# Chapter IV The Internet Challenge to Public Service Broadcasters

Juan Luis Manfredi Sánchez SEK University, Spain

#### **ABSTRACT**

The expansion of the social influence of the Internet has led both general interest and national public broadcasters to a structural challenge. The new online paradigm demands a full version of the public enterprise, which include all the available tools to achieve its mission. The Internet would be the ideal complement to the public service. Before this, public broadcasters should define its core business to attend the public demand and to collaborate in the creation of the public sphere. Finally, the clear definition of the public activities and the separation of public and commercial finance will be a main point. To confirm the benefits of the intervention of the public broadcasters the cases of Spain and United Kingdom will be studied.

#### INTRODUCTION

The social influence of the Internet, the popularization of both asymmetric digital subscriber line (ADSL) networks and wireless, in addition to the expansion of the public sites that offer free access (universities and cyber cafes), have led both general interest and national public broadcasting stations to a structural challenge similar to that occurred in the eighties. It was during that decade when the liberalizing wave entered the

sector. In 1980 in Western Europe there were 36 public television operators and only three private companies. Other similar countries as Japan, Canada, and Australia showed a similar scene with the hegemony of the NHK, the CBC, and the ABC respectively. At the end of the nineties, the figures change. Private companies represent the 56% of the whole market, moving from 3 to 59 operators (McQuail & Siune, 1998). The number of users and the time they spend surfing the Internet grow exponentially while time devoted to watch television is reduced.

Since the appearance of the Internet, several decisions have been taken to face the declining audience ratings, some examples are the popularization of the contents, the participation increase (through SMS and telephone calls), or the implementation of the programme contract. These measures have been proved to be inadequate, as the most of the public operators have not developed a global strategy for both broadcasting and Internet. Furthermore, this time the challenge is much more important than that taken up in the eighties since the rationality of a public service television company is much more based on analogic technologies, limited spectrum, and advertising (McGonagle, 2001, p.6).

Nowadays, public service television companies are much more organized than ever before, as it exists a real danger of both vertical and horizontal oligopoly in the market and because after 20 years of liberalization, political and social functions of communication have been scarcely attended by commercial operators. The media's hypercommercial growth, the concentration of the property, and the pressure to fuse news and entertainment are examples of how the "kind" media industry is really far from the real citizens' necessities. Croteau and Hoynes (2001) explain that "the result is a reduced public sphere—the discursive space which is a central component in the democratic society—and a weakened democracy" (p. 208).

Internet and functions derived from its use can improve and complement the public service broadcasting mission statement, since it is difficult that the private operators assume the economically unprofitable obligations. Karol Jakubowicz believes that "audiovisual public services welcome the digital technology as they are finally offered an opportunity to make their work properly" (Jakubowicz, 2002). The audiovisual reconfiguration represents an only opportunity to widen the range of services, renew and innovate, and make public television become the engine of the public policy of communications. The digital technology is introduced as the opportunity to establish a strategic

leadership (benchmarking) and a communication policy for the whole of the society.

These ideas carry out a central function in the national media ecosystem. It appears in the Report on the Reform of the State-Owned Public Media, which is inspired by the new Spanish legal framework after 25 years of stagnation, and it also appears in the audiovisual public service review in United Kingdom with the British Broadcasting Corporation's (BBC) leadership. The Spanish Report goes deep in this matter and reuses the idea of a public service as the fuel to migrate to the digital age. It argues that the objectives of the public service are valid if they fit the socioeconomical and technological context in order to relate the action and the public interest to the knowledge driven society. Radiotelevisión Española (RTVE) will benchmark in the digital age, if it widens the benefits of the digital services (Report on the Reform of the State-Owned Public Media, 2005).

The BBC's reform to face the digital age is justified as it defends the social interest, because it supports the communities' development and connects civic interests. Secondly, it defends the interest of democracy, because it strengthens the public information that allows the citizens' free choice. And thirdly it defends the cultural interest, because it maintains both national and independent production (Thompson, 2003). The board of governors has accepted the digital challenge and now consider the Corporation as an organization that consists of radio, television, and new media that enrich the services offered by the two traditional media. The interactive services (BBCi) and the web site (www.bbc.co.uk) are the natural extensions of service and show singled out objectives. The inversion on digital services during the financial year 2003/2004 grew to 451,52 million euros, 29 million more than during the previous one (BBC, 2004a).

In both cases, the Internet has become a central point to carry out the entrusted mission, conceiving public communication and cultural 13 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: <a href="www.igi-global.com/chapter/internet-challenge-public-service-broadcasters/8288">www.igi-global.com/chapter/internet-challenge-public-service-broadcasters/8288</a>

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