level, thanks to the successive introduction of management contracts with the government as well as benchmarking practices. Clearly, the transformation from a Mediterranean politicized to an Anglo-Saxon mixed model became a fact.

### Flanders: Organizing the Competition from Within

The Act on Radio and Television Advertising of February 6, 1987 made it possible for broadcasters to derive revenue also from advertising. Meanwhile, the Flemish government passed the Cable Decree on January 28, 1987, which legally ended the monopoly of the public broadcaster. Moreover, only one commercial TV company could be set up and allowed to broadcast via the cable network and address as such the whole Flemish population. In an effort to anticipate foreign stations targeting the Flemish market from abroad, a number of limitations were built into the Cable Decree: foreign television stations would only be allowed access to the cable if they broadcast in one of the languages of their country of origin. This limitation was justified from a cultural point of view. In 1992, however, the European Court of Justice ruled that these limitations were in conflict with art. 59 of the EC Treaty, as they were measures of economic protection. As a result, the language stipulation was removed from the Cable Decree. The first commercial channel VTM was required to provide a balanced and diversified set of programs that should consist of information, education and entertainment. At first, it mainly focused on entertainment but gradually invested more in information. In compliance with European legislation, VTM had to reserve part of its viewing time for European productions. Moreover, the 1988 Performance Decree stipulated that, following a period of five years, half of VTM's programs should consist of Flemish cultural productions. No clear definition had been given of what this meant precisely, so in 1994 a quota regulation was put in place. From then on, news, games, sport, ads and teletext could no longer be considered as Flemish cultural programs.

The VRT and the Flemish government have periodically concluded management contracts since 1997, stipulating the funding provisions for the next five years. The first



contract was signed for the period 1997-2001, the second for the period 2002-2006. Such a contract defines the tasks of the public broadcaster in terms of performance criteria and measurable objectives, and fixes the funding required to attain these objectives (Saeys & Antoine, 2007; Coppens & Saeys, 2006). The latest management contract was approved on July 19, 2006, the public at large having been canvassed and the Media Council having given its advice. The latter praised the way in which VRT was fulfilling its public tasks, but was critical of the plans for digitization, arguing that Flanders has no need nor the financial scope for the eight digital channels proposed. It was furthermore claimed that the plans for digitization could not be reconciled with the public broadcaster's essential tasks.

The Public Service contract (2006) focuses on the linear and generalist nature of the public broadcaster, which is to appeal to as wide an audience as possible. In addition, the public broadcaster must also serve specific target groups. Furthermore, the contract explicitly seeks to safeguard the Flemish anchoring of the broadcasting service. Finally, VRT productions must be gradually digitized and the visibility of the public broadcaster on digital platforms such as the Internet and mobile telephony must be ensured, although VRT must not play an anticipatory role and must confine itself to reacting to the wishes and needs of the audience.

The new decree was passed on May 10, 2006. It gives priority to safeguarding the public mission of the broadcaster but also aims to keep a watchful eye on the commercial sidelines of the broadcasting service (which should support its public mission, generate their own funding and not distort the market) and to put an end to any disputes about the respective powers of the board of directors, the managing director and the management team. The board of directors can in future be enlarged with three independent experts in the fields of media policy and business management and becomes the same full-fledged body that private companies have, i.e. a body that must be given a say in strategic decisions such as launching thematic channels and entering upon partnership deals. Furthermore, the board can now also take initiatives instead of being confined to a purely reactive role.

### **Netherlands: Surrendering to Foreign Commercial Parties**

With the arrival of private television in 1989, the government and the public broadcasting system had to find a response to the new situation. The government's new policy followed a two-way track: in the first half of the 1990s, the authorities set out to regulate domestic private broadcasting and to strengthen the public system. The second half of the decade, media policy was focused on liberalization of the various media sectors. These changes led to numerous amendments of the Media Act, which was, as a result, constantly 'under construction'.

The public broadcasting system was first strengthened in financial terms. Advertising opportunities were increased, and the licence fee was indexed to the increase in the cost of living. Liberalization of the public broadcasting system resulted in five year concessions for

all broadcasting organizations. Further attempts were made to strengthen the organization of the public system as a whole by using a stronger central management. In 1998, a smaller Board of Management, comprising three independent members, replaced the former (large) NOS Board. Its task was to develop strategic plans and to be responsible for the total programming output of the public system. For each television and radio station a network co-ordinator was appointed with the task of giving the channels a more coherent identity. The broadcasting associations remained responsible for radio and television programming. Through a Supervisory Board they kept their influence over co-ordination measures, financial plans and the network co-ordinators.

Although the Media Act of 2000 left the fundamental basis of the Dutch public broadcasting system unchanged, the central control of production, and particularly of programming, was strengthened. The Executive Board of NOS and network coordinators were given a key role in determining the general program policy, the network profiles and the positioning of programs in the broadcasting schedules. The new Act also introduced a 'double legitimacy' for the public broadcasters based on a tiered system for separate broadcasting associations and also for public broadcasting taken as a whole. The new 'public accountability' policy of public broadcasting (Bardoel & d'Haenens, 2004; Bardoel & Brants, 2003) implies both external accountability measures through more public dialogue and public assessment of performance (i.e. the review committee) and internal quality control (i.e. a 'quality card').

The Media Act of 2000 also introduced an evaluation of the performance of the public broadcasting associations by an independent review committee every five years. The first Public Broadcasting Review Committee (Visitatiecommissie, 2004; Bardoel, 2003) carried out its evaluation and presented a report on the functioning of public broadcasting in April 2004. As its starting point the review assessed the self-assessment documents of the 20 broadcasting organizations that reported in the following areas: program overall performance, audiences reached in terms of distinctiveness and accountability; the organization's efficiency, transparency and innovation. The committee concluded that, taking public broadcasting associations individually, performance ranges from reasonable to good. Mutual cooperation, however, was seriously inadequate. As a result, the program schedule and the public reach fell short of the target of 40 percent market share. Important groups such as the young, the less educated and ethnic minorities were not being sufficiently reached by the public broadcaster. According to the committee, the cause of this situation lied mainly in the managerial structure. There was too little focus on the audience and too much attention on internal managerial problems within the system.

Although advocated by some political parties and program-makers pressing for more decisiveness, the committee did not opt for a national broadcasting structure like the BBC or VRT, but for a compromise that would fit in with the specific Dutch broadcasting tradition. In the political world, there was support for the committee's critical analysis and its sense of urgency. The Minister responsible for media passed a legislative proposal

envisaging the development of a collective strategy for public broadcasters through 'performance agreements' both between broadcasting institutions and with the Government. Also, the role of the Executive Board was further strengthened to secure a clear direction for the programming on radio and television channels. Finally, a supervisory board, independent of the executive of the broadcasting associations, was established as part of the package of short-term reforms introduced by January 1, 2005.

## CONVERGENCE AT THE LEVELS OF PSB MISSION AND PROGRAM TASK

Again, with a view to the BBC model of educating the audience, the VRT considered itself the main cultural institution of the Flemish community. Its aim was to build the Flemish cultural identity and to fulfill a cultural educational mission rooted in a strongly paternalistic vision (Dhoest & Van den Bulck, 2007). This mission resulted in new fiction program content, to a high extent commissioned to external independent producers. As such, the VRT's human capital is severely underused. Consequently, innovation comes disproportionately from outside, and the VRT remains an expensive operation to sustain. Buying in innovation from outside proved to be both the easiest and fastest way to change.

In the Netherlands the public broadcaster's transition from a supply to a demand model occurred by the end of the 1990s, as the urgency to change was felt later in the Dutch context. At first the individual public broadcasting organizations were asked to comply with a quota regulation as to the content they had to deliver. Only recently management contracts are drawn up, and a so-called 'money on schedule' system is put in place in order to discipline the entire public broadcaster's programme supply. The portion of fiction on Dutch public television remains significantly lower than on the commercial channels, according to the European (Table 2).

### FLANDERS: THE VRT AS LARGEST CULTURAL INSTITUTION

Only as of 1995 the public broadcaster was revitalized, both from an institutional and a program output perspective. As to program supply, the general mission was to reach the largest possible part of the Flemish population with a diversity of programs that could arouse the interest of the viewers and listeners and meet their expectations. Information and culture are considered key areas, but also sports, modern-style educational programs, home-produced drama, tasteful entertainment, and youth and children's programs are to be part of the output. Quality remains key, in addition to universality and complementarity. A new element was the commitment to achieve the goals set: the public broadcaster is to make its mission explicit in a multi-year plan and to translate it into measurable goals. In the coming years VRT will have to cope with three major challenges: internationalization, the convergence of distribution and content, and digitization, the latter of which will result in

Table 2: Origin of fiction broadcast by main players in Flanders and the Netherlands

COUNTRIES	% Fiction 2004	Total (in hours broadcast)				EU origin (in % based on hours)				Non EU Origin (in % based on hours)			
		Total	Total EU	Total non EU	% EU incl. national	% non EU	National	Other EU	EU co-prod.	US	Other	Mixed & non EU co-prod.	
<b>Flanders</b>													
EEN*	28.2	1478	788	690	53.3	46.7	61.8	36.3	1.9	59.2	19.6	21.1	
CANVAS	55.5	588	419	169	71.3	28.7	3.2	82.0	14.8	35.7	3.7	60.5	
KETNET	-	1897	973	924	51.3	48.7	46.9	42.3	10.7	49.6	27.6	22.8	
VTM**	-	3678	892	2786	24.2	75.8	74.5	15.0	10.4	79.2	11.0	9.8	
KANAAL 2	-	3303	106	3197	3.2	96.8	23.0	71.3	5.6	68.9	18.9	12.1	
VT4	-	3708	116	3592	3.1	96.9	0.0	98.4	1.6	68.7	11.3	20.0	
<b>The Netherlands</b>													
NED-1*	10.3	586	374	212	63.8	36.2	33.2	63.0	3.7	83.1	2.2	14.7	
NED-2	4.5	395	326	69	82.5	17.5	47.6	40.8	11.5	64.9	0.0	35.1	
NED-3	37.1	1063	641	422	60.3	39.7	36.6	51.0	12.4	27.8	38.3	33.9	
RTL 4**	-	2026	399	1627	19.7	80.3	87.8	6.8	5.4	86.1	2.8	11.1	
SBS 6	-	2199	281	1918	12.8	87.2	33.1	66.2	0.7	92.4	1.8	5.8	

\* Main public broadcaster; \*\* Main private broadcaster; Source: European Audiovisual Observatory (2006)

thematic channels and programs for target groups. All VRT channels together need to provide the audience with a wide and effective range of programs, and in so doing the public broadcaster will no longer be able to resort to a net-specific approach since in a kind of on-going interaction each VRT-net will continuously refer the viewer to the other nets. The underlying idea is that VRT can offer Flemish society an extra value, notably by playing a major connective role and furthering social cohesion by means of a mix of high-quality programs of an informative, cohesive and instructive nature. The mission common to all VRT brands is to appeal to as wide an audience as possible, irrespective of age, gender or social group. This is quantified in criteria measuring the performance of the public broadcaster in terms of coverage, made explicit in statements such as: at least 90 percent of the population should listen to or view VRT programs on a monthly basis; newscasts and information magazines (television and radio) should reach, on average, 60 percent of VRT viewers per day (i.e. at least 25 percent of the program, linear or by request), and on average 80 percent of VRT listeners per day (i.e. at least ten consecutive minutes).

### Netherlands: Centralizing Forces at Work

The market share of the public broadcasting system over the past two decades looked like a downhill sleigh ride: every new arrival in the commercial television market led to decreasing market shares of the public system. The new *Media Act* of 2000 guarantees the public system three television channels and five radio stations until 2010 (Media Act, 2000). The Act places the task of providing public radio and television services in the hands of a single concession holder, NOS (now NPO), which ensures that licensed broadcasters, as participants in the concession, jointly fulfill their statutory duty of providing high-quality and diverse programming which reaches both large and small sections of the Dutch population. To this end, NPB accounts for the way in which the public broadcasting system performs its tasks in a 'concession policy plan' (published to obtain a ten-year concession, see NOS, 2000), and in its annual budgets. An extensive review will be carried out after five years to determine whether broadcasting associations can remain within the public system. Content requirements for the public system were tightened in order to safeguard a clear distinction from the offerings of the private sector. At least 35 percent of programs must comprise information and education, at least 25 percent culture (half of which is for arts), and no more than 25 percent (per channel) entertainment. Furthermore 50 percent must be European production, 50 percent subtitled for the hearing-impaired, and 25 percent commissioned (independent) production. Public service broadcasting must serve as a guarantee for variety and quality in programming. Every five years an independent review committee assesses the performance of public broadcasters.

In its Policy Plan for the years 2007-2011 the Executive Board of Netherlands Public Broadcasting defines as its mission "to be there of and for everybody and to bond Dutch society with programs that inform, inspire and entertain." The old supply model, in which

each of the three TV channels were 'filled' by three broadcasting organizations - producing a Christian-oriented Nederland 1, a popular Nederland 2 and a progressive Nederland 3 - was replaced by a model in which the Executive Board took over the authority to program all TV channels. The new, more viewer-oriented programming model resembles the practice in most neighboring countries, including Flanders, in which the first 'broadening' general interest channel is supplemented by a more special-interest, 'deepening' second channel. The third channel is explicitly geared towards a younger audience, which means — in a PSB context — younger than 50 years old. Research figures show that especially the first network, that became market leader at the expense of RTL1, and the third network, that actually attracts more young viewers, are successful. Consequently, the public opinion climate in the Netherlands *vis-à-vis* public service broadcasting has become more favorable in recent years.

## FUNDING MECHANISMS

Also in terms of total revenue (in absolute figures), the Flemish and Dutch public broadcaster's situation diverges considerably (Table 3). Flanders follows the example of the BBC funding model: a license fee which has become part of taxes and limited advertising (sponsoring, a grey area, is allowed to a certain ceiling). The Dutch model follows a mixed funding model of taxes (formerly a license fee) combined with advertising income.

### Flanders

As the most important part of the public broadcaster's income continues to come from the government grant, to be increased annually by four percent if the goals set in the contract are met — it is obvious that the government wants to monitor the accomplishment of the goals to be met. The management contract provides, for the year 2007 and for the entire duration of the contract, a basic grant with which the public broadcaster should be able to carry out its public mission. In 2007 VRT received 279 million Euros; by 2011, allowing for a rise in wage costs, that sum will amount to 293.3 million Euros. In addition, a sum of 3.8 million Euros is provided for research and innovation in 2007; in 2012 this amount will rise to 4.1 million Euros. The contract also stipulates that VRT may enjoy supplementary revenues, e.g., from the private sector and from the sector of subsidized arts, to the benefit of the cultural channel. In contrast, revenue from radio commercials is limited to 40.9 million Euros annually. As to revenue from television sponsoring and partnerships, a limit is imposed of 8.7 million Euros and from 2008 onwards a maximum of 4.5 million Euros annually. It should be mentioned that, notwithstanding the at times acrimonious comments from both the political decision-makers and the public broadcaster in the Spring and Summer of 2006 in the preparation period towards a new decree and the renewal of the

*Table 3: Sources of income of the Dutch and Flemish public broadcasters*

Countries		Total In Euro millions	Public In %	Private In %	Other In %	
Belgium	Flanders VRT	2004	367.84	62.9	27.1	10.0
		2005	405.67	62.5	27.0	10.1
	Walloon RTBF	2003	276.54	63.2	31.8	5.1
		2004	297.96	59.9	27.7	12.3
The Netherlands						
Dutch public broadcasting system		2003	771.50	66.2	29.0	4.8
		2004	805.90	64.1	26.9	9.1

Source: European Audiovisual Observatory (2006)

management contract, the Flemish public broadcaster could always count on a lot of goodwill from all political parties, leaving aside the known sensitivities among for instance right-wing parties regarding the spending of public funds on public service broadcasting programs aimed at large audiences.

### The Netherlands

The license fee was abolished on January 1, 2000 and replaced with a levy on income taxes. This shift in funding mechanism 'fiscalized' the Dutch public broadcasters. Only a few years after the change it is apparent that the public broadcasters have become more dependent on the government of the day. Between 2003 and 2008, the budget is also being reduced up to a total of 80 million Euro per year as part of the austerity measures introduced by the Dutch government. In 2005 the media budget of the Dutch government amounted to 850 million Euros; 640 million Euros came out of taxation and 210 million Euros out of advertising income and interest. Thus, about three quarters of the budget come from taxation, and one quarter from advertising revenues. Sponsoring by third parties is estimated to contribute 20 million Euros per year. Overall the public broadcasting system receives a total budget of 675 million Euro, of which 535 million Euros are allocated to television. Each Dutch citizen pays approximately 45 Euros annually, which is well below the European average paid for public service television of 75 Euros per year.

## CONCLUSIONS: WHITHER PUBLIC BROADCASTING IN THE LOW COUNTRIES?

Overall, European politics and public broadcasting alike are in the middle of a process of reinventing the concept of public service broadcasting and to reconsider if and to what extent the existing institutions are still serving the idea of public service broadcasting as it was formulated over 80 years ago. As was illustrated at length in the above sections on the public broadcasters in Flanders and the Netherlands, these tremendous societal changes have not automatically led to uniformity, nor has commercialization led to extreme simplification or a unified western broadcasting model. Even within the European Union one cannot speak of a uniform broadcasting model.

In the 1980s and 1990s more commercialization led to competition and content convergence between the commercial channels and the public broadcaster, with a huge identity crisis as a result for the latter. Meanwhile, better times have come along for the public broadcasters, as after two decades of dual broadcasting in Europe, the demise of public service broadcasting is far from as serious as forecast. In recent years, public broadcasters in some European countries, including Flanders and even the Netherlands, managed to regain public attention or program rights they had lost to their commercial counterparts, although the basic problems of public broadcasting concerning mission and funding are still numerous.

Looking at the contexts within which both public broadcasters have worked on their transition in Flanders and the Netherlands, as summarized in Table 4, clearly different institutional choices were made. Also in the introduction of a dual broadcasting system different choices were made. In the Netherlands the main political actors — the social-democratic party and, more importantly, the Christian-democratic party — have prevented the coming of commercial broadcasting until European legislation, i.e. the EC Directive “Television without Frontiers,” made this policy impossible. As a result, national initiatives for commercial television were blocked and commercial broadcasting eventually fell in the hands of foreign owners, RTL and SBS. In Flanders national publishing houses played a key role in the introduction of commercial broadcasting (currently two Flemish publishing companies, Roularta and the Persgroep, each have a 50 percent share in VTM). Therefore, the Flemish commercial television market can be characterized by strong national ownership and moderate competition, whereas the Dutch market combines foreign ownership with fierce competition. It also illustrates once again that neighboring countries with comparable political formations and similar ‘consensus politics’ (see Lijphart (1984, 1999) in Hallin & Mancini, 2004: 51) can yet produce very different media policies.

At present, Dutch public broadcasting still has the handicap of a decentralized structure that makes it difficult to respond to new challenges, coming from commercial competitors earlier on as well as from cross media providers more recently. Politics and public



*Table 4: Overview of Dutch and Flanders's PSB Policies on Key Issues*

Key Issues	Flanders	The Netherlands
National policy	<ul style="list-style-type: none"> <li>• Policy as a result of compromise</li> <li>• Decrees of the Flemish Parliament</li> </ul>	<ul style="list-style-type: none"> <li>• Shift from 'pillarization' to European media model</li> <li>• Concession Act (2000): <ul style="list-style-type: none"> <li>○ "Double legitimacy"</li> <li>○ Review Committee (every 5 years)</li> </ul> </li> </ul>
PSB mission & program task	<ul style="list-style-type: none"> <li>• 'VRT guidelines for the future'</li> <li>• Informative, cohesive and instructive</li> <li>• Generalist &amp; specialist programs</li> </ul>	<ul style="list-style-type: none"> <li>• Concession Policy Plan 2007-2011: <ul style="list-style-type: none"> <li>○ Provide high-quality and diverse programming</li> <li>○ Reach large and small sections of the Dutch population</li> </ul> </li> </ul>
Organization of the PSB	<ul style="list-style-type: none"> <li>• Board of Directors (enlarged with 3 independent experts)</li> <li>• Management Committee</li> <li>• Managing Director</li> </ul>	<ul style="list-style-type: none"> <li>• Single concession holder NOS (now NPB)</li> <li>• Sublicenses for 20+ broadcasting organizations</li> </ul>
Funding	<ul style="list-style-type: none"> <li>• Government grant (+ 4% annually)</li> <li>• Lump-sums earmarked for specific projects</li> </ul>	<ul style="list-style-type: none"> <li>• Centralization: Executive Board of NPB</li> <li>• General taxation plus broadcast advertising</li> <li>• Recent budget cuts</li> </ul>
Link between Government and PSB	<ul style="list-style-type: none"> <li>• Public-service contract between Flemish community and VRT</li> <li>• Quantifiable conditions for granting financial resources</li> </ul>	<ul style="list-style-type: none"> <li>• Performance agreements between NPB and the Government</li> <li>• Independent Public Broadcasting Review Committee every 5 yrs</li> </ul>

broadcasting have been trying to modernize and centralize the system in order to make it fit for the future already for fifteen years now, but due to a lack of consensus, between the political and the public broadcasting system and also within the Hague and Hilversum, only slow progress is made, and often ambitious policy plans are followed by limited action. In Flanders, there are just two main actors, the Flemish government and the unitary public broadcaster VRT that weal and deal with each other, mainly through negotiations and management contracts, and where public broadcasting tries to gain more autonomy in order to get away from a tradition of political interference and clientelism that reminds of the Mediterranean policy model. As of 1995 the Flemish public broadcaster has been successful in realizing an almost total make-over, from a highly politicized and bureaucratic BRT to a much more audience-oriented and flexible VRT. In both countries the level of political parallelism (Hallin & Mancini, 2004, p. 30-31) has decreased considerably over the past two decades, in the Netherlands because of a power shift from the 'pillarized' broadcasting associations, with traditionally close relations with their respective political parties, to the central NPO with a more impartial management orientation, and in Flanders due to the introduction of management contracts and other 'arms length' policy instruments. Consequently the broadcasting systems in both countries have come closer together, and also the roles between Dutch and Flemish public broadcasting have been reversed. Both systems have moved from a democratic corporatist, or in the Belgian tradition even state-

orientation, to a more liberal model. And where in the past the Dutch PSB model was often seen as an example to be followed in Flanders, now VRT policies are often considered as good practices for Dutch broadcasting (e.g., the introduction of life style groups and psychographic research as a basis for program scheduling). All this means that public service broadcasting policies and practices in both neighbouring countries are gradually growing towards each other into a stronger centralized model with checks and balances, as well as performance criteria and agreements. In this case, Hallin and Mancini's hypothesis that the three different broadcasting policy models in Europe will gradually converge into the liberal model, based on a bigger distance between governments and public broadcasters with more strict supervision and checks and balances, certainly seems to apply. At the same time, and this is also in line with Hallin and Mancini's cautiously formulated hypothesis, each broadcasting model will maintain its own intrinsicities, taking reigning cultural and political sensitivities into account for at least the next decade.

Finally, we should not forget that during the period for which we have compared public broadcasting policies in two neighboring countries European media policy has gained prominence. In the initial phase of what we might label, referring to Van Cuilenburg and McQuails typology (2003), the public service policy period, public service broadcasting was not an issue on the European level, but a national matter entirely. At the same time, public service broadcasting was the cornerstone of a shared European media policy tradition dedicated to the public interest. Roughly this tradition stems from the interbellum and reached its apex somewhere between 1970 and 1980. According to Michalis (2007, p. 277) this has to be understood "in the context of the postwar Keynesian national state order characterized by an interventionist managerial state, relatively closed national economies, the predominantly national organization of capital and close government-industry relations." Public broadcasters were designed to serve democracy, culture and social cohesion of societies, and their output was associated with standards such as independence, diversity, quality and reach. For a long time Western European countries shared such general ideals about broadcasting, although their actual systems differed (Bardoel, 2007).

In the 1980s and 1990s, however, the broadcasting sector was affected by rapid technological changes, leading to a proliferation of channels, distributed across national borders. This spurred the liberalization of the broadcasting sector, making it subject to the common market. The European Union had taken its first initiatives in the field of media and communication in the 1970s, but these were, according to Michalis (2007), rather a response to general international developments than part of a comprehensive policy plan. In the mid- and late 1980s, the EU managed to enter the field of ICT, telecommunications and television, and thus gradually became an important actor. The original aim to use the advent of transfrontier television for democratic ideals and to create a direct link between the EU and its citizens was rapidly overshadowed by cultural and industrial policy considerations at a time when the broadcasting market was transforming from public and national to private and transnational. By and large, most Western European countries remained very supportive

of public service broadcasting. Yet, the public interest became defined in economic terms too, such as technological innovation, openness and transparency of ownership, maximum access and choice for consumers (Jakubowicz, 2003).

More recently public service broadcasting has become affected by competition law and state aid rules of the EC Treaty. According to Collins (1999, p. 162) “the internal market is hostile to public service broadcasting (...) as seen from the vantage point of the neo-classical economic theory underpinning the EEC Treaty, public service is aberrant and offensive.” Harcourt (2005) draws the conclusion that EU media market regulation has been unable to expand the boundaries of the EU as a regulatory state, also due to a lack of political backing of member state governments. Consequently, “the European Commission remains constrained by the Treaties to a reliance on economic arguments, which are unable to take on board public interest concerns.” (2005, p. 202). “The question is,” Bardoel and Lowe (2007, 12) conclude, “how the European Union can so blithely treat PSB from a deterministically economic perspective when the entire enterprise isn’t about that and is in fact explicitly about the countervailing importance of the socio-cultural dimension. How can PSB be treated as an ‘exception’ when it is so obviously central to the European media ecology and a European invention that remains a cultural institution that greatly contributes to the heritage and richness of European social life?” The traditional model of European public service broadcasting as we have seen it in two different national contexts seems to become an endangered species in the context of the European Union.

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