

The Political Economy of Irish Television Broadcasting Policy, 1997-2007.

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Abstract:

This dissertation is an analysis of the political economy of the Republic of Ireland's television broadcasting policy in the period between 1997 and 2007. It is primarily concerned with Irish policy approaches to the introduction of digital terrestrial television (DTT) and the restructuring of public service broadcasting (PSB). Whereas policy addressing these two policy areas had been articulated in the late 1980s, it was not until the period under review that significant policy endeavours took place. The research is primarily concerned with identifying the articulation of state/market relations as manifested in policy making and assessing the relative effectiveness/success of such policy changes relative to specific policy aims in communications and media and the larger strategies and activities of the Irish state.

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Abbreviations:

AIBCF	Allied Irish Banks Corporate Finance
API	Application Protocol Interface
AVMSD	Audiovisual Media Services Directive (TVWF III)
BCI	Broadcasting Commission of Ireland
CAS	Conditional Access System
Comreg	Commission for Regulation of Communications (ROI)
DAB	Digital Audio Broadcasting
DAGHI	Department of Arts Heritage Gaeltacht and the Islands
DCMNR	Department of Communications, Marine and Natural Resources
DPE	Department of Public Enterprise
DTH	Direct to Home Satellite
DTT	Digital Terrestrial Television
DTV	Digital Television
DVB	Digital Video Broadcasting Group
EBU	European Broadcasting Union
EPG	Electronic Programme Guide
FDI	Foreign Direct Investment
FDS	Flexible Developmental State
FF	Fianna Fail
FMI	Film Makers Ireland/later SPI
FOB	Forum on Broadcasting
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
HDTV	High Definition Television
IBA	Independent Broadcasting Authority
IBEC	Irish Business and Economic Federation
IBI	Independent Broadcasters of Ireland
ICT	Information Communication Technology

IPTV	Internet Protocol Television
IPU	Independent Production Unit (RTE)
IRTC	Irish Radio and Television Commission
ISC	Information Society Commission
ITA	Independent Television Authority
ITC	Independent Television Commission
MHP	Multimedia Home Platform
MMDS	Multipoint Microwave Distribution System
MTF	Merger Task Force
NAFTA	North American Free Trade Agreement
ODTR	Office of the Director of Telecommunications (ROI)
Ofcom	Office of the Regulator for Communications (UK)
PDs	Progressive Democrats
PSB	Public Service Broadcasting
RTE	Radio Telefis Eireann
SPI	Screen Producers Ireland
TVWF	Television Without Frontiers
UHF	Ultra High Frequency
WTO	World Trade Organisation

1.1) Introduction

This dissertation is an analysis of the political economy of the Republic of Ireland's television broadcasting policy in the period between 1997 and 2007. It is primarily concerned with Irish policy approaches to the introduction of digital terrestrial television (DTT) and the restructuring of public service broadcasting (PSB). Whereas policy addressing these two policy areas had been articulated in the late 1980s it was not until the period under review that significant policy endeavours took place. The research is primarily concerned with identifying the shift in state/market relations as manifested in policy making and assessing the relative effectiveness/success of such policy changes relative to specific policy aims in communications and media and the larger strategies and activities of the Irish state. The core claim is that policymaking is shaped through its positioning within a nexus of institutions. It takes an institutionalist approach to policy making wherein policy is contextually produced relative to the wider strategies and activities of the state and/or government, and, policy choices arise from these strategies and activities. However, wider contexts constitute the terrain in which policy is made creating policy opportunities for variable interests and actors in a given policy area. One key definer of these contexts is the political economy of policymaking, that is the structural inclination towards state/market relations as expressed in public policy and policy choices. So, for example, the introduction of DTV was framed within the wider contexts of the development of digital infrastructure for the realisation of a proposed informational dimension of economic growth, but was developed within a market framework for realisation of these aims. The thesis will evaluate the relationship between the former and the latter whilst detailing the changes that new policy paradigms and their political economy entail for the policy area of broadcasting in the period under review.

Broadcasting as a distinct mode of social communication is undergoing myriad structural changes relative to wider political, economic, socio cultural,

technological and spatial changes experienced in the late 20thC. Taken together, the mutually constitutive processes of globalisation, digitalisation, pluralisation and marketisation are generating new contexts and strategies for development of public policy towards broadcasting. Whereas the present dissertation arose out of questions concerning the introduction of digital television in Ireland, it became necessary to shift the analysis towards the changing nature of the fundamental basis of governance of broadcasting and the emerging contexts for that governance. The inclusion of broadcasting and its infrastructure within varied formulations of a digital informational economy, the emerging influence of the European Union in the governance of communications, the changing form of the Irish state in its relatedness to the global economy all pointed towards the emergence of new contexts for policy making in broadcasting. Policy making towards broadcasting itself appeared to be undergoing significant change in its mode of governance, away from state lead national governance towards market lead multilevel governance. Market lead governance implied the institution of market structures into broadcasting twinned with new combinations of state and market lead governance techniques, where governance refers to the 'complex reciprocal co-ordination of interdependences' (Jessop, 2005, p3). These are the emphases of a particular type of economic globalisation. Thus the research question became more specifically focussed on the political economy of public policy and its relatedness to structural change, emerging policy paradigms, new governance structures and their implications for broadcasting policy in Ireland.

The theoretical framework developed throughout the research project and involves a combination of materialist macro analyses, political economy approaches and institutionalist analyses. The materialist perspective provides the macro analytical perspective drawing as it does on the French Regulation School of political economy to provide a socio historical context to current adjustments in political economy and their implications for both state strategies and the media and communications fields of activity. The Regulation School approach exposes the fiction of separating out states and markets as independent entities

illustrating how they mutually constitute each other in the search for renewed modes of economic growth. It also advances analysis beyond consideration of political economy to consider the political and economic goals to which policy addresses itself. Political economy itself is a multi varied theoretical framework utilised across many disciplines. In media and communications analyses, political economy approaches involve the analysis of the 'social relations and particularly the power relations which constitute the production distribution and consumption of resources in society' (Mosco, 1996, p25). For the most part the political economy referred to in this study is that strand concerned with the balance of state, market and civil forces in the distribution of goods and opportunities in society. This is a structural oriented political economy that provides contexts for the more agential analyses of political and economic actors/interest groups and their role in the policy process. Finally the institutionalist perspective is recognition of the necessity of understanding how global processes such as economic liberalization are negotiated by the specific institutional configuration of supra national entities, nation states and specific policy sectors. The variant of institutionalism draw on here is historical, sociological and focussed mainly on formal organisations such as state departments, broadcasting organisations and sectoral interest groups.

The core of the substantive research consists of two related case studies, the introduction of digital television into Ireland and the restructuring of public service broadcasting in the period from 1997 to 2007. Initially the plan had been to examine the impact of digitalisation on the public broadcaster, but it was the trouble that the broadcaster experienced in developing a strategy that brought the issue of governance and its changing contexts and modes into sharper focus. Instead the analysis concentrates on the political economy of the public policy generated to address both of these issues. In dealing with 'live' policy issues it was necessary to adapt both flexible and reflexive approach to both the theoretical and methodological dimensions of the dissertation. To this extent both theory and method changed in the process of the analysis giving rise to what can

be labelled an inductive critical policy analysis. Whereas case studies were chosen as the research strategy the methods used in this strategy were also reflexively developed and adapted. The core of the research draws upon documentary analysis utilising access to official, media, institutional, and governmental material and archives to determine positions, relations, practices, ideas and rules in the policy making process and how these were undergoing change. An extended use of Freedom of Information documentation supplemented this approach and provided a rawer version of the policy making process than that which was articulated in the public sphere. Where possible the documentary analysis was supplemented by semi structured interviews including interviews with politicians, industry professionals, trade union representatives, interest group spokespersons and policy insiders. Alongside these approaches, participant observation was also drawn upon in relation to the attendance of public forums such as the forum on broadcasting's public sessions, the attendance of general meetings such as the Broadcasting Commission of Irelands public outings and participation in consultations such as consultations arranged by the BCI and the parliamentary select committee on varied dimensions of broadcasting and communications policy. Whereas there is no specific comparative dimension to the analysis close attention was paid to the developments in the UK, justified in retrospect by the UK's paradigmatic influence on broadcasting policy at European level, its articulation of a market liberalist approach and the impact and influence of both its mediascape and policyscape in the Republic of Ireland. These mixed methods gave rise to extensive data gathering and subsequent data analysis.

The chapter breakdown of the dissertation is as follows. Chapter Two introduces the theoretical positions of materialist, political economic and institutionalist approaches to studying the governance of media and communications sectors. The theoretical framework draws upon Regulation Theory, Critical Political Economy and Neo-Institutionalism to develop both a framework for understanding the diffusion of market logics through global political economy,

their consequences for state/market relations and the way in which institutional practices are shaped by these wider contexts of operation. The framework will provide the basis for a contextual approach to policy critique that positions policy analysis within a wider theoretical frame. It will position the policy making bodies of the state within wider institutional change. The chapter will also consider the contexts of policy change providing one possible account of why marketisation has become a central thrust in broadcasting policy and the ways in which market governance are superseding bureaucratic governance in broadcasting. The political economic/institutionalist account also points to the emergence of new policy paradigms and new state activities and strategies and how they impact on public policy. The chapter then surveys the way in which these theoretical frames have been utilised in media studies thus far whilst drawing attention to the possibilities of synthesising them for the present analysis. The end of this section of the chapter then presents a model for the analysis of media policy in general and broadcasting policy in particular, drawing on the theoretical concepts outlined above. Finally, the chapter recounts a number of theoretical frames for positioning broadcasting as an object of study, pointing to its multidimensional characteristics as a social, cultural, economic and political practice. Here broadcasting as a social institution, as a cultural industry and as a technology/medium will be considered. It is the multidimensionality of these characteristics that helps to explain the complexity of broadcasting as a social practice, the policies that address it and the pitfalls of reducing a particular medium of broadcasting into generic economic or communications policy.

The third chapter focuses on a historical example of the development of market modes of governance in UK broadcasting in order to provide an overview of paradigmatic changes in the nature of broadcasting governance; the knock on effects of developments in large European mediascapes and their implications for smaller states; and, the emergence of nationally based 'European Champions' such as BskyB and their constitution of the internationalisation of broadcasting at the level of distribution. The chapter will outline the paradigmatic

institutional change in broadcasting policy from an analogue, national public service system to a digital, international market led system. These changes are positioned relative to the wider socio historical contexts which shaped their development. It will point to the degree to which policy norms, thinking and knowledge have shifted from socio-political to market lead governance. The UK's policy shifts in broadcasting have three levels of effect on the Irish mediascape;

1. The UK's embrace of the Washington Consensus via its political Third Way is indicative of policy logics at work that Ireland has also embraced,
2. Changes in the UK mediascape have direct and material consequences for broadcasting in Ireland,
3. The UK is an influential policy pathfinder in the development of European Union communications policy which has consequences for all member states.

The following chapter addresses the role of the European Union in developing media policy which has direct consequences for policy making at the national level. It evaluates and tracks the increased activity of the EU in the audiovisual sector, contextualising it in relation to the EU's own strategies and activities as a supranational competition state shaped by its own negotiation of economic and political globalisation. The chapter surveys the EU's negotiation of the changing global dynamics of the media and communications industries and its internal approaches to co-ordinating audio-visual industrial development, regulation and technological co-ordination. It evaluates the EU's co-ordination of trans-national broadcasting, digital television development and the wider process of media convergence and assesses what this means for broadcasting policy developments at European and member state level. It will identify the emphases that arise from EU level policy relative to its own positioning as a competition super-state (Michalis, 2008).

Chapter Five then turns its attention to the historical development of broadcasting policy in the Irish context, evaluating the impact of structural change on the contexts, objectives and contents of Irish media policy and the particular changes

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experienced in the areas of broadcasting in the late 20thC. The chapter provides an overview of the contexts, processes and approaches to earlier phases of broadcasting policy development in Ireland including the introduction of Radio, the introduction of Television and the introduction of the dual system of commercial broadcasting. It then proceeds to provide a context to the policy approaches taken to DTT and the restructuring of Public Service Broadcasting by evaluating typologies of the Irish State in the Celtic Tiger period. It is proposed that policy changes are informed by the Irish state's re-articulation as a flexible competition state undergirded by a political economy of neo-liberal corporatism. It is suggested that this state form has an impact in shaping all public policy either as a direct element of the new state style or as a by-product of its systemic consequences.

Chapter Six is the case study of the introduction of DTT into Ireland. The case study will evaluate the state/market dynamics in the policy approach to introducing DTT into Ireland as part of a wider approach to digital television development and convergence led policy in Ireland. It will trace the way in which broadcasting policy has now become intertwined with general communications policy which is directed to the development of digital networks and converged media architectures. It will consider the interplay of institutions, interest groups and ideas in the policy approach and the extent to which the political economy of policy towards DTT echoes the wider state form of negotiated market governance and the degree to which policy does or does not demonstrate a move towards market/competition led norms in governance. It will assess the relative peculiarities and effectiveness of these policy approaches in the Irish context.

Chapter Seven presents an analysis of the restructuring of the institution of Public Service Broadcasting, RTE, in the same time period. The chapter assesses the policy processes surrounding the restructuring of Public Broadcasting in Ireland whilst evaluating the contexts, objectives and contents of

Chapter One

the policy approach. The interplay of interest groups, institutional interests and ideas is once again considered relative to the changing relationship of state and market governance approaches and the institutional norms of governance and how they are diffused through broadcasting policy. Analysis of policy towards the public broadcasting institution provides a key focal point for evaluating the logics of governance and their relatedness to wider processes of marketisation logics. The case study of the restructuring of public service broadcasting provides a further test bed for assessing the degree to which market logics penetrate, not only the economic concerns of the state, but also, what may be termed the socio-institutional dimension of state activity that is closer to the realms of democratic politics, social and cultural policy than economic policy per se.

The final chapter presents the conclusions from the overall analysis.

Chapter Two

Political economy, institutionalism and public policy

2.1) Introduction:

The present research is centrally concerned with the restructuring of public communication and the role of public policy in the process. Political, economic, socio-cultural and technological factors all form the backdrop of restructuring in media and communications and are steadily altering the familiar mediascapes of the 20th century. The thesis is centrally concerned with the way in which the political economic determinants of change interact with the political, spatial, socio-cultural and technological in a way that is mutually constitutive. In particular, the thesis is concerned with the political economy of public policy in television broadcasting and the move towards marketisation as a primary organisational principle in the overall negotiation of re-structuring, its implications for governance and therefore policy making in broadcasting. Marketisation here refers to both the institution of market structures, market logics of operation and the process of governance via re-regulated markets. It will evaluate these changes through case studies of two key interrelated policy issues for television broadcasting in the Republic of Ireland: the transition to digital television, and, the re-negotiation of the role of public service broadcasting within the Irish mediascape. The purpose of the present chapter is to both outline some of the macro determinants of public policy change in the Irish context and introduce the key theoretical tools which will inform this analysis and the knowledge that is presented in the following research.

The key analytical frameworks are those of Regulation Theory, Political Economy, and Neo-Institutionalism. Regulation theory points to broad changes in the nature of late capitalism and the search for new modes of growth through paradigms such as the Information Society, Knowledge Based Economies and the Creative Industries. The political economic dimension highlights the new

configuration of state/market relations as nation states seek to pursue these paradigms amongst changing technological, spatial and socio-cultural contexts. The institutional dimension positions institutions, such as broadcasting and policy making institutions, within these contextual changes and draws on institutional dimensions as both an outcome and a shaper of the new governance of media and communications.

These theoretical perspectives underline a central concern with the social relations, and particularly the power relations, that constitute the production, distribution, regulation and consumption of communication resources and their implications for communication, representation and identity formation in modern social formations. As such they also entail consideration of normative arguments about the structures of communication and the degree to which they may offer optimal outcomes for human welfare, individual autonomy and collective social development. In so far as the research is concerned with the interplay of macro and meso contexts of institutional restructuring the methodology concentrates on the fulcrum of policy making and governance. What follows is a brief overview of the theoretical premise of the argument put forward, and, some of the features of the theoretical framework that have been elaborated upon in the existing literature. It thus expounds upon the contexts, features and implications of a paradigm shift towards marketisation and the various features that influence its expression in socio-historical contexts.

2.2) Theoretical framework

The first section of the chapter will give a brief account of materialist theoretical approaches that point to a fundamental shift in the nature of capitalism, whilst asserting the continuation and indeed deepening of that mode of production. Whereas it is routinely asserted that marketisation is a fundamental reality of restructuring in communications, there are few attempts within the communications literature to ask why. To answer the question, the materialist theoretical insights afforded from the Regulation School of political economy, and

particularly its development in the work of Robert Boyer and Robert Jessop, will be considered. In general the theory emphasises the exhaustion of a long wave of capitalist development, the political economic reactions to establishing a renewed growth regime (emerging in the 1970s) and the socio-institutional adjustments that result from such a conjuncture. The proposition is that the political formation of the centralised state has been transformed in its ability to project power as it attempts to regulate capitalism, in the way the Keynesian/Fordist State has hitherto, it implies the search for a new state structure, its activities and its policies. This entails a structural moment for the market and its political ideologies that is neither inevitable nor irreversible. However, the real emphases of structural change are not to be dismissed and the structural adjustment represents different logics and causal mechanisms with implications for how public communication and media are structured and organised in society. But an ideological and pragmatic reliance on the market in the search for regulating/realising new modes of accumulation and new paradigms for capitalist growth is pervasive, in so far as it has implications for multi-scalar economic strategy, social policy and governance. In short, the structural emphases of the market in the search for new modes of accumulation and economic growth affect all varieties of capitalism, and underline developing modes of governance which in turn shape the terrain for policy making. However, the degree to which the state is re-articulated and marketisation is negotiated within particular socio-historical sites will be affected by path dependent factors such as the existing regime type of fordist welfare states, the formative strategies for securing economic post-fordist development and the varying influence/resistances/accommodations of myriad institutional features and interest groups in any given policy ecology.

The Regulation theory framework informs the political economy approach. In brief, political economy is taken to refer to the power relations inscribed in economic systems (and structurally in the state/market relationship) that have causal consequences for multiple areas of human experience. According to

Nicholas Garnham political economy in communications analysis asks the broad question of who gets to say what to whom in what form, for what purpose, with what effect and why? (Garnham, 1999A). Part of that formula is shaped by the balance between state and market organisation of communications/media and the forms of state intervention in media markets. As we will see political economy is a polyvalent concept in which all of its variant uses provide critical purchase in understanding contexts and structures in media and communication studies.

Having considered the influence of political economy and materialist change, the analytical framework of institutionalism and its compatibility with political economy will be considered. At its most basic institutionalism refers to the insight that institutions matter in the analysis of social change. The term institution refers both to formal organizations and the established pattern of doing things over periods of time, and thus represents a broad set of theoretical tools that also allows for consideration of meso level change. As such, institutional mediation of the various pressures and emphases arising out of the structural moment of the market will be the in-point for the analysis of specific policy developments. Institutionalism is a broad approach and representatives of what Galperin refers to as the 'old' and the 'new institutionalism' will be assessed (Galperin, 2004A). Galperin suggests that the macro level of institutionalist analysis tends to be concerned with the relationship between states and markets. The contributions of the new institutionalism will then be discussed with particular attention to some of the work emerging in the communications literature. Following the review of theoretical perspectives that make up the framework, the chapter will consider how these perspectives have already been articulated in the communications lecture. The proposition is that the synthesis of all three in the present study represents a relatively novel approach.

The chapter will also consider the rudiments of public sphere/citizenship/capabilities theory and its implications as a normative dimension of policy critique. The question arises as to whether these norms are

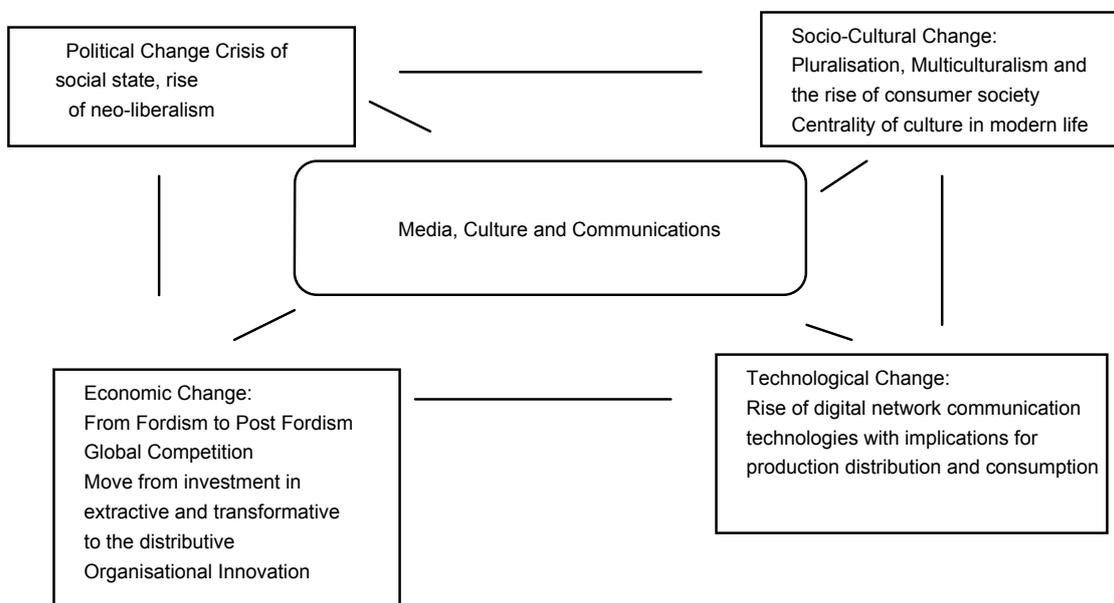
still relevant and whether they are translatable into an emerging socio-institutional framework. In specific terms it raises the question as to whether public policy such as public service broadcasting, universal service, universal access and plurality and diversity are still relevant in the marketised, international digital media landscape. If they are, the question of the extent to which market fundamentalism informs policy in these areas raises question for the continued generation of those norms in public communication structures and institutions.

2.2.1) Media, communications and culture: advanced capitalism, markets and policy

The current dynamics of re-structuring in media and communications is closely related to (but not wholly determined by) the broad dynamics of global economic re-structuring overall. Globalisation as an external variable shapes media and communications policy development at national level. The political economy of globalisation has been shaped by the 'Washington consensus' as it instituted global governance based on the general principles of liberalisation, privatisation, de-regulation and monetarist economic policy (Held, 2004). It is thus important to locate marketisation as residing at the level of these governance objective in the international economy . However, it can be argued that the organisations such as the IMF, WTO and the World Bank are but institutional carriers of market logic but not its only source. A more detailed account of marketisation needs to go beyond the instrumental power of developed nations in the international system and take into account how marketisation is more than the globalisation of an ideology and more so the universalisation of a superficially successful response to wider structural problems in capitalist political economy. Here it is necessary to consider the broad premise of long wave theory to position marketisation as a means to an end in a more complex set of institutional responses to economic crisis.

Scholars have posited that one long wave of socio-economic development came to an end in the late 1960s, and media and communications have since become

increasingly implied in the efforts to find a new paradigm for growth capable of sustaining the next long wave of economic development (Preston, 2001, Hesmondhalgh, 2002, Jessop, 2001). Drawing on this political economic juncture as his in-point, Hesmondhalgh has sifted the literature on political, economic, cultural, spatial and technological change that account for how and why the 'cultural industries' and communications networks have become central to the survival of advanced capitalism (c.f. Castells, 1999, Hobsbawn, 1994, Webster and Robbins, 1996) . These constitutive factors are outlined in the figure below.



(Based on Hesmondhalgh, 2002)

Hesmondhalgh, following on from the vast detailing of change in the political economy of communications literature then posits that the conjunction of these various factors has led to policy changes which premise the market as the key underlying logic that informs policy decisions in regards to media, communications and cultural policy. Central to this approach is the reliance on markets as the key means of organising, distributing and producing networks, services and symbolic goods. However, whereas Hesmondhalgh (and the

growing literature on marketisation) provides a comprehensive overview of the literature, including a concise summary of the ideological and interest group motivations behind the promotion of markets, he fails to deal with the issue of why marketisation appears as hegemonic even in nation states which do not align themselves to market ideology. Nor does he consider how the meta strategies of marketisation are mediated by particular political-economic/institutional arrangements at the various sites in which policy has been formulated (allowing for 'third ways' etc). Lastly, in positing marketisation as an end in itself, it is easy to overlook the projects, strategies and activities that marketisation and market governance are instituted to address. That is, marketisation and market governance are strategies for realizing certain ends, ends which have significant impact on the shape and purposes of market making and market governance. For example marketisation in communications and media is usually linked to vague policy goals related to 'informationalism', 'knowledge industries' or the 'creative industries'. Thus we can propose that marketisation does not necessarily displace the state but can be seen as a process instituted by the state or states and a form of co-ordination utilized by the state, a form of governance. To understand why markets have become fundamental to resource allocation, governance and policy formulation, the theoretical framework drawn upon here offers potential structural orientation. First however it is necessary to probe the phenomena of marketisation more deeply

2.2.2) Defining Marketisation

Marketisation has been defined as the 'elevation of markets to a general social principle' (Leys, quoted in Hesmondhalgh, 2002) and/or the way in which states 'orientate themselves to a general market regime' (Zhu and Nieland, 2002). Thus, marketisation refers to both the institutionalisation of structural arrangements (market relations) for allocating resources in society (buyers/sellers/price mechanisms) and the belief that markets are the most efficient means of allocating resources in society. The deepening of market

relations in broadcasting as a social practice, with the marketisation of content, resources and audiences, is part of a wider dynamic of marketisation which can be traced to both systemic logics and ideology and the inter-relations between the two. The phenomena of marketisation, as channelled via macro and meso institutional adjustment, refers not only to an ideological project but also a structural process of adjustment that has both structural and agential dimensions. As a structural adjustment it channels a promotion of market relations, market logics and market modes of operation. This changes the environment, governance and logics of formal organisations organised within a marketising environment, and, crucially, governance and policy. Marketisation refers thus to liberalisation, privatisation, re-regulation and commercialisation (Murdock, 2000). It also refers to the realignment of the state and public sector to market logics of governance, organisation and activity.

Market structures are generated by variable processes of liberalisation, privatisation and corporatization (re-aligning public institutions to commercial market practices). Market logics are instituted by changes in the form of competition, the definition of property and the forms of exchange within a given sector. Market governance refers to the combination of state steered development of market structures for developing a given sector and/or a regulatory regime that operates to guarantee the functioning of competitive markets whilst minimalising intervention. It is proposed that it is this institutional redesign that is at the centre of the restructuring of broadcasting in the period under review. It is also proposed that whereas institutional redesign is a necessary element of renewed growth and development, the market structure that goes with is not necessarily the key dimension of its success. Boyer points to the institutional alternatives of the social democratic states to highlight equally successful approaches (Boyer, 2001).

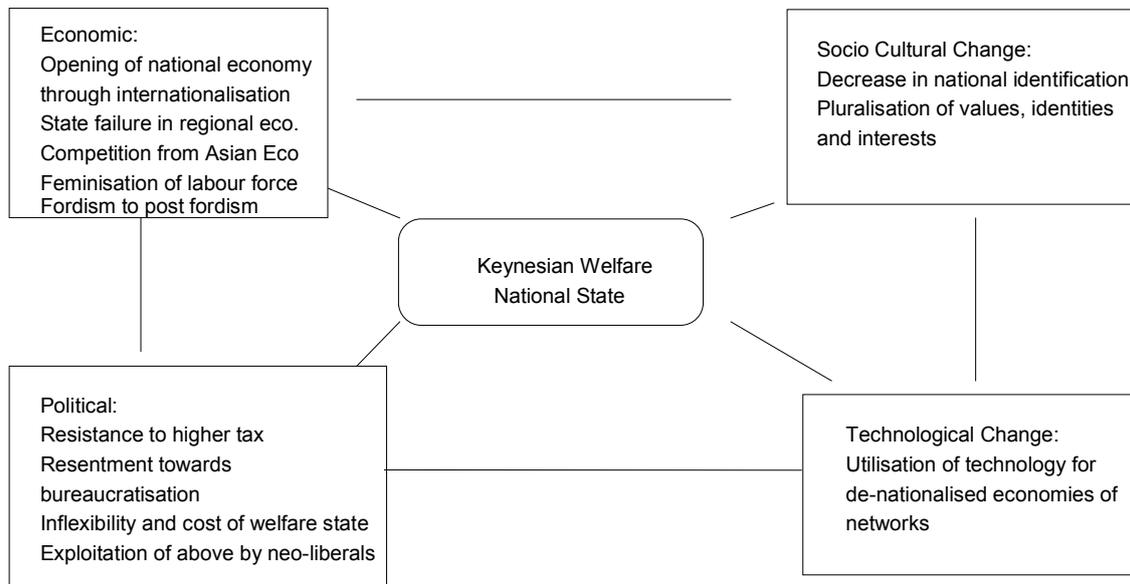
A key proposal of the present thesis is that the structural dimension of marketisation refers to 1. the rolling forward of market dynamics as a response to

the process of economic globalisation and 2. the dismantling of previously existing market regulation, in the name of market efficiency, in support of neo-fordist dynamics of political economy. The latter is directly an outcome of neo-fordist logics, the assumed mechanisms of a renewed growth regime. A key argument is that it is not purely the result of neo-liberal philosophy that we are witnessing a two pronged marketisation, this second structural adjustment occurs at the level of systemic changes in capitalism. At myriad levels there are attempts to adjust to neo-fordist dynamics, which have been characterised by the drive to de-regulate market protections in the name of market efficiency. This dynamic encapsulates different orders of structural change at the economic level that are seen as being successors to the Fordist mode of accumulation. This comes in the wake of global adaptation of market structures as an outcome of economic globalisation. It takes on an institutional dimension that has an effect across spheres of experience and geographical spread. It can be assumed from Regulation theory, that this is only one emergent model, and de-regulation for market efficiency reflects particular political cultures and social relations engaged in struggle/negotiation/strategy across different levels of economic organisation. To further develop the theoretical dimensions of neo-fordism it is necessary to consider Regulation theory.

2.2.3) A structuralist approach to marketisation

For the Regulation school the long downturn arises out of the exhaustion of a complimentary pattern of production and consumption which sustained economic growth for fifty years. In the 50 years from roughly post world war one to the 1970s, the mass production of goods and services (the mode of accumulation) was complemented by state management of the economy through Keynesian demand side mechanisms and the advent of mass society wherein cultural developments supported a mass/state consumerist source of demand (the mode of regulation). Moving towards the end of the decade this complementary mode of growth, state management and consumption have shown signs of exhaustion (hence the long downturn) and both governments and capital seek a new way of

instituting a new mode of accumulation. The figure below demonstrates all the various elements that contributed to the pressure on Keynesian demand side management.



(Generalised from Jessop, 2000, 2002)

From the 1980s various successors to this mode of accumulation have presented themselves as possibilities for succeeding Fordism and Keynesian regulation of the economy. The Regulation School, however, suggest that singular paradigms such as ‘informationalism’ or the ‘digital economy’ are unlikely to signal the emergence of a new mode of accumulation. In keeping with their Marxian roots, they tend to see new growth regimes emerging via change in a number of institutional co-ordinates such as the wage labour nexus, the forms of competition, governance of financial markets, norms of consumption, forms of state intervention in the economy and organisation of the international system of exchange. Through analysis of these various elements Robert Boyer has suggested that the USA has produced a variant regime of accumulation that undertakes a number of institutional adjustments. Crucially, this new institutional

architecture is underlined by market logics and market governance methods. It is the adaptation of this institutional architecture that the institutional features of the market and market governance are adapted across different political economies. Arguably, these features are adapted relevant to specific institutional arrangements such as the European Union (Europeanization) or its varied capitalisms, but, the concept of the market remains hegemonic. Here it is necessary to enter into more detail on the basic elements of regulation theory and its relatedness to political economy and neo institutionalism, to put 'marketisation' in its place and account for its expression in myriad areas of governance, and no less so in the market-centric policy in the media and communications field.

2.2.4) Regulation theory, political economy and neo-institutionalism

The theoretical framework composes of a number of theoretical and analytical approaches that will elaborate the hypothesis and allow for a set of research parameters and analytical categories for explaining and understanding the phenomenon of marketisation and its relationship to media policy making. Together, Regulation Theory, Political Economy and New Institutionalism posit a relationship between structural change, policymaking and marketisation which underlines the research question;

- To what extent is the phenomenon of institutional change channelling market logics an explanatory variable in the media policy making oriented towards structural adjustment in the media in the Republic of Ireland in the period from 1997 to 2007?
- What will two case studies tell us about the influence of the phenomenon of marketisation in Irish media policy making?
- Have market lead policy adjustment been beneficial for the democratic, cultural, social and economic development of media in the Irish context?

In summary, the framework poses the hypothesis that marketisation has been central to structural adjustments in political economy which have been

generalised by the global order, locally adapted, and diffused throughout the institutional order and taken up by numerous fields of activity in national and local contexts, leading to new rules, norms and knowledge that influences organisational capacity within those fields. It emphasises that at the varied different levels of policy making (macro and meso) there are choices open to political and social agency and these choices provide the basis on which we may assess the diffusion of marketisation through existing institutional filters. What follows is a brief overview of these analytical and theoretical frames followed by a more in depth explanation of the theoretical contributions from Regulation Theory, Critical Political Economy and New Institutionalism. Finally, in this section of the chapter, the consequences of these theoretical and methodological approaches will be related to the processes of policymaking.

The thesis draws upon three conceptual frameworks which both set a hypothesis and provide the theoretical bearings for the overall thesis. All of these frameworks can be seen as combinations of institutionalism and political economy but each provides different conceptual frames, levels of analysis and methodologies that are nevertheless inter-related. In all they provide a tiered approach that allows for a holistic positioning of questions of public policy within a wider contextual/dynamic analysis. They provide a hypothesis and framework for understanding the political economy of media and public policy and the institutional dynamics of political economy.

2.2.5) Regulation Theory

Regulation theory is a programme of research that has emerged as a key means of understanding long waves of capitalist development. Based for the most part in French academia, scholars such as Michael Aglietta, Robert Boyer and Alain Lipietz have developed a political economic research agenda that is concerned with long term transformations in capitalism, understanding the extra economic factors which stabilise economic transformations and critiquing the short comings of neo-classical economics and its hegemony within reactions to structural

transformations on a global and local scale. Regulation theory presents a theoretical starting point for understanding marketisation as the outcome of institutional adjustments that structure the regime of accumulation in addressing macro structural change in capitalist political economy. It also presents an account that maps the features of capitalist societies after fordism and a rigorous critique of the presumptions of neo classical economics that are at the core of neo-liberal ideologies but also located, structurally, within programmes of reform. To make clear the intellectual premise for these claims it is necessary to consider the key theoretical innovations of the Regulation Theory approach, its critique of neo classical economics and the implications of its analysis for locating marketisation within macro political economic theory.

Regulation theory (RT) is a historical and longitudinal political economy that examines long-term transformations in capitalism and provides insights into both the economic and extra economic adjustments that are emerging as a feature of neo-fordist political economy. Centrally, it is in the regulation school's (RS) approach to 'regimes of accumulation' that we find macro institutional adjustments that provide a causal explanation for the pervasiveness of restructuring for market efficiency. Emanating from Anglo-American political economy and carried and diffused via the Washington consensus, macro institutional adjustments suffused with market logic have global structural emphases, as a neo-fordist political economy is generalised to the global scale. Here we locate a structuralist explanation for marketisation which builds on the emphases on the ideological ones. It is also at the level of neo-fordism that the political economic structural transformation in the media are contextualised relative to an emerging regime of accumulation and the mode of regulation. Also important is the emphasis placed on macro institutional adjustments as being the manifestation of 'codified social relations', thus regulation theory avoids the pitfalls of overly rigid structuralism.

Core to Regulation theory's explanation of long waves of economic growth such as that of the Fordist period is the concept of compatibility between a regime of accumulation and the modes of regulation. If the regime of accumulation points to macro institutional dynamics that differentiate periods of capitalist accumulation then the mode of regulation points to the extra economic factors which stabilise and embed an accumulation regime. The mode of regulation itself is an ensemble of institutional forms which arise through 'latent or overt conflicts originating in distinct sources of difficulty' (Boyer and Saillard, 2002, pp37). The regulation school identify six key institutional categories which offer the macro institutional framework for any given regime of accumulation.

These are;

1. *The wage-labour nexus*. Under this heading come the nature of the social division of labour; the type of employment and the mechanism of governance of industrial conflict; the existence and nature of union representation; the systems of wage formation; and so on.
2. The forms of *competition* in the product markets (whether nearly-competitive or oligopolist: the related mechanism of price formation; and so on).
3. The institutions governing *financial markets* and monetary management (including the relationships between banks and industry, the role of stock exchanges in industrial financing, the mechanisms of liquidity creation in the system, etc.).
4. The norms of *consumption* (that is, the composition and changes in the baskets of consumption and their differences across social groups).
5. The forms of *state intervention* in the economy (for example, monetary and fiscal policies; 'state as arbiter' versus state as an active player with respect to social conflict, income distribution, welfare and so on).
6. The organization of the *international system* of exchanges (for example, the rules of international trade; the presence/absence of a single hegemonic power; the patterns of specialization; and so on).

(Coriat and Dosi, 1998)

According to Boyer a mode of regulation;

‘establishes a set of procedures and individual and collective behaviour patterns which must simultaneously reproduce social relations through the conjunction of institutional forms which are historically determined and supported by the current accumulation routine’. (Boyer and Saillard, 2002, pp 41).

These institutional forms ‘forge a passage from micro to macro economics’. Whereas these macro institutional forms of accumulation offer an alternative explanation of economic development to neoclassical economics, they are, according to Regulation Theorists, also a potential vehicle for the diffusion of neoclassical economic logics on a macro institutional basis. According to Boyer, it is both a feature and potential crisis of neo-fordist political economy that ‘institutional innovations channelling market logic’ are prevalent (Boyer, 2002, pp 15). Moreover, it is at the macro institutional level, the very shape of the emergent regime of accumulation, that we find that market dynamics are hard wired to a mode of production, which, in itself, is increasingly global in nature. Therefore, moves to adapt to/compete with the US’s model of a successor regime of accumulation to Fordism, generalise market dynamics through the five institutional forms that structure any growth regime. It is this adoption of a ‘type of capitalism’, (flexible, reflexive, informational) at global level that explains the near universal diffusion of market logics. Thus the extension of market dynamics underline the wage labour nexus (flexibilisation/neo-fordism), the forms of money (financialization/floating exchange rates), the forms of competition (competitive mechanisms replace monopoly/social supply), the state form (in the oversight of the other institutional forms, the state’s management of the relationship between economic growth and political citizens favours the former) and the mode of insertion into the international regime (decisions regarding accommodation to the

dynamics which shape the international management of political economy which is itself shaped by the dominant economy). These institutional forms are to a degree internal to capitalist dynamics but also the product of 'codified social relations' or historically sedimented structured action. The regime of accumulation that has emerged from the US, as a neo-fordist alternative, thus generates a dynamic towards marketisation that is unprecedented, as expressed through its institutional forms. Adaptation to the US's new liberal regime of accumulation entail engagement with market led logics which structure its neo fordist model of capitalism.

Regulation Theory also posits the necessary compatibility between economic and extra economic regulation, an ensemble of institutions that have the potential to stabilise a growth regime as a 'mode of regulation'. Economic regulation and 'societellization' provide institutional forms which stabilise (or not) the regime of accumulation. The mode of regulation of neo-fordism is the level at which neo-liberal ideology has been most hegemonic with requisite impact on the regime of accumulation. It posits that market logics are best applied to all levels of human activity replacing socio political regulation of social systems of production with neo-classical economic regulation and the penetration of market dynamics into the extra/non-economic dimensions of social relations, what Habermas has called the lifeworld (Habermas, 1989). Thus it is the neo-classical economism prevalent in the institutional logics of regulation which replace a potential politico-social infrastructure which would stabilise a potential growth regime. This leads to what Robert Boyer has referred to as a 'potentially explosive' combination of market dynamics (Boyer 2002 p15) Thus the critique of neoclassical economics, a central guiding principle of neo liberal theory, is an important strand of the Regulation theorists critical approach.

Regulation Theory presents itself as an alternative to the hegemony of neo-classical economics. It has critiqued neo-classical economics on the basis of the methodological individualism that is at the heart of its ontology. The concept of a

universal rationally maximising individual operating out of self interest and providing a constant for understanding economic/human behaviour is patently unsustainable at either the theoretical or empirical level. Regulation theory posits the importance of institutions i.e. rules, norms and knowledge, which are socially produced, as orienting social actors in their economic behaviour. Collective actors and institutions pre-exist individuals, the social is deposited in the individual in terms of guiding activities. Actors only engage in economic behaviour via a density of existing rules, behaviours and knowledge which arise from their social position within given historical time. Macro institutional structures, as recounted above, provide meta rules, behaviours and knowledge that structure both economic and social life. However, contrary to an overtly structuralist take on human behaviour, Regulation Theory points to the degree to which macro institutional and meso institutional practices are the outcome of struggles between social groups 'arbitrated via political and legal processes' (Boyer, 2002, p 17). Thus the social scientific ontology of regulation theory provides an understanding of economic behaviour of individuals that challenges the naturalism of neo-classical economics and helps to illustrate how that theoretical presupposition itself, presents an instance of ideology.

Regulation theory is equally critical of some of the other axioms of neoclassical economics that structure so much of political economic strategy of globalised capitalism. Accompanying the universality of rational maximisation are two other bad universalisms, the concept of equilibrium and the promotion of interaction through 'the sole intermediary of a group of interdependent markets' (Boyer, 2002 p 4). For Regulation Theory, equilibrium is the exception in capitalism and indicative of its inherent instability. It is the reason that extra economic factors are necessary to stabilise the mode of production and the reason why new growth regimes are necessary as it is inevitably prone to crisis. Thus, the Regulation School avoids assuming consistency in the mode of production or predicting the end of capitalism only through theoretically viable structural modelling. It is better positioned to analyse change in the form of emerging growth regimes (e.g. from

Fordism to neo-Fordism), and how these substantive changes in the mode of production occasion conjunctive moments of change in the mode of regulation or vice versa (the latter being a composite of institutional forms). A key point here is that macro institutional change is not the outcome of free floating ideology but is anchored in the necessity of finding a socio institutional adjustment to structure emerging growth regimes, levels at which the logics of capital asserts itself. This leads to the last axiom of neoclassical economics, that interdependent markets offer the best means of organising systems of social production. Here is where we can locate the predominance of market logics in meso-institutional adjustments and the consequent universalisation of regulatory adjustment to market logics and market practices. The meso institutional adjustments of the previous 30 years and their rootedness in neoclassical economics have been predicated on the infallibility of markets in organising human systems of production and social relations more generally. In the six institutional forms noted above the logics of market efficiency are dominant in the emergent regime of accumulation whereas neoclassical economics structure supposedly extra economic dimensions of the mode of regulation. Whether it be in relation to wages, money and credit, competition, the state form or the international regime, the logic and reforms of the market have become a principle axiom of economic growth. Marketisation as an underlying logic of macro institutional reform has been universalised as a bridge to a new growth regime via the pivotal hegemony of the US in the international system and varied responses to that hegemony through processes such as Europeanization. For the Regulation approach, it is the regime of accumulation, the new capitalist form of the late 20thC that is loaded with de-regulatory and re-regulatory dynamics, not just the neoclassical schooled modes of its regulation.

2.2.6) Political Economy

Following Suzanne Strange (1994) and, from an Irish perspective, Peadar Kirby (2002), Political Economy (PE) provides an analytical frame for understanding the relationship between states and markets as the outcome of political choice.

This is thus one of the macro institutional forms identified by the Regulation School that structure a regime of accumulation. Political authority shapes the relationship between economic development and civic, political and social citizenship. This reintroduces the problem of structured power relations, relative to state/market relations, into debates over recent innovation in state forms.

Political Economy (incorporating the institutionalist variant of Regulation Theory) more generally refers to the interplay of social relations which shape the production distribution and consumption of resources in society. Of importance here, is an understanding of the embeddedness of economic systems within political contexts and their consequences for particular social groups and society as a whole. Political economy scholars take many different approaches to the role of power relations within the nexus of political and economic power. One particular strand places emphasis on the structural relationships between state, market and society. The state/market/society relationship theorises the relationships between markets and authority as the outcome of general value systems and the implications they have for different social groupings (Strange, 1994). Referring back to Regulation Theory, this framework represents one strand in the macro institutional forms which structure economic behaviour and point to the complexity of power relations which are inherent in any given political economy. The changing form of the state relative to its relationship with the market can signal new forms of state strategies which may offer success in relation to economic criteria relative to a given states insertion into the international regime, but, will entail power relations relative to the relationship between authorities and markets that need also to be assessed on the basis of their social contexts and consequences.

According to Kirby's review of political economy approaches in the Irish context, state/market political economy tends to be empirically oriented, less dependent on theoretical exegeses and primarily focussed on providing detailed research accounts of 'how economic and social processes interact in a particular way and

from which policy and theory could usefully be informed' (Kirby, 2002, pp96). If there are benefits to be gained from the pragmatic nature of political economic analysis along these lines there are, according to Kirby, also shortfalls as the theoretical gain are somewhat neglected in favour of empirical analysis. Kirby suggests a combination of insights from the work of Karl Polanyi and Susanne Strange as offering more theoretical grounding for a critical political economy approach. Susanne Strange posits power as central to the question of balance of influence that is achieved between political authority and markets. Whether this power is structurally wielded through setting the rules of the game or agentially expressed through direct political will, it is the outcome of power relations. This directly ties into Regulation Theory's concept of macro-institutional arrangements being the outcome of codified social relations, power expressed and struggled over in everyday settings, leading to greater sedimentations of power through institutionalisation. Kirby also points to the historical insights of Karl Polanyi to elucidate the historically specific nature of fault-lines between markets and socio institutional practices, the latter which stabilises the former and the former which threatens the latter if over-extended to become the chief means of organising exchange in these spheres. The maintenance of spheres of influence that exist as social relations, beyond the necessities of capital accumulation, offer an alternative to systems logics that tend to carry neo-classical presumptions, and benefit the interests of capital and/or narrow interest groups.

An important related concept in political economy/state theory is that of governance. Distinct from government it has been defined by Bob Jessop as the 'co ordination of complex and reciprocal interdependences' (Jessop, 2005). Governance can occur as constitutive combinations of bureaucratic governance, market governance and networked governance and is operationalised at different levels of experience, such as the global, supranational, national, regional and local. The degree to which states rely on each of these governance styles and interact with governance levels, can be an indicator/shaper of the prevailing state market relations in the overall state form. However, it is a necessary caveat to

stress that management of the economy can occur with different emphases of these governance styles relative to specific spheres and subsystems of production/re-production. Also, the degree to which states are instrumental in shaping markets and market relations points to new levels of state interventionism, called neo-interventionism, wherein intervention acts to correct market failure and shape markets without unduly interrupting the logic of market operation (Jessop, 2005).

2.2.7) Neo Institutionalism

New institutionalism is the meso level analysis of institutions as separate from the framework of Regulation Theory. It links in with Regulation Theory and Political Economy on the basis of its focus on one instance of macro level institutionalism, i.e., analysis of the relationship between formal political systems and economic dynamics. At the level of neo-institutionalism, we find an analytical frame for understanding how the institutional components of the state/economy absorb, negotiate and express the structural affects of macro institutional change as outlined by the Regulation school. It is this frame which positions the formal organisations where policy is made, and where the pressures and emphases of macro and meso institutional change and the state/market negotiation of this change is both manifested and articulated. Neo institutionalism is the nexus where macro institutional adjustments meet local institutional arrangements.

Institutions refer to recognisable patterns of 'doing things' that are codified in social relations and reproduced over time and space in individual, organisational and societal contexts which have relevance for different levels of governance and are relative to different subsystems of human organisation. Institutions are produced by their environment, generalised to different fields of activity and find expression in the organisations that make up these fields. Neo institutionalism provides a bridge between the macro institutionalism of Regulation Theory and the meso contexts within which formal organisations operate within particular fields of activity. It thus provides a means of considering the ways in which the

macro institutional changes (and their market underpinnings) analysed by the Regulation School have meaning and consequences for different fields of human activity and the organisations which structure those fields, which may, for example, be at the national level. The myriad formal organisations which structure a given field of activity adapt to contextual institutional pressures relevant to the acceptable 'ways of doing things' which then tends to reproduce patterns of behaviour, norms, rules and knowledge across organisational fields (Powell, 2007). Powell and DiMaggio have identified coercive (force), normative (value based) and mimetic (imitation) processes as being the key ways in which 'ways of doing' things are institutionalised/diffused. Neo institutionalism further draws on Scott's identification of 'three pillars of the institutional order', those of the cognitive (knowledge), regulative (maximisation) and normative (values) , point to the way in which ways of doing things are legitimised and generalised to formal organisations such as public service broadcasters, policy makers and regulators (Galperin, 2004). If we follow the Regulation School analysis of market innovation as occurring at the level of institutional adjustment, then, by coercive, mimetic and normative processes of reproduction these logics are diffused and re-produced at the meso institutional level of cognitive, regulative and normative legitimacy across given fields of activity.

Neo-institutionalist proponents are aware of the overly structuralist interpretations of their work and point to the degree to which cognitive, normative and regulative legitimacy is struggled over. Historical institutionalism, for example, points to the phenomena of path dependency wherein institutional paths taken in the past have implications and causal consequences in the present. Other scholars such as Colin Hay point to the role of ideas in shaping institutional pathways whereas further branches point to the complexity of institutional practices at work across different fields of activity as creating variance in institutional practices (Hay, 2004). It is thus important to take on board the multi causal dimensions that characterise institutional diffusion. However, taking into account such caveats does not detract from tracing the causal consequences of structural change.

To distil this into concrete terms, the following hypothesis emerges. The long down turn has prompted varied responses in the search for the basis for a new growth regime. The move towards a neo-fordist, informational, global economy as accompanied by attendant macro institutional re-design along the six institutional forms identified by Regulation Theory, channels market logic as inimical to the 'new growth regime'. The US has been to the fore of such an adjustment in the last thirty years and through its shaping of the processes of globalisation. Through the diffusion of these logics via the US's hegemony and in the organisational arrangements involved in the development of global governance, meso institutional adjustments across different organisational fields have diffused the logic of neoclassical economics to the organisations which structure those fields, albeit, as contested by social struggle and institutional inertia.

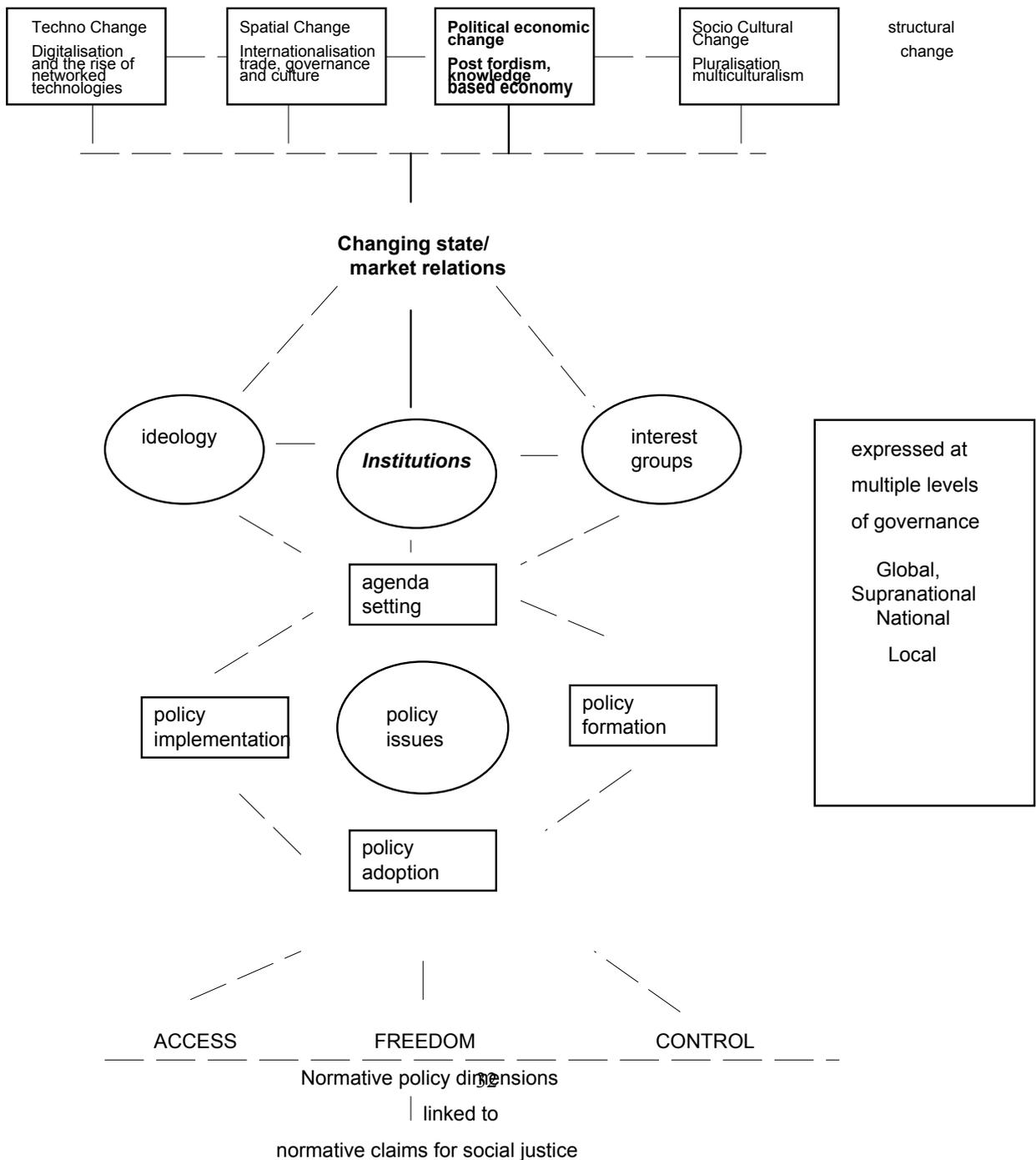
2.2.8) Policy Studies

To understand the international level of broadcasting governance, the national context of governance and the performance of the outcomes of policy against the normative dimensions of public communications policy it is necessary to do so through a number of inter-related frames already referred to throughout the framework. The external determinants relate to those constitutive factors of technological change, spatial re-ordering, socio-cultural developments and, particularly political economic transformations (the shift to market governance in response to structural changes in the economic realm) (Humphreys, 1996). Reactions to these contextual factors will be considered through the process of governance which, influenced by ideas, interests and institutions, contextualises policy making which moves through the cycle of agenda setting, policy formation, policy adoption, policy implementation and policy outcome. The site specific factors which impinge on this process include those of state, interest groups, ideologies, the assemblage of institutions and institutional interests at the varied levels of local, regional, national and supranational co-ordination. Policy

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outcomes can then be judged against McQuail's criteria of access, freedom, control/accountability (or participation, representation and recognition) and added to this must be the degree to which these objectives are squared with the socio-economic dimensions of public policy and the balance maintained between socio-cultural and economic objectives (McQuail and Van Cuilenberg, 2003).

Model of structural and institutional dimensions of policymaking in communications



2.2.9) From Framework to Analysis: Policymaking and Institutionalisms

The core claim of the theoretical framework is that policymaking is shaped by its location within a nexus of institutions. As is clear from the regulation school's varied categories and tiers of analysis and the approaches of state theory within political economy and neo-institutionalism, there are different frames for the analysis of institutional relations relative to both the scale and content of the analysis. There are a number of centrally important insights and frames of analysis that arise from the theoretical framework as recounted above. Working backwards from the activity of policymaking, in terms of levels of abstraction, these frames of analysis are outlined below.

1. Policymaking is the outcome of problem solving by formal organisations operating within fields/subsystems that are shaped by institutional contexts affecting the knowledge, behaviour and strategy of policy making.
2. The State provides the key context for policy making even as it contends with different levels of governance. The state is in itself a macro-institutional form and in itself a key mediator of the other macro institutional forms. It is the point at which macro-institutional and meso institutional adjustments meet.
3. The dynamics of institutional change, as recounted above, have two levels of expression; macro-institutional change and meso-institutional, the former accounted for in Regulation theory, the latter in neo-institutionalist analyses of governance.
4. Macro institutional change relate to longitudinal changes in the mode of production and at the level of the regime of accumulation. This is one frame for institutional analysis, related to the impact of systemic logics of the macro institutional forms which structure a given regime of accumulation.
5. The meso-institutional is a second frame of analysis related to the institutional changes apparent in the 'mode of regulation'. This is a

second institutional frame of analysis and is concerned directly with the institutional norms, behaviours and strategies inherent in modes of governance that attempt to regulate a regime of accumulation.

6. All of these levels have consequences for policymaking and the expression of marketisation which is both systemic and ideological.

This posits a number of questions/problems that will be addressed throughout the thesis;

- How are macro institutional adjustments expressed in the field of broadcasting, particularly in relation to competition and the wage labour nexus and how does policy manifest these adjustments?
- What are the norms, knowledges and strategies shaping broadcasting governance?
- How does the state mediate relationships with the macro institutional form of the international regime and meso institutional emphases of different levels of governance?
- How do these institutional changes affect the management of the balance between 1. economic activity, promoting the systemic and/or ideological norms of marketisation, and 2. citizenship with its civic, political and social norms?
- Are macro and meso institutional changes a channel for marketisation, are there resistances/inhibitors at work within the institutional nexus of the state form and the different levels of governance?

It is proposed that the key analytical frame here is an evaluation of the balance between market, bureaucratic and networked governance as an inpoint for wider observations relative to the market logics channelled through the institutional frames already recounted. This involves an evaluation of both the reliance on market mechanisms, the institution of market dynamics through governance activity and the development of regulatory systems that operate on the basis of

overseeing market activities relying on economic regulation and responsibility to the consumer.

2.3) Regulation Theory and Media Theory

Bob Jessop is not a media theorist per se, but his applications of Regulation Theory to the anglo-centric world have proved influential. His theorisations on post fordism has proved influential in the works of media scholars such as Katherine Sarikakkis, Maria Michalis and Terry Flew (Sarikkakis, 2006, Michalis, 2008, Flew, 2007). Jessop's ongoing analysis of the shifting modes of accumulation and regulation provides a theoretically informed analysis of the after-fordist period. Jessop separates out the mode of accumulation into the labour process and the regime of accumulation and the mode of regulation into the mode of economic regulation (organisational formations) and the mode of societelization (general social cohesion). According to Jessop, utilising these four key indicators of the mode of accumulation it is possible to indicate changes between different periods of capitalism's long waves of development. The key differentiation between the emerging mode of accumulation and fordist mode can thus be outlined as follows.

In relation to the Labour process,

'Fordism was characterised by mass production of consumer durables, typically on moving assembly lines tended by concentrated masses of semi or un-skilled labour. In contrast, 'after fordism' we have the production of consumer disposables by means of 'flexible specialisation' based increasingly on human and intellectual as opposed to material capital. In relation to the regime of accumulation, in fordism capital accumulates in a virtuous circle of rising production, productivity, wages, consumption and profits in which mass consumption is a key driver. In the period after fordism we have diversification of products for differentiated, polyvalent markets maximising profligacy, instantaneity and consumptional display'.

Moving to the mode of regulation,

'the mode of economic regulation in fordism relied on large-scale powerful steering systems to regulate economic activity, including monopolistic sloanist corporations, mass trade unions and bureaucratised state systems. Following Fordism, we have differentiated re-regulated and flexible labour markets, individual and enterprise contractualisation, smaller quasi-collegial organisations and rapidly accumulating credit and capital. In relation to the mode of societellization Fordist society is standardised and massified with a consistent emphasis on family nucleation, monocultural nationalism and bureaucratisation. Post Fordist Society has a hyper differentiated emphasis on difference, individuation, and reflective construction of taste' (Waters, 2001, pp215).

The move from Fordism to Post Fordism thus appears, at least initially, to afford less of a role for the state in terms of providing the mode of regulation. This arises out of the perceived role of state failure in relation to the fordist period, a real inability of the state to project power in its present shape, the opportunism of capital, individual capitalisms and global financial capital, that arises of the states inability to project power, and the slow process of re constituting a mode of regulation in local national, supranational and global terms. In the shifting regime of accumulation there has also been a shift, as noted earlier, in investment strategies towards the 'distributive services' which include media, culture and communications goods and services (Castells, 1999).

It follows that post fordist capitalism is also 'informational' and 'reflexive' as well as flexible and global (Wood and Isin, 1999). David Harvey and Scott Lash and John Urry have traced the interplay of post fordist restructuring with culture and communications pointing to the degree to which advanced capitalist economies have become 'economies of signs and space' (Harvey, 1989, Lash and Urry,

1994). Lash and Urry argue that late capitalism has become 'disorganised capitalism' in which the production and distribution of informational and aesthetic goods is central to the regime of accumulation. They propose that the culture industries have to a certain extent always been post fordist (that is, design and research intensive) in so far as informational and reflexive goods have always been produced, distributed and consumed in a flexible/reflexive way, dependent on network organisation. They argue that these characteristics are being generalised to all modes of production through the shifts from fordism to post fordism. Broadcasting, which was previously organised under Fordist dynamics, is thus increasingly subject to the post fordist logics which structure other cultural industries. However, the theoretical approaches of the Regulation school would infer a greater degree of caution in relation to emerging post-fordisms than either Jessop or Lash and Urry display. Their overall research project is careful to document continuities as well as changes and cautious in declaring world historical transitions if the evidence relative to change in the macro-institutional forms is not present.

Terry Flew has recently reflected upon the importance of Regulation Theory in relation to evaluating shifts in the mode of governance (relative to emerging modes of regulation) and their implications for media and communications policy (Flew, 2007). He suggests that what we are seeing is the transition to a new state form that can best be described as 'the enabling state' Flew pp. This is a model of state governance that sees the state moving into a position of enabling or promoting certain economic and social projects by intervening on the 'supply side' as opposed to the demand side. The enabling state is also the regulatory state in so far its dependence on the use of markets for co-ordination is accompanied by a regulatory infrastructure which oversees these markets. This is a far cry from the regulatory interventionist state of the short twentieth century, but states may retain an interventionist approach to their co-ordination of the market.

Because of these reorientations, the suitability of market governance has become hegemonic and is rarely challenged. However, it continues to be the case that there are political, economic and social purposes/norms that will not necessarily be addressed by an enabling state that acts purely as a market making state. Thus, an additional insight from Regulation Theory is as follows, whereas the market can play a productive role both economically and socially, marketisation per se, whether it is pragmatic or ideological, is quite simply the wrong response to the long downturn. As Flew has pointed out, one of the central insights of the Regulation school is that outright marketisation will hinder the emergence of new economic paradigms precisely because it often acts as a life support to unproductive segments of the economy and it ignores the need for institutional adjustment that secures social and cultural support and legitimization for a new regime of accumulation (Flew, 2007). So normative arguments aside, economic growth and future productivity will simply not be bedded in via marketisation and the State still has an interventionist role to play. The way in which these purposes/norms are most likely to be met are through the development of institutions aligned to social, political and cultural norms as opposed to simply rolling back towards Fordian statist solutions or rolling forward the market with light touch regulation. It can also be argued that the size of a state and its markets will have a particular inflection on its ability to successfully engage in steering markets and/or new modes of intervention. Further to this, the place of states within larger political economic formations will both constrain and enable it in certain respects, whereas finally, the failure of the market, its inability to marginalize market logic where necessary, is particularly acute in areas such as media and cultural production, education, health and political citizenship. All of the above are central to any developing mode of accumulation, be it informationalism, the knowledge based economy or networked economies, that claim to be based primarily on human capital (Boyer, 2001).

2.4) Critical political economy and communications

Political economy is a central theoretical strand for analysing media production in media and communication studies. In the literature, political economy is employed in myriad different ways which are utilised in understanding the material conditions of policymaking in the present study. In its most general usage specific to the study of communications it is taken to refer to the 'social relations and particularly the power relations that constitute the production, distribution and consumption of communication resources in society' (Mosco, 1996, p25). However, political economy as a discipline has many variants which employ different emphases in how they approach resource allocation and its implications. Mosco has proposed that critical political economy is the variant centrally concerned with the 'power relations', not just the social relations of economic production. Below is a brief overview of how the term political economy is employed involving critical, international, positive and institutional interpretations of the approach and what we know vis a vis its application;

1. Political economy refers to the degree to which the economy is politically embedded and structured by power relations (Gandy, 1994)
2. Political economy refers to the normative arrangements between state, market and society in specific social formations that arise out of socio-historical dynamics. (Strange, 1994, Polanyi, 1975)
3. Political economies are local, regional, national, supranational and global. (O'Riain, 2000, Castells, 1999)
4. Political Economy refers to the limitations placed on human agency and activity vis a vis material and structural limitations, pressures and emphases. (Williams, 1974)
5. Political Economy refers to the structural features of an economic system

that generates effects in areas of human experience organised under its logics. (Garnham, 2000)

6. Political Economy refers to the political and economic actors, practices, projects and institutions which mediate the allocation of resources at varied levels of human activity such as the global supranational, national and local. (Galperin, 2004)

Translated into specific questions related to the interplay of politics, economics, technology and society there are certain implications for the knowledge that we accept to be valid when approaching questions such as re-structuring in broadcasting. At a meta level it is clear that some of these formulations of political economy refer to structural dimensions of economics (Polanyi, 1975) whereas others have a more agent led bias (Galperin, 2004a). As such a combination of approaches alerts us to the interplay of structure and agency. However, to consider the variants listed, firstly, any political economy will generate a given set of social and power relations that are to a degree, structured by, and, reified in the political system and other social systems that are organised within that logic. Secondly, such power relations can be compromised under a given set of socio-historical conditions and within specific socio-cultural formations giving rise to differential state/market relations in given societies. It is this level of political economy that is central to the present thesis. Thirdly, political economies are generated and have generative effects at myriad levels of human organisation. In the fourth case, at the level of structure, as a dominant mode of material provision the given features of a political economy places limitations on what is possible at given times of its internal dynamic of reproduction. In the fifth case, also at the level of structure, if the capital relationship is generalised to areas of social experience it can be expected that the expression of its internal logics will also have implications in that specific area, for instance economic productivity as opposed to social outcomes may become the bases for rationalisation of public services etc. In the last case, it is

recognised that the economy is as much a product of social relations as it is of its own internal logics. It is mediated at varied different levels by varieties of interest groups, social arrangements, institutions and organisations that have differential ability to shape the growth dynamic itself and shape its implications for social, political and cultural life. In this case we can reflect upon the globalisation of governance that has followed the internationalisation of capitalism in search of a spatio temporal fix in the last century. Various levels of agencies consisting of specific interests, ideologies, coalitions and pragmatisms, both stated and un stated, which inform the involvement with resource allocation, have contributed to what has been labelled the Washington Consensus as a paradigm for global political economic development (Held, 2004) . This represents a distilled ontology of political economy arising out of varied literature and approaches that operate under that description. This ontology underlines the general theoretical approaches of the political economy of communications, media and cultural studies drawn upon here.

The political economy of communications represents a fundamental theoretical strand in the broad subject area of communications. Whether it is taken as being ecologically dominant (or essentialist) in terms of being the key determinant in constituting outcomes or a contingency amongst other factors, it is nevertheless recognised in myriad interdisciplinary studies. Both Mosco and Hesmondhalgh have catalogued the development of the critical political economy approach in communications and pointed to three broad strands identifiable as the UK/European, American and Third World schools. The European/UK, and especially the UK, is the key approach that underlines the present study. Central to the knowledge generated by the political economy approach is what it tells us about the economic characteristics of the cultural industries in general, particular institutions of cultural production (such as broadcasting, cinema, performance, music and new media), the interplay of politics and economics in relation to the influence of political, economic and social interest groups in shaping media structures and contents, the implications of funding, organisation and ownership

for the production and distribution of culture and public communication networks, the underlying conditions necessary for indigenous cultural production within a given socio-economic context and the relationship of the cultural industries and public communication structures with general political economy, for example, in relation to restructuring of the growth dynamic and marketisation . And, crucially, how all of these factors play a role in shaping the availability, origination, contents and limitations on cultural texts and what the consequences of these are for the cultural frames we draw upon to interpret our social realities and identities. These elements will be dealt with more thoroughly in the ensuing literature reviews but for the time being it is useful to reflect on Murdock and Golding's summation of the critical political economy approach in communications. According to the authors, critical political economy is; 1. holistic; 2. historical; 3.concerned with the balance between capitalist enterprise and public intervention and; 4.goes beyond technical issues of efficiency to engage with basic moral questions of justice, equity and the public good (Murdock & Golding, 2000, pp72-73).

One key theorist within the critical political economy tradition with relevance to the present thesis is Nicholas Garnham. Garnham points to the importance of political economy or the impact of the economic structure within communication practices. Firstly, any area organised under the logics of a given economic system will be subject to some of the emphases of that system. Thus the 'economy is determining because it produces systemic contexts which no single actor planned or desired', but must act within. This is accurate, from the global to the national to the sectoral. Secondly, the 'complex system of specialisation of function and scale of co-ordination which the capitalist mode of production made possible is a necessary condition for the levels of production necessary to sustain societies at the size and with the complex characteristics they now have' (Garnham, 2000, pp42).

In recent years Garnham has elaborated on the political economy of communication through analyses of the fault line between public ownership structures, the increasing centrality of the cultural industries to advanced capitalism, the global and European integration of cultural markets, technological change, and, the role of regulation in ensuring optimal outcomes for democratic processes (Garnham 1990, 1999C, 2000). As such Garnham has developed a sub field within the discipline that he himself has termed 'information politics' (Garnham, 1999a). In general information politics can be summed up in the proposition that 'who gets to say what to whom, in what form, for what purposes and with what effect is both determined by and determining of political, economic and social structures' (Garnham, 2000). Garnham's conceptualisation of information politics entails a close consideration of the changing structures of public communication and in particular their implications for public policy, especially public service broadcasting. In a key passage from *Capitalism and Communication* Garnham outlines the broad concerns of information politics as follows;

'Within the political realm the individual is defined as a citizen exercising political rights of debate, voting etc within a communally agreed structure of rules and towards communally defined ends. The value system is essentially social and the legitimate end of social action is the public good. Within the economic realm on the other hand, the individual is defined as producer and consumer exercising private rights through purchasing power in the market in the pursuit of private interests, his or her actions being co-ordinated by the invisible hand of the market' (Garnham, 1990).

Whereas Garnham has previously underlined the genuinely libratory potential of the market in delivering cultural goods, he suggests that a mixed economy in cultural production provides guards against both state and market failure and an imbalance between the socio-political and economic value systems. It is on this premise that the increasingly 'less mixed' economy of communication becomes a

concern and the overall process of marketisation in political economy prompts a paradigm shift in how communication structures are developing and how questions of production, distribution, representation and policy are conceived.

Garnham's political economy also has significance for the analysis of media systems relative to their national economic contexts, available market size, and their geographic and demographic characteristics. Part of the determining nature of political economy is that any given national media system is structured by the material resources available for media production and consumption. The 'amount of resources made available for communication is determined by the amount of economic surplus in general' (Garnham, 2000, pp43). We can see this dynamic at work in different national media systems; the range of different communication media and their level of output is closely tied to GDP and disposable income; the availability of advertising revenue is relative to population size, the availability of talent is also relative to population size and the availability of consumers time is relative to available leisure time. The resources available within national media systems for production and consumption also tends to re-enforce the influence of media output and structure in the international system as well as the strengths and influence of the relevant national government in international media governance. This analysis has particular relevance for a small media state such as Ireland.

2.5) Institutionalism and communications policy analysis

Whereas state/market relationship analysis resides at the level of classical political economy, and is centrally concerned with the balance between states, markets and societies 'new institutionalism' tends to operate more so on meso and micro levels. Hernan Galperin, citing Peter Hall, has defined Karl Polanyi's as the meta level at which institutionalist policy analysis can work, i.e. the analysis of the basic organisational arrangements associated with the state and economy such as formal democracies and market economies. In Galperin's institutionalist analysis of communications policy he distinguishes the meso level

of a political institutionalism as being concerned with the specific organisational arrangements of the state such as (political) regime type, the organisation of interest groups, the electoral system and the regulatory design. Here, institutionalism regularly refers to 'recognisable formal organisations of social, political and economic life' it also refers to the 'informal arrangements such as routine organisational procedures and accepted behavioural norms' (March and Olsen, 1984, cited in Galperin, 2004A, p163). It is the former which is the variety of meso-institutionalism utilised in the present research. And finally, the micro level consists of 'the standard procedure and routines of bureaucratic agencies' (Galperin, 2004A, p163). As is evident from this tiered structure the new institutionalism is sensitive to the meta determinants of policy making in a way that makes it compatible with political economy approaches. Policymaking does not occur in a vacuum but in specific socio historical sites with both general and particular pressures and emphases bearing down on policy makers. However, the neo institutionalist approach to policy analysis, as outlined by Galperin, does take as its starting point, the state and state structures that absorb these pressures at local, national and international levels of governance. But policy making is not simply seen as a pluralistic exercise arising out of countervailing state-level institutional arrangements. As Galperin suggests, whereas policy is not reducible to the preferences of powerful interest groups, access to the policy process is widely divergent. On the latter point he suggests that 'in order to understand why certain stakeholders are consistently favoured over others, why only certain governments are capable of pressing reforms and others are not, or why diffused interests are represented in some cases but not in others, it is necessary to examine the institutional fabric that underlies the making of information and communication policies' (Galperin, 04). This is not to say that interest groups and ideologies do not have an impact on policy formation, they patently do, it is more so the case that they do when they match the structural orientation of state and supranational institutions relative to institutional knowledges, behaviours and incentives (Jessop, 2001). Thus state goals and activities and the political economy of governance both structure the playing field

upon which ideologies and interest groups realise success in influencing policy. Institutions of policymaking are constituted by both the political economy of governance and the statist strategies towards which governance is oriented. And, space must be allowed for the potential of policymakers to influence institutional preferences from within those institutions.

What emerges from the institutional literature is that states, depending on their size and GNP, are still relevant in relation to the construction and structuring of new media markets and significant political effort is being expended in the development of communications networks to the degree that convergence may be described as politically led but executed through markets. In relation to the regulatory environment, policy makers are engaged in different capacities in securing the development of a regulatory environment that ensures continuity for existing operators and continuity of levels of regulation for a new paradigm, but are critically circumscribed by the market methods and public/market power imbalance. At national, supranational and global level the interplay of interest groups has been crucial in shaping the agenda of policy making and national influencing of supranational policy has led to smaller nations being potentially wrong footed by regulatory regimes suited to larger mediascapes.

Thus, from the Regulation School we may suggest, at a materialist level, one institutional change is the form of state/government intervention in the economy as an institutional change that is part of a wider architectural restructuring pursued to develop a new mode of accumulation. Thus the state becomes the enabling state intervening on the supply side. One of the activities or goals of this new state intervention is to realise the media/communications as a sector of the post industrial knowledge based economy, to open it up for capitalistic diversification or otherwise. This is generalised to the meso level of policy making. This in itself is then underlined by a habitual or negotiated recourse to the state market relationship (macro political economy) that is involved in achieving the aim. What type of market structure? What role for regulation? What

form of competition/property/exchange will prevail? How will extant public policy be translated into the environment? What role for public enterprise? What are the wider political, cultural and social goals of such an approach? Should the market be marginalised for the purpose of these and other extra economic goals? The state/market approach is thus a lynchpin in the search for a new mode of accumulation and the degree to which it will have a wider developmental agenda. Crucially however, policy is linked to state activity and the institutional expression of governance and state policy, its activities, its goals its resources and its machinery. However, according to Boyer the state or supra state should not mistake the US market led adjustment as being the basis for its successful growth regime.

2.6) Normative theory and media/communications public policy analysis

In western media systems, Public Service Broadcasting (PSB) no longer represents a holistic broadcasting system, but instead can be conceived of as individual institutions in politically shaped markets. Public service broadcasting has survived as a social institution but is increasingly subject to market liberal criteria for fiscal responsibility and efficiency whilst circumscribed by its position in an open media and communications market. However public policy, in order to remain legitimate in democratic societies, must still concern itself with the normative dimensions of media, cultural and communications policy. These norms have historically arisen from the media's relationship to democracy, pluralism and equity, and their expression within given societies. Denis McQuail and Jan Van Cuilenberg propose that the key policy goals of the digital, international, market co-ordinated media system will be issues of freedom, access and control/accountability. However, it is arguable that these are policy concerns that have had historical expression in media systems and have been addressed for example, in broadcasting policy through the emergence of universal access, universal service, public service and diversity and plurality criteria. As such they are norms that tend to be agreed upon but are given different emphases relative to the social, political and cultural position of a given

group or individual. In this research the benchmarks of the public sphere arising from Habermasian debates, but by no means restricted to Habermas' conception of it, provide benchmarks for the political functioning of public media systems. In terms of the cultural policy dimensions, the concept of cultural citizenship also provides normative criteria for how public policy should address issues of plurality and solidarity in advanced capitalist nations. It is proposed that these approaches connect to a wider organisational concept of social justice in the 21st century relative to issues of redistribution, representation and recognition (Fraser, 1995, Sarikakis, 2006).

2.7) Broadcasting, digitalisation and socially shaped technology

Positing marketisation as a key phenomena arising from institutional change and constituting the structure of broadcasting de-centres technological developments, such as information communication development, as a key narrative in the transformation in broadcasting structures. Underlining the political economic determinants in the constitution of media as a social institution, it is argued that technologies of media are 'socially shaped'. Social shaping theory turns the oft posed problem of the 'impact of technological change on society' on its head, and asks instead 'to what extent and how, does the kind of society we live in affect the kind of technology we produce' (MacKenzie and Wacjman 1999). The characteristics of any social formation play a considerable role in constituting which technologies are produced, how they come to be diffused and whether or not they are open or closed systems. The simultaneous discoveries of comparative technologies in atomised conditions throughout history suggest that technology development is indeed a social rather than individualist phenomenon. The economic conditions that shape technological development are reason enough to see technology as inextricably part of society. The economy, which is also characterised as being independent of society, is 'politically and socially embedded and structured by power relations' (Gandy, 1994). At a preliminary level it can be appreciated that many of the early industrial technological leaps are down to concerted efforts to eliminate uneconomical and inefficient elements

from an overall technological system. Following on from this it is also true that economic laws and economic calculation are specific to 'particular forms of society, not universal' (MacKenzie and Wacjman 1999). Thus where labour saving calculations may figure largely in one specific set of social relations it may pose a threat to social order in another. Social relations as defined and affected by economic organisation, thus shape technology. However other factors such as gender and conditions of patriarchy inform social relations which can also shape technology. Social need created by changed social relations may or may not bring forth new technologies that meet that need. Politically, the states' historically symbiotic (as opposed to dependent) relationship to national capital through national security has encouraged its sponsorship of military technology research, which within the capitalist criteria of profit and loss may never have occurred. A key consequence of the social shaping approach to technology and society is the possibilities it opens up for thinking about the future of technologies. Technology may be shaped by openly deliberated decisions which originate from society as a whole rather than as an inflection of existing power relations. Whereas this possibility does not imply success it creates an agenda for non-positivist reasoning and action. It also allows for the reclamation of the history of technology from the technological determinist approaches that have colonised it thus far. However, as a counterbalance it must be stressed that this line of reasoning does not deny the reality that technology has effects.

2.7.1) Media Technology and Society

This brief overview of approaches to structural change in the media leads directly to the question of media technology and the current wisdom that they are central factors in ushering in an information 'revolution' (Negroponte 1994). It is suggested that an overview of the history of media technology centring on broadcasting provides a more measured view of the current environment. In his study of the history of media technology, Brian Winston has observed patterns of change which have lead him to propose a model for understanding change and developments in communication technology. In Winston's model these 'patterns

implicitly suggest the primacy of the social sphere as the site of these activities conditioning and determining technological developments' (Winston, 1998). Science and technology intersect within the social sphere and are thereby both constituted by it. The social sphere as such maintains consistency between the past and the future, debunking the myth that new technologies result in wholly new social relations even as they may change social interaction. In synoptic terms, Winston proposes a number of key stages through which all technologies go, whether the product of individual inventors or industrialised innovation. At base level the scientific competence must pre-exist as a basis for development. For example, the scientific understanding of electricity must pre-exist for Edison's light bulb to be a possibility. Next, ideation needs to occur, that is, a technologist or any number of technologists must envisage an 'invention-to be' at some level, regardless of their ability to create it. Eventually the ideation phase will lead to the creation of some working prototypes if scientific and technological ability (not necessarily knowledge) allow it. The transformation from prototype to invention and the further diffusion of that invention into a social technology depends on the social sphere providing a 'supervening social necessity'. A supervening social necessity usually takes the shape of (1) that occasioned by the consequences of another technological development; (2) a complex of social forces working directly on the processes of innovation and (3) commercial needs. To take an example, the locomotive made the transformation from prototype to invention through the social complex of industrial capitalism. In turn the telegraph which had existed in various prototypes for a number of years previously only found a supervening social necessity with the development of the railroads. An invention may then move into the 'market place' and its diffusion is once again determined by supervening social necessity. Also technologies may be produced directly for the market place, e.g. consumer technologies such as digital music players, digital cameras, games consoles etc However, whereas a supervening social necessity may accelerate an invention into society, the existing social sphere may also apply the brakes to technologies that threaten upheaval or even 'radical potential'. A recent example would be the use of the law by the established music

industry to suppress the music network file share software, Napster, and its subsequent efforts to create a pay network along the same lines as Napster. It is Winston's contention that new communication technologies are thus the outcome of socio-political development and are routinely absorbed into the existing social fabric without major changes in social relations. Whereas technology may have de-stabilising effects within capitalist structures they rarely, on their own, destabilise a social order. It is within this framework that we come to broadcasting. From Winston we take forward the knowledge that any history of broadcasting as a technological medium will have to be a socio-political-economic one as well as a technological one.

2.7.2) Technological change, the new media and market failure

Technology led arguments suggest that technological innovation has created the means whereby barriers to entry in broadcasting will eventually be reduced, and thus, extant public policy will soon be rendered obsolete . Such arguments appear to be the result of technological determinist reasoning and a blurring of the ontology of already existing media (the old Media) with the convergent media of the web/internet (new media). History demonstrates that old media are rarely if ever replaced by new media, even as they mutually constitute each others development (Holmes, 2005). Further to this, as demonstrated above, broadcasting as a particular mode of social communication compliments and co-exists with others and therefore fulfils a social need within a particular socio-historical matrix, this will only change if socio-historical conditions radically change, (Williams, 1974). And lastly, as above, the political economy of broadcasting sketched above demonstrates how particular institutional features emerge out of and around the co-constitution of media, relative to its media specific features. The economics of broadcasting, the organizational logic of broadcasting organisations, the legislative basis of broadcasting, the regulatory structure of broadcasting, scheduling, prime time, generic convention, the role of broadcasting in political communication, audience expectations etc, will not disappear and in fact will persist into the digital environment without sudden or

radical alteration.

The current emphasis on information communication technology (ICT) and its promotion by political and economic interests can lead to the inference of a homology between the rhetoric of digital emancipation and all digital media. However the history of digital networking technology, as with the history of broadcasting (following chapter), is indicative of how technology is both socially produced and socially shaped, displaying its own communicative profile and emerging institutional/systems features (Wacjkmán and MacKenzie, 1999). This, however, does not deflect attention from political and economic agency and its constitution of the uses, design, regulation, promotion and diffusion of new technologies, whatever their origin (Sussman, 1997, Williams, 1974, Winston 1998, Galperin 2004B). Digital Television has emerged out of a variety of emphases. Centrally it is linked to the development of a new technological system emerging under the banner of digital communication technology and media. At the basis of ICT's, digitalisation has allowed for networked one to one or one to many communication providing the user has access to networks, hardware and software, and, these are designed to be interoperative and interconnected (cf Winston and Lister et al for a history of the internet and the web, Winston, 1998, Lister et al 2003). Whereas the web/internet is a fully convergent media, however, the characterization of all digitised media as convergent tends to be driven by ideological and economic agendas. Movements towards a fully digital television system have a different history to the internet and the web and are illustrative of political, economic, social and commercial agencies involvement in the adoption of existing media and their communications technology to an emerging technological paradigm. Digital Television has been shaped by the move to develop high technology economies and create the appropriate infrastructure for the development of reflexive, informational and knowledge intensive economies. In Europe the project has been organised under the rubric of the information society and latterly the knowledge based economy. The degree to which this technological emphasis has asserted itself in the realm

of broadcasting occurs at a number of different levels and can be seen to the outcome of political planning and its attempts to harness market resources. The waltz between political and economic interests manifests itself in the overall structure and deployment of the technology in relation to, on the one hand, the preferring of private development above public investment, and on the other, political attempts to re-interpret the public interest within an overall economic rationale (Humphreys and Patterson, 1988). As with Winston's analyses of previous technological innovations there are considerable forces acting to shape the deployment of digitalisation and minimise disruption within broadcasting, however, unlike Winston's analyses of innovation in broadcasting, there are technological emphases that enable unexpected and pervasive change in the organisation and practice of digital communication that, for once, can be accurately described as disruptive (Christensen, 1997). To begin with, digitalisation enables compression which will allow for the transmission of a vastly increased amount of channels. Digitalisation allows information to be transmitted from dispersed settings, across multiple networks and accessed in a non-linear fashion that also opens it to manipulation. However, whereas this is what the technology enables it is not guaranteed that this is what will occur. It is often posited that these various characteristics of digital are de facto rationale for why market failure will no longer pertain in digitally networked distribution environments. However, whereas broadcasting is increasingly becoming integrated within the architecture of digital networks it is not necessarily comparable to the organisation/institutions/ or communicative profiles of the internet/web. It is worth noting then, that the post fordist industrial logics for broadcasting will most likely alter the norms of production, distribution and consumption, but not all of its social, cultural and economic characteristics.

Whereas technological change will have a pervasive impact on the production, distribution and regulation of broadcasting, tendencies to market failure will still persist, and, thus so to will public service rationale in policy and regulation towards broadcasting (Garnham, 1999B). Graham and Davies have argued that

technologically based arguments for complete de-regulation of the broadcasting sector are highly ideological and considerably flawed (Graham, 1997, Graham and Davies, 1999). Centrally, concentration and monopoly are likely to persist in multichannel and/or digital environments. In relation to production, fixed costs will remain high because the key costs in broadcasting, talent, craft and staff for original programming and high costs for acquisitions will persevere. Thus entry costs will remain high and concentration will ensue. In addition to this, economies of scope will, in a digital environment, encourage a higher degree of cross media mergers and concentration. In distribution, proprietary control will persist in relation to the deployment of Electronic Programme Guides (EPG), Conditional Access Systems (CAS) and Application Protocol Interface (API), all technological elements of the set top box architecture through which multichannel television arrives. Established channel packagers, distributors and technology proprietors will thus have significant control over the access of consumers to broadcasters and vice versa. These issues all find an inflection in what Van Cuilenberg has referred to as the emerging shifting policy issues of access, competition and diversity (McQuail and VanCuilenberg, 2003). In relation to consumption, this latter point is instructive. Consumers will have access to choice on the terms of monopoly providers who also determine the menus, prompts and guides through which the programming is delivered. In general, these issues point to the future necessity of intervention and regulation in the digital environment. However, with such strong caveats against marketisation in broadcasting, the question still arises as to why and how the market has become the central mechanism in broadcasting development.

2.8) Marketisation and broadcasting

The exhaustion of the previous growth paradigm, the changing investment strategies of capital, the potential convergence of broadcasting, telecommunications and information communication technology, the increasing centrality of reflexive and communication goods, services and infrastructures to advanced post fordist capitalism have all meant that Broadcasting has been at

the centre of processes of marketisation arising out of reactions to the long downturn. The changing political economy of broadcasting in Europe has been documented in detail by both liberal pluralist and critical communication scholars (Blumler, 1992 Dyson and Humphreys, 1990, Mc Quail and Siune, 1998, Tracey, 1998, Garnham, 1990, Murdock and Golding, 2000, Curran and Seaton, 2003) with the broad shift from a public service system of broadcasting to mixed economies, and the growth of corporate power within overall market structure being well documented.

At present a brief sequential outline of marketisation in broadcasting points to;

1. An initial development of commercial elements within the overall public service system,
2. Liberalisation through cabling followed by liberalisation through satellite, as the potential of new technologies becomes a policy priority
3. A re-regulation of domestic broadcasters to allow for lighter touch content regulation and ownership regulation in order to allow a more level playing field (in relation to lightly regulated global corporations) and the creation of national champions,
4. Re-regulation and supply side intervention to encourage market interests to sink investment into digitalization.
5. Moves towards the promotion, creation and regulation of convergent markets with new emphases on extant public broadcasters as both the focus of, on the one hand, neo-interventionism and on the other, regulatory scrutiny vis a vis market power, competition and trading practices.
6. The incorporation of broadcasting into the creative industries paradigm with requisite policy attention to its developmental as an internationally traded service/commodity.

These developments towards marketisation all involve manoeuvring at the parallel institutional levels of the national, global and supranational. At a global level the potential of developing hardware, software and distribution markets has

incentivised the major trading blocks to develop policy in this area whilst trying to influence the developing global trade agenda. Thus the US, with its perceived comparative advantage in entertainment production has strongly lobbied through the Gats for the inclusion of audio visual service in the agreement on traded services. Europe on the other hand has sought to consolidate open markets within Europe via TVWF whilst also determining a balance between the economic value of its audio visual infrastructure and their political, economic and cultural value to the 'European model of society' (CEC, 1999b). It has thus secured a freeze in relation to introducing free trade in audio visual services. Ward claims that the EU's interventions within the audio-visual sector was itself prompted by the interstices of marketisation of broadcasting at national level with the development of transfrontier broadcasting and the necessity of developing international regulations for the default internationalisation of the commercial sector (Ward, 2001). This scenario presented the opportunity for the stimulation of a single market approach to the audiovisual sector and industrial policy to stimulate a tangential growth in content production within Europe.

Peter Humphreys has traced the cracks in the public service consensus as emerging from changes in government in the large audio visual markets of Germany, France and the UK in the early 1980s. Under the auspices of information infrastructure upgrade, the neo-liberal accent of the new governments and their policy regimes opened up broadcasting ecologies to liberalisation as a light touch regulatory regime acted as incentive for investment from media and non media corporate interests (Humphreys and Dyson 1990, Humphreys, 1996). The European response in television without frontiers cleared the way for these interests to capitalise on economies of scale by preventing national regulators from blocking the provision of audio visual services by broadcasters licensed in another member state. At national level, liberalisation and potential liberalisation via satellite technology created new competitive economic rationale for policy makers. Smaller Western European countries were significant in so far as they represented an extension of the larger geo-cultural

markets. This points to the importance of the historical relationship between the UK and Ireland, which is the subject of the next chapter.

2.8.1) A marketising policy environment: The WTO and the EU

The World Trade Organisation has become the global level organisation concerned with the negotiation, implementation and governance of international trade and the development of markets at the international level. As the successor to the GATT's, the WTO has emerged as the site through which the terms of global trade in communications goods and services is debated and acted upon. As a forum, the implementation of markets in varied spheres is emphasised, it is the key site wherein the US has continued to put pressure on the EU to dismantle the perceived 'trade barriers' or 'cultural derogations' that the EU has developed in relation to the audio-visual sector. These barriers can be summed up as the policy tools of public broadcasting structures, programme quotas, spending rules, ownership policy, competition policy and subsidies (Grant and Woods, 2004) The key objections revolve around the quota systems in Article 5 of Television without Frontiers, legal arrangements placing barriers to ownership on non EU interests and the protectionist aspects of public subsidy to public broadcasters, defended through the constitutional provision of the Amsterdam Protocol. Although the WTO's agenda is that of marketisation and the governance of markets, its is a forum for negotiation and therefore its market goals tend to be diffused through this negotiation. At present, however, the EU appears to be getting its house in order in expectation of increased pressure from the US in relation to the complete liberalisation of audio-visual sectors such as broadcasting, under the auspices of digitalisation. Evidence for this is presented by Pauwels and Loisen who point to fact that audiovisual services, as a services sector, are not exempted from the Gats, but are subject to derogations within the overall agreement (Pauwels and Loisen, 2003). Further evidence however is apparent in the market liberal frame in which digital broadcasting has been introduced. As Freedman has argued, the impact of the WTO has had implications on the European audiovisual sector, despite the continuation of

resistance to full marketisation. According to Freedman, the inclusion of services in the 1994 GATS imposed some crucial general obligations on member states 'notably, not to discriminate against foreign suppliers, to minimise domestic regulation and to avoid the trade distortive effects of subsidies' (Freedman, 2003). Beyond this, he suggests, there is little appetite for liberalisation and de-regulation amongst member states until Europe is in a position to compete economically in this sphere. However, even these general obligations have considerable impact on the EU's internal approach to liberalisation and re-regulation and have proved as a point of pressure being absorbed by the EU from the US. Allison Harcourt cites Scharf's observation that 'EU bias towards regulatory policy is producing negative integration based on an over-emphasis of economic competition' (Harcourt, 2005 pp 2). Levy has previously noted how technological imperative have allowed the EU to press through reforms in culturally sensitive areas (Levy, 1999), perhaps, the same can be said of economic imperative. In general, free trade and open markets became the policy hinterland for policymakers in this larger environment. Within Europe, the interests of larger markets dominated as the policymaking agenda was led by the larger countries audiovisual markets and their close alliance with 'local' conglomerates (Murdock, 2000).

2.9) Summary

The present analysis of marketisation and policy change in the Republic of Ireland will operationalise the theoretical frames as outlined above. To sum up, at the level of Regulation theory's forms of macro institutional adjustment, neo-fordist 'regimes of accumulation' carry and diffuse market logics, altering state/market relations that are nonetheless negotiated at global, supranational and national levels of meso institutional negotiation/struggle, which codify social relations at different levels working to shape macro and meso institutional adjustment. The institutional adjustments are diffused through different fields of activity at state level and impact on the frames through which organisations conceive of the best practice relative to the wider schema of institutional

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adaptation. At present such codified social relations signify a victory for market logics underpinning the global response to political economic restructuring.

Chapter Three

Structural change and the Structural relationship between Irish and British broadcasting

3.1) Introduction

One of the implications of various strategic projects to find new modes of accumulation in changed circumstances has been the progressive marketisation of broadcasting and the prioritisation of economic and technological logics in the governance of media overall. McQuail and VanCuileberg have referred to this as a paradigm shift in media and communications policy (McQuail and VanCuilenberg, 2003). They suggest that policy development in communications, over the last two centuries, can be periodised relative to the key characteristics of policy arising out of prevailing socio, technical, cultural and economic contexts. The period in which public service broadcasting systems developed, 1945-1980/90, is characterised as primarily public service media policy, whereas the emerging period, late 1980s on, is labelled emerging communications policy (McQuail and VanCuilenberg, 2003). In this periodisation, television broadcasting developed in the secondary period of socio normative policy and is currently negotiating the transition to the later phase of communications policy which is technology lead, pragmatic and economic. Hesmondhalgh proposes that four waves of marketisation in communications policy have created a situation whereby this last paradigm now is descriptive of the media policy approaches of nation states across the globe (Hesmondhalgh, 2002). It is thus worthwhile reflecting on the institutional and structural changes that these two approaches entail. As outlined in the previous chapter, marketisation involves the following meta approaches to governance; liberalisation, commercialisation, privatisation and re-regulation. In this chapter the focus will be on the structural dimensions of broadcasting in the UK and Ireland and the evidence of their transition to this latest phase of policymaking. The comparative use of the UK is justified through its paradigmatic influence on broadcasting policy in Western Europe, the overlap of its media system with Ireland's media system and its influence in shaping EU

level media policy.

An additional purpose of this chapter is to evaluate some of the ways in which broadcasting has been constituted as a socio-political institution and provide some historical context to emerging present-day structures and institutions of television production and distribution. For the benefit of clarity, the public service system and the market system will be presented as models or ideal types which can be considered as conceptual schema regarding the proper use of broadcasting in society, as each of the models encapsulate a different perspective on the social relationships which underpin their operation. This approach will provide an overview of the structural and institutional conditions which exist or are coming into existence for broadcasting as a practice. It is intended that the review will provide an overview of the political, technological, economic and social factors which constitute the institutional embedding of broadcasting. The importance of these factors have been alluded to in the previous chapter regarding the medium of broadcasting and this chapter will point to their continued significance throughout broadcasting's century old history. The two models are in many ways generalisations but not abstractions and reference to their real world articulation will be highlighted. The models, the public service system and the market liberal model, can both be traced to wider political economic, technological cultural and social processes and as such encapsulate some of the central characteristics of their organisation. As such policy making is de-centred to capture how policy is constituted by ideas, interests and institutions expressed in the contexts of wider structures that both constrain and enable certain outcomes in the policy making process. Once again, the objectives of policy can be related to the structure, selectivity and varied activities of the state without being reducible to them.

Both models can claim to offer superior rationale for organising the production and distribution of broadcasting. To get beyond the institutional self-claims of these models the present analysis will apply a four part approach to these

governance regimes in order to highlight their institutional features. The first part will look at both the socio normative arguments and the conditions which engender and inform the model. The second part will then consider the structures which have been developed to actualise these principles. The third part will look at the relative success of the models in combining principles and structures to become social institutions with normative relationships organising production distribution and consumption. The order of the parts of the critique does not imply chronology as in some cases structures have pre-dated principles. It is contended that each of the models offers an insight into the contending 'structures of ambition' which have variously battled with each other to direct the course of broadcasting within western nation states since its inception 80 years ago. The latter half of the section will look at the factors which render these nation based models in need of re-thinking.

3.2) Broadcasting: Ireland and the UK

Due to geographical proximity and the former quasi colonial relationship between Ireland and Britain, there are considerable overlaps between these two states and their media systems. Arising out of geographical proximity and technological promiscuity, developments in broadcasting in the UK have always had implications for the constitution of Ireland's broadcasting landscape. Off air signals have been available in Ireland from the earliest days of radio and television broadcasting, whereas broadcasting industries located in the UK have latterly sought to realise Ireland as an extension of their UK markets. Thus Ireland and the UK make up a geo-linguistic region on the edge of Europe, and UK broadcasting represents the systemic context within which Irish broadcasting has developed. So whereas UK broadcast content has provided a tier of preferred viewing/listening for Irish audiences, and potentially opens up an avenue for contra flow of Irish broadcasting content and services, it has also provided a systemic context and a systemic example of how broadcasting may be structured, rationalised and regulated as well as cultural familiarity with the production, organisation and normative dimensions of its content. Thus Irish

broadcasting policy as with many other broadcast systems across Western Europe has adapted the UK system to its own particular political, social and cultural contexts, but uniquely has also had to adapt to the co-presence of the UK broadcasting system in Ireland, as a context for developing its own structures and institutions. In this way, what has happened in the UK and how the UK's broadcasting and communications structure is developed, has both an ideational and a material impact on the Irish broadcasting infrastructure. Not only did the development of public broadcasting in the UK generate a co present public sphere of ideas about broadcasting, (when the meaning of that new medium was still un-clear to contemporaries) it also created a co-present broadcasting structure that continues to co-constitute and pre-empt structural developments in broadcasting in Ireland. In this respect, to understand Irish broadcasting one has to understand British broadcasting, although one is not reducible to the other. This chapter attempts to tie the ideational and material development of broadcasting in the UK and Ireland together in order to understand their co-constitution whilst pointing to the singular characteristics of each system. Irish broadcasting policy has always been socially and culturally distinctive as well as economic and pragmatic relevant to the reduced resources at its disposal, but has been so within the ideational and material influences of the UK system. It is thus historically the case that, whereas, at key junctures, Ireland has contemplated different structures and regulations for broadcasting it has for the most part adapted elements of the British system.

3.3) The public service system

A broad definition of the public service system would be a publicly governed broadcasting system which addresses the political, cultural and social needs of society. According to Paddy Scannell, it is only now as we see this system retreating that we can begin to recognise its essential systemic or structural characteristics (Scannell, 1991). The 'creation' of public service broadcasting is routinely attributed to individuals such as John Reith, the driving force behind the early BBC. As Curran and Seaton have pointed out this version of events usually

chimes in with the view that public service broadcasting is largely an accidental outcome of a number of pragmatic choices or one approach to the problem of spectrum scarcity. It thus represents 'a depoliticised account of the political and social factors which shaped broadcasting' (Curran and Seaton, 1997/2003). The structural contexts of PSB thus need to be brought into view with reference to the early 20thC role of the state in providing merit goods on a non market basis, the institutional features of state ownership and non-market governance methods, the associated assumptions of socio-normative principles in managing state market relations and addressing issue of social justice as part of institutional and economic management and the parameters and features of historically contingent public space as imagined with reference to class, culture, nationality and gender (Tracey, 1998, Marquand, 2004). Since these socio-political contexts of public broadcasting will be dealt with elsewhere this chapter will address the concept of public service a little closer. The concept of public service arose out of both a sense of pragmatism and a general humanist perspective handed down from the enlightenment which held that, through collective endeavour, justice and equality were promoted through the widespread provision of public/merit goods (Garnham, 2000). As noted, this normative approach represented and was further enabled by the social embedding of a particular mode of Keynesian economic regulation. It was this sense of opportunity which informed political drives towards the universal provision of education and the expansion of the national healthcare system. Public service came to refer to the extended availability of basic goods and services to all members of a society, regardless of their wealth or geographical location, that is public service enabled the provision of both public and merit goods. Raymond Williams has pointed out that, historically, such conceptions of public service have represented the concealed self interest of the power elite, conscious of the alternative of socialism and fearful of the repetition of the upheavals of Eastern Europe (Williams 1974). Even when de-coupled from elite self interest, in the UK, public service usually implied the reification of existing power relations and the imparting of a world view that was consonant with middle class liberal sentiment informed by an elitist

conception of culture, 'an authoritarian system with conscience' (Williams 1966, p90). In Ireland, the introduction of state radio broadcaster 2RN in 1926 was less shaped by the ethic of public service and more so by political concern over the cultural and informational autonomy of the fledgling state and presented an opportunity to maintain political control over the development of broadcasting in Ireland (the political, economic and socio-cultural dimensions of Irish broadcasting will be further discussed in chapter five). However, beyond these analyses, it is possible to rescue the concept of public service from historically specific instances of its expression, while also noting the contested nature of its historical expression. In relation to the BBC, for example, Paddy Scannell has illustrated through a number of studies how the institutional ethos changed from paternalist public service to pluralistic public service assimilating more democratic forms of representation and opening itself to increased socio-cultural stimuli (Scannell 1989). Likewise, in the Irish context, 2RN was succeeded by RTE which had considerably more legislative and organisational autonomy than its predecessor and also benefitted from ongoing efforts to give that broadcaster more of a public service character. Scannell argues that criticism of public service broadcasting concentrates on its resemblance to other state institutions and fails to note its communicative achievements in society. The concept of public service is therefore not a static concept. Added to this, the dismissal of John Reith as a moral dictator obscures his important role in helping to create a space wherein socio normative principles would open out the potential space for broadcasting to develop institutional practices at a distance from the logic of capital accumulation/commercial imperative. .

Asa Briggs' account of the BBC's early years suggests that Reith acted as a megaphone for a wide spectrum of influential opinions regarding the use of broadcasting in society (Briggs, 1966). Reith articulated the moral purposefulness of the 1920's. In Ireland, the Reithean argument had influence in so far as it articulated suspicion towards the commercial organisation of broadcasting that was developing in the United States (cf Pine, 2003). As John

Horgan has suggested, policy transfer from the UK meant that Ireland was to be 'saddled with a broadcasting model and a broadcasting philosophy which was not of its own choosing', (Horgan, 2001, p16). However, arguably, it was a model that was potentially generative and could be shaped by prevailing political, religious and social elites. Opposition in the UK to the public broadcasting model was palpable and Reith had fashioned an argument in answer to the convincing push for a system of perceived commercial democracy akin to that which existed in the US (Briggs, 1966). Crucially, Reith's ideas were generally shared by political elites careful to maintain control over broadcasting whereas commercial actors saw little benefit in providing content for their hardware. In his submission to the 1926 Crawford commission Reith outlined the following four conditions for public broadcasting;

- (1) Broadcasting should not be compelled to operate on a 'for profit' basis, nor should it be treated as an ancillary of state machinery
- (2) Broadcasting should be universally available, in a geographical sense,
- (3) Control over broadcasting should be centralised and unified, that is it should be a monopoly,
- (4) Broadcasting should always retain high standards (Briggs, 1966).

Since this early articulation, the conditions for public broadcasting being the product of both history and experience have been elaborated upon. One formulation of the conditions for public broadcasting that has broad support throughout the literature, are those summarised by the Broadcasting Research Unit which was convened in Britain in the 1980's (Blumler 1992, Tracey 1998, Wheeler 1997, Humphreys 1996). These eight points are deemed to cover the features that a public broadcasting system cannot do without. The principles are as follows;

- (1) the principle of geographical universality, that everybody should have access to the same services;

- (2) Broadcasting should also cater for all interests and tastes;
- (3) 'all interests' includes those of minority groups;
- (4) Broadcasting should also play a central role in the national life of the country as well as the community;
- (5) Detachment from vested interests and the government is essential;
- (6) At least one broadcasting system should be funded directly from the corpus of users;
- (7) Competition should occur in relation to good programming rather than audience ratings;
- (8) The guidelines adopted by institutions should be fashioned so as to liberate programme makers and not restrict them (BRU in Hood: 1997).

Thus the institutional norms of the public service system can be summed up by reference to policy goals of universal access, universal service, public service and plurality and diversity. Not all of these elements can be generalised to the system that developed in Ireland. State control and government influence in Ireland has been more pronounced than in the UK system. 2RN, the State's first radio broadcaster, was essentially a division of the Department of Post and Telegraphs and was constrained both financially and ideologically to operate as a cultural extension of the state charged with a minimal remit for informational programming. Later, RTE (1961), although enjoying more autonomy, has historically and contemporarily had to contend with a political culture that tends to blur the boundaries between the public and the national to the degree that RTE's identity as a public broadcaster has routinely been under pressure for re-definition as a national broadcaster, the latter implying less autonomy and criticality in its operation. In terms of representing minorities, Ireland has been culturally homogenous for most of the history of the State, and broadcasting has been central in this project of imagining the nation with the affect that minority groups or interests that are not represented through the political/cultural nexus of first, catholic corporatism, and later, neoliberal corporatism, tend to be under represented. Thus if it is possible to characterise the ideological struggle over

PSB in Ireland one could see it in terms of the balance between RTE's identity and practice as a national, cultural institution reflecting the catholic (and later, consumerist) values of the state or as a public informational broadcaster reflecting the UK and continental leaning towards 'a liberal pluralist public sphere'. RTE, has, arguably, always attempted to balance these dimensions through its operation and output.

3.3.1) Structural dimensions of public service system

The structures of a public broadcasting system, its operation within an industrial system of production, can be broken into the four cognate areas of organisation, finance, regulation and accountability. The organisations such as the BBC and RTE, reflect the culture of centralised production of the time in which they were conceived, subject to the forces of centralisation and hierarchy in terms of organisation and management structure. The hierarchy of organisation tended to be a pyramid structure with engineers, technicians at the bottom, programme makers in the middle and departmental and station managers at the top (Curran and Seaton, 1997/2003). At the very top some form of administrative structure, broadcasting executive and a board of governors would act as the interface between the government or state department responsible for broadcasting. Unity of control however, did not prevent the establishment of regional structures as was the case with BBC regional radio broadcasting, regional stations provided alternatives to the national programme, and later, were realised in television in the regional structure of the ITV network. In Ireland, the Dublin based production network was complimented by a regional station in Cork, but for the most part the development of public broadcasting has reflected the centralised political structure of the state.

A public broadcasting system is a heavily regulated system in comparison to the other mass media of the film, press and publishing industries. However this heavy regulation paradoxically created the scenario whereby 'the legislative and regulatory shell had protected and encouraged the growth of a complex

philosophy of broadcasting' (Negrine, 1994, p89). The regulatory structures in place for UK broadcasters allowed for a degree of institutional autonomy within the pluralist ideals of the liberal democratic state. In the Irish context, in the case of radio broadcasting, until 1960, this autonomy was more notional than concrete. The staff at 2RN were civil servants seconded from the Department of Post and Telegraphs and the content was shaped to support state building projects through cultural nationalism and informational support for industrial sectors. However with the introduction of Television, and a new structure for broadcasting, the principles of autonomy were inscribed in legislation and subsequently negotiated in the various clashes between broadcaster and government over programming. Arguably, it was in 1960 that public broadcasting was instituted in Ireland. Thus broadcasters worked within a normative balance between rights and responsibilities. The regulatory structure ensured that only elected and accountable power premised on the public interest was in a position to make decisions regarding the fundamental structure of the system. Regulatory frameworks and obligations made public a number of public policy objectives, chief amongst which is the public interest goal which seeks to furnish citizens with the requisite social and political information to partake in the democratic system. Once again institutional norms developed over time included the need for balance, objectivity and impartiality in factual programming (Crissel, 2002). Other regulations dealt with questions of public taste, decency, industrial objectives, cultural policy, industry structure and finance (Feintuck, 1999). The emphasis was on finding the sophisticated balance of regulation to best utilise resources in order to ensure maximum efficiency and diversity in programme production across a variety of broadcasting organisations, for both majority and minority audiences (Negrine, 1994). Regulatory objectives and methods have changed and developed with the system itself but a central feature is the goal of constraining broadcasting from only realising its commercial and economic potential. Thus socio-political objectives are inscribed into broadcasting practice alongside the attainment of legitimation through answering the varied needs of large audiences. Regulation aims to harness the market and commercial

revenues to fulfil these objectives, developing a relatively balanced mixed economy of broadcasting either through a dual system of public/commercial provision or through dual funded broadcaster such as RTE in Ireland. In a 'light touch' regulatory system, broadcasting as an area of investment for capital, a source of commercial revenue and a means of valorisation for other areas of the economy can ease out forms of programming which do not sit comfortably with the culture of consumption. Added to this the economics of broadcasting will still place it beyond different social groups no matter how much liberalisation takes place (Keane, 1990, Garnham 1990, Mosco, 1996). Public service regulation, however, has not existed apart from economic and political pressure but has developed ways of minimising the worst features of both. Intervention through regulation aimed to direct those pressures towards an acceptable concept of the public interest. In public broadcasting systems in the UK and, with the advent of television broadcasting in Ireland the regulatory bodies were somewhat internalised within the organisations themselves but were notionally publicly accountable and subject to government approval. In the UK, the chief regulatory bodies were the government appointed BBC Board of Governors and the ITA (now respectively absorbed into the BBC Trust and Ofcom). In Ireland the RTE Authority oversaw RTE's operations until the recent legislation for a Broadcasting Authority of Ireland (2008 Broadcasting Act) to oversee both the public and commercial broadcasters. The governors were ultimately accountable to parliament and appointed by the government of the day. The governors periodically reviewed the work of the broadcasting authorities and acted as an interface between government and broadcaster. One important institutional point is the fact that the governance structure consisted of more than public bodies and involved developed structures of governance including secretariats, national and regional advisory councils and elaborated procedures for overseeing the work of broadcasters. They provided a notional distance between editorial control and government interference. It is possible to argue that the existence of differential regulators for the BBC/RTE and the commercial ITV/TV3 lent itself to a degree of regulatory plurality wherein different structures allowed different

thinking on policy objectives. With the legislation for commercial broadcasting in 1954 the Independent Television Authority (later the IBA, then ITC) was established within a similar framework as the public service authority defining itself in relation to public service objectives. In Ireland, from 1989, the Irish Radio and Television Commission (later the BCI, 2001) performed the same function. Essentially the IBA/IRTC regulated the commercial broadcasters in the public interest. A key point to note is that public regulation was systemic, pluralistic, interventionist and sector specific

The key sources of funding for public broadcasters, as the primary institutions of the public service system in Western Europe, has traditionally come from either a licence fee mechanism, government grants, taxes or a combination of either of these with advertising revenue. The licence fee is held to be symbolic in expressing the direct relationship between the purposes of a broadcaster and the licence paying audience. It creates a bond of public ownership which in turn affects the relationship between them, each other and the broadcaster. Although a financial relation it became imbued with a symbolic dimension that became part of the broadcasters overall contribution to the public imaginary. However, historically, the licence fee was designed to offset the financial risks of the original British Broadcasting Company and originally had very little ideological significance. A licence fee would provide revenue up front unlike the relatively untested commercial system. It guaranteed payment for a service that could not restrict access to its goods. The licence fee represented 'money in the bank', although, from an early stage, the licence fee came to be recognised as a potential buffer zone against unwanted commercial interference (Briggs, 1966). In Ireland both 2RN and later RTE were dual funded principally to balance the commercial imperative of those broadcasters with political and cultural missions, and because the small population (on average, 1.3 million television households) and depressed levels of economic development prevented the funding of a broadcasting institution from licence fee revenue alone. With the establishment of the British Broadcasting Corporation in 1926 Reith had successfully used the

licence fee to distinguish it from the growing commercially based mass culture which was attracting criticism from both conservative and radical quarters in relation to charges of cultural debasement. However, whereas the licence fee or a grant of some kind freed public institutions from commercial pressures, it still left them open to pressure from civil servants or the government of the day. Those who would eventually lobby for commercial television also argued that it left those broadcasters more open to elite public opinion. This is a dimension of public service broadcasting that has been resolved in some systems but remains in many (Humphreys, 1996). The ability of government to set the licence fee has, to many commentators, always existed as a form of soft control, with broadcasting executives aware that licence fee may be curtailed if a the political establishment is displeased with its performance. Accompanying the publicly funded element of the system, a further element of non competition for finances, seeks to lessen the worst features of an openly competitive broadcasting system. As the British broadcasting system was expanded to include a commercial franchise, the revenue from advertising entailed that neither the BBC nor the ITV network were chasing the same revenue. In Ireland, however, with the introduction of the dual system, all broadcasters, public and commercial compete for advertising revenue not only against each other, but with broadcasters operating from within the UK system. Within the independent network in the UK, the regional bidding for franchises and the relationship between the various independent companies was structured in such a way so as to avoid direct competition between the companies (Wheeler 1997). In order to maintain parity between the public broadcasters and the commercial broadcasters, a discriminatory tax was placed on the latter to keep profits down and encourage re-investment in programming as the use of broadcast time was 'the use of a national asset' (Pilkington cited in Hood 1997). With the setting up of Channel Four the finance structure was designed so that the broadcaster did not raise its own advertising revenue and thus would not be in direct competition with ITV (Hood 1997). Implicit in this overall approach to financing is a resistance to the commodification of the audience, whereby broadcasters sell audiences to

advertisers and the *raison d'être* of the broadcaster becomes maximisation of audience size. According to Michael Treacy, 'in a public system television producers acquire the money to make programmes. In a commercial system they make programmes to make money' (Treacy 1998, p18). A further element of this logic was the institutionalised distance between editorial responsibility/creativity and advertising. The BBC had no advertising revenue, the ITV companies eventually had their advertising sold by the regulator, the IBA, and Channel Four had its advertising sold by the advertising companies. These structural features maintained that the purposes of programming should be cultural, political and social as opposed to commercial. The public service model suggests that the extent to which commercialisation affects cultural production depends on how it is balanced or regulated (Curran & Seaton, 1997). As has been the situation in Ireland, commercial funding can become an important element of raising revenue and ensuring plurality in funding, together with a regulatory structure that manages the commercial relationship. However, this assertion raises the question of who oversees regulators and according to what criteria can programme making be accounted for.

If broadcasting is managed in the public interest, then standards of accountability must exist within the system. Accountability structures in theory link broadcasting to the wider society in which it operates (Garnham, 1980). In a large industrial society limitations are placed on the scope of feedback that can be directed at the broadcasters. Thus structures of accountability tend to be representative, either through public bodies or through the political system itself. In Ireland the latter structure has characterised the public broadcasting system. The government as a democratically elected body appointed the RTE authority. Thus, accountability was negotiated between the institution, a representative body and a government minister/cabinet. In theory, broadcaster accountability was achieved whereas direct state interference was circumscribed. The chief criticism of these boards of governors was and continues to be the inherent contradiction in their operation. On the one hand they represent the public to the broadcaster

whereas on the other they represent the broadcaster to the state. At various different junctures boards or authorities have shown themselves to be subject to the 'capture' of the broadcasters or the politicians, failing the public interest they are meant to represent (Wheeler 1997, Curran and Seaton, 1997, Negrine, 1996). Scannell has identified this as a problem of representative democracy itself, wherein power accrues to representatives rather than those they are elected to represent (Scannell, 1991).

The structures of public broadcasting have been developed to guarantee that central objectives, such as the eight outlined by the BRU, have been realised in practice. Official histories of public broadcasting (and any other type of broadcasting), such as those produced by the institutions themselves often provide uncritical accounts of the relationship between structures and objectives (Whittaker 1999, Branston 1997). Nicholas Garnham has pointed out that these histories must be interrogated as historical evidence is 'the only evidence we have against which to test theories' (Garnham 1998). In more critical accounts of the institutional performance of public broadcasting in Ireland and the UK, normative claims about the relationship between broadcasting and the State and the relationship between broadcasting and the public have been opened up to scrutiny. Initially the relationship between broadcasting, state and public was one of consensus. A general agreement pervaded that broadcasting was a public utility to be managed in the public and/or state interest (Horgan, 2001, Scannell and Cardiff 1991). According to Benedict Anderson a broad identification with the nation as 'imagined community' in which the nation is always conceived of as 'a deep horizontal comradeship', is one that has both been mobilised by media (print) and has shaped media (broadcasting) (Anderson 1983, p7). Whereas, early on in its development, politicians may not have grasped the full significance of broadcasting in relation to 'nation building', John Reith's vision of 'making the nation as one man' summed up the potential of the new medium. Following the disruption of war, an identification of the national interest with the public interest was one that was subscribed to by voters, broadcasters and key industrial

interests (Curran and Seaton, 1997). The model of corporatism was, post war, broadly consensual. Thus the concept of broadcasting being independent from political interests was unproblematic when the broadcaster resided neatly within the framework of the liberal democratic state or, in the Irish case, the catholic corporatist state. However, if the concept of autonomy was relative, at this stage, it was also formative in creating expectations of the public broadcasting system in years to come (Wheeler 1997, Kumar 1986). Throughout World War Two, radio broadcasting was utilised as an instrument of state, through careful negotiation between parliament and the broadcaster. The purported independence of the BBC became a key ideological tool in the war time effort legitimising its claims to truth when contrasted with the directly propagandist use of broadcasting by the Axis powers (Negrine 1986). Government pressure on broadcasters in the UK was of the informal kind. The centralisation of broadcasting that had occurred under Reith made a single national broadcasting system responsive to a single government communiqué, in what had become during war time, a single party state (Treacy 1998). Responsiveness to government wishes was informed by the financial threat of licence fee curtailment as well as threats to the institutional future of the BBC. Despite the many documented cases of broadcaster subservience during and after the war, Scannell has highlighted that there also occurred many spirited displays of independence and opposition from within the public broadcaster (Scannell 1991). Its maintenance of independence from centralised governmental control, within the limitations of a national emergency and its openness to institutional pressure, had catapulted the Corporation and broadcasting into a central position in relation to mediating the political life of the UK. Thus, according to Scannell, at the political level, the public broadcasting institution was open to the forces of political and cultural consensus, but at the level of social institution of communication it was developing more influence and power than had been previously foreseen. In Ireland, the long reign of Fianna Fail in power from 1932 to 1948, saw the state broadcaster become for all intent and purposes a megaphone for that party and its national project of realising Ireland as a

independent self sufficient catholic community. With the introduction of television broadcasting the state had become politically mature enough and relatively free of political violence to afford some degree of institutional autonomy to RTE. Added to this the Irish state had, by the late 1950s, signalled an interest in Keynesian central planning legitimising public companies in distinction to statist enterprise. The legislation that outlined the structure and function of RTE borrowed from the UK institutional solutions to the political role of the broadcaster in society.

Following World War 2, in the UK, broadcasters had to develop new practices in relation to the two party state. The BBC adopted a policy of impartiality within the frameworks of the liberal democratic state adhering firmly to representation of only elected political viewpoints. According to Negrine, this led to an ideology of balance which reflected the reality of a two party democracy. The role of the BBC was best seen as 'impartial brokerage in a prevailing political system', not as some thought, independence from that political system (Smith cited in Negrine 1994, p104). This broadcasting convention was also grafted onto the new Irish television service which was legislated for in 1960. RTE was legislatively mandated to be objective, impartial and balanced in its informational programming. This combination of broadcastings social power, the contested nature of the consensus undergirding nation building and the symbolic narrowing of politics to two party liberal democracy all presented problems for how the structure of the public service system could, later, deal with dissent, discensus and difference within democratic nation states.

In the UK, the end of the monopoly in television broadcasting in response to private, political and commercial lobbying in 1954 was to do little to change the relationship between broadcasting and the state (Scannell, 1996). The late introduction of TV3 in Ireland (in 1997, nearly a decade after it was legislated for) also seen little innovation in the structure and funding of that institution. ITV supervised by the public body, the ITA (later IBA, then ITC), was set up as an

extension of the public service concept (Crisell, 2002). The ITV network embraced the BBC's by then well established approach to politics and both settled into a relationship that has since been described as 'competing complimentary' failing to produce the kind of diversity that the political supporters of commercial television had hoped it would (Blumler, 1992, Hood, 1994). However, by the 1960's, the concept of objectivity and impartiality, in both Ireland and the UK had become increasingly problematic when faced with the agenda of radical pluralist politics (Kumar, 1977, Garnham, 1978). Radicalism from both the left and right of the political spectrum, international political crises and economic downturn engendered a more complex political landscape for the broadcasting system to come to terms with. The BBC and ITV networks' reaction to this challenge to consensus was one of uncertainty, and to many, failure (Hall, 1977). Antagonism between broadcasters and government were symptomatic of larger changes in society, culture and politics as the contradictions inherent in British nationalist welfarism became increasingly apparent. For the UK and Ireland, challenges to the status quo went beyond political protest as the resurgence of sectarian strife in Northern Ireland, where the very legality of the democratic state was contested, lead to a divergence in interpretation of the national media's role in such circumstances. From either side of the battle lines, broadcasting was accused of complicity with the state, producing representations of events that were skewed along the lines of official definitions of social reality (Curtis 1984, Miller 1994, Schlesinger, 1991, Horgan 2001). Professional ideologies, the political appointment of the board of governors, the control of finance by the government, the web of class relations that existed between politicians, civil servants and broadcasters were all highlighted as self evident factors of why the existing public broadcasting system could not engender plural and diverse broadcasting. In both Ireland and the UK challenges to the state from paramilitary actions prompted curtailments on the freedom of broadcasters to interpret events via their own professional ideologies of objectivity and impartiality. The State was not to be a party to conflict but represented the contexts within which that conflict should be interpreted.

In the UK, one political response to this groundswell towards pluralism was the policy processes that lead to the creation of Channel Four, via the Annan Committee, by the 1980 Broadcasting Act (Hood, 1997). Again the financing and regulation of Channel Four were carefully crafted so that it became an expansion of the existing public service system, guided by the principle of pluralism and a 'wider range of programmes that spoke not just to the mass audience' (Hood, 1997). In Ireland, similar pressures took on culturally divergent forms in the illegal development of community and pirate broadcasting and legislation for the liberalisation of broadcasting was introduced in 1988. Cultural populism in the form of Anglo American pop culture represented an alternative to the catholicised form of Irish folk culture that had become institutionalised in Irish cultural policy which was already somewhat challenged by the cultural populist programming available via the British television system (UTV) and the ideological utopianism of Hollywood. Language nationalism articulated the tension that was emerging in the turn away from an agrarian vision of Ireland and the move to foreign direct investment, increased urbanism and ongoing political centralisation. For RTE, the aphorism that the 'centre cannot hold' was looking particularly prophetic.

Criticism of political bias in public broadcasting system could be answered by expanding the systemic objective of pluralism and diversity across the range of channels. Curran and Seaton point to a further consequence of this period in British broadcasting wherein the broadcasting professionals within the BBC also questioned the consensual shell of the public service system to embrace ideologies of institutional professionalism, demanding autonomy in broadcasting. This push to independence left the integrity of the Corporation as a public service broadcaster open to attack when Margaret Thatcher's radical right came to power in 1977 (Curran and Seaton, 2003). The consensus that broadcasting be run systemically as a public utility in the public interest was soon to be questioned by a new politics of private enterprise, and the emergence of new

political economic projects that placed the social contract which underlined broadcasting under increased scrutiny.

In Paddy Scannell's extensive treatment of broadcasting's relationship with the public, he has identified three broad phases of public broadcasting in the UK; 1927-1954 paternalism; 1954-1977 populism; and 1977-1990, multiculturalism (it could be argued that 1990-Present is characterised by popular, multicultural postmodernism) (Scannell 1996). The fundamental expression of public broadcasting's relationship to its public, which has underpinned all the shifts in the phases above, is its definition as a public good. That is, its consumption by one individual does not reduce or prevent consumption by another and therefore it can be consumed by an unlimited amount of others. Further to this, its provision to as many as possible had positive externalities for the whole community (Graham and Davies, 1997). The early paternalist Corporation under John Reith, has often been cited as evidence of the fundamentally anti-democratic foundations of public service broadcasting. Krishan Kumar, however, points out that the in early years of the corporation, even though it had the support of political will, it continually had to justify its existence. Its eagerness to impress a broad range of intelligentsia, civil servants and government ministers meant it had little time to imagine any other audience (Kumar, 1977). According to Asa Briggs, despite this, Reith's conception of the audience began with a view of them 'as a public, a series of publics and not as a mass aggregate of consumers'. Early attempts to tap into the current of public opinion through local committees were attempted but failed as they did not 'reach deep enough or sufficiently democratically into the subsoil of the community to ensure that people felt that the BBC was theirs' (Briggs, 1966). The representative structures of accountability, allowed Reith to claim responsiveness in fashioning his particular mixed service of 'quality programming' in entertainment, education and information. The 'quality' facet of his formula tended to reflect particular criteria of quality rooted in male, middle class and south east English value judgements (Branston, 1997). However, even as Reith might be castigated for embodying the

paternalist value judgements of his day, his own normative vision ensured that a universal broadcasting system was available for progressive interpretations of public service norms from wider sources of influence (Scannell, 1991).

In the shift to populism and then multiculturalism, the concept of public service was expanded from a single broadcaster to a number of broadcasters catering for different taste publics within a systemic concept of regulation (Treacy, 1998, Scannell 1991, Branston, 1997). Commercial and private motives were harnessed with ITV, ploughing its profits back into 'popular' programming to avoid excessive taxation and Channel Four prevented from competing for advertising through populist programming through both the IBA's sale of its advertising spots and a clearly determined programming remit. In Ireland, the IRTC developed licenses for broadcasters which included public service commitments, even as these were not adhered to. A strong argument has been made by Scannell that both the move to populism and then to multiculturalism is evidence of the potential of a responsive public service system of regulation. Audience demands for increased programme options through commercial broadcasting may have been originally lacklustre but the potential responsiveness of commercial broadcasting eventually emerged and is empirically evident in the changes the public broadcaster's schedules. In the UK the regulatory structure meant that the BBC 1 and ITV went head to head to compete in programming, addressing popular tastes without diminishing each others revenue, whereas the same was broadly true of BBC2 and Channel Four in relation to minority audiences, whether cultural, political or ethnic minorities. The whole system, however, was available to all recognising the fact that at certain times individuals belong to a minority and at others is part of a majority. The broad concept of responsiveness to divergent tastes, while maintaining 'quality' production values was met through the avoidance of competition for revenue, whereas definite programming remits ensured that diversity in programming, whether popular or minority based, existed. In Ireland, plurality was driven by demands for geographical, populist and linguistic expression .In

1972 an Irish language radio station had been introduced as an extension of RTE's service to appease the demands for increased access to Irish language programming. From 1990 on regional and local broadcasters were licensed to compete with the public service broadcaster and a long demanded Irish language television broadcaster, TnaG (later re-branded TG4) was introduced in 1996. Cable and MMDS distribution networks were extended throughout the 1970s/80s to appease those who did not have access to the increased plurality of choices available in the UK system via multichannel television.

Absent from such a formulation of a public service system is recognition of the 'minimum structured public control' that a representative system of accountability fails to deliver, a concept which the anti statist liberal model of broadcasting further critiques (Garnham, 1980). However this relatively positive assessment of the institutional features of ps system needs to be balanced against its criticisms and its failure to meet some of its objectives in the real world application. Perhaps the most sustained critique of these shortcomings was articulated in the process of widening the public service system itself.

3.4) Anti Statist Liberal/Radical Democracy models

Anti-Statist Liberal critiques, coupled with Leftist critiques of UK broadcasting, arose chiefly as an alternative to, and a critique of, the public service system itself. It is possible to trace some of its defining concepts to the classical arguments surrounding the freedom of the press as expressed in the anti-statist and liberal democratic arguments of John Locke and John Stuart Mill (Wheeler, 1997). Central to the argument are the core concepts of the rights of individuals and the pursuit of truth through unrestricted public discussion among citizens (Keane, 1990). As such the ASL critique seeks to build upon a tradition of philosophical arguments for press freedom developed in Europe and North America from the end of the 17th Century to the present. The key obstacle to press freedom, observed by Locke, Mill and others, was the various forms of state censorship practiced through regulation, taxation and legislation. The state,

which had proved an essential innovation in the re-structuring of power relations in the transformation to a capitalist mode of production (the systems world), has also overextended itself into the life of citizens (the lifeworld) and the socio-institutional infrastructure (Habermas, 1989). The concurrent rise of a bourgeois society utilising reason to question these objectified power relations, mobilised the press for this purpose. Keane highlights three of Mills propositions from 'On Liberty' as having direct bearing on anti statist sentiment.

- (1) Any opinion which is silenced by government or civil society because it is allegedly false may prove to be true, in so far as truth is certifiable. By disallowing opinion the censor is imposing their own view of the world by suppressing others.
- (2) If an opinion is somehow false, it may also contain an ounce of truth.
- (3) Truth if unchallenged retreats into dead dogma. (Keane, 1990).

In the 1960's, the claim of public broadcasting to be representative of the 'public' appeared to many to be dead dogma. Perceived state intervention into broadcasting practice and broadcastings legitimisation of two party politics lead organised groups such as academics, trade unionists, radical politicians and various minority groupings to draw on the anti statist liberal critique as a corrective to the paternalist/populist/consensualist dimensions of the public service system (Garnham, 1980). In addition to the political argument for increased plurality of political forms a cultural argument arose that campaigned for the democratisation of cultural production so that the diversity of forms of life that made up Britain along gender, race, class and political lines would find a presence in the national airwaves. These arguments would find further expression in the discourse of cultural citizenship which presents the cogent argument for a balance between autonomy of cultural forms coupled with representation in wider group frameworks such as national television (Miller, 2007).

The radical democratic critique of the public serviced system has been articulated at various stages in the development of broadcasting and is worth re-visiting as a set of policy norms. This is best seen as a structure of ambition, a normative ideal that may nevertheless have the potential to influence the shape and structure of the marketised model of broadcasting and re-think normative potential for policy design. It is possible to outline its central ideals through the early writings of Nicholas Garnham and Raymond Williams and the more developed approaches of the Annan committee, John Keane and Stuart Hood as well as the various advocates of Channel Four in the policy cycle running up to its establishment. A primary principle of the model is the potential autonomy of broadcasting institutions from the state, with representative bodies such as the broadcasting authorities being replaced by publicly controlled and locally sourced representatives. The state, in the interests of democracy, must guarantee the autonomy of the broadcasting institutions and independent bodies through legislation. Broadcasting institutions would be primarily publicly funded whereas commercial funding would be regulated to avoid market pressure. The institutions of broadcasting would be thoroughly decentralised, regionally dispersed and community oriented. Genuinely independent sources should provide the majority of content in the interests of pluralism and diversity. The ultimate goal of the model would be to facilitate;

‘a genuine commonwealth of forms of life, tastes and opinions, to empower a plurality of citizens who are governed by neither despotic states nor by market forces...enable citizens to live democratically within the framework of multilayered constitutional states, go about their business within independent self organising civil societies which underpin and transcend the narrow boundaries of state institutions’ (John Keane, 1990, p126)

In many ways it has to be acknowledged that the radical democratic model is also the ‘civil society’ model. In turning to the structures that underpin an radical democratic model it is important to note a divide between those who advocate a

more structured approach and those who advocate a more libertarian tack. The latter approach can be discerned in the Annan Committee report of 1977, convened three years earlier by the UK Labour government of the day. The Annan report noted a more multi racial plural society in which the Reithean or populist notions of a single public no longer sufficed. Instead, it advocated extended broadcasting services together with structures of public control and access (Crisell, 2002). Garnham has noted that Annan implicitly endorsed a producer ideology wherein creative individuals and small scale decision making teams would provide the requisite programming. However, as Crisell has pointed out, this producer ideology was contradicted by the advocating of increased public access and control, which would essentially mean greater bureaucratisation of the production process (Crisell, 2002). Raymond Williams suggests a more familiar model of four to five public corporations, independent of government interference and regionally dispersed to provide geographic coverage. The existing commercial and public networks would be replaced with these decentralised public corporations 'holding production and transmission facilities in trust' and by a 'wide range of leasing programme companies which should be responsible for production policy' (Williams, 1966). Williams' model was partially realised in the regional structure of the ITV network, (but Williams would of course deem it unacceptable on the grounds of its commercial status). John Keane proposes that a combination of the ITV regional network with the BBC model of organisation partly financed by heavily regulated advertising. The new networks would also be free of any government involvement, relieved of the Reithean agenda of comprehensive service and internally democratised. Cheaper recording technologies could offset the smaller revenue base for each of the corporations (Keane, 1990). The chief criticism of this regional model has come from Nicholas Garnham who points out its mismatch with existing political structures. Regardless of political, economic and cultural differences in society, the state is still 'the site and source of political power' (Garnham, 1990). As such, individuals are always part of a national public who need a national media system to reflect and negotiate public opinion.

The proposed financing of such institutions also reveals a diversity of positions. According to Williams, the corporations would be publicly funded as broadcasting represented social rather than fiscal capital, and should therefore attract educational funding on a par with universities (Williams, 1966). All structures should be de-commercialised guaranteeing independence from vested interests, emphasising the use of broadcasting for social purposes. Keane, conscious of the high costs of such a strategy suggests that advertising may be harnessed to fund the corporations. He states that in a commercial system the key effect of advertising is that it tends to 'edge out from the public domain...non commercial opinions and non market forms of life' (Keane, 1990). However, if regulated so as to be clearly separated from structure and content, advertising can provide a beneficial service to specific communities. The ASL/radical democratic critique however does not reflect upon the consequences of the fragmenting of revenues that its structure entails. In general terms, it envisages expanded public spending or guaranteed advertising revenue for what can be perceived as political purposes that go beyond the political and economic interests expected to support them (Garnham, 1980). Revenue fragmentation can be offset by lowering production values (but not necessarily quality) but high start up costs, educational initiatives and ongoing capital costs persist.

A regulatory regime for this model is also proposed by Williams who suggested a Broadcasting and Television Council consisting of both members of the public and the broadcasting corporations which would oversee the programming and educational functions of the regional corporations. The Annan report suggested an Open Broadcasting Authority which 'would not make programmes but be a publisher and commissioner of programmes made by others, and its funding would come from a variety of sources: the Open University, the Arts Council, charities, the TUC, the confederation of British industry and advertising' (Crisell 2002, p204). Keane has suggested more informal and visible measures which would exert pressure to develop programming policies in support of de-

commodification as well as decentralised public regulation covering all institutions of the media framed within a national legal and political regulatory structure. This broader scope of Keane's highlights some of the complications facing this possible institutional assemblage. Whereas day to day regulatory objectives may be possible, carried out by regional bodies independent of the state, the state would have to be the ultimate guarantor of these structures, especially if as Keane implies, national media policy is to be implicated. In addition, the participation of the state is necessary in the long term structural planning regarding finance, capital grants, infrastructure etc. Also, technical questions regarding the allocation of spectrum, in the light of security and emergency issues, would also involve state agency. In relation to accountability, this is the strongest and perhaps most realisable aspect of the ASL model. Whereas output may remain representative as in the public service model, the role of the public in deciding what is produced is central. Public bodies drawn from various sectors of society (including parliamentary politics) and continuously re-elected, would provide a balance to the varied power-relations that constitute broadcasting both internally and externally. The motivation and decisions of the broadcasters would be open to the full scrutiny of these representative bodies whereas dealings between the bodies and the broadcaster would be fully open to the public. Thus the public would exercise both rights and duties in relation to the exercise of cultural power (Garnham, 1980).

Unsurprisingly, there are few concrete examples of an anti-statist liberal model of broadcasting in practice. In countries such as Germany, Belgium and the Netherlands there has existed federalist approaches to broadcasting which have been nonetheless 'elite' controlled (Humphreys, 1996). In Britain a concerted effort to break the perceived monopolies of BBC and ITV led to a particular compromise in the setting up of Channel Four. The Annan Committee supported the existing public service system and the concept of broadcasting as a public good, but also assimilated with the mounting social pressure for a less consensus driven approach to broadcasting (Crissell, 2002). Anthony Smith, a

former BBC producer, framed an 'open access policy' whereby programmes would be produced by disparate groups, free of the editorial control which underlined BBC/ITV perspectives, given to 'openness rather than balance, to expression rather than neutralisation' (Smith cited in Wheeler, 1997). The Annan Committee recognised the inadequacies of both ITV and BBC populism in the face of multiculturalism. It recommended the setting up of an Open Broadcasting Authority which would act as a publisher of the airwaves with the programmes coming from ITV companies or independent producer's non-aligned to an institutional philosophy. The authority would only be regulatory in so far as it applied existing press laws to its output. Funding would be garnered from a number of different sources ensuring private finance would not influence output (Hood, 1997). The ensuing Labour debate regarding the likely implementation of Channel Four was, however, brought to an end by the Conservative electoral victory in 1979.

Both the Labour party debates and the Conservative party approach in the UK highlighted 'the difficulty in persuading any government to relax its controlling powers over broadcasting' (Hood, 1997). The model of the OBA was dropped, its duties instead being taken up by the IBA which already oversaw the ITV network and was indeed subject to parliamentary accountability. The ITV companies would sell the new channel's advertising space and support it through a levy if revenue dropped below a certain amount. The structure of the channel itself, took on conventional company form with a corporate body made up of a chair, a board and a chief executive. For many of those who had lobbied for a new institutional settlement, the outcome was a disappointment. According to Hood, the radical proposals which had emanated from disgruntled producers shared 'an optimistic belief that it is possible to work as radicals within the institutions of bourgeois democracy and within television organisations in particular' (Hood, 1997). The publisher model disappointed many who felt that 'open access' should mean just that, with direct participation from various minority communities. However, the channel was to be representative of an expanded concept of the public, like the

other available terrestrial channels. Channel Four's pluralistic broadcasting found an audience that often peaked at 14% (Hood, 1997). Its popularity led to a re-think of the BBC 2 channel which also moved towards a more pluralistic approach (Wheeler, 1997). The irony of Channel Four is that it still represents part of the overall make-up of the public service system, extending choice available within a balanced system of regulation. According to Hood it was a 'model without parallel anywhere in the world and in many ways a very desirable one' (Hood, 1997). However it was a model that was to be challenged not long after its inception.

In Ireland the closest variant of the ASL/radical democratic model has been expressed in the struggle for, and subsequent development of, community broadcasting structures. Community broadcasting in Ireland has been predicated on principles of not for profit, public access, public control and community specific programme orientation and has variously been articulated relative to issues of plurality along the lines of language plurality, geographical plurality and social group plurality. From the 1990s a number of radio community broadcasters were licensed by the IRTC under these principles. However community radio and television had a pre-history in the impetus to develop decentralised programming services either for pirate radio pop music or the protest television of Irish language stations. In general, community media has defined itself from the mainstream media of public service and commercial broadcasting and adhered to a notion of democracy that is more akin to direct as opposed to representative democracy. However, there has been little impetus to link this more direct form of representation to the possibility of accessing mainstream or national audiences via a relationship between community production and national broadcasting. This is a systemic lack that takes on increased importance as Ireland's immigrant population and its accompanied cultural diversity seeks to find expression in the national dialogue.

In general, the de-commodification of one area of national cultural production amongst many, with state support, is a concept which as Garnham notes is suffused with the possibilities of the radical pluralist politics of the sixties but impractical at a time of recession and a rising radical right. However, what can be held onto is the deeply pluralist communicative norms that it suggests wherein majority and, minority audiences are brought into contact with each other, and varied levels of social, cultural and political life become a constitutive element of the public sphere. Added to this, the constitutive force of the idea as realised in the eventual development of Channel Four indicates the possibility of an input for critical policy norms in the governance of broadcasting.

3.5) The market liberal/neo-liberal model of broadcasting

Political and economic crises, ideological shifts, shifting policy paradigms internationalisation and technological change (as outlined in chapter one) all form the background to the advance of the market liberal model in general and its institutional overhaul of broadcasting. As suggested, longwave theory proposes the structural impetus for the development of a new mode of accumulation, drawing on structural change and giving rise to the adjustment of institutional forms in the search for a social regime of accumulation. Marketisation or the elevation of markets to a chief mode of governance arises out of both ideological commitments, international pressures, the real difficulties facing the Keynesian state and the perception that the market will deliver results in the search for new paradigms of economic and social development. However, in the governance approaches to the varied post fordist alternatives of the information society, the knowledge based economy, the creative industries (which all have direct implications for media and communications), the market has tended to be the chosen mode of governance in their implementation.

The first wave of marketisation was very much delivered within a framework of ideological justification and normative arguments. Anglo-American neo-liberalism, as argued by Mark Blyth played a key role in providing the ideational

basis for the resolution of the long-downturn (Blyth, 2002). At its core, neo-liberalism as ideology rejects state intervention, whether regulatory or financial, as supposedly self regulating markets are the sole efficient in distributing resources. Neo-liberalism has its roots in the very origins of Adam Smith's political economy in which society is conceived of as a competitive market and individuals are 'the source of enterprise and wealth' (Wheeler, 1997). State regulation has the potential to stifle enterprise and therein distort the natural trajectory of human development. Conversely, the market represents the best mechanism for harmonising and integrating individual behaviour and allocating resources in a given social formation (Roll, 1994). The propensity of individuals to enter into relationships of exchange, according to Adam Smith, created an organic order where overall economic performance contributes to the public good by ensuring national superiority through national wealth. In the late 20th Century, Smith was re-invested with political vigour by a collection of neo-liberal economists and philosophers organised around the Mt Pelerin Society, most notably F.A. Hayek and Milton Friedman (Swann, 1993). Hayek has been central to the post Keynesian renewal of faith in the superiority of the free market system. Hayek et al dismissed as moral sentiment old liberal free marketers belief in the moral obligation of the state to engage in redistributive practices. Price mechanisms represent the only regulatory system capable of dealing with the 'sheer volume of information flow and the complexity of its interconnections' (Swann, 1993). According to Hayek, state intervention affecting price mechanisms represents a 'fatal conceit' (Hayek, 1997). Whereas deregulation and the turn to market making is best seen as the product of a variety of social, political and economic forces and influences, there is little doubt that market liberal philosophy has had a steering role in both articulating, shaping and packaging change (Swann, 1993). In broadcasting, a market model is coming to represent the international model of broadcasting, whereas at national level it has led to compromises for public service systems which now must adjust to internal and external pressures towards re-regulation within an overall market system

(Mosco, 1996, Murdock, 2000). The broad shift is from public service systems to public service institutions existing within rules based regulatory market systems.

In considering neoliberal ideology it must be noted that it claims that there are no such things as social purposes, only individual self interests (Hayek, 1997). It is therefore a systemic objective to channel the myriad choices made by individuals, as humans primarily existing at the level of self interest, into resource allocation in a way that does not affect individual rights or choices, or impose moral values. At the core of this ideology then is the rationally calculating individual who can always be relied upon to make rational calculations based on self interest that maximise the potential resources to him/her. Both Pierre Bourdieu and David Harvey have noted that neo-liberalism is not only an ideology but it is also a utopia on a par with, and just as potentially disastrous as, communism. It claims to know human nature and behaviours, and, to be able to create the ideal social system to harness that knowledge (Bourdieu, 1998, Harvey, 2007). It is implicit in both the Regulation School and neo-institutionalist accounts developed in the previous chapter that neo-liberalism is highly erroneous in its dismissal of the social, cultural and regulative dimensions of economic embedding. And, this is its ideological dimension at its strongest, neo-liberalism claims to be an economic and naturalist philosophy while masking the hierarchical social systems and identities that results from its development.

However, neo-liberalism does not explain in itself the turn to the market and can be seen as having a motivational/legitimizing role in elevating market governance to primary importance in developing specific projects aimed at re-invigorating capitalist growth. Important however, is the degree to which neo-liberalism has informed the development of the world economy (GATS, WTO, World Bank, IMF) which in turn has the force of a pressure on the individual state projects and supranational projects involved in re-structuring. In the case of Europe, state corporatism is giving way to the corporate liberalism of the USA. This is what is at root of the various projects coming under the label of the third

way. As has been pointed out, this is not a third way between capitalism and socialism but a third way between social democracy and neo-liberalism. There are very few examples of strong democratic socialist third ways in the western world. However, because of the persistence of social regulatory measures, institutional variations and public interest agendas in most third way countries, the market governance mode will be referred to as market liberalism, the key difference being its more pragmatic, less ideological dimensions.

When market liberalism is translated into broadcasting the purpose of a broadcasting service, like any other service, is the satisfaction of the individual consumer. Here it is worth considering the Peacock Report produced by market ideologues for the Thatcher government in 1986, as has been remarked elsewhere, this document expresses some the key concepts that have become central features of the architecture of broadcasting policy over the last 20 years. Whereas its outright neo-liberalism has been reigned in by the ascendance of re-regulatory initiatives by subsequent governments, its underlying neo-liberal ideology has been influential. It provides a proto blueprint for re-imagining broadcasting as an element in the commodified informational economy and provides a route map for how it can be achieved via deregulation, market creation and re-regulation. It can also be seen as a precursor of the later European Commission Bangemann report (see next chapter). Peacock demonstrates how technological developments can be appropriated in order to justify political economic adjustments.

According to Peacock, as with any other service provision, a wide number of broadcast services result in competition and hence, a widening of the choices available to the consumer. A broadcast service can therefore best be appreciated as a service delivering commodities. State control over market entry and state support is thus undesirable; the state must be neutral in relation to the provision of commodities. The price mechanism is the key to providing broadcasting services and a direct relationship between payment and broadcast will provide

accurate information about what type of broadcasting is desired and hence, what will be produced in the future. Regressive collective taxes such as the licence fee and public subsidies can only serve to distort the information from the price mechanism and should therefore be discontinued. The sheer number of broadcasters in the market, enabled by technological change, will eventually lead to such levels of competition, that all markets will have to be pursued and diversity will exist across the complete output. Minimum regulations such as those applied to the press in relation to libel, copyright and privacy issues should also be post facto, preventing political censorship. Broadcasters should be accountable to their audiences only as an aggregate of consumers, not through any public bodies. Taken together these conditions for a market liberal model of broadcasting will provide for the public interest. However the concept of the public interest is a radically revised one, perceived of as giving 'the public what they want at prices they can afford' (Rupert Murdoch quoted in Wheeler, 1997). According to Veljanovski the market liberal model in broadcasting thus treats broadcasting;

'like any other economic activity. It should be provided competitively unless there are compelling reasons for not doing so...There is a consensus that the justification for the existing system (public service) and the rationale for the states encroachment on the media are rapidly being undermined by technological advances, and the growing demand that it is the viewers and not broadcasters and regulators who should decide what we see, hear or read' (Veljanovski, 1989).

As is evident, the market liberal model restricts the role of the state in economic practices and therefore broadcastings institutions are wholly privately owned institutions. Who owns the media organisations does not really matter as it is consumers who decide what is produced. A post-fordist model of production enabled by technical advance (digitalisation, computerisation) would engender multiple production centres responding to the market in a dynamic fashion. In the market liberal model, the broadcasters are not the programme makers. Low cost technology combined with expanding bandwidth makes the broadcasting industry

analogous to the publishing industry, with market entry open to all who can avail of falling entry costs. Common carrier laws ensure that all distribution systems are open to the various broadcasting interests, thus network regulation is based on liberalised telecoms regulation. Finance is an important structural element as it creates the conditions for responsiveness and incentives for efficiency. If the market first appears as chaotic, it will eventually set prices leading to the complete efficiency in the use of broadcast resources. The optimal financial model is that of pay per view, with consumers only paying for what they actually watch (Veljanovski, 1989). Users pay for discrete programme items, creating their own schedules and buying from whoever offers the most suitable goods at the best prices. Samuel Brittan in his contribution to the Peacock report argued for the creation of a levy on advertising or the provision of some form of tax finance to create a public service fund within the market liberal model. Independent broadcasters could then compete for the funds on the basis of competitive proposals for minority or educational programming which may be neglected by the market. Thus the concept of public service could be relegated to certain programming genres. However, as Crisell has pointed out, this also indicates that the market liberal model implicitly recognises that 'markets can be driven by something other than direct consumer demand' (Crisell, 2002, p213). Viewers demand broadcasting services as citizens willing to pay tax for them, not only as consumers willing to pay to view.

The regulatory model proposed is one of re-regulation as the free market negates the need for heavy regulation, creates competition, stimulates efficiency and fosters choice. Minimal legal provisions comparable to the existing western press laws would apply in areas such as copyright and libel whereas competition law would oversee the industry. The broadcasting industry would be therefore essentially self-regulating in the interests of avoiding prosecution. Samuel Brittan suggests that extra legalities would guarantee market entry for programme makers who can cover their costs or otherwise finance production and common carrier rules which would ensure that operators of transmission equipment carry

all services which meet the criteria for market entry. The market is in Hayek's formulation far superior to the 'expert government administrators' whereas programme producers and audiences will be liberated from the dominance of state backed orthodox values (Veljanovski, 1989). The market also replaces formal structures of accountability. Broadcasters, compelled to make money in a competitive environment, will necessarily have to give the public what they want, to maximise ratings and hence profit and investment. In relation to the provision of choice 'there is a critical level of channel competition, after which diversity becomes the profit maximising strategy for some channels' (Veljanovski, 1989). A transfer of power results, from administrators to consumers, in relation to who decides what is in effect produced (Peacock, 1986). Along with the deregulation and liberalisation, privatisation of formerly public networks should take place to allow for full scale competition.

A significant element of the market liberal model is the power it transfers from accountable public representatives, to unaccountable corporate interests. However, leaving aside the regulatory challenges of media market concentration and corporate power, even Hayek suggests that 'where it is impossible to create the conditions necessary to make competition effective, we must resort to other methods of guiding economic activity' (Hayek, 1997, p37).

A central element of the Peacock Report is the role that new technology plays in ideally enabling a full market structure in broadcasting. The introduction of cable and satellite technology was seen as central in expanding the bandwidth available for broadcast content allowing for increased availability of content, increased choice in content and the potential of flexibility in consumption of content. This, it was argued, was reason enough to allow for a de-regulated structure wherein as many content producers as is possible should be licensed, stringent content provisions should be dropped, competition law should be adapted and press like content provisions should be introduced. Whereas the political economy arguments for market failure in cultural and informational

production expose the ideological nature of these arguments, the potential digitalisation of broadcasting has given a renewed boon to these calls for deregulation. Digitalisation, the reduction of media content to a common code allows for the potential of convergence which can refer to convergence (or increasing similarity) in distribution networks, convergence in content production, convergence in consumption, convergence in content forms (Garnham, 1999B). However, the likelihood of convergence occurring at all of these levels at once requires a medium to be characterised by the convergence of digital networks, digital content and digital information communication technology. This is the system characteristics of the internet but, for the most part, not the systemic characteristics of digital broadcasting. However it is these systemic characteristics that have been utilised to argue for the further re-regulation of broadcasting along the lines of the light touch regulation of the internet/web. The imagining of the internet as an infrastructure for international commodified informational markets has created the ideational basis for the re-regulation of digital broadcasting along the same lines. This is the market liberal vision of digital broadcasting, as an element of digitalised informational markets, that has driven much debate at different levels of policy making for broadcasting. In the market liberal model, broadcast content would potentially become the driver for the development and uptake of the cable, satellite and spectrum based networks that would become the infrastructure of networked informational economies. The broadcast sector itself would potentially develop new markets based on its proposed expansion and its new technological flexibility.

In the UK, from the 1950's the idea of a market liberal model in broadcasting was confined to debates within policy cells until Margaret Thatcher's conservative government brought it to the centre of broadcasting policy. The Peacock Committee presented the main arguments in its 1986 report on the future funding of the BBC, within the framework of market liberalism. Echoing government thinking on privatisation, deregulation and re-regulated competition, the Peacock report provided the basis for the Conservative broadcasting policy that

culminated in the 1990 Broadcasting Act. However, as some of the authors of the Peacock Report themselves noted, the Conservative government were not essentially interested in neoliberalism, but rather, were interested using it as rhetoric for deregulation and expansion of commercial activity (Brittan, 1990). The radical right elements of the government demonstrated a desire for free markets, but governments, more usually, support marketisation as a shot in the arm for the economy and the potential means of building a new mode of accumulation. As a pro-business, de-regulatory boon to private capital, a short term measure for economic growth, a means of patronage, marketisation has proven a considerable temptation to governments answering short term interests, but not necessarily the longer term ones of sustainable social and economic growth (Garnham, 2000). The new liberals were also intent on maintaining the presence of leaner but no less powerful state. A State which would be less subject to democratic accountability if powerful social institutions such as the public broadcasters were reigned in by the forces of competition (Keane 1990, Curran and Seaton, 1997). However, it was not the BBC that was to be crippled by impending legislation but the structural features of the public service system itself. With the 1990 Broadcasting Act, the core concept of non competition for revenue was removed from the broadcasting landscape. From there on in, Channel Four was to be allowed to sell its own advertising revenue in direct competition with ITV. The ITV franchises which had been previously given to those companies which presented the most comprehensive programming policy were to be, for the first time, auctioned. The IBA which had imposed public service criteria on the independent broadcasters was reconstituted as the ITC, overseeing the new commercial system with no power over prescribing programming and no recourse to economic sanctions. The broadcasting system was to be in effect a commercial system into which extant public service elements were to be gradually re-assimilated (Negrine, 1996). From this point on the structural and behavioural logics that underpinned the institutional bases of the public service system were gradually rearticulated or replaced by the logics of an open market system, based on the production and distribution of products

and services. This became the sine qua non of other developments relative to internationalisation, pluralisation and digitalisation of broadcasting.

Along with the re-articulation of the public service system relative to the logics of market relations and competitive production and supply, liberalisation, commercialisation, privatisation and re-regulation re-ordered the overall communications landscape in the UK. These projects were crucially tied to wider goals of re-inventing Britain's industrial structure along the lines of post-industrialism, with reflexive/symbolic goods and communications infrastructure being at the heart of that design. Private initiatives were introduced to develop the cable sector whereas lightly regulated content rules were designed to help drive this development. A private satellite broadcasting concern was also licensed to drive the development of that technology whilst creating new markets for pay per view and thematic television. BSkyB was awarded a non domestic television licence that allowed it to work within a lighter system of content regulation. In the 1990s, the regional structure of the ITV system was de-emphasised as ownership of the regional broadcasters was allowed to consolidate and ITV plc was given a role in the development of new media venture such as internet service provision and DTT. The public broadcaster was encouraged to commercialise its assets abroad whilst developing itself as a global media brand. In the mid 1990s its internal structure was re-organised under John Birt under what was called the new public managerialism wherein autonomy was restricted in favour of accountability and efficiency procedures. This managerialism was accompanied by the development of an internal market structure and a rationalisation of programme production (Borne, 2004). This all had knock on effects in the Republic. The liberalisation of satellite provision had created a commercial operation that had the distributive capacity to develop its operations within Ireland, creating another platform for broadcast distribution, based in and operating from the neighbour state. The ongoing development of cable had created the availability of increased channel provision and new broadcasting market segments that were reflected in their availability in the Irish

cable system. Added to this, the developing market structure was changing the culture of television production and content and this, as Ireland's other mediascape, had an impact on the tastes and expectations of audiences in Ireland. The ideational, structural and cultural impacts of the increasingly marketised British mediascape were beginning to be felt throughout the 1990s. As broadcasting became more internationalised and marketised and the hype of the oncoming digital revolution promised a virtual goldrush, Ireland began to look more and more like a potential market extension for broadcast interests operating out of the brave new informational capital of informational capitalism, London. Chapter Five will address this period of development and its impact in Ireland more fully.

The limits to national marketisation and the relative strengths of the UK broadcasting sector in industrial terms were recognised by most politicians and the 1996 Broadcasting Act guaranteed the future of the BBC with the justification of its significance as both a commercially successful international player and an important source of pluralism in concentrated domestic media markets (Levy, 1999). The election of a New Labour government in 1997, however, did not noticeably disrupt the logic that had been outlined as policy in the Peacock report and if anything New Labour, courtesy of the third way and digitalisation, has been far more proactive in introducing its structural features, albeit, with a clearer understanding of how extant public service features could work to deepen and legitimise the new system. Thus new labour has presided over communications policies centred on the central organisational principle of 'liberalised convergence' and re-regulated digital broadcast markets. The question was, would Ireland, once again, be influenced by the British model at this juncture?

For broadcasting, the market liberal model transforms the institutional norms outlined above and they are worth contrasting before the ideological, technological and materialist shapers of the market liberal model in Europe and Ireland are considered.

Public service system 1926-1990	Market liberal system 1980s-
Small number of licensed broadcasters	As many broadcasters as the market will support
Plurality via structured system	Plurality via commercial competition
Interventionist regulation	Light touch regulation/self regulation/ horizontal regulation
Integrated oligarchic corporations	Oligarchic structures characterised by integration, network and synergistic relations
Plurality of production arrangements and state control over distribution	Economic competition at all levels of the production/distribution process
National dynamics of competing complimentary	National/International/Global production/distribution and competitive structure
National/international regulatory structure	Supranational and global regulatory structure
Public good status of broadcast forms	Negotiated intellectual property regime
Free to Air	Free to Air, Subscription, Pay per View

The critical political economy critique of the marketisation of broadcasting has been summarised in the previous chapter. Suffice to say that activities that involve the cultural production of values, ideas and identities do not fit into the formulas of neoclassical economics or their expression through technological arguments based around convergence. There are non economic rationales for regulating the cultural industries and there are industry specific rationales for regulating the peculiar economics of the varied sectors of the cultural industries (Grant and Wood, 2004). These facts tend to be elided in both market liberal ideology and generalist economic policy approaches such as information society and knowledge based economy policy. The institutionalist based critique of the regulation school point to the degree to which markets do not occur naturally (meso level institutionalism) or exist outside of social and political power relations (macro level institutionalism). Added to this, markets in communications

and media bring with them their own set of institutional and economic features that have implications for what the media produce, who gets access to production, who gets access to what cultural frames, and, more broadly, how the realm of publicity and the public is to be constituted. Thus the role for policy and regulation still require the institutional capacity to positively influence structure and output relative to the normative criteria of pluralist democratic societies. Neither the ideal types of public service or market media suffice.

Summary

The drive towards marketisation cannot be discussed in isolation of the increasingly international contexts of broadcasting and the emerging paradigms of an informational or knowledge based economy. The US was beginning to expand its (selective) agenda of barrier-free exchange between nations in all markets including cultural goods. The EU, from 1984, was also showing intent to develop a Europe wide 'common programme production and distribution market', in the interests of creating economies of scale capable of competing with the larger markets of the US (Collins, 1994). At European level, the inevitability of an internationally competitive broadcasting environment, enabled by developments in technology, and the switch to a regulatory regime based on 'lighter' regulatory structures at national level helped to institutionalise a re-orientation towards pan European market governance (Humphreys, 1995). While generally sceptical about EU intervention in broadcasting affairs, and more involved in trading television programmes with the US, the UK, as did Germany and France, perceived possible advantages in the Television without Frontiers directive of 1989. With these larger international economic imperatives in the background (there has been an over-emphasis on the national political ones), UK government policy was increasingly directed towards creating an industrial sector capable of taking its place in an internationally competitive environment. It is the European level of restructuring that will be addressed in the following chapter.

Chapter Four

European Broadcasting Policy in Transition

4.1) Introduction

One key influence on Irish broadcasting policy, from the the 1990s on, has been the increasing Europeanization of communications and media policy. The European Union, with its own institutional makeup, selectivities and activities has become a key shaper of its member states media policies. Initially its key intervention was in relation to transnational broadcasting but it has latterly become involved in policies related to the restructuring of mediascapes relative to the international, digital, multichannel environment. Via Television without Frontiers, competition policy and convergence policy, the EU has been instrumental in shaping the emergence of a regulated market regime, the digital transition and the restructuring of public broadcasting in its member states. The present chapter will provide an overview of the EU's core broadcasting policy directions, their contexts and their objectives. At the core of the EU's policy drives has been an interest in;

- developing the economic potential of the audiovisual sector;
- ensuring the informational infrastructure for the proposed information society is put in place;
- maintaining the competitive basis of European AV industries;
- developing the internal market;
- stimulating both hardware and software development as elements of the knowledge based economy;
- stimulating the growth of European champions capable of succeeding in international markets;
- protecting the development of European culture and supporting the public service model of European broadcasting.

As will be clear from this catalogue of objectives, some elements of the EU's economic drive will inevitably clash with the perceived democratic and cultural

roles of the media industries and it is therefore a feature of European policy that it promotes dualistic elements of liberalisation and rationalisation of broadcasting as well as protection and derogation from trade rules. On the whole, however, it has been argued that the EU has taken the lead from some of its larger member states in marketising the audiovisual sector, seeking comparative dimensions of advantage to those enjoyed by the US AV industries and mindful of the opportunities arising from the marketisation of broadcasting sectors on a global basis. Evidence for this has been documented by a number of media policy scholars. David Levy's analysis of the European Union's co-ordination of the digital transition points to the influence of the large member states in setting the agenda (Levy, 1999). Granville Williams has made similar observations in relation to the machinations surrounding the development of the audio visual media services directive (Williams, 2007). Whereas this analysis has been contested by others such as Harcourt (2007) and Michalis (2007), there are strong grounds to suggest that member states do exert influence when their goals/agendas can be shaped to match those of the EU institutions. Richard Collins work on audio-visual policy in the EU has pointed to the degree to which comparative advantage is an important element of EU a-v policy (Collins, 1994). The intergovernmental organisation of the EU, thus mediates and promotes, to a certain extent, member states relationship to the globalisation of broadcasting. Since its accession to the European Community in 1973, Ireland has for the most part embraced the European project.

The decades that span from the gradual introduction of cable and satellite into broadcasting to the digitalisation of all existing transmission systems encapsulate change in broadcasting that points to the emergence of a new economic emphasis, pragmatism and technology led strategising within European broadcasting policy (Mc Quail and Van Cuilenberg, 2003). The re-orientation from national broadcasting structures dominated by public service systems (however configured) to a gradually established international market structure with an increasing imbalance between public and private provision is a feature of

this changing mediascape. The degree to which this shift reflects changes in the wider political economy exposes technology bound explanations of structural change. At a general level, the most consistent policy moves that have underpinned change in broadcasting have been the processes of marketisation, rationalisation and internationalisation. In order to understand national approaches to convergence and the restructuring of public broadcasting it is necessary to track these processes as they have occurred at various levels of decision making, illustrating the institutional diversity at work in the development of media, communications and cultural policy at European level. Broadcasting policy at European level has thus been, from the 1990s, concerned with issues of;

- global competitiveness;
- the re-regulation of liberalised broadcasting ecologies;
- the development of the single market in broadcasting;
- digital television policy;
- the rationalisation of communications competition policy;
- the convergence paradigm .

4.2) Cable, satellite and new broadcasting markets

The deployment of cable networks in European countries signalled the beginning of a discourse involving new communication technologies that has remained characteristic of subsequent technological developments. In contra-distinction to the limited bandwidth and centralisation tendencies of broadcasting, broadband cable became associated with the potential of 'abundance of production and supply; freedom of choice; interactivity; narrow casting; loss of central control; de-centralisation; search and consultation' (Mc Quail, 1986). The gap between the political, economic and social potentials of the new technology and the subsequent reality of their deployment served to underline the gap between the rhetoric and the reality of technological change. The new technology was in fact not that new. Cable had been used from the earliest days of radio but was eventually de-emphasised as a distribution technology to allow free to air

broadcasters to establish themselves (Winston, 1998). The early deployment of cable technology in television also had mixed rationale resulting from peculiar national circumstances. In the Benelux countries it existed as an alternative to terrestrial broadcasting allowing for an increased number of public service broadcasting channels (Humphreys, 1996). In Ireland, Rte used cable to relay the British free to air channels to urban populations, reclaiming some of its lost advertising revenue in multichannel households through cable subscriptions (Horgan, 2001). Additional multichannel relay services were developed by myriad commercial interests throughout the key urban areas of Dublin, Cork and Galway whereas wireless multichannel distribution was developed to supplement channel provision in rural areas. In both France and Britain the potential benefits of an improved information technology infrastructure underlined cable development (Humphreys and Dyson, 1988). The high cost of infrastructure build, however, acted as a deterrent to both public and private investment in wide scale development. Where development was undertaken, the ability to provide multichannel in broadcasting systems characterised by a low number of existing channels offered significant possibility of returns on investment. Thus the potential of commercial channels to exploit new markets via cable technology was a significant factor in driving cable expansion. Conversely, according to Peter Humphries, 'despite the qualifications, multi-channel cable television was a key factor for the remarkable extension of commercial broadcasting in a large area of Northern Europe' (Humphreys, 1996, p166). The earlier alternatives envisioned by many community broadcasting pioneers enthused by cable had thus become subordinate to commercial logic (Drijvers, 1991). However, the impact of cable was redoubled with the development of satellite transmission technologies.

Ceding technological development to the market as a policy option gained further ground with satellite broadcasting. Initially feeding cable head ends with European programming, the development of direct to home (DTH) satellites opened up new opportunities for commercial broadcasters to enter national

markets whilst also avoiding the regulatory regime of the relevant state. In certain cases, governments who were politically aligned to liberalisation were complicit in instituting these potentials. In Britain, Margaret Thatcher's government awarded a non-domestic broadcasting licence to Rupert Murdoch's Sky broadcasting in 1986 undercutting domestic ventures in both cable and satellite. BSkyB introduced its services in 1989 offering a basic tier of programming later complimented by pay per view thematic services such as sports, movie and entertainment channels. BskyB's satellite footprint extended into Ireland, although it did not extend its DTH offering there until 1998, initially distributing its channel packages via the cable companies.

Lack of co-ordination and support on the part of European governments and a strong commercial lobby led to a situation wherein 'European satellite policy was effectively privatised and commercialised in the sense that private companies took over much of the initiative and the decision from the public bodies that started development in the late 1970s' (Ostergaard and Kleinsteuber, 1992, p68). Along with the privatisation of the technology came a further expansion of commercial channels and pay TV services available via satellite or cable. The balance was rapidly changing between public and private provision. From 1980 where most countries had access to no more than 4 domestic channels, by 1990, 15-20 channels became available via satellite or cable or a combination of both (Brants and Siune, 1992). The arrival of satellite had particular saliency for national sovereignty and called into question the strategy of 'controlled de-regulation in one country' (Mc Quail, 1992). The increasingly transnational basis of broadcasting also brought it within the scope of European Community competence.

The pressure for de-regulation and liberalisation took on multiple forms. Governments pursued various strategies for controlled de-regulation but eventually resorted to competitive de-regulation as they sought to keep up with market and technological change. In some countries such as Britain and Italy de-

regulation had ideological connotations but more generally it related to factors such as information society policy, locational policy or the desire to shape the national broadcasting sector before the onset of European and Global liberalisation (Humphreys and Dyson, 1988). In the smaller countries of Europe, the process appeared to be occurring with a degree of time lag as competition in small national broadcasting ecologies appeared to have effects which undermined their supposed benefits (Grissold and Preston, 1995, Meier and Trappel, 1992). If an American model of social communication, with an emphasis on competition and commercialism, was to prevail, national governments wanted national competitors fit to compete, even it seemed, if it was at the expense of the existing public service. Vested interests came to the fore of communications policy making. These new media interest groups were made up of the electronics industry, cable and satellite television lobbies, postal, telegraph and telephone companies, newspaper publishers, the advertising lobby, independent producers and finance companies. Various combinations of these interests became active within the fora of decision making at national, European and global level (Humphreys and Dyson, 1990). Each had their own agenda for de-regulation and liberalisation motivated either by power, commerce or a combination of both. The prospects of diversification into untapped media markets underpinned by the positive projections of the advertising industry attracted media and non-media actors alike (Collins, 1994). However, it was rarely a case of whole scale de-regulation (excepting Italy) as different national political cultures and socio-cultural contexts gave different emphases to the degree, selectivity and timing of what turned out to be essentially market sector re-regulation. In Italy, non-decision making as a policy option led to the single-stroke marketisation of the broadcasting sector by Berlusconi. In France, marketisation was accompanied by strict regulation regarding quotas that re-enforced the general policy of cultural protectionism. In Britain the marketisation of the commercial dimension of the public service system, the ITV network, was hastily curbed as quality thresholds were added to the franchise auctions. In Germany, marketisation was accompanied by increased investment in the public service broadcasters (cf

Curran and Seaton, 1996, Dyson and Humphries, 1988, Mc Quail, 1992 for Europe wide changes). The proliferation of new regulators and new regulatory bodies was significant, but, in general terms, the new consensus was for light touch regulation. Increased public intervention and economic regulation in the interests of creating structural pluralism along public service criteria were, for the most part, off the agenda. The structural wisdom of non-competition for revenue amongst broadcasters lost saliency in a rapidly marketised broadcasting ecology.

It is difficult to generalise about the motives, actions and rationale of European countries in their move towards liberalisation and re-regulation. It is possible however to recognise some common features in the changed media structure. To begin with, the broadcasting structure had become fragmented, moving from monopoly to duopoly with eventually a profusion of commercial channels available via pay-TV operators. The justification underlining these moves was the potential of increased efficiency and choice via competition. However, this appeared to be all but a convenient rationale for the myriad motivations of the political and economic actors involved. With the marketisation of the broadcasting sector the shift in the balance of power was towards private ownership and influence in the development of broadcasting. Multiple ownership, cross holdings, joint ventures, horizontal, diagonal and vertical integration etc led to the rise of pan European media conglomerates and the entrance of industrial conglomerates into the media sector (Palmer and Mazzoleni, 1992). At both global and European level opportunities arose to exploit the new technologies leading to trans-global and pan-European broadcasting within geo-linguistic markets characterised by common language groups (Collins, 1994, Sinclair and Jacka, 1996). At national level, public broadcasting systems had largely given way to dual systems with 'private monopoly elements' competing for the various resources of time, finance, and talent on the basis of commercial imperative. Europe's second wave of analogue broadcasters were for the most part uniform in their industrial ownership structure and according to some studies, entertainment-led in programme output (DeBens, Kelly, Bakke, 1992). These

widespread changes prompted one other considerable structural change as the European Community moved to become a policy maker and shaper in the emerging pan European broadcasting environment.

4.3) Towards a European single market

Within the Community, two general positions had already been developing in relation to the changes in Europe's mediascape. Within the European Parliament, the Hahn Resolution of 1984 stressed the cultural significance of broadcasting in helping to encourage national citizens' broader identification with their European neighbours, urging intervention to create Europe wide broadcasting channels. The emphasis was on creating a Europe wide public sphere. The reality of fragmented language markets however led the Parliament to re-orientate towards the importance of, and tolerance of, diversity in European cultures and the need for quotas in broadcasting to prevent the erosion of these diverse cultures (Collins, 1994, Humphreys, 1996). Another strand of media intervention arose from the activities of the European Court of Justice which, in a number of media centred cases, had designated broadcasting as a service which under the treaty of Rome gave the Community competence to ensure that the 'conditions necessary for the competitiveness of the Community's industry exist' (Treaty Of Rome: Article 130). This economic tack provided a clearer precedent for community action in a developing industry that was fairing badly against American imports (Hirsch and Petersen, 1992). The lead directorate for a developing directive, DG III, the internal market directorate, identified the fragmented nature of European markets and the resultant lack of economies of scale as the key determinant in the programme trade deficit. This is hardly surprising as the directorate general in question was chiefly concerned with development of the internal market and the maintenance of competitiveness of the EC. The concomitant policy action came in the commission directorate known as as the Television without Frontiers (TVWF) directive. However, the journey of TVWF from green paper in 1984 to directive in 1989 served to highlight the divisions in the EC in relation to audiovisual policy. Those who supported the

paradigm of a free trade in services with the market acting as the chief allocative mechanism in production and distribution, labelled 'liberals', where in confrontation with those favouring support mechanisms and quotas in the interests of protecting national and European audio-visual space, labelled 'dirigistes' (Collins, 1994). The linguistic origin of these terms highlighted the important part played by the British in 'liberal' initiatives and the French in steering dirigiste goals. The Directive was to a certain extent an attempt to balance these two extremes, but to most commentators represented 'more' of a victory for the liberal camp (Humphreys, 1996). Behind the scenes in Europe, commercial lobby groups, trans-national companies and US lobby groups had all applied pressure to facilitate the greatest degree of de-regulation possible (Hirsch and Petersen, 1992, Humphreys 1996). The success of these groups in influencing the policy making process was a significant indication of the shift in the balance of power in relation to the fora of policy making and shaping. The European Broadcasting Union, broadcasting professionals, the European Trade Union confederation, parties of the left and right and the smaller countries in the Community, including Ireland, were sidelined by the policy process that mainly took place within DGIII.

The key thrust of the TVWF directive was to remove the barriers to entry into neighbouring European broadcasting markets for members of the community. Essentially it created the condition of 'mutual recognition' wherein the legal recognition of a broadcaster in one state entitled its recognition in another state once the broadcaster met the minimal requirements of the directive. The goal was to create a single European market for broadcasting allowing the European industry to capitalise on economies of scale and tackle its supply side deficit with minimal regulatory disparity. Regulatory regimes in relation to advertising and sponsorship were harmonised, but, in general, 'the de-regulatory principle of mutual recognition as against re-regulatory harmonisation' was the central tenet (Humphreys, 1996, p276). The additional quotas which sought to ensure a majority share of broadcast time for European works and the proposed 10% for

independent production companies were weakened by the legally ambiguous qualification of 'where practicable' in article 4. The complimentary positive intervention in the subsequent *Media* programme was also to a certain degree undermined by its limited budget. In retrospect, the directive failed to recognise the largely national basis of European broadcasting markets (Levy, 1999). At an earlier stage the directive was criticised for being a 'clear victory for commercial forces' and 'a clear victory for US interests and other commercial broadcasters' that happened to be based and licensed in Europe. The Commission denied these charges claiming in 1996 that 'at least half the output of most mainstream terrestrial EU channels was European in origin in 1994' (Hutchison, 1999, 208). It was the other half of the output that caused concern for the smaller countries in Europe where the quotas often proved counter-productive. Limited GNP imposed limitations on programme budgets that were stretched even further as programmers sought to meet their quota of more expensive European material. In a small country such as Ireland where cheap imports helped free up revenue for the national broadcaster to concentrate on funding prime-time domestic programming, the implications of fragmenting programme spend for the purposes of a quota pointed to arbitrariness in the policy (Humphreys, 1996, Horgan, 2001). In general terms, the lack of definition of what was 'European' and what was 'independent' allowed member states to interpret the directive liberally. The de-facto inducement of further market liberalisation, via international competition in distribution brought the smaller countries into the liberalisation slipstream with the effect that many governments 'sought to encourage domestic commercial interests to get something out of the new situation' (Humphreys, 1996, pp187-189). Humphreys identifies the three chief outcomes of the directive as being the removal of national sovereignty over broadcasting policy, the favouring of commercial interests as opposed to protectionist policies and the gradual spread of light touch regulation to domestic broadcasters disadvantaged by competition from lighter regulated foreign based channels. A further outcome was an increase in the investment of non-European media interests in European ventures to gain access to markets (Goldsmith, Thomas, O'Regan and

Cunningham, 2002). However, as the Commission argued, the directive was designed to be refined with subsequent dates set for renewal. The changes to TVWF in 1997 and 2007 have not altered the core element of mutual recognition but have introduced significant changes that will be dealt with subsequently.

The Community however was not operating in a vacuum. At the Global level, within the General Agreements on Tariffs and Trade (GATT, later the WTO), the US was pressuring for the inclusion of broadcasting within the trade agreements as an internationally traded service. The previous attempts to establish a New World Information and Communication Order had fallen foul of British and American intransigence and was therein replaced by a internal push for audiovisual governance based on free trade in communication and information (CF Girard and O'Siochru, 2002). The potential of binding quotas in European markets led the US to threaten various retaliatory measures against the EC, such as import quotas, at the GATT negotiations in Uruguay (Hirsch and Petersen, 1992). Even the ambiguity of the 'where practicable' clause was not enough to allay US concerns that its substantial export trade would be damaged. The negotiations continued with no real advance and eventually had to be set aside to allow progress on other issues. The US maintained pressure in this area and via the subsequent development of the General Agreement of Trade in Services (Gats) secured the re-insertion of the 'where practicable' clause in the run up to the renewal of the directive in 1997 and the general ascent of the audiovisual sector into a traded services category (Hutchison, 1999). A concomitant policy of stepping up investment in the European audiovisual industry also sought to convince Europe of the benefits of positive relations with the US in this matter. The cultural exemption (sought but not actually achieved) for broadcasting, fought hard for by the EU and led by France and Canada, was to come under increased pressure in the approach to the millennium round of the GATS. This time the US came down heavily against an 'opt in' agreement whereby nations opted in to some agreements on goods and services but stayed out of others (Winseck, 2002). The WTO, via the Gats, still accepts cultural derogations in

relation to the cultural industries of broadcasting, film and publishing but has also elicited reassurance from the EU that liberalisation proceeds apace in these areas (Hutchison, 1999). The emergence of a global policy regime in relation to the 'new media' of the internet and the world wide web illustrate the degree to which the WTO has become involved in shaping emergent communication systems, which in a convergent media environment will impinge on all producers of digital media (Winseck, 2002). The United States now framed digitalisation as the key impetus for instituting commodified information markets. In relation to broadcasting, the strategies of the WTO can be construed as having shaped European policy making as the push to commodified information liberalisation becomes a policy context.

With the onset of liberalisation this growing gap between the sites in which policy was shaped and where it was actualised was not apparent but was becoming so. At national level, governments had to come to terms with some of the externalities arising from marketised international broadcasting structures, such as the emergence of new European 'national champions' which were in effect local corporate interests that posed some of the same problems locally that US corporations did in global terms. National attempts to place limits on media concentration now centred on rules based intervention triggered by various quantitative measurements for media concentration (Feintuck, 1999). That these re-regulatory dimensions were needed was a tacit acknowledgement of the failure of the market to produce a plurality of media sources without regulation. However, national governments were to a certain extent powerless against the manoeuvrings of cross border international entities such as BskyB, Premier and Canal+, and were consistently lobbied by would be domestic national champions not to restrict domestic players confronted with such competition. Efforts made at European level to introduce a harmonisation of ownership and control legislation however failed to win community support (Harcourt, 2006). Trappel and Meier point to a number of complexities which hampered the effectiveness of the anti concentration strategies such as;

- The extension of (licence) controlees into political actors;
- The reluctance of governments to engage in trans-national regulation;
- The lack of legislative flexibility and adjustment in existing rules;
- A reluctance to put media concentration on the public agenda;
- A reluctance to execute existing media concentration regulation with a resulting raising of the bar in relation to ownership limits.

(Trappel and Meier, 1998, p192).

In those countries where expansion was stymied by ownership and control regulation, such as Germany, internationalisation strategies included developing strategic alliances in other countries, investing in foreign enterprises, attracting the advertising spend from neighbouring markets, creating linkages both horizontally and vertically through synergies, amongst others (Humphries, 1996, Mazzoleni and Palmer, 1992). The international corporate model developing its reach across international markets thus became established in the formerly national and public service led European mediascape. Within the EU, there was significant support within the commission for this development with European conglomerates seen as being the answer to competing with the US corporations with significant involvement in the rapidly developing global audio visual industry.

Pressure for community action in relation to concentration of media ownership came initially from European media unions, journalist associations, the Council of Europe and the European Parliament. In 1992, Directorate General III, working from an influential report from the consultants Booz Hamilton, responded by producing the 'Green Paper on Pluralism and Media Concentration in the Internal Market'. The Green Paper harboured the characteristic duality in Commission policy shaping by stating the necessity of pluralism in media structures but rejecting any action that would hamper the operation of the single market. The green paper thus, instead of examining the internal contradictions between competition and concentration in media markets, relied on the over-simplification

that increased competition would eventually lead to diversity. At this juncture a 1993 white paper on 'Growth, Competitiveness and Employment in the Community' emphasised the information society project and the audio-visual sector as a key area for growth and job creation. It predicted that employment in the sector would rise from 1.8 million in 1993 to approximately four million in the new millennium (Humphreys, 1996). It also stressed the strategic importance of the sector as being protected from competitive low cost labour markets, an important consideration in a global economy that was continually being integrated on the basis of neo-liberal competitiveness. Directorate General XIII, the home directorate for telecommunications and the information society also signalled the importance of the audiovisual sector while criticising the 'financial and organisational weakness of the European programme industry' (Levy, 1999). DG III had already backed away from the issue of plurality and diversity at this point suggesting that it was an area of competence for national governments. Instead DG XV, the directorate now concerned with the operation of the internal market sought support for a directive that would implement community action to harmonise European laws on media ownership. The 1994 'Communication on Media Ownership' sought to put an end 'to the disparities between national rules concerning the media' (cited in Levy, 1999, p53). The directive essentially aimed to remove national regulation for pluralism and replace them with community law that protected the internal market. The commission turned to the commercial interests/lobbies to bolster support for the directive by convincing them of the convenience of harmonisation. In the ensuing debate in which the Parliament and various national governments attempted to refocus the debate on pluralism, new policy paradigms concerning the information society, digitalisation and convergence became increasingly significant in the policy discourse.

4.4) The economics and politics of digital television technology

The 1994 green paper 'Europe and the Global Information Society; Recommendations for the European Community' mooted the potential offered by digitalisation to promote pluralism as against concentration in multimedia

markets. The prospect of technological convergence and digital compression offered a vision of Europe's audio-visual future as being one of as many producers as there were receivers. Digitalisation would free up existing bandwidth for extended channel choice whereas convergence would allow for the functionality of telecommunications networks and the personal computer to be incorporated in the television set. In the same year a green paper appeared on the 'Strategy Options to Strengthen the European Programme Industry' displayed equal concern about the onset of the 'digital revolution'. It recommended that the 'EU press ahead with the introduction of technologically advanced infrastructure' and re-enforced the potential economic significance for Europe of exploiting the opportunities offered by the new technology. That Japan or the US could benefit from the European countries tardiness or lack of co-ordination in this area was at the fore of the Commissions thinking. The emphasis was placed on European level initiative that would guard against further fragmentation of technology, markets and regulatory regimes.

The prospects for a European approach to the specific development of digital television technology had its origins in an earlier initiative to co-ordinate the introduction of High Definition Television (HDTV). HDTV was considered by many within the industry to be the next significant leap in television technology offering 35mm film resolution and CD sound quality. The Japanese national broadcaster NHK had already developed production, transmission and reception standards for HDTV in the early 1980s. In Europe the EBU worked closely with the Advanced Television System Committee in the US, following the Japanese lead with the intention of reaching an agreed global standard for production and transmission in HDTV (De Bruin, Smits, 1999). However the EBU were outmanoeuvred by the consumer electronics industry lobby, which had considerable economic interest in this area. The latter successfully lobbied, the Commission to switch the initiative on HDTV from the EBU to the inter-governmental Eureka technological research programme. The industry was authorised to initiate its own research programme known as Eureka95, which

was nevertheless funded by the governments (625 Million ecu in total). Behind the consumer industry's interest in the area was the looming expiration of the European colour transmission system patents, Pal and Secam. The control of these patents had allowed the electronics industry to restrict production of television reception hardware to mostly European firms (Ostergard and Kleinsteuber, 1992). Following the Commission's lead, Eureka95 adopted the Multiplexed Analogue Components (MAC) transmission standard for a HDTV standard comparable but not compatible with the Japanese standard (Collins, 1994). The standard required elements of digitalisation but was not yet a fully digital system.

Despite industry consensus on the part of the European manufacturers, the newly liberalised commercial broadcast industry was not supportive of a technology that required significant consumer investment in receiver/conversion equipment while also entailing increased cost for the broadcaster. The MAC directive of 1987, which ensured that all European satellites conform to the various Mac standards, had already raised the ire of the emergent commercial broadcasters (Ostergard and Kleinsteuber, 1992). At the same time, in the United States, lobbying from the American Electronics Association and the commercial broadcasting industry had led the US away from finding a standard compatible with the Japanese MUSE or European MAC standard in favour of a HDTV standard for terrestrial broadcasting. Marshalled by the Federal Communications Commission, the Grand Alliance consisting of General Instruments, AT&T/Zenith/DSRC/Philips/Thomson and MIT set to work on a fully digital standard (De Bruin, Smits, 1999). In Europe the MAC standard was facing considerable resistance from the broadcasting industry. A dearth of programming and the high cost of the HDTV hardware also contributed to likely consumer resistance to the new technology. Private operators such as the newly established British Sky Broadcasting circumvented the costly venture by bypassing the intergovernmental DVB satellites and broadcasting via the private Astra satellite run by SES based in Luxembourg. Unharnessed by the MAC

standard, BskyB along with RTL and Premier set about building a viable European analogue pay TV business via satellite. European governments demonstrated themselves increasingly unwilling to underwrite the mounting costs of the MAC initiative and in 1992 the UK government, ideologically aligned to BskyB's market approach, withdrew its support for a European HDTV system. The scenario was indicative of the new ecology of broadcasting and the variety of interests that now needed to be marshalled for any coherent and workable technology policy to emerge. According to Levy, the failure of previous initiatives and the inability of the Commission to keep up with market developments influenced its future delegation of responsibility in relation to standard setting. Thus, in policy terms, a market led corporatism was emerging as the chief means of instituting policy measures already broadly decided upon by the European Commission. This stood in contrast to the state and public service led corporatism of the statist mode of regulation.

At this point, following developments in the US, the European Commission had already convinced itself of the necessity of an all-digital system. The perceived failure of the HDTV/MAC initiative however led to a sea change in how the process of digitalisation was to be approached. In DG XIII, the telecom directive, the arrival of Martin Bangemann signalled the beginning of the end of the electronics consumer industry's hegemony over the MAC directives and the whole HDTV project (Levy, 1999). Instead a German government initiative, mindful of the potential of convergence through digitalisation, was to steer the introduction of a fully digital system. Established in September 1993 the Digital Video Broadcasting project consisted of European broadcasters, telecommunication organisations, manufacturers and national regulatory authorities. The Commission deferred to the DVB group, essentially endorsing a market led approach to digitalisation. All of the existing transmission networks for broadcasting would be digitalised and brought into competitive relationship with each other in terms of service provision. That is satellite, cable and terrestrial networks/platforms would be digitalised via shared technological standards and

consumer choice would be enhanced via offers of multiple competitive services. Digital compression would allow for multiple channel provision, whereas the manipulable, non linear, de materialised nature of the content would potentially facilitate the development of enhanced television services and networked interactive dimensions. However these potential developments depended crucially on technological standardisation that would allow content providers to operate cheaply and flexibly across service providers.

The DVB group set itself the goal of establishing industry wide consensus and therein avoiding fragmentation in the European market. The European Commission, determined to take a back seat, appointed but one representative to the steering board. Initially the DVB appeared to justify the Commissions initiative when an early agreement on an MPEG-2 video compression standard was reached. By 1997, 300 satellite-broadcasting services in Europe were using the standard. However the DVB group was unable to elicit the same level of consensus in relation to standardised conditional access systems (CAS). Conditional access systems had been developed in the United States in the 1980s to prevent satellite dish owners from receiving content from television network and cable system satellite feeds without payment. CAS thus became a central technology in developing European pay television markets in the 1990s acting as the gateway technology through which cable and satellite pay services could be delivered and customers managed. The problem confronting the DVB group was that all digital services would have to be delivered through such gateway technology. Within the DVB group the crucial matter of interoperability of this technology brought forth conflicting positions. For digital broadcasting to be a competitive business, the ability to switch between services without having to invest in multiple reception devices was a necessity. Added to this the Applications Protocol Interface (API) which was the middleware that would allow enhanced television services such as interactive television would also need to be standardised. For content producers a degree of harmonisation was necessary so that enhanced digital television services could operate across the varied

platforms and through the key channel packagers such as BSkyB, NTL and Chorus in Ireland. However, for the pay TV operators who had invested heavily in proprietary technology in order to gain first mover advantages in pay TV markets, throwing open their proprietary technology would not best please shareholders. For example, in the UK the only CAS in operation at that time was VideoCrypt, owned by Datacom, a subsidiary of News International that also had a 40% stake in BskyB. Any broadcaster wanting to do business in the UK via satellite would have to do so via VideoCrypt and BskyB, or alternatively, develop a maverick CAS, develop enough broadcasting services to make it attractive, manufacture and diffuse satellite dish and set top box equipment, establish a distribution system via a satellite operator and create its own subscriber management services. Free to air broadcasters and third party programme operators were necessarily concerned about the potential network and gateway issues that had now shifted away from government to commercial control. A summary of the issues that exercised these operators included;

- The question of access, would competitors be granted access to the digital platform and if so, at what price;
- How many services would the programme provider have to purchase from the service provider;
- Could the service provider misuse its access to information about the programme provider's customer base;
- How much control would a service provider have over the packaging and marketing of its service;
- Would the service provider use the electronic programme guide to influence the use of services offered? (Humphreys and Lang, 1998).

By 1997, the fact that BSkyB's DTH satellite service was now becoming an established platform for digital distribution in the Irish market meant that all of these issues arose for Irish content providers. What would the developing relationship between Irish broadcaster such as RTE, TG4 and TV3 be in relation to the emerging platforms of cable, satellite and the planned for DTT? Would it

be necessary to attain carriage on each service? Would it be possible to develop new services that were able to negotiate the proprietary technology of each service provider? Given that some of the emerging distributors such as BskyB were also the producers of broadcast services and content, what forms of regulation would oversee their treatment of would be competitors?

In general terms the use of proprietary technology was to lead to a fragmentation of digital markets and a failure to establish interoperability and interconnectivity. Despite the Commission's aim to achieve the opposite, the DVB group proved unable to resolve the issue. The pay TV operators offered to comply with a code of conduct that would essentially be self-regulatory whereas the free to air broadcasters and third party operators sought intervention from the commission on the issue. Following a vote which was according to David Levy 'less than satisfactory' the DVB announced an 'industry wide agreement on the issue' (Levy, 1999, p71).

The 1995 Advanced Television Standard Directive detailed the aforementioned transmission standard as well as agreements on common scrambling algorithms, wide screen and high definition specifications but left it up to the industry to negotiate the conditional access issues (Gibbons, 1998). According to the wording of the directive

'member states shall take all the necessary measures to ensure that the operators of conditional access services irrespective of the means of transmission, who produce and market access services to digital television services...offer to all broadcasters on a fair, reasonable and non-discriminatory basis, technical services enabling the broadcaster digitally transmitted services to be received by viewers authorised by means of decoders administered by the service operators, and comply with community competition law, particularly if a dominant position appears' (ATSD 95/47 art 4 (c)).

According to Levy, handing the competence to nation states inevitably ensured a proliferation of fragmented regulation on the issue while ignoring the transnational basis of European satellite broadcasting. How would smaller states such as Ireland, which is in the UK's satellite footprint, impose compliance on the UK based commercial broadcasters? As Humphreys and Lang have suggested in relation to the failure to agree standards on CAS, 'for a piece of single market legislation the directive had a glaring weakness', that is, its lack of single market outcome (Humphreys and Lang, 1999). According to Levy, the outcome was unsurprising as 'the growth of private standards consortia was accompanied by all the social risks inherent in the privatisation of a sphere of national and international co-operation for the provision of public goods' (Levy, 1999, p69). Thus the market making policies of the EU, by deferring to market actors, were accelerating market development but not necessarily supporting the goal of a single market or competition between comparative providers. In the long term the lack of decision making at European level would influence policy at national level, most notably in relation to government decisions to sanction Digital Terrestrial Television, an option promoted by public and free to air broadcasters first in Sweden, and then in the UK. DGXIII was disappointed with the outcome of the DVB project and keen to reassert the commission's preference for harmonisation of regulation and would do so in anticipation of the technological convergence of distribution systems. These developments also had resonance of a more general nature in relation to the evolution of competition policy in the media sector and the subsequent renewal of the TVWF directive.

4.5) Convergence and digital broadcasting policy

The technological possibilities of digitalisation brought the increasingly economically significant area of broadcasting within the competence of the telecom directorate DGXIII. Having had considerable success in overseeing the liberalisation of the telecommunications sector, the directorate sought to transfer this successful approach across the media via the potential of convergence in communications networks. Telecommunications liberalization had been co-

ordinated within the framework of the information society project, a framework that could also be applied to all digital media if interpreted within the paradigm of convergence. Convergence, or the coming together of content, communications network and information communication technologies, was a fairly accurate description of what was occurring with the development of the internet/www. The fact that there were technological, sociological and institutional barriers to this occurring in a straightforward or immediate way in relation to the medium of broadcasting points to the degree to which the convergence paradigm, when used in relation to broadcasting was highly ideological. Thus the concept of vertical disintegration of monopolistic/integrated broadcasters accompanied by liberalisation and re-regulation of the subsequent competition in old and new services under girded the Commission's initial approach. In essence, Commissioner Martin Bangemann's 1994 report suggested that the technological potential of convergence would remove the barriers to entry in content creation creating the conditions wherein telecommunications regulation combined with the non interventionist regulatory approach to publishing would prove adequate for ensuring growth and diversity in new media services. Bangemann relied heavily on the support of information technology and telecommunications professionals who urged the creation of a new liberal regime for multimedia markets centred on digital television. From an early stage the Directorate recognised the importance of broadcasting as a prime driver in the early adoption of digitalised network services. The Commission's first draft of a green paper on convergence underlined its contention that de-regulation would eventually lead to technological innovation, commercial dynamism, oligopoly and eventually competition. Competition would hence lead to choice. The Directorate primarily responsible for broadcasting, DGX, questioned these assumptions and forced DGXIII to re-draft its green paper including recommendations on some options for intervention.

The 'Green Paper on Convergence' eventually proposed three possible directions that future communications policy could take. The first option proposed

the adaptation of existing regulatory structures at national and European level. The second option proposed creating new regulatory structures for the new services which fell between the separate categories of broadcasting, telecommunications and internet such as e-mail, web TV, video on demand, video conferencing etc. The third option, and the option most promoted by the Directorate, proposed regulatory convergence wherein broadcasting, narrow casting, internet, telecomm etc would all be dealt with by the same regulatory regime (Holznagel, 1998). DGXIII reasoned that technological convergence should entail regulatory convergence and therein finally bring to an end the increased fragmentation of markets throughout Europe. A number of other interests were also actively seeking acceptance for the last option including EU and national telecommunications policy makers, representatives of the information technology industry and the emerging multimedia businesses. These groupings accepted the necessity of public interest objectives such as universal service and access but opposed the movement of public service institutions into new areas of activity. The Green Paper proposed a public library model for future public service delivery whereby citizens could access public goods commissioned from myriad producers and funded by public money. The paper appeared to be influenced by the publishing model of broadcasting which had been sharply critiqued when it appeared ten years previously in the UK Peacock Report (see previous chapter). Its critical miss-understanding of the peculiarities of the broadcasting sector and the necessity of structural design in providing pluralistic public goods undermined the Commissions rationale that it was now in a position to develop regulation for the member states. However by the late 1990s Member state governments were now more acquainted with the failings of liberalised markets and less disposed to technological arguments based on digitalisation and potential convergence than previously had been the case (Holznagel, 1998). The British Government adopted a stance against the regulation of a situation that did not yet exist and furthermore was impossible to predict. In addition the powerful analogue pay TV operators and the DVB group opposed any moves towards European level convergent regulation. Behind the

caution was the realisation that the evolution of broadcast systems into fully converged systems, in the short term, was less than convincing, and thus far, digital television equated to the differential digitalisation of multiple platform systems and the ongoing digitalisation of production processes within the industry. However the Commission was to successfully establish its competence to set about regulating the various platforms for media and communication distribution on the basis that, when digitalised they all offered themselves as possible carriers of multiple services be it broadband, telecommunications or television based. It was this logic and rationale that established the horizontal regulation of networks via the 2002 Frameworks directive.

4.6) Competition policy, rationalisation and public broadcasters in EU markets

Liberalisation in national and international broadcasting systems had entailed a role for European competition law in overseeing the shaping of the competitive structure of emerging markets. The failure of the Commission to gain sufficient support for the harmonisation of ownership and control legislation enhanced this role. The Commission's green paper had outlined three possible directions for dealing with concentration in the media;

- (i) no specific community action,
- (ii) action to improve transparency and
- (iii) community action to harmonise laws.

With the failure of the Commission to convince European based conglomerates of the desirability of option three, the Commission's preferred path was blocked. Option two had already to some extent become extraneous, as DGXV had moved to create transparency measure for member states regulation dealing with developing digital services. The first option thus re-enforced a strong preference on the part of the member states for subsidiarity in this area. Directorate General IV, the competition directorate, turned its generic socio-legal power to lower

market entry barriers by confronting the abuse of dominant positions within the broadcasting sector. Initially DGIV proved itself insensitive to the normative basis of member states broadcasting ecologies and set about pursuing the former monopolist public broadcasters at the behest of nationally based commercial broadcasters. In particular, the European Broadcasting Union's collective bargaining arrangements for sports and film rights, and, its internal distribution of news and documentary programmes was challenged and curtailed (Humphreys, 1996). However the appointment of Karl Van Miert to the directorate appeared to signal a more nuanced approach to the public service broadcasters and their role in ensuring pluralism in national markets. Instead the Directorate and Its Merger Task Force (MTF) turned their attention to the spate of mergers and joint ventures that were occurring in the commercial sector as the pay-TV operators positioned themselves for digitalisation (Ward, 2002). The Commission was now of the mind that a structural move towards the vertical dis-integration of production distribution and reception functions in broadcasting would allow competition to develop at all three levels. On the other hand the pay TV operators recognised the value of strategic alliances or mergers that would create or simulate vertical integration (Duffy, Davis and Daum, 1998). The Merger Task Force primarily sought to prevent such alliances even if it entailed friction between it and member states whose concern with creating national champions had not abated. High profile cases resulted, such as the MSG case in Germany where the MTF intervened to prevent a Bertelsmann, Kirsch and Deutsche Telecom joint venture, and in Britain, where BskyB was forced out of its joint bid with Carlton and Granada to run the new DTT network in 1997, after the case had been referred to DGIV. In the former case the task force faced down stern opposition from the German government who approved of the merger on the basis of economic policy. The socio-legal basis of the directorate's intervention, however, allowed it to intervene in national markets where intervention based on cultural rationale had been rejected (Levy, 1999).

In addition to mergers, DGIV developed an interest in the question of access to broadcasting rights, the access to networks and CAS, and the ongoing relationship between public and private broadcasters. The Commission presumed that competition would only develop if all service providers had equal access to attractive programming such as sports and film rights. The pay-TV operators were aware of this situation too. The cultivation of exclusive rights with rights owners or US based agents resulted in virtual vertical integration in a crucial period when the various transmission platform and services sought to ensure competitive advantage. Having pursued the EBU in this respect, DGIV turned its attention to the dominant pay TV operators' BskyB, Canal Plus and Premiers dealings in exclusive rights. The Directorate also used its experience in telecommunications regulation to oversee 'non discriminatory access to essential facilities' wherein both CAS and network services could be described as essential facilities. According to the Commission, essential facilities include a 'facility or infrastructure without access to which competitors cannot provide services to their customers' (cited in Levy, 1999, p85). DGIV thus consented to hear cases wherein third party broadcasters or rival operators charge competitors with abusing their dominant position or proprietary control over essential facilities (as is the case with telecommunications, the directorate is keen to develop and essential facilities doctrine that will work across the board). In relation to its role as an arbitrator between domestic broadcasters DG IV placed the onus on member states to develop parameters for public service broadcasting in each country so that it could decide whether incumbents have gone outside of their remit when accused as such by commercial interests (Steemers, 1999). Already protected by the Amsterdam Protocol (see below), the definition of public service broadcasting in national legislation now carried great import as it determined the boundaries within which public broadcasters can operate. The Commission's 2001 'Communication from the Commission on the application of state aid rules to public service broadcasting' recognised the rights of member states to maintain public broadcasters but also insisted that such broadcasters are only funded sufficient to a legislated purpose, that their use of

funds is transparent, and that they do not impinge on competition in emerging markets and services (Ward, 2002). However the Commission has demonstrated a relatively open approach to the scope of public purposes that nation states ascribe to their public broadcasters in relation to channel expansion, digital distribution and enhanced digital services (Harcourt, 2006). Whether such openness will be sustained in relation to public broadcaster's moves into online markets is another matter. DGIV now deigns to hear all complaints in this matter on a case-by-case basis allowing some amount of flexibility. Whereas nation states exercise subsidiary powers in relation to their 'content industries' it must be noted that the Union via competition policy, the content dimensions of TVWF and cognate areas in relation to copyright issues was beginning to exercise a greater role in determining the contexts in which those industries were to operate. The general degree to which Commission policy was orientating itself towards creating a level playing field in digital broadcasting was also highlighted in the TVWF II directive (1997) which also concerned itself with the issue of programme rights.

The revisiting of the Television without Frontiers directive in the mid 1990s marked the ascent of the European Parliament as a more active institution in European policy making and one in which the discourse remained focussed on questions of cultural citizenship and the development of cultural policy tools (Sarikakis, 2002). For those supporters of dirigiste policies it marked a shift away from supporting ambiguous quotas towards an applied effort to secure latitude for member states that deigned to pursue interventionist policy making in relation to their media sectors. The importance of subsidiarity in matters of cultural content at national level was thus becoming a principle of the EU's relationship with its member states. Ward has called this the emergence of horizontal and vertical regulation wherein horizontal regulation applies to rules made for all member states across media and communications sectors and vertical regulation are zones of media policy making that are still managed at national level and are specific to particular media. In general, horizontal regulation has been developed

in relation to network regulation and the internal market and vertical regulation applies in matters of public intervention and cultural plurality (Ward, 2002). Thus intervention such as the listing of sporting events (Article 3a) was voluntary but (theoretically) enforceable Europe wide through mutual recognition. Another strand of this policy thrust was a more concerted effort to attain special exemption for public service broadcasters in the face of the socio-legal rationality of European competition law. Support for such an approach came from the culture ministers of the various member states following on from a Parliament resolution on public service broadcasting which itself was inspired by the Tongue Report (CEC, 1998). The sequence of events led to the securing of the protocol on public service broadcasting appended to the Treaty of Amsterdam in June 1997. The protocol proclaimed that 'the system of public service broadcasting in the member states is directly related to the democratic, social and cultural needs of each society' and that each member state would therein make special provision for the maintenance of public broadcasters providing they did not impinge on 'trading conditions and competition' (Steemers, 1999). Steemers suggests that this latter provision may act to constrain the activities of public service broadcasters in the developing environment. The structural changes in the shape of the broadcasting industry in relation to vertical disintegration and convergence also raised new possibilities in relation to regulatory measures for the public interest no longer being tied to the concept of structural pluralism. That is, Article 3(A) was indicative of the tendency to develop policy measures that shaped the market relative to positive outcomes without preferring public service or privately owned broadcasters in the achievement of these aims. It pointed to the emergence of a potential post-liberalisation public interest approach to broadcasting regulation.

4.7) The state, the EU and the re-regulation of broadcasting

According to Levy, the failure of the EU to strengthen its role in shaping policy for the oncoming digital environment has resulted in the continuity of the nation state as the primary site for regulation (Levy, 1999). According to Levy, the large

nation states have asserted their influence over EU policymaking with the effect that European policy reflects their pathfinding strategies and activities. Harcourt however has subsequently pointed out that the EU has increasingly strengthened its grip on policy making and, with its re-regulation of telecommunications networks, tout court, is developing expertise in post liberalisation digital policy that has placed it in a path shaping role (Harcourt, 2005). Perhaps where this Europeanization is most marked is in the generalisation of a form of the regulatory state to its member states. In the policy literature it has been remarked upon how the marketisation of a given industrial sectors tends to be accompanied by re-regulation which finds expression in new regulatory bodies. It is the combination of marketisation and the regulatory state which suggests that this is in fact a regulatory dimension to market governance. The regulatory state represents a conundrum as by its very nature it is not neo-liberal nor is it on a par with the interventionist dimensions of the social state. It regulates for competition, oversees politically shaped markets and tends to shape the behaviour of market actors as opposed to the structure of markets.

To a certain extent digital television policy demonstrates how national governments interacted with the EU in attempting to regain some of the influence they had lost in the previous structural shifts towards liberalisation, but also, accepted a European wide mode of governance in the form of new regulatory institutions. The EU's paradigmatic shift to rules based intervention and negative regulation was reflected in the proliferation of a number of semi autonomous regulatory bodies that now had responsibility for several dimensions of the communications sector e.g. ODTR/Comreg in Ireland and Oftel/Ofcom in the UK. As well as being the enabling state and/or the competition state, European countries were also becoming regulatory states on a par with the institutional structure of US industrial and economic policy. Essentially this implied the end of an insulated mode of economic, structural and content regulation in European member states broadcasting sectors and the extension of the market shaping re-regulatory dimensions of EU regulatory state policy.

The regulatory state, in line with the enabling state, helps to bed in a new set of institutional features that have little to do with digitalisation, but, political actors have used the occasion of digitalisation to introduce them. Elements of this institutional adjustment include the regularisation of new forms of competition arising out of the varied elements that make up product and service markets, an increasingly technocratic form of sectoral regulation, the transfer of consumer norms/rights into a given sector, the delineation of product/service markets and the co-ordination of sectoral initiatives relative to different dimensions/elements of industrial development. These regulators also can become the sites in which existing normative regulatory dimensions are given a more socio legal expression in sector wide initiatives.

For the most part the new regulatory institutions regulate for competition attempting to ensure that markets are made up of multiple suppliers and that monopolistic practices are open to regulatory intervention. They are part of the overall attempt to structure and steer markets to realise certain state goals/activities. However, their intervention tends to be mostly negative, their expertise in market making activities does not equip them to deal with public enterprise or normative policy goals and they lack the institutional or symbolic capacity to engage the citizenry in the processes of governance. It could also be charged that they institute a normative recourse to market solutions when these solutions are not self evidently appropriate. That is, the answer to market failure is always, more markets.

The vertical disintegration of the public broadcasting institutions, achieved through a combination of convergence and competition policy, is indicative of the competitive structure that has been introduced into broadcasting via those discourses. The structural paradigm for the digital age is, according to Duffy, that of value blocks as opposed to value chains where the blocks include content creation; publishing; delivery; and customer interfacing all existing as separate

industrial/productive sectors (Duffy et al 1998). Duffy's model helps to capture the structural changes that have been instituted via restructuring towards platform neutrality and multi platform activity. The regulatory paradigm pursued by the European Commission has aimed to maintain separation between these blocks in order to prevent the over development of market power. However, linkage between various actors in the value blocks is the key to profitable and predictable operations. Thus the successful actions of the original pay TV interests, having already created linkages, render this model difficult to realise, unless the commission moves to forcibly disintegrate global conglomerates.

The shift to a disintegrated value chain moves the organisation of broadcasting closer to the other cultural industries of film production, publishing and new media publishing. In itself, the technology of digitalisation does not pre-empt such a structure and it is a paradigm that, once again, seems to be more fitting for the fully converged media of the internet/www. So whereas Duffy is right to note the development of a disintegrated competitive paradigm, it can less be seen as the outcome of a technology (although the technology is important in enabling this shift) and more as a paradigmatic illustration of the institutionalisation of market governance at European level regulation of the media/media policy. This, of course, creates a structural pressure for the member states of the European Union who may have subsidiary powers in certain areas but are essentially bound by the logic of market governance. What we see here, is the institutional features of market governance being introduced a sphere previously characterised by state governance. However this process is different to a simple recourse to de-regulated markets, as market governance attempts to achieve public policy goals, albeit through market mechanisms.

The ascent of market governance as an EU wide process, will, it can be proposed, have differing effects on different nation states relative to the organisation of the media/communications/broadcasting in a given country, the size of the potential market in that country and how that country is inserted into

particular geo-linguistic markets. Thus potential outcomes of public policy via market governance, whether of a public interest or pragmatic economic nature, signals new activities on the part of the state in relation to its management of market dynamics.

4.8) Neo-interventionism

In most European countries, however, moves to create a DTT platform represented a return to more positive interventionist strategies in the emerging digital broadcasting structure. DTT platforms themselves involved various combinations of public private partnership to develop the terrestrial broadcasting spectrum as a wireless digital broadcast system. DTT in itself was the outcome of a steady developmental process involving mainly Sweden and the UK pioneering a national reaction to developing multichannel markets and having that approach adapted by the EU as a form of neo statist intervention for the liberalised digital marketplace. Whereas DTT slots into the market paradigm of platform competition, technological neutrality and vertical dis-integration, it would not have come to market without significant investment by national governments and public bodies, not to mention the support of the EU. It is thus paradigmatic of the new state intervention that helps to institute the market but also govern through management of the shape and dynamics of the market.

The establishment of Digital Terrestrial Television represented an attempt by governments to promote competition and pluralism both in and between the various digital platforms. Recognition of the likelihood of a vertically disintegrated sector, in which commercial monopolies exercised control over crucial bottlenecks, inspired the creation of domestically controlled platforms. Thus far, with varying degrees of success most European countries have initiated DTT. In many cases the implementation of DTT required the surrendering of transmission networks by the former public service monopolies in return for prominent positions and significant transmission capacities on the new platforms. In Ireland, for example, RTE has received a single transponder with a capacity for six

channels as well as shares in the future transmission company. However despite being cheaper to develop than cable, DTT has thus far experienced significant problems in establishing itself, with the UK operator British Digital Broadcasting filing for bankruptcy after just four years in operation. In Ireland failure of DTT to get off the ground increased the likelihood of a tough competitive environment for it to develop in. For governments keen to avoid the past mistakes of liberalisation the benefits can outweigh the costs (especially if the costs are left entirely to commercial companies) (Iosifidis, 1999). Firstly, DTT provides the basis for continued free to air transmission/reception via a digital standard (Levy, 1999). Secondly, it offers a national distribution system allowing governments to sell off valuable spectrum for other commercial network services and accrue other benefits to the state. (Duffy et al, 1998). Lastly, it creates a rival system to both cable and satellite that is under domestic regulatory control (Marsden, 1999). The successful diffusion of DTT would seem to offer opportunities for a universally accessible public service platform with an emphasis on domestic and pluralistic content providers. However, the lack of public investment may also relegate it to a shoddy commercial alternative to technologically superior cable provision or content rich digital satellite (see OnDigital).

4.9) Convergence and European regulatory change

At European level 'convergence', the larger umbrella under which digital broadcasting policy had been subsumed, has been negotiated within a corporatist market approach, approximating the structural emphases of competition led policy. As has been noted, digital television technology involved the organisation of commercial, regulatory and public service interests into the DVB group. The first key structural change emerging out of this corporatist approach has been the assertion of a competitive platform approach and the de-emphasis of national strategic interest in any single broadcasting platform i.e. be it satellite, terrestrial, cable or telecommunication based. Thus, in policy terms, what had previously been recognised as the national broadcasting system, no longer extended to incorporate the national transmission system. National

governments have undertaken to be technologically neutral in their subsidisation and policy approaches towards varied technological platforms. This does not preclude a state having a financial or controlling interest in any given platform once it is deemed that such a move is worthy of investment and occurs within the bounds of a level playing field. Thus the over-arching concept of public service in infrastructure development has been de-emphasised. However, whereas commercial interests are now entitled to policy neutrality they are not compelled to realise universal service or universal access obligations. In related terms this has the additional effect of emphasising market relations between different elements of the value chain in broadcasting, that is, distribution is separated out from the processes of content production, publishing and customer interfacing. The former inter-firm relations of transmission/distribution thus give way to market relations and purportedly provide the basis for competition. However, this level of disintegration only applies thus far to public utilities and integrated private broadcasters such as BskyB sidestep the market in their inter-firm organisation.

The second key element of European level structural adjustment, involved the negotiated convergence policy which has made the clear separation of regulatory regimes covering distribution platforms and content providers. This has emerged out of the developing position of technological neutrality. The deliberative way in which this policy has been developed by the Commission can be tracked across the emergence of the Bangemann Report, its pursuit through the consultation on the Green Paper on Convergence and the eventual regulatory settlement that emerged out of the latter process of corporatist consultation. The EU has been far more successful in developing its regulatory sway over the technological process of network convergence whereas the regulation of content still remains, within limits, a subsidiary issue. This has been described in the policy literature as the development of 'horizontal' and 'vertical' regulation with the former referring to European level, harmonised regulation and the latter referring to the maintenance of national or regional levels of particular regulation (Ward, 2002). The harmonisation has been predicated on the assumption of convergence in

distribution and the assertion that no 'media specific' regulatory regime is now comprehensive enough to cover the converged nature of distribution systems, that is, all platforms can potentially be used for broadcast, telecoms or networked media based services. This represents a considerable shift in terms of issues of accountability/control wherein the regulatory regime governing communications infrastructure is now firmly a European led initiative based on market determination, competition policy and harmonisation of regulation. This entails that the uses to which convergence is put is occurring largely in a market framework led by concerns about the functionality of the single market at European level and its competitiveness at global level.

4.10) European level re-regulation: networks

At the level of horizontal regulation EU policy has focussed first on issues of technological harmonisation and then on issues related to competition, market determination and socio-regulatory principles. The first set of concerns, technological standard based concerns, were dealt with under the auspices of the DVB group and the resulting Advanced Television Standard Directive and reveal the impact of commercial interests on policy-making in this regard. The group was able to set standards for the digital video broadcasting signal, DVB-T but could only agree on guidelines for interconnection and interoperability. The former refers to the ability for networked services to operate across different delivery systems whereas the latter refers to the way in which different programme services can be received by varied consumer equipment across different platforms. Both of these initiatives would require a degree of openness in relation to the technological architecture, such as the conditional access system (CAS) and application protocol interface (API) used by the various operators working across the different platforms. The proprietary issues involved in this architecture has militated against the sharing of such information leading to what has been termed as 'crippled digitalisation' in so far as some of the 'networked' and 'interactive' features of digitalisation have become tied into to specific platforms as opposed to being universal services with universal

accessibility across different platforms.

Competition issues have been developed mainly by the Competition Directorate, DG IV, and have largely sought to maintain plurality of ownership amongst the different platforms within national markets and access to media and distribution in light of commercial monopolies of content and technology. The approach has been successful in terms of a number of high profile attempts to span ownership and control of different delivery platforms. DGIV has also been important in the area of competition for rights in the contexts of digital delivery and access to 'essential facilities' such as the CAS. The Merger Task Force has been active in attempting to prevent both horizontal integration and vertical integration in relation to mergers between delivery systems and the integration of content and technology companies with distribution companies.. However, competition policy, whilst effective in this regard, does not fulfil all the requirements of sector specific policy. It is negative in so far as it prevents undesirable scenarios, but does little in terms of positive intervention. Thus the public policy attributes of the DTT platform are not acknowledged and flat competition policy can apply where the public interest may lie in suspending competition regulations. In addition to this the directorate seems largely concerned with high profile mergers across platform and content provision but not within platform provision. This remains the preserve of national level regulation which is less capable of the independence of action of DGIV and more open to political pressure not always based on pursuit of the public interest.

The competition directorate has also been highly influential in the determination of market segments that crystallise the marketisation of the broadcasting landscape that emerged with the diffusion of new technologies. As such it has set the overall framework through which the national regulatory structures have dissected their broadcasting landscapes. Its distinctions tend to rely on methods of payment and technological features of the service under review. Thus markets have been segmented into free to air television, pay television, digital television,

technical and administrative services for pay television, access to satellite capacity, cable television and satellite broadcasting. The most fundamental critique of this approach is that it ignores the way in which all these markets are inter-related and impact on each other in a way that undermines the semi-public good characteristics of broadcasting. Thus the formerly favoured free to air television now has to compete in high cost rights bids and routinely loose content and talent to the other 'markets'. Access is predicated on the ability to pay basis and consumer choice is predicated on consumer spending power. Also such markets are only nominally segmented in terms of revenue generation and consumers consumption of the services, thus placing free to air television broadcasting in a grid of multilayer competition that puts pressure on audience attention and advertising revenue.

This technocratic management of the emerging market led digital broadcasting landscape has been latterly accompanied by a number of European directives developed to harmonise the regulation of analogue/digital networks and realise some of the extant socio regulatory principles of analogue broadcasting. The directive arose out of the horizontal regulation principle and sets regulatory goals that are to apply to all platforms operating throughout Europe. Essentially the new directives treat the broadcasting infrastructure as converged networks and therefore applies regulation that can have resonance in relation to broadcasting, telecommunication and computer based services. The key areas that are significant in so far as they apply specifically to broadcasting regulation include;

Electronic Communications Horizontal Regulation Framework (key elements)

<p>Framework Directive</p>	<p>This provides the legislative basis for the ongoing arrangement of Horizontal regulation from the EU and continued vertical or subsidiary regulation in relation to content related issues. It ensconces the central developmental principle as that of competition, technological neutrality and the regulation of significant market power. It also sets out more firmly the market segmentation that has developed within the competition directorate, noting the developing digital markets related to wireless network technology. However it leaves it to national regulators to set out the relevant markets in a given jurisdiction.</p>
<p>Regulation on Unbundled Access to the Local Loop and the Access Directive</p>	<p>In relation to broadcasting this sets the conditions for the negotiation of interconnection (as discussed above). It also re-enforces the need for access to CAS on a 'fair and reasonable' basis. Under the ruling on CAS, both the EPG and API are considered to be part of the CAS and thus unfair access to either constitutes unfair and unreasonable behaviour.</p>
<p>Authorisation Directive</p>	<p>This essentially provides the basis whereby services may be licensed without any specific conditions on their use. Intended for the quick diffusion of digital services and decreased national specificity of licence conditions. Also allows for the possible auction of broadcast spectrum for new service delivery.</p>
<p>Universal Service Directive</p>	<p>Provides a market framework wherein a number of basic communication services have to be made available to the 'consumer'. This includes telephony and internet access. It also notes the potential of market failure and the necessity of member states of dealing with it.</p> <p>The directive contains the 'must carry' directive which allows the member states to direct platforms and services to carry a minimum number of national services. The basis on which these services can be specified relates to the public service characteristics of the services i.e. in relation to content and their availability on a free to air basis, providing the basis of being services in the general interest.</p>
<p>Directive on Privacy and Electronic Communications</p>	<p>Related to privacy issues associated with mobile digital services.</p>

The new regulatory framework thus attempts to transpose some of the features related to the nationally regulated analogue environment into horizontally regulated digital markets. The key point is that this occurs within the competitive paradigm and thus primarily recognises an accommodation with commercial and economic bases for policy development. It is as much concerned with liberalisation and flexible regulatory initiatives which are now constituted as public interest objectives on the basis of competition led policy design. The overall approach does little to conceive of public interest objectives that cannot be achieved by the market. The overall paradigm is based on a regulatory role that is behavioural as opposed to structural. That is, there are no provisions for direct intervention (referred to as positive intervention) in relation to infrastructure build or state led public interest initiatives. It presumes a role for the state on the supply as opposed to the demand side. That is, offering legislation and regulation that prompts markets to fulfil the above objectives. The varied public interest objectives that do arise out of questions of access do so on the basis of ability to pay. Thus the universal service objectives do little to ensure universal access to, for instance, networked related digital broadcasting services. Access may be prevented on a number of bases. For example, price may act as a barrier to access, the lack of comparable infrastructure may cause price and service differences, services lack of interconnection may discourage take up etc. Added to this the overall application of socio-regulatory principles relies heavily on integrating existing norms and practices into a market framework. There is little that is expansionary in relation to public interest initiatives or civil society inputs into regulatory initiatives. This essentially delegates the necessity of developing public service communications at the national level. A final criticism of the logic of competition led regulation such as this is its focus on liberalisation and privatisation of distribution without recognition of its impact on the vertical regulatory initiatives of member states. That is, there is little concern for how the marketisation of distribution impacts upon formerly integrated content suppliers. For many countries, especially small countries, the subsidisation of content

production depended on a tight control over distribution. Thus distributional exclusivity has previously allowed local content production and non-market operating logics in smaller European countries with public services agendas.

4.11) European level re-regulation: content

Although firmly rebuffed by nation states in its extension of regulation of broadcast content, the Commission has expanded its influence in this regard. By the time DGXIII came to revisit the TVWF directive in 2004 it is evident that the vertical regulatory approach is being complimented by pan European initiatives with extended principles and guidelines coming into operation. TVWF III has been mostly steered by DGXIII which points to the increased implications of issues of convergence, and/or digitalisation. As broadcast television forms becomes sectioned into markets and distributed via converged media systems the commission has sought to extend the scope of TVWF to cover broadcast like services (or broadcast forms) regardless of the pay structure, the customer relation or the distribution platform. The latest revisiting of the TVWF thus has three key implications for digital broadcast content, as follows;

1. It is platform neutral as directive applies to content;
2. Extends country of origin principle to cross platform services; thus once again trying to secure free movement of services and the consolidation of European industry
3. Introduces two tier system of light touch regulation for on demand services and continued TVWF regulation of linear services.

The new directive illustrates the accommodation to the separation of production and distribution in broadcasting. One of the most noteworthy elements of the new directive is its recognition of the internet as a mode of distribution and its attempt to define broadcasting as a distinct mode of communication with its own cultural forms and therefore the continued necessity of a specific mode of regulation independent of its technological delivery. In this regard on-demand services can

refer to broadcast forms available via digital pay channels or on internet web tv services. These services because of their on demand nature are subject to a lighter regulatory regime. However, on demand services still have to adhere to the rules on protection of minors and human dignity; right of reply; identification of commercial communications, and minimum qualitative obligations regarding commercial communications. The quota rules are however quite watered down for on demand services and are framed as an aspiration as opposed to anything binding.

4.12) Rationalisation and the re-structuring of public broadcasting

As has been noted there has been periodic phases wherein the public service logic of broadcasting in Ireland has 1. Undergone transformation as part of an overall review of the public sector in Ireland (1980s), and, 2. Had to adjust to structural adjustments within the broadcasting sector i.e. the move to a dual system (1990s). 3. Adjusted to the transposition of EU level directives into PS operation (1990-present). One of the key questions raised by the ongoing process of marketisation has been that of the space occupied by the public broadcaster in national mediascapes. In Ireland the process was labelled the 'reform of public service broadcasting' involving a publicly orchestrated 'Forum on Broadcasting', a number of rounds of public consultations and an eventual resolution to the ongoing place of PSB in the mediascape. The need to determine exactly what role PSB would play in the media landscape and its relationship to the commercial sector were partly the result of the EU's need to clarify the socio-legal arrangements surrounding public broadcasters but also the outcome of a market enhancing domestic context. Thus questions of definition, funding, structure, purpose, commercial practice and governance all came to the fore. In the following case study (Chapter 7) it is argued that there were two processes of restructuring that occurred, the public one that occurred in the public sphere and involved a deliberative process to outline all of those questions above. Just below this, there also occurred a more directly political process of restructuring wherein political reliance on market methods sought to re-align the

production base to a more directly market conscious mode of operation. In general this appears to have arisen out of a general policy transfer from other approaches to restructuring in the public sector. However, in order to document the degree of restructuring the various pressures and emphases that arose from European policy towards Europe's public broadcasters also needs to be considered.

4.13) European Union and public services

The cultural derogation at Global level has given the EU the time to adjust its approach to the shifting political economy of electronic communications within its borders. Within Europe there are multiple pressures to re-regulate within the logic of market governance from:

1. Multinationals based within member states, e.g. in the recent debates concerning the role of regulation in the 'age of convergence' BskyB vigorously lobbied for the application of general competition law as opposed to sector specific regulation for broadcasting.
2. The private domestic operators that have emerged within the market framework, In the UK, Germany, Ireland, Portugal, Spain, private operators have made cases to the European Competition Directorate alleging market abuses in the activities of public broadcasters, ostensibly aimed at reducing public service market share.
3. National governments intent on sponsoring the growth of 'the creative industries' e.g. the UK has gradually relaxed ownership regulations that were perceived to be a quid pro quo for private operators concerned with the extension of the BBC into new ventures.
4. Elements within the commission (labelled 'Liberals') who oppose intervention on ideological grounds

The pressure has tended to focus on the regulatory measures which are aimed at limiting concentration, the subsidies awarded to public operators and the expansion by public broadcasters into new digital services (broadcast and non-

broadcast) that are considered to impinge on private market share and profits. Thus it is suggested that public services represent 'opportunity costs' in relation to market growth. The escalation of these cases, the developing market led digital environment and external pressure towards liberalisation, has meant that the Commission has had to develop a position on the legality of the public service subsidy, its uses and the role of regulation in overseeing these factors. The outcome of the EU's position on these issues has in turn led to the demand for national governments to apply more stringent and transparent measures in the regulation of the broadcasting sector and the role of the PSBs within it. It is this general pressure which partly explains the restructuring of the public sector in Ireland.

The Commission's position has evolved from the early challenges to public broadcasters within member states to the 'Communication on the Application of State Aid Rules to Public Service Broadcasting' in 2001. As Ward has suggested, it is only relatively recently that the place of PSB in the European mediascape has become a substantial issue. Within the Treaty of Rome there are provisions for 'services of general interest' which can be mobilised by the Commission to allow subsidiarity on issues of definition and funding of public services. The Bangeman Report and its neo-liberal leanings served to mobilise opposition towards its vision of a regulatory agenda that sought to marginalize public sector elements. The Tongue Resolution, followed by the Amsterdam protocol of 1997, reasserted the place of PSB in European mediascapes. However, the protocol also left many questions to be answered as it had asserted the importance of PSB to the democratic, cultural and social life of the member states, but only in so far as this remit was clearly laid out in national law and did not interfere with competition and trade in audiovisual services within the Union. The 1997 Amsterdam protocol secured the legitimacy of public service broadcasting but requested that member states clarify its role in the interests of future competition law on the issue. Thus the legislative status of public service broadcasting at national level would be a key element in defining its application

and utility in the future development of public service communications. The re-orientation of public policy in a competitive milieu forced the issue of what definition, structures and practices would be suitable for public service broadcasting. Whereas the Commission thus shifted the issue of definition to national level it found itself having to develop a general approach as more commercial national broadcasters sought to contest public service practices on the latter issue of competition and trade. Within European law the position had developed wherein the Commission positioned itself as competent in deciding on issues related to funding structures, transparency and proportionality (Ward, 2003). It thus requires member states to outline the funding allocated to public broadcasters, the public purposes of this aid and to ensure that the amount allocated is sufficient only for the latter to be carried out.

Whereas this provided a fairly clear cut approach in relation to 'pure publicly funded' broadcasters, problems have arisen in relation to mixed funding broadcasters such as RTE regarding the possibility that 'the use of state aid granted to public broadcasters and whether the aid is used un-competitively to the advantage of these broadcasters on secondary markets such as advertising' (Ward, 2002, p106). The competition directorate, DGIV, attempted to resolve this issue with a discussion paper but was lobbied by member states unhappy with the Commission's seeming willingness to set limits on what they could or could not define as a public service programming (Nitsche, 2002). In particular, the commission had singled out the mixed funding broadcasters such as RTE for special attention. The suggestion was that these broadcasters should outline which elements of their service was public broadcasting and which elements were commercial. In this way the commission could judge the degree to which the public services are proportionally funded and ensure public funds did not subvert their commercial operations. Whereas this position was rejected, it does reveal the ambiguity with which the Commission regarded mixed funding broadcasters. The result, however, has been that each complaint is dealt with on a case by case basis. However, as Ward has observed, there are more general

obligations that now have a bearing on the activities of the public broadcasters. One set of such obligations arises in the amendments of the Transparency Directive which is aimed at all member states' public companies. The two provisions of direct relevance to PSBs involve the contention that 'there is transparency in financial relations between the state and public undertakings and to ensure that these are proportionate to the public service remit'. And secondly, to 'ensure transparency and a clear division, including separate accounting systems, between the different activities of the public undertaking in terms of public and non public service activities' Ward, 2002 p103). From this perspective, the definition of the public service becomes a core issue in relation to what can and cannot be considered to be outside of the PSBs remit and the relevance of the general marketisation of the socio-institutional framework, and its implications become more readily appreciable. The various cases brought before the Commission in relation to the contravention of trade and competition issues led it to a more confident statement of its position on PSB in the 2001 Communication on Public Service Broadcasting which essentially re-stated its competency only in the areas of adjudging proportionality and transparency and calls on member states for;

1. A definition of public service activities;
2. An official act entrusting the public service duties to a specific body;
3. A system of proportionality and assessment to evaluate whether the activities of the broadcaster who receives state aid are consistent with the obligations imposed on it

Thus the definition and funding of PSBs remained a subsidiary issue, but one that entailed a national level clarification of the public service arrangement.

The following case studies address these varied political economic emphases on the digitalisation of broadcasting and the re-positioning of public broadcasting within the marketised digital broadcasting infrastructure and how the two policy approaches overlap with each other. To re-iterate, marketisation here refers to both the institution of market structures and market logics of operation and the

process of governance via re-regulated markets. All of the issues discussed in the present chapter provide the backdrop for the following discussions. The Irish-specific contexts of a state machinery possessing capacity to steer neo statist intervention, the emphases on reduced public spending and the market making proclivities of the state are accompanied by the increased influences of European policy and its institutionalisation of market structure based on new forms of competition, new forms of exchange and new property forms and the re-regulatory rules and guidelines that oversee this structure. However, before turning to the case studies it is necessary to contextualise present broadcasting policy in Ireland through consideration of the historical developments and wider policy contexts in Irish broadcasting.

State Intervention, Governance and Policy Change in Irish Broadcasting

5.1) Introduction

Broadcasting, as a distinct mode of communication, has long predated its technological extension in the early 20th Century. With its realisation in radio and later television technology it became the object of institutional concerns regarding its appropriate structure, purposes and regulation. Thus from the very inception of electronic broadcasting policy makers in Ireland grappled with the technological, spatial, political-economic and socio cultural constituents/dimensions of broadcasting and the best means of organising it to ensure its compatibility with the recently founded new state. In the 1990s a similar engagement with technological, spatial, political economic and socio cultural issues surrounds broadcasting and called into question those earlier settlements regarding the diffusion of electronic broadcasting in what are now increasingly considered to be post-industrial post-national regimes (Esping-Andersen, 1999). Technological change, in relation to digitalisation and the development of the new media centring on the infrastructure of the internet, present policy makers with challenges. Spatial issues in relation to the internationalisation of distribution and the development of the World Wide Web vis a vis new technology also signal the necessity of national adjustment and differential levels of governance. In socio cultural terms the pluralisation of cultural identities, values and interests have prompted the demand for a more differentiated media that spreads out beyond mono cultural nationalism. In political-economic terms the rules of the game have also changed. The privileged position of the state in Atlantic Fordism is no longer guaranteed as policy and co-ordination migrate to supra-national and global levels of governance, and the market is increasingly premised as the chief means of distributing resources in society whereas the state re-structures to manage supply as opposed to demand side co-ordination of the economy. The state has also become the enabling/regulatory state in so far as it moves to facilitate network governance as

a component of the extant and emergent state/market governance mix. Thus the state is enabling in so far as it seeks to institute forms of governance and the institutional infrastructure that necessarily accompanies emerging modes of accumulation. However, despite these shifts in the key determinants of media development there are continuities in so far as broad stroke questions regarding policy orientations have been negotiated throughout the development of broadcasting in its analogue, national and state led form. Arising out of theoretical formulations of the public sphere, the public interest, cultural democracy and citizenship, McQuail has identified the key normative concerns of public policy in public communications as involving issues of freedom, access and control/accountability (McQuail, 2003). In western democratic states these norms were, in the 20thC, translated into regulatory concerns with universal service, universal access, public service, plurality and diversity (ownership and control issues/access issues) and content regulation realised in different ways by varied levels of regulation and subsidy, often as the outcome of social and political struggles. Whereas such regulatory approaches point to the meta level of market failure, they have not arisen out of purely economic concerns, but more so from socio-political and institutional interplay. However, McQuail also notes the increasingly economic emphases of communications/media policy as a by-product of its articulation within the informational and reflexive components of late or advanced capitalism. Thus unlike the early days of broadcasting wherein economic interest in the new media tended to focus on the sale of related hardware and in the American case, the sale of audiences to advertisers, the very infrastructure of digital media is implicated in 'the dynamic of any emerging economic system' (Jessop, 2001). What is relevant in relation to broadcasting is the degree to which broadcasting's infrastructure can be adapted to be a distribution/network system for new media, the way in which the public good status of broadcasting is now being reconstituted relative to its potential as an internally traded commodity and the ways in which media and cultural production offer themselves as component dimensions of knowledge based economies.

Thus, to understand the macro contexts of broadcasting policy making, the meso context of this policy making and the performance of the outcomes against the normative dimensions of public communications policy it is necessary to do so through a number of inter-related frames already outlined throughout the thesis. The external determinants relate to those constitutive factors of technological change, spatial re-ordering, socio-cultural developments and, particularly political economic transformations (the shift to market governance in response to structural changes in the economic realm). Reactions to these contextual factors will be considered through the process of public policy which, influenced by ideas, interests and institutions, moves through the cycle of agenda setting, policy formation, policy adoption, policy implementation and policy outcome. The site specific factors which impinge on this process include those of state/market relations, interest groups, ideologies, the assemblage of institutions at the varied levels of local, regional, national and supranational co-ordination. Policy outcomes can be then judged against McQuail's criteria of access, freedom, control/accountability (or participation, representation and recognition) and added to this must be the degree to which these objectives are squared with the socio-economic dimensions of public policy and the balance maintained between socio-cultural and economic objectives. The present chapter aims to sketch such an analysis in order to provide the background and contexts to the following case studies on the introduction of DTT and the restructuring of public broadcasting in the Irish context. As such, it will apply the above frames of analysis to the 20thC development of broadcasting policy in Ireland. In keeping with the materialist slant of the thesis the key concern will be with the homology between political economic and evolving state/market relations, and how changes at this macro level alter the contexts for public policy institutions. As such the chapter is concerned with the contexts of policy making, the process of policy making, the outcomes of policy, what they mean for systems of public communication and how they measure up against public interest concerns.

The chapter will first look at the interplay of these dynamics in two earlier phases

in the development of broadcasting in Ireland, the introduction of first radio and then television broadcasting in Ireland. It will consider how policies centred on access; freedom and accountability have developed in those earlier phases of electronic broadcasting and outline the key policy infrastructure that was in place in those periods. The source material for the historical development of broadcasting in Ireland can be gleaned from the combined accounts of Richard Pine, (2002), Maurice Gorham, (1967), Robert Savage (1998) and John Horgan, (2001). The chapter will then consider the shift in emphases from political policy making to negotiated governance within the contexts of the emergence of the competition state in the 1990s. It will finally address the European policy making, relative to DTV and PSB in the 1990s.

5.2) Public policy and radio broadcasting in Ireland

The 'policy community' which anticipated the introduction of radio broadcasting in Ireland was very much characteristic of a postcolonial emergent state engaged in reconstruction. Political representatives more accustomed to military struggle were in the process of building new institutions whilst finding that existing ones offered an expedient alternative to starting all over again. As a result, radio, a potentially pervasive mode of social communication, was not seized upon as a central element of state building. Ireland's adaptation of radio broadcasting can best be seen as the result of technological imperative combined with a cautiously articulated concern with control of the circulation of information within the emergent state. The evidence for this lies in the fact that the various parties forging policy and looking for the best structures and regulatory design had little conceptualisation of what these structures and regulations might enable in terms of harnessing the potential output of broadcasting, c.f. Pine, 2002. Instead, that Ireland should have national radio and that it should be under state control represented reactive policy that sought to minimise the impact of the technology.

In general terms the young state recognised the development of broadcasting as a component element of modernising western states. It also was cognisant of the

quick establishment of a broadcasting system by the former colonial master and opted to create a domestic information infrastructure which could be contained by the state. Unlike the UK or the USA, there was no driving economic imperative, as the spare manufacturing capacity that existed in those countries following the First World War did not exist in a country that had experienced under industrialisation in its quasi-colonial relationship with Britain. The small group of interests that banded together to form the broadcasting company, under the guidance of the ministry of post and telegraphs, were in fact radio importers or hobbyists as opposed to radio manufacturers. Ireland did not experience the same level of urbanisation that accompanied industrialisation which Raymond Williams points to as a social impetus for the quick diffusion of broadcasting in Britain. There was not the same kind of community rupture that led to the phenomenon of 'mobile privatisation' which again shaped the form that radio broadcasting was to take. Instead the fragility of the new state, cultural policy, rurality and the need to develop comparative advantage in agriculture helped shape a broadcasting service oriented towards entertainment and agricultural news. However, one thing that was shared with industrialising neighbours was the official concern with maintaining control over who had access to the airwaves. Whereas this was justified according to technological criteria such as limited bandwidth and orderly management of spectrum use there was also a clear concern with the communicative profile of broadcasting in so far as it possessed the ability to be live, immediate and pervasive (point to multipoint). A very partial and ideologically driven press had developed via the market model and European governments saw this as inappropriate for the new media. What was significant was the degree to which an impoverished new state was intent on developing the new media within its structures essentially as a public utility with little concern for the representations of the commercial interests other than those looking to get involved in selling receiver sets.

A more immediate pressure than maintaining a place amongst the nations of the world was the early development of broadcasting in the UK. With the

development of the British Broadcasting Company and its re-constitution as a public corporation the realities of international broadcasting and foreign spill over came early to the young state. Overspill from the BBC was audible along the east coast and along the border. Although there was little to suggest that the diffusion of an Irish broadcast service would prevent the 'listening in' on UK services the necessity of providing a platform for what was uniquely Irish in cultural terms was a crucial driving force. By a combination of financial necessity and resourcefulness the new service broadcast a steady diet of culturally distinct folk music, sports, Irish language talks and Anglo-Irish literary culture (Gorham, 1967). This represented a continuation of the surge of cultural nationalism that had emerged in late 19th century Ireland. Due to factors of cultural relevance and nationalism the service was to come to be the first choice of Irish listeners.

The goal of control/accountability was therefore paramount in the model adopted for radio broadcasting in Ireland. Operated by the civil service under conditions of limited autonomy the service was to be entertaining and, most importantly, politically innocuous. Legislated for under the Wireless and Telegraphy Act the key conditions of broadcasting were outlined but little was articulated in relation to the purposes of the service. These developed incrementally and have been described as follows;

'in so far as the programming of 2RN in its first years demonstrates any attempt (whether tacit or overt) to signify a notion of identity, that signification was primarily cultural and social, only marginally political, and determinedly non-ideological' (Pine, 2002, pp145).

To this degree the service was that of a 'state broadcaster' with aspirations to being a public broadcaster. The tight control of the service regulated access to the airwaves with content being de-politicised, rigorously policed and geared towards economic goals for the sustaining of the agricultural sector and the aforementioned diet of distinctly Irish cultural programming. One derogation from this situation was the access given to commercial sponsors who provided either

whole programmes or programming as a vehicle for advertising. Advertising, however, was adjudged by the department to clash with cultural policy goals, was tightly regulated and the eventual limitation of advertising to Irish producers was conceived as a support mechanism for the establishment of an industrial component of the economy. Beyond this, early pressures for the regionalisation of broadcasting, to reflect the predominantly rural character of the state, tended to be passed over on the grounds of cost. Because of this level of control of access to the airwaves, the Department had to pursue universal distribution of the service and this occurred at a relatively sluggish pace, giving rise to criticism over the Dublin centric nature of the service. The development of a transmitter in Athlone in 1932 represented a significant advance in this regard. Overall the pace of this development was in keeping with the general ambiguity towards modernisation which was not pursued energetically by the state.

The policy community which negotiated the varied constituents of new media development was rooted firmly within the political sphere. The governance model was the top down bureaucratic form that was a feature of the interventionist state in 20thc Europe. As elsewhere in Europe, Post and Telegraphs, the ministry in charge of other technologies of communication, assumed responsibility for its diffusion. The department largely drove policy development with an energetic senior civil servant, JJ Walsh, pursuing the model of a licence fee funded, independently run broadcaster operating outside the department. In this he was aided by advice and support from the BBC which had an interest in preventing the possibility of commercial competition emanating from Irish soil. The department experienced little interference from the Minister but was answerable to a government committee that had been set up to decide upon the best possible model for the pursuit of broadcasting. Within the cabinet the other influential input came from the Department of Finance which was opposed to any state involvement in funding a broadcaster and made it clear that there were too many competing welfare claims in the development of the new state. At this point the gradual development of UK welfare initiatives set high standards for the

Republic to compete against. The key interest groups which had an input into policy debates included the existing media industries (concerned with protecting their sales and advertising revenues), advertising interests (concerned with extending the possible number of outlets) and the hastily assembled set of industrial opportunists who sought to constitute the Irish Broadcasting Company. Interestingly, as had happened in the UK, the advances of the Marconi Company had been rebuffed on the basis of distrust of the companies potential monopoly over the broadcasting business. Its drive to control both distribution and production was interpreted as anathema to the interest of state and national policy initiatives in communications development. Likewise the intrigue surrounding the Figgis Belton affair (cf Pine, 2004, Mulryan, 1988) demonstrated the governments concerns over the political motivation behind seemingly innocent private enterprise as a committee member's links to high profile Unionists latterly came to light in the broadcasting Committees proceedings. The state as a catholic-corporatist state with a determination to emphasise its cultural difference from Britain, ensured that the broadcasting service also absorbed and reflected these values from myriad religious and civil interest groups. What is significant from the overall policy process was the ever present politically driven option that the state may play a role in the diffusion of the service in the interest of ensuring that national policy objectives would not be overridden by commercial and political concerns emanating from outside of the state. As such broadcasting developed as a public utility primarily oriented towards a policy of cultural nationalism.

5.3) Public policy and television broadcasting

When television technology was developed across Europe it was incorporated into the existing institutional and socio-regulatory infrastructure that had been developed for radio broadcasting. Again, the UK had been the site of much of the development of technology and following the interruption of the Second World War, it set about diffusing the technology under the auspices of the BBC. Again early development within the UK created the impetus for a speedy resolution of

government policy in this area as television receivers picking up British signals began materialising on the border with Northern Ireland and along the eastern seaboard. Economic policy had moved from that of agricultural comparative advantage to import substitution and protectionism, and, under DeValera the need to promote an Irish voice in the world had been pursued, albeit with little success. It became clear early on that Television would be a considerably more complex and resource intensive than Radio had been. Partially because of this, and the fact that Television was greeted with suspicion by those who had a firm hold on the existing knowledge structure in Ireland the policy process leading to the introduction of Television was even more protracted than Radio. This was partly down to its communicative profile. Adding pictures to words, the potential of Television to create access to a 'virtual reality' presented considerable challenge to the knowledge ecology of the country. The official position was to be that commercial investment would be necessary as the poor economic performance of the country meant that competing welfare claims relegated television to the category of a 'luxury good' (Savage, 1996). A singly minded civil servant within the Department, Leon O'Broin canvassed the suitability of a public service model, but appeared to be going against the grain. The replacement of DeValera with Sean Lemass as a 'modernising' Taoiseach signalled Ireland's twin move towards an open economy relying heavily on Foreign Direct Investment as a substitute for capital investment and state centred Keynesian planning. The eventual decisions made to pursue Television within the framework of national cultural interest probably occurred because Lemass had only embarked upon his policies at this point in time and was swayed by the majority perspective within his first cabinet. It may also be suggested that Ireland's opening out to the world via economic liberalisation prompted an acceptance of cultural protectionism in anticipation of increased international influences within the country.

Within the founding legislation for RTE and the Broadcasting Authority Amendment Act of 1974, the new service benefitted from a decade of pressure to

make broadcasting more independent of government and state. Thus the legislation stressed the cultural dimensions of RTE's duties but also made clear its role in the democratic life of the whole country. An onus to be impartial and balanced within the democratic framework created the basis for an ongoing negotiation on the degree of freedom the station possessed in covering varied and especially political subject matter. The necessity of national access was once again stressed. With more focus, and the incentive of increased licence fee revenue, RTE pursued the development of its network more vigorously than had been the case with 2RN. The goal of Universal service (as far as was practical) was realised relatively early demonstrating the social efficiency of the public ownership model. RTE however developed within the same centralising tendencies working within a broadly representative and Dublin centric model. Thus questions of access were institutionalised into sets of normative practices and guidelines that related to a public interest agenda which attempted to facilitate political and cultural diversity as opposed to advocating one over another, not always successfully. This has inevitably led to claims that it has favoured one over the other or completely neglected whole constituents because of its own liberal urban agenda and its pursuit of a form of consensual democratic republicanism (Quinn, 2001). It is this procedural negotiation of function and purpose that is common to the public service broadcasters across Europe, one that points to the necessity of the maintenance of a degree of freedom from both economic and political interference and accountability to the public. Successive governments have found it difficult to honour this social contract interfering politically on some occasion and failing to intervene economically on other occasions when public funding has fallen below acceptable levels. Stymieing licence fee increases could avert popular dissatisfaction with governments keen to please the electorate, help keep inflation under control and also curb an overly critical public broadcaster (Horgan, 2001, Corcoran, 2004). The converse effect has been a reliance on commercial income that can lead to contradictions between the commercial and public interest duties of the broadcaster. It is on this basis that the broadcaster is legally accountable to the public as opposed to

government or state, although the structure and mechanisms of such accountability have not hitherto developed to reflect this situation.

The policy community that dealt with the introduction of television was much more aware of the significance of broadcasting than its predecessor in the early twenties. The pervasiveness and potential profitability of the new medium brought many interest groups into the debates. One again policy development was located firmly within the political sphere. Developments in the UK and the presence of television sets in the Republic were responsible for the emergence of broadcasting into the public arena whereas the department's principal, Leon O'Broin, was influential in moving it onto the political agenda. O'Broin engaged upon a solo run within the Department and along with the help of former director of 2RN fashioned a structural model based upon the concept of public broadcasting which benefitted from policy transfer from both the BBC and the European Broadcasting Union (Gorham, 1967). Again, Finance was influential in shaping government policy and the department of trade and industry was also involved in the formulation of parameters and objectives. The government organised a television committee which sought to develop a model that would not lead to any cost falling on the exchequer. The commercial interests who sought to shape the development of broadcasting in Ireland had primarily as their goal, the possibility of broadcasting a commercial radio service to the UK in order to realise profits in the larger markets there. The committee this time round had a much clearer idea of what broadcasting actually entailed and how it could contribute to the democratic, social and cultural life of the country, which was arguably down to the public debates surrounding the developing philosophy of PSB within the BBC/UK. However, the report was hamstrung by the proviso that there would be no public funding for any service and therefore was limited in its options especially the public one, even though it proposed in its interim report that this was a desirable option. The 1950s had been a decade of retrenchment for nationalised industries and a clear indication of the limits of DeValeras' adaptation of Listian economic policy. Thus the efficacy of public enterprise, not

for the last time, was under debate at this point in time.

The committee sought to assess the range of options on offer through seeking submissions from interest groups and members of the public. However, business interests with considerable financial clout benefitted from differential access to the policy process were given privilege of access. In the final analysis the cabinet however performed an about turn to accept the relatively autonomous public model funded out of a mixture of licence fee and commercial revenue. The key factors involving this turn around appear to be the concern that national-cultural policy objectives would not be pursued within the commercially operated model. Even within a system of public regulation it was considered that public authorities may have difficulty in compelling well resourced commercial interests to pursue social regulatory goals. It appeared that the protracted negotiation with these would be broadcasting companies alerted state interests to the drawbacks of non structural intervention. Even the Department of Finance was concerned that lack of control over advertising may lead to inability to influence advertising minutage and content in a way that was sensitive to the national economy. As Ireland entered a period of economic modernisation and liberalisation the new television service reflected upon its subjects as primarily national subjects with common interests and goals. The development of a national broadcasting monopoly did not significantly clash with the emerging economic goals of export-oriented 'peripheral Fordism' based on foreign direct investment (Barbrook, 1994). However, despite the turn to international capital to create an industrial infrastructure (and replace failing national industries) , it is significant that public policy goals in communications were considered best administered by, notionally, semi autonomous mechanisms of bureaucratic governance enabled by the state . Broadcasting policy was still driven by national socio normative goals and the structure of RTE as a semi independent state body, governed by an Authority in the public interest created a vessel for the development of broadcasting policy that was in dialogue with both the department and the government of the day. In this period, broadcasting policy was now somewhat internalised within RTE.

There were thus limits to FDI, liberalisation and privatisation. However, these limits were to be eventually called into question.

5.4) Introducing the dual system

In terms of technological change, the key developments within broadcasting were interior to that medium. The switch to colour television, the introduction of cabling, the development of UHF all represented technological adjustments that were dealt with by the broadcasting policy community of RTE , the Department of Communications and various interest groups such as the language interest groups and the Church. RTE had become the repository of expertise in this respect and was also relied upon to balance public interest objectives with institutional self interest. Its position as a monopoly averted the possibility of wasteful competition and the fragmentation of resources. In return the attainment of economies via diversification was maintained through allowing RTE a financial interest in new developments such as cabling. Relatively early on RTE had a substantial interest in the cabling business first developed as RTE Relays and later Cablelink. RTE continued to grow as a large integrated broadcaster maintaining control over the varied elements of content production, scheduling and distribution. However, by the 1980s the status of the public sector in Ireland was under review once again. Due to the oil crises, growing unemployment, rising state deficits and the global economic shocks of the 1970s, the public sector was subject to a significant restructuring (Sweeney, 2004). The key outcome was to signal the commercialisation of this sector to ensure that state assets were not under performing and to relieve some of the pressure on the exchequer. During this period RTE was subject to major staff reduction and encouraged to commercialise some of its activities and change work practices to ensure efficiencies.

In the course of the decade both Fianna Fail and Fianna Gael revealed themselves to be in favour of liberalising the sector and introducing private competition. There were myriad reasons for this. If all politics is local than the

promise of offering local services and potential local enterprise appealed to the electorate. Added to this there was a sense, particularly amongst Fianna Fail, that RTE's agenda was overly critical of that party in particular. An alternative source of news and information, and particularly one that is indebted to the party was considered a welcome addition to the information infrastructure. In addition to this, the development of broadcasting satellite services indicated that the day would come when broadcasting was no longer purely a national affair and that small countries may want to get its broadcasting ecology in place before the development of international commercial broadcasting. From 1984, discussions arose within the EU concerning harmonisation of member states broadcasting frameworks. The Hahn report and then the later discussions surrounding the potential directive that was to become Television without Frontiers were under discussion as the possibility of international broadcasting became more likely. Also, popular pressure for alternatives to RTE, or at least its centralised national radio service, had become evident in the upsurge of pirate radio displaying a demand for local presentation of Anglo-American pop culture (Mulryan, 1988). The national/folk/uplift cultural policy of the national broadcaster was thus under challenge from various different quarters. The legislation for private commercial radio and television, accompanied by an industry regulator, was finally introduced by the Fianna Fail government in 1988.

Although the reasons cited above came into play in the introduction of a commercial sector, there were also additional factors shaping policy approaches to how commercial competition would be introduced, traceable to Fianna Fail's close relationship with business elites in Ireland. Following the investigations of the Flood tribunal it was revealed in its interim report that the then Minister for Communications, Ray Burke, had pursued broadcasting policy to satisfy private interests, in return for corrupt payments, as opposed to the public interest. The introduction of local radio had been accompanied by plans for a national radio and television station, even though the demand for such services had not been previously evident, nor was the general economic environment promising.

Subsequent policy initiatives demonstrated the degree of patronage that was at work in these moves. The measures brought forward, in response to the eventually established, but, faltering national commercial radio and television services, had proposed altering the channel identity of RTE's second radio station, diverting advertising revenue towards the private sector and disbursing the licence fee amongst different broadcasting interests. Whereas these policy measures were rejected, Burke did manage to place a cap on RTE's advertising revenue and tie it to the licence fee in a way which essentially gave the government effective control of RTE's revenue earning potential. The Flood tribunal also found that Burke's issuing of a ministerial directive in relation to the commercial radio station's use of RTE's transmission network was motivated by personal interest and constituted corrupt governance. What has not been fully investigated thus far is the role of cabinet compliance in this matter. Significant legislation like capping the advertising revenue of the national broadcaster would have called for cabinet approval and therefore enters the realm of government collective responsibility. Also whereas Ray Burke was rewarded with personal enrichment, a cultural of tolerance of such behaviour within Fianna Fail has led to accusations of an 'unwritten' policy of elite patronage on the part of that party.

5.5) Institutional change and public policy making in Ireland

In this section the key purpose is to briefly consider how some of the material and political economic changes discussed in the introduction have led to structural change in the Irish state, and how this in turn has created new contexts, strategies and activities for public policy in the Republic of Ireland. The chief concern here is how the state has been rearticulated relative to a global neo fordist political economy that has been chiefly characterised by neo-liberal management. It is these state strategies and articulations that provide a broad outline of the structure and activity of public policy in the Irish context. It is suggested that Sean O'Rian's description of Ireland's new state strategy as being that of a flexible developmental state is well complimented by Boucher and

Collin's characterisation of Ireland's political economy as that of neo-liberal corporatism (O'Riain, 1999, Boucher and Collins, 2003).

In relation to Ireland's openness to neo-liberalism, Sean O'Riain has argued that in terms of economic development, the state has been involved to a degree that is uncharacteristic of neo-liberal regimes and indicative of a state oriented to taking advantage of the post fordist nature of global capitalism, sometimes contrary to the neo-liberal prescriptions of global institutions. To this degree he has argued that Ireland has developed a new state style that successfully adjusts to the global post fordist informational economy.

O'Riain characterises the emergent state form in Ireland as that of a flexible developmental state (FDS). He differentiates it from the Asian Bureaucratic Developmental state which he outlines as being more centralised, fordist and inflexible. Thus the FDS derives its key characteristics from its ability to 'create and animate post fordist networks of production and innovation and international networks of capital, and to link them together in ways that promote local and national development' (O'Riain, 1999). The FDS thus connects to 'existing flows of capital by attracting foreign direct investment and then building local networks of production (typically sub supply) and innovation (much more rarely) around this imported industrial organisation' (O'Riain, 1999). In general he thus addresses the development of economic policy centred on foreign direct investment and the development of post fordist indigenous industry, linked to the opportunities opened up by global markets, the expertise gained in multinational companies and the incidental infrastructure that is created and underpinned by wage agreements achieved in neo-corporatist fashion. He points to the centrality of the state and state agencies in securing the conditions which have aimed primarily to attract foreign direct investment, but, almost as a by-product, have created indigenous 'entrepreneurial milieus'. Infrastructural projects, educational policies, tax regimes and support services created with the intention of providing the requisite socio-institutional environment for foot loose post-fordist industry,

thus provide the infrastructure for local innovation (industry is post fordist in so far as production takes place across scattered physical sites). The presence of global corporate segments of international industry creates the opportunity and expertise to develop complimentary companies poised to take advantage of opportunities in world markets. Although O'Riain concentrates mainly on software development, this state strategy has underpinned the Irish approach to the 'knowledge based' sector of the economy. It is within these contexts that the state and polity initially turned to the liberalisation and convergence of the communications sector, mainly through the intervention of the Department of Public Enterprise and its associated agencies (in relation to telecom infrastructure). Thus, in relation to the phenomena of economic globalisation, Ireland already had a strategy of opening up to foreign direct investment. The market liberal turn towards opening up previously sheltered areas of communication for liberalisation represented a new area at which this policy could be directed. With liberalisation and liberalised convergence, the door was thus opened for a flexible developmental approach towards a potential infrastructure for the nascent internationally traded services sector. Thus, in the Irish scenario, the North American communications corporations, NTL and Liberty Media were sufficiently attracted to the Irish cable market whereas Crown Castle, amongst other multinational corporate interests, almost became the dominant partner in the digital terrestrial operator. This encapsulates the key means through which the Irish State had successfully adjusted to the market lead post fordist political economy at international level and demonstrates the fine line between securing economic development and compromising the role of social institutions.

Gosta Esping-Andersen typifies Ireland's adjustments of recent years as being distinctly neo-liberal. In recent writings he has suggested that 'the welfare model of Ireland and the UK, like the Americans, seeks actively to sponsor market solutions. It pursues this via the double strategy of encouraging private welfare provision as the norm, and by limiting public responsibilities to acute market

failures' (Esping-Andersen, 2002, p15). Kirby has underlined this Irish neo-liberalism as developing throughout the 1990s. According to Kirby 'if we understand neo-liberalism in its developed form to involve an extensive programme of reform of the state and its social policies making them serve the needs of a competitive liberalised market economy, than the Celtic Tiger can be seen as a very successful example of neo-liberal reform' (Kirby, 2001, p162). The problem thus becomes the evaluation of what are legitimate areas for market production and delivery of services, and how to attain the right mix with alternative methods, and, on the other hand, identifying the impetus to marketise as being based solely on the morality, rationalities and ideologies of neo-liberalism. Within the neo-liberal solution alternative governance regimes such as civil society or differential productive solutions such as state enterprise, the social economy, community production and public service are ignored in place of ready to hand market solutions that find ready support from economic stakeholders and the political interests that benefit from supporting power elites in society.

Boucher and Collins thus sum up the Irish political economy that undergirds the strategy of the FDS as being that of 'neo-liberal corporatism'. This they characterize as unique combination of European social corporatism and American neo-liberalism. They point to a model wherein, in a corporatist fashion, the public sector and the private sector have hammered out a consensual approach to managing the economy which sees public and private sector parity on wages as the public sector accepts re-structuring such as outsourcing, flexibilisation and new public management (all in the name of increased productivity and efficiency gains) as a quid pro quo for progressive wage rises. What is missing from this consensual approach is any articulation of a general public interest that posits the necessity of non-market based institution building and the restraint on marketisation of sectors where market failure has harsh repercussions for those who do not have a place at the corporatist table.

In general we may see this general political economy and state strategy as giving rise to a structure and a number of determinants of public policy/state activity. Post fordist neoliberal corporatism presents a paradox in relation to the new state style and activity. It offers a combination of the enabling state and the neo-liberal state that places a pressure on the space of the social, political and cultural developmental agenda. It appears that the state is neo-interventionist in terms of its role in shaping Ireland's relationship with international capital and the economy, but passive in its role of framing indigenous social, political and economic strategies.

5.6) Communications policy and the competition state

The 1990s signalled a parallel change in communications policy and inevitably broadcasting policy. If the introduction of commercial competition signalled a move to a dual system of public/private broadcasting, the rest of the decade would witness fundamental changes wherein the overall organisational logic of broadcasting became that of the market and the type of governance regime moved from one of policy led corporatist statism to that of negotiated market governance. Supply side measures including the supply of labour through education, legal stability, infrastructure build (both physical and electronic) and regulatory stability (at both the macro and meso level) had become centrally important to Ireland's flexible economic developmentalism. The development of communications networks such as cable and telephony became key policy considerations under successive governments. With the influences of neoliberal ideology and the example of US based market governance, Ireland approached its co-ordination of the publicly owned communications network in a similar fashion.

As various states and supranational regimes preference varied growth regimes in order to negotiate the 'new economy', the effects of internationalisation, incorporation into the world economic system (and its new liberal emphases) exerted pressures towards competitiveness between states. Thus the privileging

of a competition led growth regime underlined Ireland's re-articulation as a flexible competitive state resting on a political economy of neo-liberal corporatism, in short hand public/state intervention was to be re-oriented towards encouraging private investment strategies and market making activities. As a competition state, Ireland had adjusted its social system to ensure its attractiveness to international capital whilst also instituting high levels of productivity across its product and service producing sectors. In this competition led model, the role of the market was now privileged and market structures, market relations and market governance were to become the norm. Whereas all states conform to this competition regime because of perceived international pressures, the ability of the state to retain control over strategic supply side areas, shape the growth regime and carve out a role for public enterprise, represented important steering mechanisms for protecting social development as well as economic growth. This has offered a potential re-socialisation of the mode of growth, that is, one that recognises the place of a re-distributive social structure as a pre-requisite for long term growth, development and has been successfully followed in the social democratic states of Sweden and Finland (Castells and Himmanen, 2002, Held, 2004). However, in Ireland, in relation to media and communications policy, the state machinery for neo-statist intervention appeared relatively absent from government planning, there was no continuity from the previous Government's media and communications policy (nor the will to pursue it), there was new emphasis on public/private partnerships in large infrastructural projects (necessary in lieu of the tax cuts for US corporate industry), and the political culture had undergone significant change. By 1997, in the Irish situation, the competition led model had been privileged by doctrinaire liberalism (PDs) mixed with electoral populism/elite patronage (FF) as these two parties formed a government.

Whereas democratic forces and social struggles at European level have operated to encourage the space for exceptions from and limitations to the competition regime, Ireland has thus far favoured fidelity to the competition

regime. As such, the competition led paradigm in Ireland emphasises marketisation in provision, governance and decision making. This tends to override the other paradigms of knowledge based economies, ICT or service led growth, and de-emphasise the social democratic institutional components of western welfare capitalism which can constitute growth. According to Boyer 'the form of competition, between firms and nations, is now governing structural adjustment in the wage labour nexus (employment flexibility, wage moderation, rationalisation of the welfare state), the extent of taxation on mobile and immobile factors as well as economic policy formation itself' (Boyer, 2000). Boyer typifies the competition led strategy as follows:

Growth Regime	Wage labour nexus	Form of competition	Monetary Regime	State/Society relations	Insertion into the international regime	Coherence and dynamic of the growth regime	typical case
Competition led	External market flexibility and competitive wage	Privatisation, De-regulation, Liberalization	Stability of monetary policy	proactive and market enhancing state	wider opening to international trade, investment and finance	Risk of over-capacity and deflation	Most OECD countries since 1985

Emerging growth regimes and the redesign of institutional forms (Boyer, 2000)

In the Irish contexts, Peadar Kirby, has highlighted the tendencies of public policy to orientate to competition led dynamics in Irish political economy. According to Kirby, drawing on the work of Philip Cerny, a competition state is a state 'under pressure from economic globalisation which has led not to a decline of the state but to the expansion of state intervention and regulation in the name of competitiveness and marketisation' (Kirby, 2002, pp142). For Kirby, the identification of Ireland as a competition state helps to explain some of the salient features of underlying policy change of the Irish state over the previous 15 years.

Kirby, cites Cerny on four features that identify the policy priorities of the competition state, a move to microeconomic management based around de-regulatory and industrial policies, a shift from state lead governance to adaptation to developments in international markets, an 'emphasis on neo-liberal monetarism as the touchstone of state economic management' and supply side measures to sponsor innovation and enterprise as opposed to demand side measure to increase welfare and social provision (Kirby, 2002, pp143). For Kirby, the competitive state model explains the neoliberal dimensions of Ireland's recent model of corporatism which combines public sector growth and wages whilst also ensuring market development, private sector participation in state projects and a minimalist welfare effort.

It is these varied elements of the state model that justify the consideration of the state structure of the previous fifteen years as being that of a flexible competitive state, supported by a neo-liberal corporatist consensus and inherently riven by structural contradictions. There is potential for flexible post fordist economic development, but, limitations have been placed upon it, and the potentially developmental aspects of it, by too close an adherence to competitive strictures. There is corporatism, but it is also hitched to competitive insertion into the international regime, and therefore is, complicit (but reluctantly so for some of its participants) in the market making prerogatives of the state. It is not a huge leap to posit a relationship between the Irish state's form and Ireland's embrace of the global project, as stewarded via the Washington consensus, and diffused through the institutional norms of the IMF, World Bank and WTO, as negotiated within the EU context. The Irish state thus provides a particular prism for evaluating the absorption of macro-institutional innovations filtered through to meso institutional norms operating throughout varied organisational fields in the Irish context. In the following two case studies, evidence of these institutional tendencies will be evaluated in the particular fields of media and communications policy.

Chapter Six

Convergence and DTT in Ireland

6.1) Introduction

The chapter is primarily concerned with the pressures and emphases exerted by market governance in the adaptation of digital technology in Irish broadcasting. In general it thus offers a point of comparison for the previous policy approaches associated with innovation in broadcasting. The chapter departs from the trend in current literature to emphasise digitalisation as the key paradigm shift in broadcasting without ignoring the key ways in which the technology constitutes the new environment for broadcasting. That is, it is recognised that digitalisation raises many questions for traditional broadcasting policy communities whilst acknowledging that digitalisation is at the core of a major strand of restructuring in western economies which has varying implications for media institutions, communications industries, regulation and, more gradually, the cultural form of broadcasting. The chapter aims to evaluate Ireland's approach to co-ordinating the switch to digital television with a key emphasis on the attention paid to translating the existing broadcasting ecology into a digital environment. Of key concern will be the balance between market governance and the role of the state in intervening to institutionalise a market structure for and through digital policy. It will first consider the background approaches to developing digital television and adapting the policy emphases of convergence permeating from the European and British discourses. It will then take a detailed analysis of the decision to develop a DTT structure as the central element of a neo-statist intervention in the digital broadcasting structure. Throughout the chapter there is a concern to evaluate the contexts, objectives, contents and consequences of public policy in this area. Thus a secondary concern is what it tells us about Irish communications/media policy in the period under review and its sometimes contradictory selectivity's and activities.

6.2) Convergence and broadcasting: the Irish policy approach

Against the background of a newly liberalised broadcasting sector (the introduction of competition from 1988), Irish communications policy gradually turned its attention towards the process of digitalisation/convergence. However, the prospects of digital television (DTV) were being primarily driven as a matter of technological imperative at European level whilst the UK's embracing of the digital project meant that Irish policymakers would once again need to anticipate structural change in its overlapping mediascape. The prospect of liberalised convergence opened up a relatively small policy community to varied commercial and contrasting state interests and ensured that dependence on RTE's internalised approach to policy making was likely to be insufficient in this new environment. The first official recognition of the need for government action in relation to digitalisation came in the centre-left Rainbow coalition's 1994 Green Paper on Broadcasting⁷. The paper related the belief that 'we probably stand on the threshold of a new revolution in broadcasting'. The Green paper proposed the creation of a broadcasting regulator (an Irish Broadcasting Commission) that would be capable of planning and co-ordinating the overall introduction of digital television into Ireland. Commenting shortly after the release of the green paper one media scholar highlighted its technological inadequacy, suggesting that it failed to recognise that the scope for digitalisation was already being shaped by the European level consideration of convergence⁸. Yet the European approach to convergence, at this point, was based more on technological imperative and de-regulatory discourse as opposed to any realistic consideration of how technological change would impact on broadcasting production, practice and structures. The European position was evolutionary, as demonstrated in chapter four, digitalisation began out of a concern with HDTV and competitive positioning

⁷ Department Of Arts, Culture and Gaeltacht, (1994) *Active or Passive: The Green Paper on Broadcasting in Ireland*. (Dublin: DACG). The Rainbow coalition was made up of Fine Gael, Labour and the Green Party.

⁸ Treutzchler, W. (1995) 'After the Green Paper: What next for broadcasting in Ireland', *Forum, Irish Communications Review*, Vol. 5 1995.

with Japan and the USA, and was then incorporated within the information society discourse as the broadcastings varied infrastructures each had the potential to become or facilitate digital networks. The Green Paper was a recognition that alternatives existed in the route to digitalisation and national policy would need to be aware of the European Union approach but also mindful of its ability to shape that approach. RTE's response to the Department's green paper indicated the degree to which it initially favoured a corporatist approach to the challenges of digitalisation and the unknown quantity that was convergence. However the Minister for Arts, Heritage, Gaeltacht and the Islands had a different analysis for to how digitalisation would affect the future development of broadcasting. Whereas it did not exclude RTE, it planned for a much larger public body to orchestrate the transition.

The government's follow up to the consultation process which had followed the green paper, *Clear Focus*, elaborated on the concept of a 'Super Authority' first mooted in the green paper⁹. It was proposed that the Irish Broadcasting Commission (IBC) would subsume the independent regulator, the IRTC, and the RTE authority under this new body which would be responsible for policy development and the setting, monitoring and harmonising of standards. The independent commission would exist at arms length from the government and would chiefly concern itself with ensuring a smooth transition to digital across all the Irish based distribution systems. According to *Clear Focus*, the follow up document to the green paper, the IBC would be responsible for 'the introduction of this technology and its delivery, ownership, regulation and control'. Here, it was clear that the Minister envisioned a single national platform that would preserve the analogue situation of a unitary national broadcasting culture. According to Michael D. Higgins;

⁹ Department of Arts, Culture and Gaeltacht,, (1997) *Clear Focus*, The Governments Proposals for Broadcasting Legislation, (Dublin, DACG).

'I thought that the issues were too big for RTE in terms of concentration of ownership, diversity of production, technological capacity and so on, so ideally a super authority would have been able to have an opinion on the European side, on digitalisation...you see digitalisation is not RTE's problem, RTE is part of the digitalisation adjustment' ¹⁰.

Higgins suggested that an IBC infused with the public interest would carry forward public purposes, whereas RTE would only carry forward its own dominance. According to Higgins, his judgement was informed by the RTE Authority's own view as expressed by the then Chairman, John Sorohan, that RTE was primarily a 'corporation and a business'. Higgins was also aware of the pressures coming from the Bangemann report to de-regulate broadcasting and suggested that a strong content regulator for broadcasting would ensure that the cultural role of broadcasting would be recognised within such a structure. RTE rejected the criticisms of its motivations (Sorohan was a politically appointed member of the Authority, not an RTE executive) and was critical of the super authority idea in its response to the green paper ¹¹. RTE suggested that such a body would mitigate the benefits of having a plurality of regulators and also blur the line between commercial and public broadcasters. Whereas RTE did not at this point oppose a corporatist approach to introducing digital broadcasting it rejected its incorporation into a larger regulatory structure. Higgins however was steadfast in his approach that RTE would be better able to balance the public interest and the station interest if it did not have to rely on a single authority to do both. This state led neo-corporatist approach to digitalisation was subsequently adopted in both Sweden and Finland which were to launch their DTT networks in 1999 and 2000 ¹². Higgins had at this point in 1997 finalised legislation that would

¹⁰ Interview with Michal D. Higgins December 2003.

¹¹ RTE, (1995) RTE Response to the Government's Green Paper on Broadcasting, (RTE: Dublin).

¹² Finland has to date one of the most successful launches of DTT with at least 300,000 subscribers and 99% coverage. The approach was based on a corporatist effort involving all the key interests in Finnish broadcasting. YLE the public broadcaster privatised its transmitter subsidiary, Digita. YLE later sold on a 49% share of Digita to TDF. Digita also oversees the multiplex operation. It is worth, however, considering how this approach may have impacted on

enable this neo-corporatist approach to a national digital platform. If the legislation had have been brought forward it would have meant that Ireland would have developed pre-emptive legislation relative to the situation in the UK, for the first time in the history of broadcasting.

The Government, however, lost power and was replaced by a Fianna Fail/Progressive Democrat coalition before the legislation could be introduced. The IBC approach to transition was thus to be shelved until the idea of an overarching authority for broadcasting was refloated by the Forum on Broadcasting in 2002. An important issue that the green paper/ clear focus debate did put on the agenda was the ability of RTE to ensure that its stewardship of the public interest was not conflicted by institutional self interest and/or economic necessity. The larger issue was, however, the role that state would take in directing the development of digital television. The concept of a super commission was recognition of the vacuum and lack of preparedness on the part of the state for such a large policy adjustment. RTE by itself was not equipped to plan for such a transition and there were no existing state structures capable of reacting in a co-ordinated fashion. How could policy makers react without state co-ordination, guidance and an overall strategy/goal/activity? This was not an unusual position throughout Europe, but Ireland's economic adjustment meant that the vacuum in the requisite state machinery was peculiarly noticeable. The Irish executive also displayed its own singularities in relation to the characteristics of its weak committee system. In the UK at this point in time a significantly resourced parliamentary media committee had initiated a widespread and well resourced analysis of the UK's approach and

the European level opposition to the establishment of a single national platform for digital television. In hindsight it may be suggested that the Commission's opting for a platform neutral approach to convergence would have prevented the development of such an entity. However, the Commissions approach was not, at this point, definitive and considering the broadcasting ministry's activism at European level, in the previous period, it may have had an impact on the route taken by the Commission. Whether, given that convergence was to be platform neutral, the IBC would have ensured that at least one of those platforms developed would be a national free to air platform is open to historical conjecture.

interests in relation to the emerging digital paradigm. In the Irish situation the work of the previous committee, as steered by the outgoing government, was to be largely discarded. Much now fell to RTE. Whereas there was little reason to suggest in the past that RTE had not managed to juggle its contrary positions, the increasing challenges posed by liberalisation, competition and resource reduction was beginning to raise questions about how RTE could react to this financial pressure without abandoning principle for profit. This was a predicament equally neglected by all political parties.

The background to the Fianna Fail/RTE relationship has been well documented elsewhere ¹³. Fianna Fail's distrust of the status and motives of the public broadcaster go back to the beginning of television broadcasting and had been expressed in varied different scenarios. For a party that had envisioned itself more as a national project than a political party it had displayed ambiguous support for the concept of autonomous broadcasting and the role of the state in enabling it. Further to this, Fianna Fail had firmly asserted its credentials as a pro business party capitalising on its sometimes selective support for development and growth. The influence of this philosophy in terms of political decision making has been the subject of a number of tribunals¹⁵. Fianna Fail's mistrust of RTE was reciprocated in equal measure by the national broadcaster. Fianna Fail did not underestimate the importance of RTE in Irish public life but had let it be known that the national broadcaster was not *national* enough in its alignment to state and government. It was against this backdrop of mutual suspicion that RTE and a Fianna Fail minister, Sile DeValera would attempt, in the absence of wider input, to hammer out a digital policy for Ireland. Fianna Fail's partner in government, the Progressive Democrats, were a party much more closely aligned with the international accommodation to marketisation, reduced public spending and general neo-liberal philosophy. Its economic philosophy was

¹³ Horgan, J. (2000) *The Media in Ireland: A Critical History*, (London: Routledge). Horgan, J. *Broadcasting and Public Life in Ireland*

¹⁵ The Interim Flood Tribunal Report (2002). The Tribunal was established to investigate corrupt payments to politicians.

consistent with the globalising tendency to roll back state intervention and roll forward statutory regulation, allowing market provision to replace state/collective provision. For RTE, the threat of a single regulatory entity had receded, but the need to navigate the ideological, historical and pragmatic antipathies of the new government presented an equal challenge. However, RTE was now convinced that, in order to avoid continued Government inactivity, it needed to kick-start a national digital broadcasting policy that was sensitive to the continued role of PSB.

At governmental level, the place of the varied potential platforms within national policy had to be addressed. The Department of Public Enterprise (DPE), which had overseen telecommunications liberalisation, took the lead and, through the newly created Office of the Director of Telecommunications, (ODTR), commissioned consultants NERA/Smyth to consider the future of television transmission in Ireland with respect to digitalization. The consultants recommended that “if the market can support it, all media digitised will mean competition objectives in respect of TV delivery and national development objectives for the information society will then be promoted, to the ultimate benefit of the consumer” (NERA&Smyth, 1998). However, it emphasized that the market pressures of the already established cable and satellite infrastructure made a timely DTT roll out of paramount importance. In Ireland in 1997, the key cable infrastructure was owned by a number of different operators. The consolidation that followed, based on foreign investment, was to reduce the field to two main players, NTL, owned by a North American telecommunications company of the same name, and Chorus, owned jointly by Independent News and Media and Liberty Media (a subsidiary of AT&T). During this consolidation RTÉ had been forced by the Department of Public Enterprise to sell its stake in the Cablelink system that was acquired by NTL. Up to this point the satellite operator, BSkyB, had been content to sell its services through the cable operators but would likely turn directly to the Irish market once it had consolidated its position within the United Kingdom (UK) market. Its satellite

footprint covered the whole Irish landmass and, excepting various pockets and shadows, would be available to the majority of Irish viewers. The key question facing the government was the potential role of the terrestrial infrastructure.

6.3) Developing the DTT platform

RTE proposed its concept of a public private partnership for DTT to the new government in its policy paper 'Digital Television and the Information Society. An implementation strategy' ¹⁶. Based on commissioned research by London based Convergence Consultants, the report emphasised the relative low cost of digitalising the terrestrial network along with its potential for near universal delivery ¹⁷. It also emphasised the necessity of bringing on board an investor from the private sector that would share both the risks and the benefits. In early 1998 the Irish Business and Economic Federation and the Construction Industry Federation had successfully lobbied the government to use Public Private Partnership's in the majority of major capital projects¹⁸. The move by RTE anticipated the new government's proclivity for public private partnerships that obviated the need for state expenditure in infrastructure overhaul. The new joint venture would be called 'Digico'. Central to the viability of the Digico model was the maintenance of an integrated broadcasting structure that would retain the functions of publishing, distribution, customer interfacing whilst also incorporating the most significant broadcast content producer on the island. The model was in contrast to the UK approach outlined in the 1996 UK Broadcasting Act which sought to separate out these elements in line with its liberalisation/competition based agenda. However, in Ireland, the economic benefits of retaining these elements within one broadcaster proved a compelling argument in RTE's

¹⁶ RTE, (1997) Digital Television and the Information Society: An Implementation Strategy', (RTE: Dublin).

¹⁷ Foley, M. '30channel terrestrial digital tv is recommended to RTE', Irish Times 26/07/97.

¹⁸ In general public private partnerships replace state service provision as a new form of economic governance. PPP's tend to link former areas of state provision to the disciplines of the market, whilst allowing extant public policy goals to be maintained. This accommodates the market liberal turn without unduly undermining the legitimacy of the state. Former areas of public service provision/collective consumption are linked to the disciplines and temporalities of the market.

proposal. According to Peter Branagan, who was then centrally involved in RTE's digital project management group, the civil servants that worked in the broadcasting ministry felt that the Digico model made sense from 'a national point of view, from a civil service point of view, an RTE point of view and a government point of view'¹⁹. The civil service assessment was crucial in winning government support, which eventually consented to its development in July 1998. At this early point, RTE was critically aware of the potential advantages of gaining a propriety involvement in DTT, as it was to become a key gateway for digital delivery of broadcasting and other services to the home.

The potential of a DTT platform addressed many aspects of extant public policy goals. The development of the platform would allow for the maintenance of universal availability of digitalized free to air broadcast services, which was a key concern for both the public broadcaster RTÉ and the government. It would thus allow for the continuation of widely accessible Irish broadcast offerings, especially those of a public service nature, under Irish regulatory control. It would also provide competition to the other widely available platforms preventing a monopoly of multichannel service provision; a key concern of the telecommunication regulator, the ODTR. It would potentially offer new multimedia services, offering a popular and pervasive gateway to the information society, also a key concern of the government's Information Society Commission (ISC). It would additionally free up valuable spectrum that could be made available for nascent wireless digital services, providing potential revenue for the government. The key questions arose as to what shape a DTT option would take.

The original Digico model envisioned utilising the RTE network, content production and spectrum resources to offer a combination of multichannel television and broadband. RTE, by virtue of its contribution of these resources, its relative expertise and its origination of new content as a driver for DTT take up would receive a 40 to 45% stake in Digico. Bob Collins the director general of

¹⁹ Author interview with Peter Branagan November, 03.

RTE suggested that the cost of digitalising the network would be in the region of 35-40 million Irish punts requiring substantial equity from whoever was to take the remaining stake in Digico²⁰. RTE would receive one complete multiplex allowing for an extra five channels along with capacity for non-programme data. TV3 and TnaG (as TG4 was then), would each receive half a multiplex. The new Digico entity would develop four other multiplexes based on basic and advanced subscription services, whereas multiplex capacity would also deliver broadband to the home. Following government approval, an internal RTE engineering group working under Peter Branagan was established to develop a broadband offering that would allow web access through the television. In order to copperfasten this arrangement and deal with the legalistic aspects of a semi state body's involvement in it, the government set up a Project Management Group (PMG) in August made up of representatives from the Department of Arts Heritage Gaeltacht, the Department of Public Enterprise, the Department of the Taoiseach, the Department of Finance and RTE. This policy community was both similar and different to the earlier policy communities that overseen radio and television broadcasting in their analogue form and, importantly, demonstrated an interest in ensuring the institutional presence of RTE in any emerging model. The process was being politically driven but unlike the earlier committees/groups, it was corporate expertise and consultancy that was drawn upon to frame the introduction of DTT. Also DTT, as one element of a larger broadcasting digital landscape demanded a wider policy community than the broadcasting sector.

The PMG group set about appointing a number of corporate financial/regulatory/technical advisers who would oversee the development of the Digico entity and launch the public private enterprise. The business model, the transaction sequence, the legislative framework, the economic contexts and the new policy environment were to all contribute to a multi dimensional destabilising of the Digico model. The original business model was to be re-assessed following considerable doubt about its ability to offer affordable (or any)

²⁰ O'Keefe, B. 'Challenge for RTE as Digital Age Dawns' Irish Times, 6/11/98

web access or a full compliment of the UK terrestrial channels. The transaction sequence was to prove long and drawn out and included a tangled chain of events that was to end the possibility of an integrated model for Digico (see below). The legislative effort was equally convoluted encountering considerable challenge in the Dail and revealing the broadcasting Ministry's lack of involvement, yet unawareness, of the debates surrounding convergence and the regulation of networks taking place at European level. In addition to all these factors the new policy was developing in a rapidly changing policy environment which had been expanded to include the liberalised television sector and its foreign investors who had an interest and past experience in challenging the extension of the public service provider in liberalised markets²¹. At this point in time TV3, the commercial broadcaster backed by Granada and Canwest, played a considerable role in organising what had been to then a relatively ineffective lobby, AIRS, into the Independent Broadcasters of Ireland (IBI) with a more focussed and influential lobbying capacity. The IBI lobbied the legislature to put a limit on RTE's influence in the new DTT structure. Within this overall multiplicity of developments, a public interest trajectory for the development of a national digital platform was somewhat diluted by commercial manoeuvring, a lack of political focus and a predominant orientation toward institutional self-interest.

RTE estimated in its digital television policy document that the cost of launching the DTT platform would be in the region of £70 million. £28 million of this related to RTE's own transition towards digital production, whereas the remaining cost related to digitalisation of the transmission infrastructure combined with the costs

²¹ To date TV3 has initiated three claims against RTE, the first in 1999 to the European Commission, the next in 2000 to the Irish Competition Authority and lastly in 2004 to Comreg the Irish Communications Regulator. To date all the claims have been dismissed but nevertheless have provided TV3 with rhetorical ammunition to criticise RTE and attempt to shift the debate on broadcasting towards issues of competitive rectitude on the part of government and regulator. At this point in time TV3 played a considerable role in organising what had been to then a relatively ineffective lobby, AIRS, into the Independent Broadcasters of Ireland (IBI) with a more focussed and influential lobbying capacity. The IBI lobbied the legislature to put a limit on RTE's influence in the new DTT structure.

of subscriber management ²². In its original business model Digico would move into profits through a combination of internet service provision and subscription television. However, within RTE, there were serious divisions regarding the ability of each of these revenue streams to pay dividends. The provision of internet access was overseen by Peter Branagan, working with the assistance of European Commission funding and later under the auspices of the DVB group. The Wireless Integrated Network Digital System, and later, the WITNESS system entailed a built in return path utilising the domestic roof top antenna. In 1998 Branagan was confident that the cost of such a service would be affordable or even nil ²³. The model however was faced by both regulatory and technical difficulties. The regulatory difficulties were to come from the ODTR that was now making its presence felt in the wake of the convergence debate at European level and the move to determine and regulate markets in digital communications. In October 1999 the ODTR issued a draft licence for DTT as part of a consultation process. It envisioned that 'the purpose of the multiplex licence is to primarily provide for the preparation of programme services for transmission' ²⁴. The document further related that the licence would involve a data cap on the provision of broadband services. The cap, it argued, was the outcome of international spectrum obligations as decided by the World Radio Conferences and the EU telecoms licensing directive. A problem thus arose in the structure of the Digico licence. If the business model were to include internet services, then according to the ODTR, it would have to comply with EU licensing criteria, as interpreted by the ODTR. The ODTR was, at this point, more interested in introducing competition amongst different network 'markets' as opposed to enabling a national wireless digital broadcasting structure, as it made clear through its criteria for a Nera/Smyth report it had commissioned ²⁵. It had taken on a technocratic approach to introducing market competition that was not to be

²² RTE, (1997) Op-Cit.

²³ Interview with Peter Branagan, Irish Electrical Review, June 1997.

²⁴ ODTR, (1999) Licensing Digital Television, A Consultation Paper.

²⁵ Nera/Smyth, (1998) 'The Future Delivery of Television Services in Ireland'. A report for ODTR prepared by NERA and Smith, March 1998, London.

swayed by issues of national broadcasting policy being more closely focussed on the EU Commission's agenda of competitive re-regulation.

Furthermore if DTT was to offer any networked digital services than they would be overseen primarily by the ODTR. Through the power vested in it, via EU licensing directive 97/13/EC, the ODTR had the ability to,

'limit the number of individual licences for any category of telecommunications services and for the establishment and/or operation of telecommunications infrastructure, only to the extent required to ensure the efficient use of radio frequencies or for the time necessary to make available sufficient numbers in accordance with community law'²⁶.

For the ODTR the spectrum released by DTT would not be efficiently used in a DTT broadband system, but instead would be set aside for future mobile telecoms usage. In addition to this, if the ODTR were to allow the Digico model to carry broadband services, it would have to impose the licensing conditions of the EU directive which would have altered the proposed licensing of the Digico entity as an integrated model. The EU directive required that,

'Member states shall grant such individual licences on the basis of selection criteria which must be objective, non-discriminatory, detailed, transparent and proportionate. Any such selection must give due weight to the need to facilitate the development of competition and to maximise benefit to users'.

In following these criteria the ODTR would not tolerate the giving away of what it saw as a telecoms licence as envisaged in the original Digico model. The bundling of telecoms spectrum resource with the physical network, as part of the assets to be sold to the Digico entity, would not be 'detailed or 'transparent'. On the other hand if the Digico licence maintained a data cap, the ODTR had no

²⁶ Article 10, European Union Licensing Directive 97/13/EC.

reason to get involved in these matters. The ability of the ODTR to now determine the spectrum usage for telecommunications use was to become an issue throughout the attempted launch of both DTT models. Whereas this possible restriction appears not to have registered at departmental level, RTE was overtly aware of its consequences for a broadband model for DTT.

Etain Doyle, the then Director of Telecommunications, suggested that the technological capacity of the DTT model had been 'greatly oversold'²⁷. Within RTE, the capability of the DTT broadband dimension was also under dispute. A senior figure in the network division of RTE subsequently suggested that whereas the technology would undoubtedly catch up, there were serious doubts in RTE about the capability of both the WINDS/WITNESS systems and its potential cost²⁸. In general the architecture of the transmission system was not compatible with a return path. The terrestrial transmission system for broadcasting is primarily designed for reaching large areas over a long distance and not coming back. A return path would require a short return distance to many small cells within a short distance from a central transmitter. Ray Maguire who was a member of the internal RTE digital project group also suggests that the broadband element was always questionable²⁹. Maguire suggests that the kind of broadband services that would have been rolled out would have been 'minimalist' and incomparable to cable and satellite in terms of capacity and functionality. Liam Miller, the senior executive charged with managing RTE's digital policy, suggested mid 1999 that there was an;

'absence of any compelling business plan which would advocate devoting a significant capacity within the DTT platform to Data/Internet applications. RTE's proposal to government always fundamentally recognised that, in the area of competing digital platforms, DTT and digital satellite are primarily television delivery vehicles' (IT).

²⁷ Doyle, E. Address to the special committee on Arts and Culture.

²⁸ Interview, RTE, October, 03.

²⁹ Interview with Ray Maguire, November 03

These negative assessments were countered by the arguments by the RTE engineering team. According to Branagan, the initial winds/witness system would probably be unable to deliver the kind of broadband access that users demand, but there was very little else that would sell the DTT platform as satellite already dominated the pay-tv market. The subsequent collapse of the OnDigital pay DTT model in the UK and its subsequent reformulation as Freeview appeared to support this assessment. In the UK, OnDigital was experiencing the limitations of demand for pay/subscription services and the monopolistic position of BSkyB in this regard. According to Branagan, even when the Winds/Witness system was in doubt, he argued to RTE executives that 'it was the underlying asset value of the spectrum and sites that would over time be able to deliver broadband' and RTE should retain involvement in the Digico entity on this basis. Developments in the technological capacity of wireless broadband had convinced Branagan that this was the way forward, though it meant usurping much of the received wisdom that wired networks would deliver the information society. The technological and regulatory issues had, however, raised doubts in the minds of RTE executives. This doubt over the viability of a DTT business model was re-enforced by the many time delays that also cast doubt over the multichannel business model.

6.4) Governance failure

For many in RTE, the profitability of the Digico model lay in its ability to offer multichannel subscription television. Unlike the OnDigital model in the UK, Digico would have the added driver of the UK free to air channels on a pay tier whereas BSkyB had, by 1998, yet to fully launch and market its service in Ireland. Thus Digico would offer a basic service that would compete with the cable companies and open up the possibilities of offering added pay services to a large majority of the population. RTE would achieve buoyancy by being involved in the national subscription/pay tv platform. However, the timing of the launch of this model was paramount. The ODTR had engaged Nera Smyth consultants in 1998 to oversee the potential market for competitive television delivery platforms. It suggested

that DTT would only be successful if it established a quick diffusion taking first mover advantage³⁰. This advantage was gradually being eroded with the full entry of BskyB into the market in 1998 and the ambitious roll out plans being touted by the now multinational owned cable companies. Branagan suggests that, as time went by before the announcement of government support for Digico in July 1998, and further delays in drawing up legislation, combined with the internal turmoil of finding a transaction agreement, RTE was beginning to see less and less potential in the Digico model. In its dealings with the government it was sensing a mismatch between its own business model for DTT and the emerging public policy demands of the Information Society Commission. Although Branagan was potentially aggrieved at the potential ditching of his broadband baby with the Digico bathwater, he suggests that by mid 1999 senior executives in RTE were primarily concerned with the cash profit it could realise in the constitution of the Digico entity, as opposed to having a long term strategic interest in the diffusion of the platform. This was in fact, for RTE, a potential opening for government to ensure its access to funds via its allocation of potentially disposable assets in the Digico model. Such allocations had occurred in both Sweden and Finland and were crucial in ensuring resources for public broadcaster's strategies for entering multiplatform multichannel digital markets.

The period of delay that reduced the likely viability of the DTT platform is accounted for in multivariate ways. RTE had begun its mediation on the digitalisation process as far back as 1979 and returned to it periodically in various publications and annual reports³¹. It had opted to anticipate the market governance tendencies of the new government, or, as it proposed, the issues raised by the emphases of 'domestic growth, deregulation and competition law'

³⁰ According to the Nera Smyth report 'If DTT services are licensed several years after digital cable and digital MMDS services, then our modelling results suggest that this in itself could foreclose the opportunity for DTT. Decisions concerning the licensing of DTT should be made within the next two years', Nera Smyth, Op-cit.

³¹ Fisher, D. (1978) *Broadcasting in Ireland* (London: Routledge), Fisher, D. (1985) 'A Policy for the Information Age?' and O'Connell, J, (1985) 'Technology and Future Broadcasting' in *Issues in Broadcasting*, (RTE: Dublin). RTE annual reports 1989-1997.

³². To this extent it accommodated itself to the developing European led consensus on liberalised convergence, that is, convergence led by market structures and commercial investment. However, the broadcasting department, the Department of Arts Heritage Gaeltacht and the Islands (DAHGI) appeared unconcerned with processing the overall changes in the communications sector. Given the previous broadcasting minister's proclivity to form the Irish Broadcasting Commission to manage the overall digital transition, the Department now appeared divorced from the European level negotiation of liberalised convergence.

In the absence of the Broadcasting ministry's full appreciation of the European moves towards a convergence lead policy agenda, it had been the Department of Public Enterprise that filled this vacuum. The Department of Public Enterprise (DPE) gave Ireland's official response to the European Commission 1997 green paper 'Convergence of the Telecommunications, Media and Information Technology Sector, the Implications for Regulation'. The department that had overseen the liberalisation of the telecoms sector through the statutory regulator, the ODTR, showed itself to be aligned to the re-regulatory zeal of DGXIII, which was also working within a telecoms frame of reference in relation to convergence. In its response to the green paper the DPE declared that;

'any regulation in this area should ensure, above all, that market forces are allowed to generate and respond to demand. The principles on which such regulation should be based are those which have been successfully used in the process of liberalisation of the telecommunications sector, i.e. ensuring competition and access to markets through the EU treaty's competition rules and the application of the principle of open network provision in relation to access to the service delivery system'³³.

³² Rte, 1997, Op-Cit.

³³ Department of Public Enterprise, (1997) *Response to the Europeans Commission's Green Paper on the Convergence of the Telecommunications Media and Information Technology Sectors, and the Implications for Regulation*, (Department of Public Enterprise: Dublin).

Further to this the DPE suggested that 'in relation to the issue of market entry, it is recommended that the broad principles of full competition and open network access as used to liberalise the telecoms sector should be applied to new entrants to the broadcasting sector in particular'. The DPE was working within its telecoms frame of reference with seemingly no understanding of the economics of the integrated broadcasting sector or the potential sensitivities of a small nation with limited GDP to market fragmentation. Whereas in telecoms, service delivery could be opened up to as many operators as are willing to invest, there is no issues relating to the symbolic content of that delivery, being mostly private voice and image data. In broadcasting, the number of service providers is related to the need for economies of scale plus dependable access to attractive content. The multiplication of platforms in a relatively small market fragments access to premium content whereas the decreasing economies of scale and increasing new entrants in content provision fragments the revenue potential of each content producer. In general the DPE appeared to assume that convergence could be introduced along the same lines of telecoms liberalisation without appreciating the dynamics or peculiar economics of the broadcasting sector in Ireland and the particular policy goals of DTT. It was working on a model of service delivery that had no frame of reference for the symbolic content or the mode of communication and its economic base, which, the service was designed to deliver. Thus at European level the broadcasting ministry (and thus the Government) had failed to articulate the particular or peculiar needs of the broadcasting sector in a small country operating in the shadow of liberalised and internationalising neighbouring markets. It appeared to be following policy developments in a reactionary capacity, whereas the DPE, and the ODTR, were both participating in the developing European consensus on liberalised convergence. The ODTR, in securing Nera Smyth to oversee a major study of potential television distribution systems had, to a certain degree, pre-empted the development of a UK style liberalised system. Nera/Smyth had been engaged by the UK government and was already working within the 'competition based' frame of reference. Whereas platform competition had emerged from the various

network interests and the UK's lead in this area, the technocratic approach to these platforms had arisen within the telecoms regulators. The approach seemed to appease all those interests that had fashioned the market convergent approach within the DVB, and were looking for a direct line, with minimum regulation, to the consumer.

The Department of Arts Gaelteacht Heritage and the Islands had to contend with the extension of the DPE/ODTR'S competence into the area of network provision of broadcasting, via European policy, yet appeared to disengage with it and the framework in which it operated. The DPE/ODTR for its part was primarily interested in introducing competition into what it saw as convergent communications markets that need not necessarily favour one mode of delivery or one set of services over another. Thus a DTT operator could primarily provide competition in the multichannel market, but not necessarily in the wireless broadband market, and cable could provide competition in fixed line telecoms markets and continue in multichannel markets in order to fund network roll out ³⁴. Thus the ODTR's approach to convergence did not necessarily emphasise parity amongst platforms but a carefully instituted competition within markets. There was no concern here for the public policy issue of maintaining a public service provision in DTT with enough resources to remain active in influencing the developing broadcasting environment nor indeed any consideration of how content of local origination was going to appear on the multiplicity of digital networks.

By the time of the European Commission's 1999 communication 'Towards a Frameworks Directive', the ODTR was already working within the developed paradigm at European level³⁵. From the beginning of the legislative process, to establish DTT, internal correspondences demonstrate that the ODTR was

³⁴ ODTR , (1999) 'Future of television transmission in Ireland' ODTR 98/20.

³⁵ Commission of the European Communities (1999), Communication from the Commission: Towards a New Framework for Electronic Communication Infrastructure and Associated Services. Com (1999) 539.

consistently in contact with the DAGHI although the attempt at coordination was not returned. Three months after the DAGHI had announced its intention to formulate new legislation, the ODTR sent a memo to the Department outlining its responsibility for the economic regulation of all platforms. Thus the ODTR would licence the new Digico entity and would be responsible for any telecommunications services that were operated across that platform as well as overseeing certain technological aspects such as CAS, EPG and API use that may lead to competition issues³⁶. The ODTR was empowered to impose certain conditions on the DAGHI in relation to the probity of the licensing of the DTT model in respect to the relationship between the multiplex licence and the transmission licence and the transfer of RTE licences to the new body. Whereas it noted the potential for conflict of interests and objections from the commercial sector in relation to the integrated Digico model it did not object to this model per se. What is revealed in the correspondence between the ODTR and the DAGHI is the degree to which the regulator was to assert its independence of action whilst also adhering to the European Commission's perspective on digital development, regardless of Government/Broadcasting generated public policy. The regulator was keen to keep the DAGHI within the bounds of the developing legal, technical and regulatory issues circulating at EU level in relation to the liberalised model of convergence. In light of this it is notable that the Department did not consult the Regulator in the framing of the 1999 Broadcasting Bill until the bill was at a relatively advanced stage. Even then it was only under exhortations from the regulator³⁷. The broadcasting Minister, Sile De Valera, appeared wary of the influence of the ODTR but also seemingly unaware of the horizontal EU approach that it represented. She was later to declare her intention of minimising

³⁶ODTR (1/10/98) Unpublished memo from Etain Doyle to Sile DeValera regarding the establishment of the Digital Terrestrial Television Service.

³⁷ ODTR (23/04/99) memo to Department of Public Enterprise. The memo states that 'this Office is concerned at the shortness of time for comment on the Bill, bearing in mind the importance of the proposed legislation for the future of the broadcasting sector and the impact on the functioning of this office of a number of the provisions of the bill'.

the degree of overlap between her Department and the ODTR³⁸. However, the Minister was too late to address the EU consensus that the regulator now represented. Whereas her department had initiated an information share with both Finland and Denmark in relation to their approach to DTT, there was no attempt to influence developments at European level. Closer co-ordination with the ODTR at this stage could have allowed a fuller appreciation of issues such as the data cap on the Digico's broadband output and the competition issues arising out of the licensing of spectrum resources, governments like to refer to as joined up government. As it stands it was only the Departments consultants that initiated contact with the ODTR. Closer departmental co-ordination could have sped up the drafting of the 1999 broadcasting bill as the late consultation with the ODTR entailed significant re-drafting in areas of technical, regulatory and competition issues, issues which the Department was not familiar with. The bill was to be at preparation stage for the ten months between July 1998 and May 1999. This was not the 'speedy and effective' introduction that had been promised at the beginning of those ten months.

The bill was to stall in journey to an act due to other occurrences both inside and outside the Dail. Before the drawing up of the legislation, Michael D. Higgins had initiated a private members bill which sought to introduce limitations on the ongoing concentration of ownership within Irish media whilst also seeking to implement the TVWF directive in relation to the listing of events of national importance to remain on free to air television. Both Fine Gael and Labour were to vote together on this issue but were less united on the issues surrounding the 1999 Broadcasting Bill. Whereas Fine Gael accepted the form of the Digico entity, Labour was suspicious of the public private entity, seeing it as a route to complete privatisation of the terrestrial platform³⁹. Such a development would have been consonant with the privatisation of telecommunications and cable infrastructure which the Department of Public Enterprise had initiated en-route to

³⁸ Dail Eireann Official Reports. (2000) Select Committee on Heritage and the Irish Language, Hil 3, No.4.

³⁹ Dail Eireann, Vol 510 10/11/99 Broadcasting Bill, 1999: Second Stage.

liberalisation. Again the DAGHI was proving itself unreceptive to external input as the various select committee meetings culminating in a 'special report on digital broadcasting' amounted, in one committee member's opinion, to 'a complete waste of time'. The fact that broadcasting policy was now being developed almost completely by consultancy groups meant that the Minister responsible for Broadcasting had little actual involvement in generating decisive policy. In turn the Minister herself had deferred to her special advisor, Michael Ronayne, in relation to shifting important governance issues to external consultants. In general, the turn to market governance was met with a turn to market expertise in the form of consultancy expertise brought into the process of policy making. Such expertise lay outside of the political domain. At this point the internalised nature of the policy community meant that alternative approaches involving consultation with wider broadcasting interests were also neglected. By extension, the other organs of the legislature, such as the Select Committee, were almost redundant. Michael D Higgins, leading Labour's opposition to the bill suggested that RTE 'were so eager to placate the minister in expectation of a television licence fee rise' that they offered a public private model. According to Higgins 'what I saw with the establishment of Digico (was that) there was no way that company would have stayed a public company'. Higgins questioned the appropriateness of the selling off of a public property and the motivation of RTE in such a sale. On this basis Labour attempted to impede the passage of the bill through the Dail and Special Committee stage. However, both opposition parties, it could be argued, were working along outdated paradigms in relation to the future ownership of a strategic and profitable technological infrastructure. Whereas the question was certainly one of where the public interest lay in relation to the ownership of the transmission technology, the gateway no longer existed purely in the transmission network but had moved to the set top box. This key site of development for potential public purpose was not receiving the same degree of political attention.

During the debates surrounding the 1999 Broadcasting Bill a tangled series of events was to see the Digico model undone and RTE's overall participation in the revised entity reduced. At the time the Minister told the Dail, 'difficulties have arisen in the process of establishing a DTT entity as originally envisaged...RTE had a genuine difficulty with regard to the implementation of DTT'⁴⁰. Objections from both inside and outside Dail Eireann pointed to the ideological forces moving to privatise the transmission system in line with the government's market liberal tendencies or the Ministers lack of direction in broadcasting matters⁴¹. However, the actual events gave credence to all of these assertions. The Project Management Group co-ordinated the regulatory, legal, technological and business modelling which it hoped would secure the early take off of the DTT platform. The business model, technical detail and transaction structure were being driven by the government's consultants AIB Corporate Finance, Mathew Ormsby Prentice and NERA/Smyth. In the original government plan RTE was to be separated from its transmission network and receive up to 40% share in the new joint venture company. The company would be responsible for the 'existing analogue radio and television transmission business and other third party services, ensure the creation and operation of a six multiplex national DTT service and provide DAB services for radio'⁴². The correspondence between the various members of the project management group and their respective advisers indicate that the development of the Digico model was relatively consensual until decisions regarding the transaction structure were addressed. How the percentage of RTE's holding in the Digico model would be calculated proved to be the key issue on which the unitary Digico model was to perish.

AIB Corporate Finance (AIBCF) had been engaged by the government to oversee the transaction structure and therefore evaluate the percentage share

⁴⁰ Dail Eireann, Vol 520, 31/05/00 PQ's

⁴¹ O'Toole, F. 'DeValeras' sell off of key resources is underway' Irish Times, (04/04/00). Dail Deabates, Vol 516, 28/03/00, Private Members Business.

⁴² Department of Arts Heritage and the Gaeltacht, (10/07/99) Project Management Group Information Note: Digital Distribution and the Transmission Entity.

RTE would have in the new company. From its early correspondence with the department on this matter it indicated that it had a very clear view on how this was to be achieved. It outlined its evaluation criteria as follows:

'We consider that the valuation of the network business should be calculated using the net cash flows arising from the analogue transmission contracts, the digital transmission contracts and the third party revenues (e.g. eircell, esat), discounted at an appropriate rate to reflect the uncertainty in relation to cash flows. Digico's role as a multiplex operator should not form any part of the valuation of the transmission network as its value derives from the fact that the minister is designating Digico'.⁴³

Thus AIBCF suggested that RTE should not benefit from the value attached to the multiplex licences that would be sold as part of the overall Digico business. An internal letter between two DAGHI officials confirms that this was also their reading of the situation, as follows; 'in determining the value that should accrue to RTE, as a result of the transaction, I indicated that my view was that a hard line approach should be taken initially. Accordingly I felt that cash flows relating to the analogue transmission business and the third party revenues only should be taken into account in determining the value of the RTE network business'⁴⁴. Whereas these correspondences occurred in July 1999, it appears that this position was not to be related to RTE until late September, two months later.

When the matter had been clarified to RTE, it indicated through its own consultants, Arthur D. Little (ADL) that it found this approach unacceptable. In general RTE asserted that the potential for the multiplex business rested on the existing infrastructure and the expertise and personnel which it would transfer to the new company, and that this had been RTE's understanding of the transaction

⁴³ Letter from Peter Coyne, AIBCF, Letter to Brian Millane, DAGHI, (16/07/99) Re: Valuation of RTE transmission network.

⁴⁴ Memo from Brian Millane, DAGHI to Michael Grant, DAGHI, Re: Conversation with Ronan McGovern AIB 16/07/99.

mechanism all along. It was now concerned that negotiations were now taking place outside the realms of the project management group⁴⁵. AIBCF argued that there was now only one satisfactory approach that would allow a licence for a unitary business model to be auctioned. The value of the network would be pre-determined and all bids above that value would relate to the value placed on the multiplex business⁴⁶. In addition to its concern about not realising the overall profit of the Digico sale, RTE now also had issues with the way in which AIBCF sought to calculate RTE's shareholding in the joint venture. AIBCF proposed contrary to RTE's expectations, a system known as 'net book value' that reduced the networks expected value. Instead of realising market value AIBCF proposed a valuation mechanism based only on the then current income streams of the transmission network. This valuation mechanism appeared to be structured so as to ensure the lowest possible value for the network⁴⁷. Instead, RTE argued, the network valuation should take into account projected future earnings that would no doubt be a large part of any calculations in an open market bid. RTE argued that the gains to RTE from its proposed method of transaction (receipt of all monies bid and a valuation of the latent value of the network) would bolster it in its public policy role of making DTT a success as the national platform, that is, it was reasonable to assume that profits channelled into RTE would ensure its ability to offer attractive content on the platform⁴⁸. However, RTE was to get little sympathy for these arguments as AIBCF countered that they 'would be strongly opposed to a structure which determines RTE's shareholding in Digico as a function of Digico's capital requirements'⁴⁹.

⁴⁵ Fax from P. Sheperd, A.D.L to P.Coyne AIBCF, Re: Network valuation and transaction structure.

⁴⁶ However, whereas this may put a value on the multiplex business, it may also put a value on the degree of shareholding that the bidder decides it desires in the overall business, as it will know in advance RTE's proposed equity.

⁴⁷ Fax from AIBCF to DAGHI enclosing documentation on Digico transaction structure 8/10/99.

⁴⁸ RTE letter to DAGHI, re: RTE's understanding of transmission structure, 21/09/99.

⁴⁹ Letter from AIBCF to ADL re: transaction structure and approach to valuation of network, 27/10/99.

RTE had to make a decision regarding its proposed role in the new entity. At this juncture, according to Branagan, RTE had already decided that its strategic interest in being integrated into the Digico model was increasingly redundant. It had issues with the developing business model, its proposed share of the Digico entity was being pared down even before AIBCF revealed the transaction structure, and, it was not convinced that the regulatory, technical or commercial conditions existed for the developing business model that involved a full multiplex dedicated to broadband delivery. The decision not to allow RTE profit from the overall Digico sale, the reduced valuation of its network, the calls for a percentage of the potential share by the network division staff all suggested a situation wherein RTE was now not going to reap financial rewards from the proposed model of transaction⁵⁰. If the broadcaster was to have a positive impact on the public policy side of Digico, it would have to be well resourced to do so. Even operating outside the Digico/Digital entity, RTE understood that, with the profusion of platforms and services, it now needed significant resources gains to maintain its existing public purposes in broadcasting. Following intense negotiation and diplomatic efforts on the broadcaster's part it decided to withdraw its support for the unitary model of Digico. The withdrawal from the Digico unitary model and the ensuing efforts to develop a new dual entity was to put the platform development plans back by another seven months.

There are issues raised by this episode in relation to both strategic and public interest agendas related to the digital transition. In the public sphere, the Minister suggested that RTE could not be allowed the proceeds of the overall Digico licence sale because it could be construed as state aid. That is, if RTE was to profit from the multiplex licences which it did not own, this could be construed as state aid by the European Competition directorate. However, if such state aid was construed as aid in the general interest and considered proportionate to

⁵⁰ From early on in the Digico development process, employees in RTE's transmission network, who would transfer to Digico, had engaged their own consultants to ensure a share option in the company. The share option would potentially have been a percentage of RTE's overall share.

public policy objectives pertaining to RTE's role in Digico, this issue would not have arose. Legal advice to the PMG had advised this to be the case. In an internal memo, one of the appointed consultant groups, NERA, suggested that any such claims to state aid could potentially be contested. Under the heading of State Aid Rules, the consultants suggested that, first, in relation to bundling the licence with the infrastructure;

If a third party such as the European Commission could show that the state has directly or indirectly channelled resources to Digico either for free or without the prospect of a reasonable return, then there would be a prima facie case for illegal state aid. This is subject to the important caveat: the third party would still have to show that any such aid is capable of distorting trade between member states. This may not be so easy to prove as one might think at first. We are dealing with the market for terrestrial television transmission and it could be argued that this is essentially a national market and that there is no competition or even potential competition between member states in this market. If the effect of the aid is only to distort competition in trade within a member state then the treaty rules on state aid do not apply. (NERA, 1999).

The consultant also advised that any benefit to RTE from its share in Digico would amount to state aid to RTE as a broadcaster, not to Digico, 'the market distorting effect would be felt in the broadcasting market rather than the transmission market' (Nera, 1999). This arguably would have brought the state aid within the remit of the Amsterdam protocol wherein the benefit could have been justified as aid in the general interest related to RTE's role in the digital transition. Policy options of this kind do not appear to have been considered by the PMG, which was made up of both RTE and department officials. In general, RTE's role in the Digico entity was seen as quid pro quo for the exchange of its transmission network. RTE, for its part, appeared to have lost interest in public policy goals that were not accompanied by the adequate resources to achieve

them. It had already developed a sceptical attitude towards the new media aspects of the new platform. As such it sought to strengthen its presence in digital multichannel markets, no longer seeing it as a public interest objective to develop the terrestrial platform. This course of action was in no doubt linked to its precarious financial position which had in part arisen from being overburdened with public policy whilst under-resourced to oversee its public service mandate. In 2000, RTE's broadcasting division had made losses of £18.37 million and the ratio of revenue from commercial sources relative to public funding stood at a ratio of 2:1. According to a Zenith Media report of 2000, 'converting a broad sample of Western European TV licences into Irish punts illustrates that Ireland's TV licence fee of IR£70 is one of the lowest in Western Europe, the average within the sample is £118.76' (Zenith Media, 2000).

In short RTE needed DTT to provide the resources that successive governments had failed to channel towards it, and Fianna Fail had, in the early 1990s, channelled away from it (see previous chapter). RTE had to be certain that the DTT platform would be a revenue-generating venture. The government, for its part appeared unconcerned with making a political decision, linked to an understanding of public policy goals, in RTE's favour. If finance minister Charlie McCreevy had been at loggerheads with the ODTR in relation to how much the exchequer should profit from the upcoming auction of 3g licences, there was plenty of reason to speculate that a maximisation of the government's yield from the DTT licence was also sought. In a low corporation tax economy, maximisation of resources from privatisations is one way of boosting the public coffers. For its part AIBCF appeared to treat the government as a client in this respect, ensuring that the transaction structure would maximise the revenue to the public finances without considering the public policy objectives associated with resourcing the public broadcaster in this matter. Correspondences between AIBCF and the DAGHI officials illustrate that it was providing advice in a dual manner, advising the departmental members of the Project Management Group both in their capacity as members of that group and as department officials

responsible to the Minister. In addition, the valuation placed on the RTE network was so unfeasibly low that it would maximise the percentage of the bid that could be attributed to the multiplex licences which, as AIBCF had made clear, would accrue to public finances. It is likely that a more buoyant evaluation of RTE's transmission network, based on the high investor interest in telecommunications and the parallel interest in 3g licences, would have financed RTE's involvement while ensuring the timely launch of the platform. In general terms, strategic manoeuvring by all parties appeared to have allowed public interest objectives disappear from the agenda. Control of the terrestrial set top box, which had become a new gateway in broadcasting, was to be sold off to corporate interests with no element of positive intervention or public sector participation involved in its development.

6.5) Interest group pressure

These developments did not occur in a vacuum. The policy community involved in broadcasting had changed dramatically in this period due to both processes of liberalisation and liberalised convergence. The European Commission Green Paper and the responses to it indicated the changing balance of actors in the sector as marketisation was more firmly embedded. In the Irish context, the as yet disparate cable companies and telecoms operators were sufficiently encouraged by emerging European competition legislation to pursue the government over any perceived special treatment of the terrestrial platform. The interests involved in this sector were later to form themselves into the Telecoms and Internet Federation (TIF) within the Irish Business and Economic Confederation (IBEC). Those involved in screen content production were already organised under the umbrella groups of Screen Producers Ireland (SPI) and the Audiovisual Federation within IBEC. In the preparation for digital, co-horts within these interest groups found a strategic consonance in the DPE/ODTR axis in relation to the potential levelling of competition between network providers and the opening up of distribution systems to myriad content services. The potential of developing the sector as an element of emerging internationally traded

services, as articulated by Enterprise Ireland, emphasised the role of decentralised digital content producers more flexibly attuned to opportunities in international markets (DPE, 2000). This shift of attention away from the inflexible integrated broadcasters of the past appeared to offer a rolling forward of a market structure that would benefit these content producers. Once again the paradigm of Bangemann style convergence was part of both popular and professional rhetoric at this point in time. Yet these groupings were not involved in the development of the Digico model leading to a degree of suspicion regarding the developing model. At this point, according to the then spokesman for SPI not many in the industry supported RTE having a role in infrastructure development seeing it as a distraction from its core business of content production.

The liberalisation of the broadcasting sector had created a more focussed lobby group intent on limiting RTE's dominance at all points in the emerging competitive value chain. This lobby group, organised first as AIRS, later to become Independent Broadcasters of Ireland (IBI) with the addition of TV3, raised its profile in the Digico episode. TV3 and its prime shareholder, Can West, had already expressed unease regarding RTE's role in the Digico entity. Mark Deering the then director of TV3 suggested that Digico sought to 'perpetuate and increase the dominance of RTE'⁵¹. This sentiment was echoed by Willie Fagan of the recently consolidated cable company Irish Multichannel (later Chorus) who suggested that 'the establishment of Digico as proposed will create an uneven playing field by allowing RTE, a broadcaster recently required to sell its share in Cablelink, to re-enter the transmission market with a large share in a monopoly'⁵². When the disagreement over the transaction structure in relation to the selling of Digico came to light, TV3 cautioned that 'the European Commission might not view it favourably. You could claim that it would be in effect state aid to

⁵¹ Mac Carthaigh, S. 'Monopoly of RTE feared by TV3', Irish Times, 6/11/99.

⁵² Kenny, C. 'Reality bites in RTE', Sunday Independent, 05/12/99

RTE⁵³. TV3 had organised the intense lobbying by the IBI, now increasingly concerned that Digico may become the umbrella project for developing Digital Audio Broadcasting. The IBI engaged the services of a lobbying firm and a competition lawyer to put pressure on RTE's involvement in Digico. The lobbying had inevitably filtered through to the Dail debates wherein the Broadcasting minister was to be confronted with representations from the independent broadcasters by a number of her own backbenchers. Running in tandem with these tactics TV3 had in early 1999 lodged a complaint regarding RTE to the Competition Directorate of the European Commission claiming RTE was in fact in receipt of state aid, through its non specified use of licence fee and its 'non market priced based' access to the national transmission network⁵⁴. The position of the directorate on the status of mixed funding public broadcasters was not at this point clear and therefore neither was the Government understanding of its own position. Internal documentation indicates that the move by TV3 served to unnerve the Department in relation to the issue of state aid to RTE. Against this backdrop of pressure the department had decided that RTE's right to a digital yield was not a battle that they had the will to fight for. The contested position of RTE in this increasingly marketised broadcasting landscape was only to be addressed in the 2002 Forum on Broadcasting⁵⁵.

6.6) Dis-integrated DTT

The failure of the Digico model was not, however, the end of the governments push for DTT, or the end of the public broadcasters involvement in the platform. The deal reached in June 2000 meant that RTE would no longer have a role in the multiplex side of the DTT operation (Muxco) but would put its transmission entity out to market, retaining a 28% share in the new transmission company

⁵³ O'Sullivan, R. 'Difficulties for RTE's efforts to get 40% share of digital television', Irish Times 4/03/00

⁵⁴ Letter from the Commission of the European Communities to the Permanent Representation of Ireland to the EU re: complaint about state funding granted by Ireland to RTE and TnaG 27/04/99 (DCMNR).

⁵⁵ The Forum on Broadcasting was established in 2002 to advise the minster on structural developments in Irish broadcasting and is dealt with in the following chapter.

(Netco). The whole sequence of events had been debated in the Dail with Fine Gael proposing a no confidence motion in the Minister at the end of March 2000 'out of a sense of deep frustration and uncertainty created by the inept handling of the broadcasting bill'⁵⁶. The Joint Committee on broadcasting made an attempt to return the Bill to the Dail so that the changes could be debated in open session. However the amended legislation was to return to the Dail at report stage having travelled through committee stage. The Broadcasting Act as it appeared in 2001 had only changed in relation to the proposed structure and ownership of the DTT entity, but yet, had taken another 12 months before entering into legislation. The multiplex licence and the transmission licence could now be sold off as separate entities, although there was nothing to prevent ownership of both licences by the one company. The Act was widely enabling in relation to the potential functionality of the DTT platform and its responsibility 'to promote the development of multimedia services, and to promote the development of electronic information services, including those provided by means of the internet'⁵⁷. Further to this the Act asserted that:

'Subject to subsection (3) and (6), nothing in this section shall be construed as preventing the multiplex company from using one or more of the multiplexes for the purpose of providing electronic information services in accordance with the requirements (if any) imposed by any enactment relating to the provision of services concerned which is for the time being in force'

Against this background, the ODTR was to return to the drafting of two separate licences for the new DTT model. Within a week the ODTR had assembled the terms for the new licensing regime⁵⁸.

⁵⁶ Dail Eireann, Vol 516, 28/03/00, Private Members' Business.

⁵⁷ Government Of Ireland, Broadcasting Act 2001.

⁵⁸ ODTR, (23/03/01) 'Regulator outlines licence framework for Digital Terrestrial Television in Ireland', Press Release ODTR.

The Department opted to award the multiplex licence through a mixture of an auction and what had become known in telecoms' terms as a 'beauty contest'. A new steering committee emerged made up of the officials from the DAGHI, the Department of Finance, the Department of Public Enterprise and the ODTR, retaining AIB corporate finance as the financial advisers. RTE elected to put its network to the market engaging the services of Rothschild. Rothschild subsequently issued an information memorandum to interested parties. However, the situation had dramatically changed with the telecoms and internet slump of 2000. The kind of 'animal spirits' that had led to RTE and Telecom Eireann's cable infrastructure being sold for £525 million were now nowhere in evidence. According to one government source 'the opportunity to make a major windfall out of this is long gone'⁵⁹. In addition to this OnDigital, the DTT platform in the UK, had shown the first signs of difficulty that was eventually to lead it into receivership⁶⁰. In the shake out that inevitably follows a bubble, the search for investors with credible business models for DTT was to prove difficult. In the bids for the DTT licences, one thing became clear, RTE was not the only operator to see the economic value lying principally in the transmission structure. Initial bids for the its network came from 'leading operators in the transmission and tower management industries and private equity firms', namely Crown Castle, Spectra Site, American Tower, TDF and a number of mobile phone network operators⁶¹. The only bid to emerge for the multiplex licence was from Irish company Its TV that had been formed by the former RTE chief engineer Peter Branagan. Branagan brought with him three other staff from RTE and had put together both a financial package and a business model for the Muxco licence. Unsurprisingly, as in the original Digico model, the platform was to rely on both multichannel and broadband offerings for revenue generation. According to Branagan the multichannel business was too low margin while carriage fees were expensive as

⁵⁹ Thesing, G. (29/03/01) 'Auction/Beauty Parade Hybrid for DTT Licence Award'. Business and Finance. The quote re-enforces the contention that the government were looking for a windfall out of the DTT licence.

⁶⁰ Note on OnDigital going bust

⁶¹ RTE Press Release, (28/09/01) 'Strong Interest In RTE Transmission Business'.

were the necessary set top box subsidies. Added to this the entry of BSkyB into the DTH multichannel market in 1997 meant that the margin of households open to subscribing to a multichannel service was becoming ever narrower. Irish policymakers still, however, appeared wedded to the UK competitive multichannel model of DTV. In the Its Tv business model, affordable broadband would be the key driver whereas a lower amount of channels combined with lower power multiplexes would bring down the break even number in relation to subscribers whilst also lowering the peak funding requirement. In addition to this the broadband offer would compensate for the relatively low resource base that makes the developing economics of value added digital television channels inappropriate for Ireland. The potential for more significant Irish content in new media offerings would also sell the broadband model.

In the wake of the 2001 Broadcasting Act the ODTR had initiated a consultation regarding the new split-licensing framework for DTT. In the consultation document the ODTR had changed its position in relation to the data cap, but not enough to be substantially different. The consultation document stated that;

'while DTT is primarily intended as a platform for the delivery of television services, the Director recognises its usefulness as a vehicle for the extension of the information society.... A data cap of up to 20% of each multiplex at any one time, subject to an aggregate maximum of 15% over a 24-hour period will apply to additional services'⁶².

In the follow up to the responses to the consultation document, following appeals from some of the respondents, the ODTR elected to move the aggregate maximum from 15% to 20%⁶³. For Its TV the data cap was proving to be an obstacle in attempting to raise the requisite financial backing for AIBCF's auction criteria. ItsTV had managed to raise £45 million on the basis of a broadband DTT

⁶² ODTR, (23/03/01) 'Regulator outlines licence framework for Digital Terrestrial Television in Ireland', Press Release ODTR.

⁶³ ODTR, (23/03/01) Licensing Digital Terrestrial Television; Report on Consultation, ODTR 01/17.

model from US venture capital group Delta Finance, but was unable to access it unless the ODTR changed the licence restriction to reflect the conditions of the Broadcasting Act. At this point the broad communicative consequences of liberalised convergence had been absorbed at governmental level and following an election which returned the FF/PD coalition, the DAGHI and the ODTR were brought within the sway of a consolidated Department for Communications. What was now the Department of Communications, Marine and Natural Resources (DCMNR) was of the mind that the Broadcasting Act took precedence over the ODTR draft licence and attempted to facilitate a change in the licensing conditions. The DCMNR was itself under pressure from the Information Society Commission to resolve what was considered an important element of public policy in relation to the elaboration of knowledge-based economy policies⁶⁴. The arrival of the BBC's Free sat model was also to increase the pressure coming from Irish broadcasters looking for a DTT platform to counter mass migration to a non-domestic digital platform⁶⁵.

In July 2002 a meeting took place between Its TV, AIB corporate finance, the DCMNR and the ODTR. At the meeting Its Tv made their demands clear in relation to the draft regulation licence published a year previously. Its TV outlined the following areas:

1. Removal of the cap on the percentage of non-programme related data that may be carried on a multiplex;

⁶⁴ Throughout the consultancy process in relation to Digico #1 the Information Society Commission had put pressure on the DAGHI to ensure the DTT model had a significant broadband element. In its 2002 Document 'Building the Knowledge Society' The Information Society Commission states 'it is clear that digital television has important potential to support greater access to new on-line content and services through a medium that is user friendly and already a household appliance. In the light of the unsuccessful outcome to the competition to select the multiplex licensee, the Government needs to develop a new strategy for the DTT platform as quickly as possible'.

⁶⁵ The BBC announced its decision to distribute its digital channels via a non encrypted digital signal in 2003.

2. One dedicated multiplex to be permitted for the carriage of internet and telephony. Up to five other multiplexes to be used for the carriage of TV programme services;
3. Use of the digital terrestrial RF return channel to be specifically permitted in the licence to facilitate interactive television, broadband and telephony services.

When the DCMNR pushed the issue further following an inconclusive end to the meeting, the ODTR's response was that 'the licence for the sixth data multiplex would also be subject to the EU licensing directive 97/13/EC and specifically article 10 which deals with the limitations on the number of licences'⁶⁶. In general the ODTR were claiming that an extra licence for wireless broadband would not be efficient use of the spectrum resource. In an ironic turn, the spectrum which was to be released by the digitalisation of analogue broadcasting was not going to be made available to aid in releasing that spectrum in the first place, because it belonged to a separate market, which at that point in time, did not exist. Further to this the technocratic market driven rationale of the ODTR, as translated from European network regulation, informed its segmentation of markets along criteria that ignored public policy in relation to the development of a national digital platform and the increase of broadband availability via a converged DTT model. Elsewhere the ODTR had revealed its rationale in this matter suggesting that the introduction of 3G mobile services would create a progressive need for increased spectrum access⁶⁷. The independent regulator was working on the basis of instituting markets relative to potential new media developments in mobile technology development.

For RTE, the continuing failure to find a multiplex operator was having a number of influences on its now revised broadcasting strategy. Having been granted a

⁶⁶ Memo from ComReg to the Department of Communications, Marine and Natural Resources (05/09/02) Re: Digital Terrestrial Television-Draft Multiplex Licence.

⁶⁷ ODTR, (2000) 'Extending Choice: Opening the markets for third generation mobile services' ODTR.

'derisory' licence fee rise in 2001 and suffering from the advertising downturn of that year, the implementation of a costly re-structuring plan and increased competition from commercial broadcasters, the need for a cash injection was now palpable. However, the failure to find a multiplex operator ensured that the sale of the network also stalled. Added to this the failure to launch a national platform meant that RTE was now hemorrhaging advertising potential to the, by now, leading digital platform of BSkyB, which was by then received in over 220,000 households⁶⁸. In April 2002 RTE announced its plans to join the satellite platform acknowledging the by now institutionalised European preference for platform neutrality in distribution. Its earlier plans to launch three additional digital television channels had been predicated on a potential windfall from the Digico transaction. According to Gerry Mc Carthy, the chief architect of the digital channels, the channels were always considered as pure public service and were designed to mainly enhance the public service profile of the original platform, following the emerging model of channel expansion and closer thematisation as a response to multichannel competition. They were not designed as commercial channels but as a public service driver for DTT⁶⁹. Ray Maguire of the digital development team suggests that following the Digico debacle, RTE no longer had the projected cash reserves to 'even to begin to think about channel expansion'. This apparent contradiction in government policy, i.e. the need to launch a DTT platform to release spectrum and the consistent under resourcing of one of the potential drivers of DTT, RTE, was only to be resolved when Sile DeValera was replaced in the broadcasting ministry by Dermot Ahern. However, for the government and its TV, RTE's move to BSkyB created an even larger hole in the DTT business plan.

6.7) Converging governance

Whereas the government now felt that a broadband was both desirable in terms of public policy and necessary in terms of DTT viability, it was necessary to

⁶⁸ ODTR (13/03/02) 'The Irish Communications Market Quarterly Review' ODTR 02/26.

⁶⁹ Interview with member of RTE digital management group, Nov 03. RTE had planned on original developing a news channel a catch up channel and a children's television channel.

resolve the ODTR's stance on this issue. However, the Department officials at communications did not feel that they had the necessary powers to direct the ODTR on this matter as it was protected by its statutory independence. The Director, Etain Doyle, had at this point established her reputation for being independent and chiefly focused on the European regulatory agenda. She had previously faced down finance minister Charlie McCreevy in the row over the 3G auctions and had also irked the government in relation to her protective attitude towards her telecom clients. However the lessons of the DTT debacle and the changing nature of governance at European level had effected a change in the communications governance structure at national level. Following the legislative lead of Europe, the broadcasting ministry was, in June 2002, re-absorbed within the department responsible for communications in general, the Department Of Communications and Natural Resources. Added to this, the ODTR, reconfigured as Comreg following the European Frameworks Directive of 2002, was also brought under the sway of the DCMNR as its lead Ministry. Thus the reality of convergence lead legislation and the necessity of inter systemic co-ordination within a single communications department highlighted the impact of convergence at departmental and ministerial level. The DCMNR sought a way to curb Comreg's independence. The Department had been formulating new legislation to prepare for the developing consensus at European level in relation to the Frameworks regulatory approach to Convergence. This provided the opportunity to re-organise the balance of power between the Minister and the Regulator. Section 13 of the new 2002 Communications Regulation Act allowed for the Minister to direct the ODTR in certain matters as follows:

In the interests of the proper and effective regulation of the electronic communications and postal markets, the management of the radio frequency spectrum in the State and the formulation of policy applicable to such proper and effective regulation and management, the Minister may give such policy directions to the Commission as he or she considers

appropriate to be followed by the Commission in the exercise of its functions. The Commission shall comply with any such direction⁷⁰.

The Communications Act also incorporated the new European Frameworks Directive that replaced the restriction on the licence arrangements already in place with a less restrictive arrangement for general authorisations. This allowed for the Minister to direct the regulator in relation to spectrum use whilst also removing the existing restriction on licences.

By the end of 2003, the new minister Dermot Ahern, once again sought to sound out the potential of a DTT model. A department press release related that the minister had commissioned 'a detailed and realistic report on the way forward for digital television in Ireland'⁷¹. According to the release, the Digital Switchover Plan would examine all the issues relating to the roll out of digital television in Ireland including the issues of DTT and broadband provision. Tentative meetings took place between the minister and the rest of the industry. The Department was developing a new approach to developing the sector that involved a degree of consensus building based on networking, consultation and organisational co-ordination. In general the state commissioned institution of consultancy driven market expertise was to be balanced with a negotiated corporatist approach to restructuring broadcasting and the communications sector. One of Ahern's first moves was to widen the consultation on the development of digital television to the members of the broadcasting section of the Telecoms and Internet Federation within IBEC. According to one source in RTE, Ahern proved more pragmatic about the necessary role of RTE in floating the DTT model, recognising that across Europe, the initial leanings towards marginalising PSB were being replaced by a market governance model that laid an emphasis on PSB in shaping the public interest dimensions of the emerging markets. This is

⁷⁰ Government Of Ireland, (2002) Communications Regulation Act.

⁷¹ DCMNR Press Release, (19/11/03) 'Department of Communications, Marine and Natural Resources to prepare a 'detailed and realistic report' on the way forward for digital television in Ireland'.

supported by internal department documentation that shows that RTE's ability to drive digital take-up has remained a constant issue in relation to the department's assessment of the licence fee increase. The experience of underperformance in domestic television programme production from the independent television contract holder, TV3, no doubt, also informed this trajectory. In addition to this, in the UK, the failure of OnDigital and the re-integration of the BBC into the multiplex business, drawing on its marketing and content management expertise, appeared to have been a relatively beneficial move as judged by the subsequent success of Freeview. The high tide of market liberalism seemed to be receding as new statist intervention was to gain tacit acceptance at European level. The potential of moving back towards a Digico model with RTE holding significant equity in the new entity was no longer out of the question. In addition to this, technological development in wireless broadband delivery appeared to have vindicated the ItsTv business model of broadband delivery.

The newly reconstituted department also displayed an increased concern with policy developments at European level. The DCMNR became involved in the reconsideration of the TVWF directive in the period from 2002 on, more mindful of its implications for a smaller nation operating in an overlap with one of Europe's most successful and liberalised broadcasting markets. By 2004, BSkyB was now the largest digital platform available in the Republic of Ireland, with subscription rates of 330,000 (out of 1.3ml households). It had extended some of its interactive services and was also developing Irish directed content as well as opt out advertising for the Irish market from 1999 on. The media auditing firm Billets Ireland suggested that whereas RTE controlled 81% of commercial revenues in 2000, that number was likely to drop to 60% by 2004, the largest gains being made by channels available via Sky's satellite service (Billets, 2004). Under the terms of TVWF, Sky was regulated under a non domestic licence from the UK. The ODTR had previously attempted to affect some regulatory sway over BSKYB (mainly in response from complaints from the cable providers based in the Republic), but was not in a position to do so under TVWF. The government was

also more aware of Sky's growing unregulated dominance via its high profile purchasing of coverage rights to Irish soccer internationals and its avoidance of regulatory control in relation to standards in advertising.

This scenario, coupled with the ODTR's failure to find a way around the TVWF directive, led the Irish government to attempt to change that directive to allow for regulatory intervention on the part of the country being targeted by broadcasts, such as, through opting out of advertisement, as opposed to the country of origin of those broadcasts. The DCMNR, outlined its proposals in its submission to the 2003 Review of the TVWF directive. As a follow up it arranged for an informal Conference of broadcast ministers as part of Ireland's hosting of the presidency of the EU in March 2004, with non domestic regulation being at the top of the agenda. The government made it clear that it respected the principle of mutual recognition but made a case that services originating from one state that were specifically aimed at a neighbor state should be treated differently. However, perhaps unsurprisingly, the activism of the ministry was to come to nothing. The concept of TVWF represented the core of European broadcasting policy's alignment with the Treaty of Rome's provision for the free movement of goods and services in the internal market. Following the informal conference, the EU commissioner for Audiovisual Affairs, Viviane Reding (as cited in Oliver, 2004), underlined the consistency of TVWF with the Treaty of Rome by stating "that is the general rule of the common market. It is not possible to change that." However In the run up to the development of the 2007 Audio Visual Media Services Directive (TVWF III) the Irish government backed by Swedish support managed to get some recognition that governments should co-operate on issues were domestic broadcasters targeted audiences in another state.

6.8) Towards DTT #3

The minister Dermot Ahern, had taken on the government's overall emerging policy style of negotiated governance twinned with corporatist co-ordination and was to pass this onto the incoming minister, Noel Dempsey in 2005. Dempsey

was to follow this more consensus lead approach to developing a DTT model. In looking to determine a new model for DTT roll out, in the context of the multinational owned competitive infrastructure which now made up the digital broadcasting landscape, the government returned responsibility to the department, the industry regulators, Comreg and the BCI, and the civil servants with ongoing links made to pan national regulatory associations such as the European Platform for Regulatory Authorities and public/private initiatives such as the DVB groups and the DTG group. The gradual internationalization of broadcasting, broadcasting policy and the political economy of broadcasting thus seen the emergence of a international networked policy structure that has attempted to network knowledge and co-ordination creating a public alternative to the global market consultants.

Trials for a potential DTT model were started in 2006 with a limited pilot trial launched to test the network and technologies followed by a phase two trial, involving the public in 2007. The pilot network was developed by BT (multiplex technology), NEC (transmission systems) and RTE NL (transmission sites). Content providers were then invited to contribute to the phase 2 public element. Phase 2 consisted of an initial panel of 500 public participants in the Dublin and Louth areas of the country. The trial involved the distribution of set top boxes and the digital delivery of 16 TV channels, 12 radio channels and one high definition television channel. Content on the trial was provided by RTE, TV3, TG4, Today FM, Channel Six, Sky, BBC, Setanta, Extreme Sports and UKTV History. During the trials, testing of interactive services and capabilities was minimal, partially due to departmental fear over the status of the MHP license fees being demanded by patent holders and therefore the availability of a suitable receiver. This combined with the lack of demand for interactivity by participants in the trial suggests that it will not be pursued in the initial commercial roll out. Once again, whereas policy was more networked, and the competition regulators, the BCI and Comreg were further involved, it was proposed that market demand would lead policy development as opposed to political will.

The trials were accompanied by new legislation in 2007 which created a legal basis for the new DTT structure. The legislation delegated responsibility to RTE, the BCI and Comreg for the development of DTT in Ireland. RTE would upgrade its network to digital capacity (and therefore become the DTT carriage provider) and manage a multiplex made up of RTE, TG4 and TV3 channels in digital form. The BCI defined and advertised the licenses for three multiplex providers, the winners of which would oversee the commercial roll out of DTT in Ireland. Comreg would allocate spectrum capacity for DTT and license RTE and the BCI for their respective use of spectrum. Whereas the central offering would be no less than 24 television channels, capacity was also reserved for eggs, interactive services, digital teletext and high definition television. It is, in 2008, likely that alongside the Irish terrestrial channels, the UK channels that featured in the trial will also feature in the public version of DTT. RTE has also been preparing for the development of a HDTV service whereas digital teletext will also be part of the value added element of DTT. The Department predicted a roll out date of late 2008 and has committed to an analogue switch off date of no later than 2015.

6.9) The evolving governance of broadcasting

The governance of broadcasting at national level in Ireland has been significantly affected by a number of cross cuttings developments. The above case study is instructive in documenting the changed co-ordinates of communications policy making in Ireland. The adaptation of US style economic globalization, via a vis marketisation of broadcasting, through the filters of the European governance and UK policy transfer are significant influences on Irish broadcasting and communications policy development. The domestic features of a under resourced state machinery for dealing with national industrial, economic and politico-cultural developments is also significant, as is the competitive pressure to reduce public spending and sweat public assets for treasury coffers. The reliance of private resources and international capital also shape the development of network infrastructure. The institutional features of a legislature that pays little

attention to its own committee structures or the European industrial and regulatory agendas that shapes its operations is another contextually significant element. The lack of co-ordination between different policy making communities and state agencies in relation to policy areas relative to digitalisation which now cut across myriad areas of communications, media and cultural policy were also features of this particular policy adjustment. The increased importance of interest groups in the overall policy style of negotiated governance, as a feature of market governance also signals significant change. Overall a state approach to media and communications policy which has been primarily reactive, pragmatic, and underdeveloped, has left a vacuum in state strategies and activities. The institution of market governance has sharply tested this lack of a coherent policy focus as the necessary statist activities to, paradoxically, shape market governance, were absent.

The increased competences of the EU in relation to network regulation and its interest in developing competitive and new media markets has put shape on the market environment generalised to its member states. The way in which broadcasting is now implicated in its reliance on infrastructure that, in its digitalised form, is utilised to develop different markets such as broadband provision and mobile multimedia services has generated a level of systemic complexity that had not encroached on broadcast regulation hitherto to this point. The general institutionalisation of a disaggregated broadcasting structure and the introduction of competitive market dynamics to hitherto integrated relationships have also meant that the policy community with an interest in broadcasting stretches out beyond broadcasters. Content producers, carriage providers, channel packagers, and customer interfacing interests all have a role in the development of broadcasting as a market segment of an evolving digital communications landscape. Initial moves to maintain a separation and an insularity of policy approach by the DAGHI proved to be contrary to the emerging systemic contexts of DTT. A latter-day recognition of the convergence agenda, the importance of networked governance and continued support for indigenous

content producers, vis a vis a sensitivity towards their relationship to content distribution has characterised broadcasting policy from 2003 on.

The original attempts at bureaucratic governance relying on market expertise to institute the marketised structure for convergence was undermined by the emerging systemic complexity of the market system for communications. The convergence of regulation via the integration of all communication regulation within the Department of Communication and National Resources and its attempts to negotiate systemic complexity via a inter-organisational networked governance and inter systemic context steering, has, to date, proved a more successful approach to the emerging conditions of policymaking. Yet despite the improved performance of the ministry in relation to its grasp of market governance and the integration of public concerns within it, it is still the case that market governance as such presents a number of contradictions and challenges for the strategies and activities of the state overall. The development of competitive platforms has done little to expand the potential for the extension of broadband provision as per state policy. The competitive platform structure poses challenges for the development of indigenous content, forwarding EU nostrums in relation to competition norms without realising some way of ensuring that national content production is somehow compensated for its loss of revenue via audience fragmentation and its ability to adjust to the new digital logics of production/distribution/consumption. Lastly, the role of positive intervention has been undermined by a political economy of governance that has little resources to intervene in such a way, either by the development of new institutional structures to shape the market landscape (beyond those that merely manage it) or continued interventions via distribution, marketing and subsidy. Indeed existing resources for positive intervention, i.e. licence fees are now open to fragmentation and redistribution.

Existing as it does within the Anglo American policyscape, and the EU's continued appropriation of it, it remains an open question as to how Ireland can

master market governance for public policy ends and whether it can break with its institutional past to experiment with neo statist approaches to networked governance in the internationalised, marketised digital environment. Given the emergence of a new paradigm for capital accumulation and regulation, societal plurality and complex economic interdependence, a neo-statist model does not mean a simple return to top down bureaucratic governance twinned to state administered redistributive social systems, but a heterarchical governance system consisting of mixed approaches to bureaucratic, market and networked governance capable of varying its response to policy issues in specific and variable contexts whilst weighing the claims to both private gain and the continued importance of a public domain and a public sphere in any economy that claims to be based on human capital, not to mention social development. This is also an important critical standard for institutional development in media/communications.

6.10) The challenge of a liberalised convergence model

The process of liberalised convergence (convergence via liberalisation) has proven problematic in the majority of European states in which it has been attempted, Ireland proving no less problematic. The concept of liberalised convergence is the most significant communications policy endeavour to arise out of the European Union and reflects its concerns with growth and development of communication industry and infrastructure on a Europe wide scale adapting the US model being generalised to the world of regulated market capitalism. It also runs concurrently with state/policy endeavours to open up national markets in the traditionally protected cultural industries and public services and re-orient them towards new modes of networked accumulation. In general the communicative landscape occupied by broadcasting has been marketised in pursuit of economic policy, co-ordinated at the European level. Contrary to extreme predictions, the continued existence of public broadcasters has been carefully defended, but the maintenance of a public service system of telecommunications and broadcasting has been replaced by marketisation. The

double challenge of this digital marketisation along with analogue liberalisation has led to a more challenging environment for residual public broadcasters. However, developments in the Irish situation challenge the claims to the appropriateness of the liberalised convergence approach taken at European level. The failure to develop a competitive domestic environment as outlined in the discussion above raise questions about the appropriateness of this model for the Irish situation. In general the concept that a low margin business such as broadcast content carriage would thrive amongst a potential of four different delivery platforms in a small market of 1.2 million television households (with heavy competition from internationalising corporations in its neighbouring country) has always been a dubious one and defensible only through the most elaborate economic modelling, e.g. Nera Smyth, 1998. In addition to this, basing national communications policy on the projected revenues of a yet unknown revenue potential of new services on different platforms leans far more to market interests than a polity representing the public interest should potentially tolerate. As an exercise in meta governance as opposed to direct government it appears to have deep problems in realising the majority of its objectives. It certainly cannot be construed as efficient, effective and economic.

The liberalised convergence model drew very heavily on experiences in the UK, which in a circular fashion were repackaged as policies for all of Europe. The UK had demonstrated its ability to float a number of platforms in a market of 26 million households, on the crest of an economic boom that could be expected to support a plurality of platforms. In Ireland the ascent of the liberalised convergence model helped frustrate the development of national platform, as did the absence of a strong state co-ordination on public policy issues. In general the government was constrained in its actions by the liberalised model that developed in line with its telecommunications policy

In Ireland the DAGHI appeared to be operating in a vacuum, with many of the important decisions being made on digitalisation, overall, coming from the

telecommunications side of government/state activity. Consonant with government policy, the public private partnership of Digico appeared to be conceived and deliberated with very little consideration of the liberalised convergence which would surround it. The decision of the Minister to follow the public/private route engendered problems for the unitary model of Digico that could, in any case, have been debated at European level. However, the Minister chose to ere on the right side of competition law and sought to boost government coffers rather than re-invigorates a public service. Despite the apparent hostility of the competition directorate towards the potential for market distortion through public services, the Directorate, under Karl Van Miert, allowed for a lot more room for manoeuvre. Decisions made in relation to myriad cases brought against public service broadcasters by private operators indicated that firstly, the Directorate did not consider itself to have competence in deciding on the extent of public services, and secondly, would only rule on funding that was not proportionate to that range of public services. Under this regime of regulation it would have been possible to argue any digital yield could be seen as state aid to RTE/Digico in order to develop content and broadband elements of the Digico platform as a matter of public policy. Without such a yield, and, quick diffusion of the platform, RTE was not in a position to carry a terrestrial platform as another element in its public policy requirement. It was already showing the strains of being under resourced whilst overburdened with public policy.

This approach to DTT would, however, only have been possible if the government had secured the support for a national platform at European level, rather than accepting the large country model of liberalised convergence. At this juncture the liberalised convergence model has been fully implemented through the Frameworks Directive adopted by Member States in 2003. The situation in Ireland, wherein, only BskyB had the economic resources to ride the economic downturn of 2000 and expand its services, has lead to many questions regarding the viability of liberalised convergence in the Irish context. In general, this means that there has been no public service innovation in digital services. It also means

that a system that would have maintained the existing public services at the centre of a national broadcasting culture in Ireland, whilst also ensuring additional resources in an increasingly fragmented environment, has seen its potential market dwindle with the diffusion of digital satellite and cable services. New and innovative services in digital television are developed outside the state in a commercial paradigm wherein profits also migrate outside of the state. Even where liberalised convergence has been adopted in European countries, a form of neo-statist intervention has ensured that the newly dis-integrated public broadcasters have been resourced enough to remain central in such an infrastructure. This situation did not pertain in Ireland.

6.11) Digital issues facing public broadcasting policy in Ireland

In the light of recent developments there is substantial evidence of the need for a wider conceptualisation of the public interest in Irish broadcasting. RTE for its part cannot be expected to be burdened with public policy but under resourced in regards to public finance. In such conditions it devotes its energies to strategic manoeuvring for revenue generation as opposed to being strategically orientated towards the public interest. Whereas the 2002 Forum on Broadcasting appeared to have addressed this issue and put pressure on the government to increase its public finances, this may have been too late to ensure the strategic floating of a public DTT service.

For RTE there are more pressing issues. The new regime of platform neutrality puts RTE in the position of offering its services on all platforms, regardless of the fact that this may involve supplementing the profits of rival broadcasters such as BskyB. This solution to universal service in a liberalised convergence model will potentially raise cost issues for the public broadcaster. At present, for RTE, the cable companies carry the public channels for free as part of a 'must carry' requirement. RTE is also carried on the satellite provider BskyB at little charge to the broadcaster. This reflects BskyB's need for Irish content in order to expand into the Irish market. There is no guarantee that either of these situations will not

change in the future. Further to this, the question of paying transmission fees to a DTT operator will also arise, as does the issue of paying the independent regulator ComReg. In the UK the BBC reported a drop in its transmission costs with the move to digital terrestrial but a substantial rise in relation to its multiplatform transmission costs (BBC). In the interim period of network roll out RTE will also have to consider the amount of resources it can direct towards new digital services, considering that there is a period of non-universal service involved. This raises questions in relation to the universality of the licence fee. Can RTE use licence fee money on service that cannot be universally received whereas on the other hand can it delay a digital strategy until analogue switchover? The related question of which new services to develop is also a pressing issue. The services will have to be effective in a strategic sense on four different platforms, this requires careful planning and modelling. The kind of services possible will also be determined by the technology of each platform. The proprietary standards of the different set top boxes entails the development of new services and interactive innovations with four potentially variant interfaces. In the platform neutral scenario the development of services that favour any one platform will be seen as derogation from its universal service mandate. The key problem for the public broadcaster at present is how to maintain visibility and presence in a multichannel, multiplatform, multi-media digital scenario. On the face of it, RTE does not have the resources of the BBC to become a sizeable public presence across all media (as has been ensured by neo-statist intervention by the same political culture that initiated the liberal convergence model). In the digital transition, however, it has been barely resourced or encouraged to achieve such a goal.

6.12) From positive to competitive regulation

It is suggested that the current trend in communications policy is underpinned by a neo-liberal turn in western political economy. However, in the case of the convergence paradigm, it is more accurate to emphasise market liberalism as an underpinning logic of change. Thus we see, not the de-regulation of the

communications sector, but the re-regulation of a marketised communications sector. The Bangemann Report and associated documentation are often cited as proof of the neo-liberal turn, but the actual settlement of the convergence issue is more complex. Bangemann succeeded, not through getting the necessity of deregulation accepted, but by articulating the need for new forms of competition within electronic communication networks via a technological argument based on a technological potential of convergence. The necessity of a competitive model was introduced via a paradigm shift based on an inaccurate and inappropriate assumption of real convergence at all points of the so-called value chain. Whereas the unrealistic nature of this situation came to light via actual developments in broadcasting and discursive testing of the Bangeman report at European level, an important paradigmatic or ideational shift was achieved. Within the liberalised convergence model the horizontal regulatory measures associated with network convergence have been formulated at European level and implemented through statutory regulators at national level. Concurrently, vertical regulation of content still remains a mostly national affair, taking into account the already existing European interventions, pre-existing broadcasting regulators/policy communities can still shape developments at national level. This however, requires co-ordination with throughout the communications sector at national level. It is this institution of the liberalised landscape, a market structure of operation and re-regulation for competition that became one of the backdrops against which states needed to restructure their public broadcasting systems, that is the subject of the following case study.

Chapter Six

Chapter Seven

Reshaping public broadcasting in Ireland

7.1) Introduction

The current chapter is primarily concerned with the political economy of policy involved in the restructuring of the principle public service broadcasting institution, RTE in the period under review. The varied challenges that have beset public broadcasting as both extant public policy and a general philosophy of the public sphere have been variously summarised as technological, ideological, socio-cultural, spatial and material. In general, digitalisation, neo-liberalism, internationalisation of distribution and consumption, cultural relativism and issues of funding and commercial competition help to delineate the various pressures/rhetoric's that have made the restructuring of public broadcasting a policy object for policy makers in Europe and elsewhere. In keeping with the materialist explanation of neo-fordism outlined in Chapter Two, one key element that informs the reshaping of public broadcasting is the realisation of broadcasting as an expanding cultural industrial sector, its export potential, its employment potential and its overall contribution to the post industrial sector of the economy. The marketisation of broadcasting to realise this aim and the changing institutional norms expressed in emerging forms of competition, property forms and forms of exchange provided a structural emphases for the re-articulation of PSB relative to these new conditions. The emergence of a regulatory regime that regulates for competition also presaged the need for a rationalisation of public broadcasters. These are the structural emphases of a global market system and they are negotiated and filtered through both supra state arrangements such as the EU and the structural and institutional features of a given state. The current chapter traces this adjustment in the Irish context focussing on the effects of such normative and institutional emphases on the programme production element of RTE's value chain.

As has been recounted in Chapter 6, in the mid 1990s PSB became an object of policy at European level, initially through the Competition directorate, DGIV, and latterly through the European Parliament and the Amsterdam protocol. Together these institutions guaranteed the continuing support of PSB as a service of general interest to be protected by European law. Whereas PSB had to be defined, transparent, proportionately funded and competition friendly, the structure, funding and purpose of PSB was a subsidiary matter to be dealt with by national governments in a 'vertical' manner. However as has already been suggested the internationalisation of broadcasting distribution, the creation of market structure at EU level and their related regulatory regimes all produced varying pressures and emphases that were to be felt at national level. The present chapter addresses the restructuring of public broadcasting in Ireland through the consideration of the public deliberative strand of restructuring and the private consultant lead strand of restructuring. At public level RTE as a central element of ongoing broadcasting policy was legitimised and restructured relative to a new charter, a new set of commitments and a new governance structure. At the structural level new operational; structures drawing on market logics were brought to bear on the broadcaster. This chapter in line with its concern with the political economy of governance concentrates on this latter level whilst drawing attention to its implications for the discursive re-articulation of public broadcasting that took place within the public sphere.

The chapter follows a broadly chronological trajectory as it traces policy development from the restructuring of RTE's programme production capacity to the transition to market governance within RTE. Specifically it traces the broad implications of the developing relationship between RTE and the independent sector, the move towards the regularisation of the license fee mechanism, the development of new governance/organisational structures for the broadcaster and the deployment of a framework for the public broadcaster as a complimentary element within in the wider re-configuration of broadcasting as a cultural industry. In general, it traces the re-orientation of RTE to the new

contexts of a liberalised broadcasting sector constituted by the institutional norms of the market.

7.2) The Politics of PSB in Ireland

The 1995 Green Paper on Broadcasting in Ireland posited the need for an evaluation of public broadcasting in Irish national culture and politics. It proposed that the maintenance of a strong public broadcaster provided the forum for the negotiation of national culture and a mode of publicity that prioritised shared public life and a political culture. It evaluated the increased commercialisation, corporatisation and internationalisation of cultural production and argued that the maintenance of public broadcasting would secure a degree of pluralism in the emerging landscape as well as securing the basis for the ongoing politicisation of public life. Generated by a Labour minister with considerable academic input, the Green Paper was a marked departure for policy statements on public broadcasting in so far as it articulated a public philosophy with a strong liberal pluralist continental orientation. The key contexts for this paper were not only the potential global reach of corporate media through new technologies but also the influences of the liberalising UK broadcasting landscape, both ideational and material. In the UK, policy discourse had been brimming with the rhetoric of neo-liberalism whereas the granting of a non domestic licence to BSkyB and its steady progress in re-ordering the broadcasting landscape there illustrated the reality of a pending internationalisation of distribution in broadcasting. Within the UK, the 'decline and fall of public broadcasting' was becoming a common trope of discussion and the question of what to do with public broadcasters as broadcasting became a business appeared to be the key concern. In Ireland the culture minister, Michael Higgins, was centrally involved in securing support for the Amsterdam Protocol on public broadcasting at European level (see chapter Four) as he detected this shift in the normative considerations underlying broadcasting policy. But it was the incoming government that would have a key input to the restructuring of public broadcasting in Ireland over the coming ten years.

These were the immediate ideological backdrops that informed the consideration of the place of public broadcasting in Ireland in 1997. On the face of it the incoming government would appear to be less committed, if not hostile, to the concept of public broadcasting. Fianna Fail had historical baggage in its relationship with RTE, it had been the party that introduced commercial competition in 1988, and perhaps paradoxically, as a republican party, had little time for the theoretical abstractions of the public sphere. However, FF had also been the party that sanctioned the structure, funding and (however compromised) autonomy of public broadcasting in Ireland in the first place and thus had shown itself to have ambiguous attitudes to PSB. Their partners in Government, the Progressive Democrats were doctrinaire neoliberals with a commitment to reduced public spending, pro market policies and rationalisation of the public sector. The PD's political philosophy aligned them to a dogged pursuit of the competition state, and to the re-invention of Ireland as a primarily economic, as opposed to ethno nationalist, entity, e.g. Ireland plc (see chapter five). They entered cabinet with economically influential ministries in the Department of Finance and the Department of Public Enterprise. In so far as they demonstrated a proclivity in communications policy, the PD lead Department of Public Enterprise had been at the forefront of the liberalised convergence agenda outlined in the previous chapter.

It was not clear what impact these mixed and complex political emphases would have on public broadcaster RTE. Fianna Fail had shown, historically, its propensity to intervene in broadcasting to ensure a national broadcasting culture free from undue commercial influence but did so not out of philosophical reasons, but in order to create a broadcast system which principally reflected the accepted norms and values of a catholic corporatist state, a cultural nationalism and a notion of formal citizenship. (It has also been grudgingly receptive to its civil service and the state resources available to it). In broad brush terms, Celtic Tiger Ireland was steadily moving from a catholic corporatist state to a neo-liberal

corporatist state, and it was not clear how those older values and norms would fair, or what broadcasting structures would best be suited to reflect new ones. How does a nationalist party re-articulate the national at a time of socio-cultural and economic globalisation?

7.3) Restructuring PSB; the policy process

Following the frustrations of finding a policy response for digitalisation in Ireland, the question of public service broadcasting, in the period from 2000 on, came to the centre of public policy towards broadcasting. In retrospect the attempt and frustration of RTE to drive policy on digital broadcasting most probably signalled the end of the broadcaster's privilege in developing national broadcasting policy. Whereas Sile DeValera had earlier suggested that a review of RTE would be in the pipeline, this was later extended to a full-scale Forum on Broadcasting to evaluate the overall structure of broadcasting, and the place of an institution of public broadcasting within it. In the re-orientation towards a marketised broadcasting sector, with its market institutions, the form, functioning and purpose of public service broadcasting had become a central policy problem for European Union member states. How should public broadcasting integrate into newly liberalised international; digital broadcasting markets? Would institutions of PSB still be as effective in addressing the political, cultural and social policy roles once entrusted to them? Had the political, social and cultural changed to the point wherein PSB in its traditional form no longer had resonance? Would digitalization and the logics that underpin it render existing broadcasting institutions ineffectual? Would PSB institutions, now operating outside of the overall public service system of governance still serve as a central public service policy tool? These were the questions that that Forum on Broadcasting, an ad-hoc body convened by the government in 2002 was tasked with answering. At the centre of the Forums' deliberations would be the question of the role and status of public broadcasting in the Irish broadcasting landscape. However, whereas the forum on broadcasting was initiated as a public, deliberative consultative body, allowing for an input from the varied stakeholders, both formal

and informal, changes in the form and function of RTE were occurring at a less public, but, arguably equally consequential level. At this level, the contexts of change could be related to the wider processes of market governance in European broadcasting, the rationalities of a government intent on re-interpreting the relationship between governance and the public sector and the presence of new stakeholders in the marketised broadcasting environment, all creating pressures and emphases vis a vis the prioritisation, formation, adoption and implementation of new institutional norms. To a large degree the re-articulation of the form and function of RTE occurred outside of the public domain and illustrated how market governance had penetrated to the centre of broadcasting policy whilst being accompanied by deliberative policy generation ¹.

In short, the re structuring that occurred outside the public domain was centrally concerned with adjusting RTE to emerging institutional norms of competition, exchange and an emergent property form in broadcasting. If this had occurred in the BBC in 1990s under John Birt's re-orientation of that institution, then it was now RTE's turn for a similar treatment. RTE, as a legacy monopoly broadcaster with a bureaucratic governance structure, was out of step with the market logic of market governance, competition at all levels of the value chain (programming, distribution, customer interfacing, service delivery etc), the potential monetary value of its programming as commodity form and contractual and transparent levels of exchange in its production process, the norms of the market economy. RTE's unionised structure and the associated delicacies of tinkering with a semi autonomous public broadcaster, had previously allowed the broadcaster to assert its autonomy over its own structures and operations. But the normative contexts and political culture had now changed. Competition, liberalisation, rationalisation, developing the services dimension of the knowledge based economy combined with RTE's own financial crisis and public funding deficit appeared to have

¹ Section 243 of the 1960 broadcasting act obliges RTE to conduct its affairs in a way in which can meet all of its commitments out of its current account. This essentially allows Government to re-size the organisation, as a legislative requirement, through withholding licence fee funding.

created very a different environment for negotiation. One element of RTE's integrated structure that had exercised successive policy makers since the 1980s was its production process and the degree of autonomy it exercised over allocating revenue towards different programming genres. The political economy of RTE's programme budget has thus had political and economic interest for policymakers and its historical trajectory serves as indicative of the associated policy development which has re-oriented the broadcaster in recent years.

7.4) The political economy of independent programming

Within the overall context of marketisation of the broadcasting sector, separation between the varied elements of the value chain is deemed to introduce efficiencies whilst also making costs more transparent. Within the European context, it offers the potential of de-nationalising programme production and creating a common market for programming that may provide the basis for better performance in global markets. The vertical disintegration of the value chain in the US broadcasting landscape is often cited as proof of this formula although many critics suggest that it is the economies of scale arising from a linguistically homogenous land mass as opposed to the operation of market criteria which underpin US exports success². European intervention in this area in the form of Directive 89/552/EEC aimed to ensure that the support of this sector received a level of commitment from national governments without being overly binding. The cultural criteria for this intervention were justified in terms of the goal of encouraging cultural diversity through pluralistic programme supply. However from the 1980s on, the potential of an independent television production sector as a significant post-industrial sector of the economy, gained increased policy interest throughout Europe. The development of Channel Four in the UK alongside the mandates for independent productions in broadcaster's schedules in the 1990 Broadcasting Act was indicative of this approach.

² Sinclair, Jacka and Cunningham, (1996) *New Patterns in Global Television*, (Oxford, OUP).

Within the Irish context, independent production had been a feature of the broadcasting landscape since the inception of RTE in 1961 with a loose number of operators contributing, in an artisanal fashion, to the national broadcaster's schedule on an informal basis. Following RTE's poor financial performance in the early 1980s, at the Government's behest, consultants Stokes Kennedy Crowley carried out a review of RTE which recommended a more formal approach to the role of independents in producing for RTE's schedules. In its rationale for such a recommendation the report suggested that the benefits of a developed independent sector would be as follows;

- To offer some alternative employment opportunities to professional television staff in Ireland
- To provide a more varied range of programming
- To produce programmes more economically
- To create additional employment in a business sector with significant growth potential³.

The 1990 Broadcasting Bill proposed a formula of dividing up the license fee amongst commercial broadcasters that would in theory stimulate demand from independent broadcasters. The bill was comprehensively opposed but made it through to legislation as a cap on RTE's advertising income in order to stimulate the development of a commercial channel. The strategy was a profligate failure

³ Stokes Kennedy Crowley, Review of RTE, 1985. From 1987 RTE made moves to formalise its relationship with the independent sector. By 1990 the sector consisted of 139 mostly small scale companies made up of 257 full time employees and 600 freelance jobs. The development of policy towards independent production in the UK, especially the creation of Channel Four as a publisher/broadcaster, opened up an outlet for Irish producers whilst also offering a template for organised action in relation to policy development in Ireland. The Irish polity now had an obligation to formalise the role of the sector vis a vis the Television Without Frontiers directive of 1989. Whereas the directive was not overly restrictive the purposeful ambiguity of Article 5 opened up the potential for multiple interpretations which ensured conflict between RTE and the burgeoning sector. The Fianna Fail government, however, was finding its approach to broadcasting policy problematic. The attempt to kick start a commercial private television sector was meant to open up additional opportunities for independent production but proved unviable in the existing economic conditions.

and entailed a continued disoriented policy direction towards the independent sector. The Fianna Fail/Labour coalition of 1993 signalled an alternative to this approach to stimulating development through a commercial broadcaster. The then Labour Minister with responsibility for broadcasting, Michael D Higgins, sought to deflect policy away from commercial broadcasting and retain RTE as the central focus for broadcast developments. The 1993 Broadcasting Amendment Act reversed the cap whilst also addressing RTE's statutory commitments to the independent sector. The act stipulated that RTE would make available £5million for spending on independent production in 1994, with stepped increases bringing it to £10million in 1998. Eventually by 1999, the sum spent would settle at either £12.5 million or 20% of television expenditure, whichever was the largest sum. By 1999 a Fianna Fail/PD coalition was to step into an RTE/FMI dispute about what in fact was the correct calculation of 20% of programme expenditure and set the amount at £16.5 million. In the 2001 Broadcasting Act, the amount was reset at £20 million per annum rising each year in line with the cost price index. This was a compromise but still ensured a commitment that was above the 10% mandated in European legislation. The move to set a limit on the exponential burgeoning of the independent quota was directly related to RTE's dire financial circumstances which were in turn partially engendered by the rising fixed cost of its commitment to the independent sector. In this entire period of directing RTE resources towards the independent sector it had not received a license fee increase in recognition of its expanding policy commitments.

The rationale behind Michael D. Higgins move to a rigorous quota system was a synthesis of reactions to the varied pressures on broadcasting policy at the time. As Higgins suggests himself, the possibility of reconciling all these policy demands was problematic. To deflect attention from the commercial option, whilst adhering to European legislation and providing impetus for a potential international export market implied giving RTE a large responsibility for this purpose. The assessment is telling in so far as it indicates the burden of policy

that falls on the public broadcaster in the absence of wider state policy and mechanisms. However, Higgins argues that the approach itself was not divorced from public purposes in broadcasting. According to Higgins, it was felt that RTE, because of the hostility of the previous government and an over-zealous commitment to commercialism, had become considerably blunted in its approach to critically interrogating public issues. Added to this, ex RTE staff argue that RTE's managerial ethos was not particularly interested in allocating resources towards cultural programming and when it did, tended to over manage the production process⁴. Finally, the persistence of a single culture of television production in RTE, and thus in Irish television broadcasting overall, was seen as limiting the potential meanings, values and identities that could be brought to bear on output. In the UK, the development of Channel Four as a publisher broadcaster had allowed access to the airwaves for a plurality of voices offering diverse and often critical perspectives. It was thus that Higgins saw the independent sector feeding into RTE's remit to stimulate the pluralistic production base and diversity of output of the broadcaster whilst also engendering a growth area that would give Ireland a 'cultural space' both at home and internationally⁵. At the time SIPTU, representing staff within RTE had led opposition to the 1993 Act stating that;

'just as the station has an opportunity of progressing in an orderly fashion to develop the entire Irish broadcasting industry, the minister threatens to undermine this by placing too great a burden, too quickly on the station, to its detriment and to the detriment of the industry as a whole'⁶.

⁴ Interviews, ex-production staff, RTE, June 2004. This is a general perception of a small sample of ex RTE staff now working in the independent sector, who, for obvious reasons, requested anonymity. 5 producers previously employed on both full time and part time contracts at RTE complained of restrictions arising out of the reference upward system in RTE. This perspective has been echoed by other written critiques of the broadcaster. However, these producers also suggested that they were left to their own devices when producing independent material for the broadcaster.

⁵ Interview Michael D. Higgins,

⁶ Irish Times, 11/05/93, SIPTU attacked on Broadcasting Bill.

Higgins suggests that there was never intended to be pressure on RTE's production base and for this reason had inserted a clause that allowed the amendment of the quotas if it led to negative impact on 'the employment or recruitment of staff by the Authority'⁷. In Higgins calculation, developing European markets would ensure that RTE was not be the only buyer of independent programming and therefore the sector would expand without unduly burdening RTE. The fact that half of independent production companies had already won commissions from UK broadcasters at this point appeared to support this assessment. However, it appeared that, later on, Higgins over estimated both the financial health of RTE and the export potential of Irish audio-visual content.

By 1997, just before the designated sum rose to £10 million, RTE was beginning to sound the alarm bells in relation to its commitment to the independent sector. In its 1997 annual report the Chairman of the RTE Authority, drew attention to the fact that the 'the increasing obligation to commission from the independent sector was a further financial strain on RTE's resources'⁸. The comment led to a series of public exchanges in the pages of the Irish Times, with James Hickey, the then spokesperson for the industry body, FMI, accusing RTE of displaying a lack of commitment to the sector. According to Hickey, a large proportion of FMI's lobbying capacity was then directed towards ensuring that there was no political climb down on RTE's commitments. However, RTE made clear that its objections related to the fact that its commitments were not underpinned by the requisite resources. It had had one licence fee rise in ten years and this was almost entirely to fund its concurrent commitment to provide programming to the Irish language channel TnaG (established in 1996). At a time of difficult commercial conditions RTE's licence fee stood at a ratio of 2:1 commercial revenue to licence fee revenue. By the year 2000, when RTE was then spending a required

⁷ Broadcasting Amendment Act, 1993.

⁸ RTE, 1997, Annual Report

15.5million on independent commissions, it publicly articulated the relationship between the commitments to the independent sector and the erosion of its own production base. According to Joe Mulholland, the then managing director of television, 'should more funding not become available, then, as the amount spent on external production increases, that spent in making programmes within RTE must decrease'⁹.

It is difficult to isolate the impact of the independent quota on RTE's productive capacity as it tends to be one in a number of constituent factors related to market competition which include the fragmentation of advertising revenue, organisational re-structuring and the spiralling costs of programme rights. In political terms, subsequent decisions not to raise the licence fee alongside an increasing litany of public policy commitments such as TnaG (the Irish language channel to which RTE contributes 365 hours of programming per year) and DTT also had an impact. The resulting financial squeeze within RTE has been typically characterised as a product of its inflated cost base (which has necessarily had to adjust to remain competitive in a market environment). Thus increased reliance on outsourcing programming is presented as part of the solution to the circumstances it has helped create. The impact of this circular policy rationale is illustrated in the figures for the volume and value of rte's commissions from the independent sector over the previous decade;

⁹ Irish Times, 7/01/00, RTE a broadcasting miracle in that it can produce so much.

Volume and value of RTE's independent commissions.

Year	Hours	Amount
1988	136.25	£2,482,500
1989	161.75	£3,342,775
1990	168.75	£3,633,321
1991	159.75	£2,984,000
1992	250.00	£3,767,000
1993		
1994	258.00	£5,000,000
1995	261.00	£6,071,402
1996	290.00	£6,624,356
1997	300.00	£8,500,000
1998	430.00	£10,000,000
1999	531.00	£16,100,000
2000	534.00	£16,302,534
2001	641.00	£24,970,491
2002	701.00	€30,696,906
2003	513.00 IPU (171.00 additional)	€46,148,898
2004	905	€50,156,000
2005	1,010	€72,801,000
2006	1,034	€68,320,000

Sources: The Independent Television Production Sector Report, 1992, Review of RTE's Structures and Operations, 1998, The Strategic Development of the Irish Film and Television Industry, 1999, The Irish Times, 1998, Review of Application made by RTE for a Licence Fee Increase, 2001, IPU Annual Reports 2000-2006.

The percentage of spend is now considerably higher than either the amount mandated in the 2001 Act or the 20% of the previous 1993 Act. One central reason the growth of RTE's commitment to the sector has now reached beyond that which it statutorily obliged to commission is because it no longer possesses the capacity to meet its programme commitments 'in-house'. Also under the terms of its organisational restructuring/licence fee increase deal (dealt with below), its commitment to outsourcing were to become a structural feature of its ongoing operations.

In international terms it is possible to give some indication of the scale of the public policy commitment by relating it to arrangements in other European countries. In the Denmark, Finland and Sweden, the approach to article 5 of TVWF is structurally flexible. In each of these countries the broadcasters are free to interpret whether they want to reserve 10% of their broadcasting time or to invest 10% of their budget in European independent programmes. These are countries with relatively strong public finances for the public broadcaster, but small population sizes of below 10million resulting in reduced economies of scale and less revenue surplus to the requirement of maintaining the existing audio-visual production base. In contrast, those countries with larger populations and proportionate public funding tend to make fixed commitments based on their greater surplus of resources. Thus the UK, Italy, France and the Netherlands all have structurally fixed interpretations of Article 5 as well as extra commitments.

Chapter Seven

Country/Public Broadcaster	Operating Income 1996 £million*	Flexible Interpretation of Article 5 (2001)	Fixed interpretation of article 5 (2001)	Extra Commitments (2001)
United Kingdom, BBC	1,981		25% of its output in any relevant period to consist of independent progs.	Provisions concerning type of content, language requirements and origin of content
Italy, RAI	1,688		20% of relevant transmission time for independent productions	Promotion of independent production and type of content
France, F2, F3	1,286		11.5% of turnover to independent works +3% to cinematographic works	Provisions concerning type of content and language requirements
Netherlands, NOS	564		25% of television broadcasting time across national channels	Provisions concerning type of content, language requirements and origin of content
Denmark, DR, TV2	436,	10% of Programme Time or Budget		Flexible targets in relation to content/ language
Sweden , SVT	310,	10% of Programme Time or Budget		Flexible targets in relation to content/ language/origin
Finland, YLE		10% of Programme Time or Budget		Flexible targets in relation to content/ language
Ireland, RTE		(Proportion of programme service) ⇒	£2000,000 plus, rising annually with CPI	Co-operation with independent sector and indigenous programme quota

*Indicative operating income, public funding, excludes commercial income.

Sources: Mc Kinsey, 1999, European Commission, 2001, YLE, 1996, RTE, 1996. 1990/2001 Broadcasting Act, Ireland.

Historically, RTE has been poorly publicly funded relative to commercial revenues. It is also working from a relatively low audio-visual production base, because of population size/GNP and the related implications for revenue generation. In the 1990 Act, the interpretation of article five did not lay down a specific quota but proposed that 'a reasonable proportion of the programme service' be given over to independent productions. Subsequently, the 1993 Broadcasting Amendment Act and the 2001 Broadcasting Act translated this to fixed, above base, commitments. Whereas Ireland is in a more comparable position to those countries with a tighter (but less tight than Ireland) pressure on their production base, the Irish public broadcaster is committed to a fixed interpretation of Article 5 comparable to those of the larger European public broadcasters. This lack of flexibility entails additional fixed costs for the public broadcaster. Flexibility must thus be found in other dimensions of RTE's operation.

7.5) Re-scaling the public sector

The reduction of productive capacity within RTE is also a consequence of re-structuring in relation to its loss of status as a monopoly operator. In general terms this relates also to RTE's re-orientation as a partially dis-integrated programme producer in developing markets. Since the SKC report of 1985, RTE has been in the process of re-sizing its cost base in recognition of these new realities. However, the balance between re-structuring and under-resourcing has been a fine one in the opinion of representatives of staff in RTE. The level of its staff and staff commitments is seen as a fixed cost within RTE which is chiefly characterised by government as being the key cost driver in its operation. As an integrated producer/broadcaster RTE's programme production has typically drawn on resources from internal support divisions such as graphics, wardrobe, construction, production design, post production and location amongst other. In its 2002 application for a licence fee rise RTE outlined the extent of its rationalisations for 2000/02.

- Staff reduction, a net reduction of 500 staff in 2000/02/03. Of this number 400+ were permanent and pensionable.
- Closure and outsourcing of TV outside broadcasting unit, negotiated through RTE's partnership and IR mechanisms with no loss of service resulted in annual savings of €1.5ml+ or equivalent volume of operations
- Closure of construction workshops, which was a costly and inefficient operation because of the seasonal nature of demand. Negotiations with four different craft unions achieved full closure without dispute or service disruption.
- Reduced TV Studio Crewing, including the introduction of unmanned and remote control camera facilities and implementation of the single operator TV News headline facility.
- Stills, the closure of this operational activity, no longer essential to RTE production activities, was achieved through negotiated early retirement and redeployment.
- Introduction of desktop self operating video editing and other work change practices¹⁰.

However, staff now claim that rationalisation of these operations has for a long time gone beyond services and is cutting into programme production. The fixed cost of the quota commitment to the independent sector, however, increases relative to the loss of critical mass within RTE.

Internal efforts to quantify the loss of staff vis a vis the outsourcing of production to the independent sector were attempted by an internal review group¹¹. The figures suggest the function of programme making was under pressure despite industry claims that RTE still had room to squeeze out some of the non-programme making fat. However, James Hickey of Screen Producers Ireland,

¹⁰ RTE, 1998, Review of RTE's Structures and Operations, RTE, 2002, Draft application for a licence fee rise.

¹¹ The RTE internal team estimated that a decrease in around 9% of internal output would mean job reductions of around 50 staff from programme making.

suggests that RTE's problems still stem from its self image as a monopoly broadcaster or national institution that continues to carry too many staff not related to its programme making function;

The practicality of the matter is how many people in RTE actually work in television production in the first place. My understanding is that there are less than 30 full time television producers, from a staff of 2,135. Begs the question of what everybody else does since the most important part of RTE's output in terms of the level of cost and the level of impact on the public is its television programme expenditure. How come there are less than thirty producers internally in a staff of 2,135. You would think there would be more. The trouble is that they are paying attention to many matters which in my view are not central to what rte should be doing...¹².

As long as this is the case he suggests, then RTE does not offer value for money as broadcaster and more production should therefore be outsourced. The assessment tends to be a key legitimisation for replacing RTE production with private sector production. However, this could equally legitimate the need for replacement of jobs with relevant increases in the production divisions of RTE¹³.

7.6) Broadcasting and copyright issues

The arguments associated with the partial privatisation of its production base has diverted attention away from the challenges that await RTE in the digital environment and the need for it to retain a critical mass for production in such an

¹² Interview James Hickey, 15/07/04.

¹³ RTE's internal review of 1998 suggests there are circa 800 staff directly involved in programme making. Looking into the digital future the pressure is on RTE to re-configure itself as a fully functioning content producer/publisher in its own right. Thus RTE needs to focus its public purposes across a wide range of programming in order to secure a public service presence into the technology neutral multi-platform future. Thus RTE would have to present its arguments for shelving industrial policy whilst developing public rationale for programme production. This would entail further transformation of its internal structures to guarantee the orientation of its resources towards broadcasting.

environment. The market structure for broadcasting has created an environment where generation of content and its marketing and distribution require significant resources and planning. Tied to the future of revenue generation and public purposes in an internationalised digital environment will be the ability of the broadcaster to retain rights, which, with the changing terms of trades with the independents, may only be possible if it generates programming itself. Whereas some members of SPI have called for RTE to be fully realised as a publisher broadcaster along the lines of Channel Four in the UK, this is not the official position of the organisation. However, the official position taken by FMI in its submission to the forum on broadcasting suggested that whereas RTE should maintain editorially sensitive programming such as news and current affairs in-house, all other domestic production or at least 25%, should come from the independent sector and, in more recent arguments, the rights to this programming should lie with the independent production company as opposed to the broadcaster¹⁴. This strategic orientation would point to the likelihood of a restriction of possible activities for the broadcaster in digital re-distribution.

Strategically speaking, by the end of the 1990s RTE now had to make choices in relation to absorbing the pressure on its production base. Attempts to retain a resource base capable of producing a range of programming was now proving problematic. In 1998 an internal review group made up of employees of RTE attempted to confront the transformations needed;

'The shape and mix and sourcing of RTE's future programme schedule will dictate the specific changes required in RTE's functions...in determining the implementation of a reduction in internal programme making, there are many options available. Each one of these will have a huge impact on programming policy, editorial control, finances and employment. In determining which programming should be transferred to the IPU, RTE

¹⁴ Screen Producers Ireland, 2002, Submission to Forum on Broadcasting. Screen Producers Ireland, 2003, RTE, 2003, Submission Draft Public Service Broadcasting Charter.

must decide to outsource programmes with a high cost to employment ratio, or programmes with a low cost to employment ratio'¹⁵.

Achieving a complimentary relationship between in house and commissions was also increasingly necessary because of the wider pressures pushing down on RTE's production base. RTE's precarious financial situation led to the wider 'transformation programme' designed to appease the government in 1999 and seen as a precursor to any decision being made on a licence fee increase. The programme was aimed at reducing RTE's cost base and entailed decisions made about the structure of RTE's programme production arrangements now had to be hastened. Again the political decision to identify the staff in RTE as the fixed cost that was responsible for financial difficulties also represented a political choice related to reducing RTE's status as a monopoly provider, allowing a 'crowding in' of the market.

By the late 1990s the policy goals associated with growing the independent sector from within RTE have considerably changed. The original intention of combining growth of this sector with a more plural mode of programme supply in RTE had proven difficult to reconcile. Whereas the history of programme supply from the independents would suggest that it had contributed range and diversity in terms of programming, it has also led to a degree of concentration in terms of supply. In general programming was coming from less plural sources and even less so from differentially organised production companies. Compared to the artisanal period of 1960-1985, and the semi-professional phase of 1985-1993, the current corporate phase saw at least half the number of commissions go to a small number of expanding businesses. In 1995, the Independent Production Unit annual report related that 'the total value of commissions to the top six independent television production companies in 1995 was £2.3ml, which represents 41% of commissions'¹⁶. Thus in the second year of its operation the

¹⁵ RTE, 1998, Review of rte's structures and operations, 1998

¹⁶ RTE, 1995, Independent Production Unit Annual Review.

conspicuous presence of large-scale operators raised questions vis a vis the issue of plural supply. In the period since this percentage was to drift steadily upwards so that by 2003 the IPU report of that year could relate 'Commissions of a value of €15.7ml representing 50% of the total sum were awarded to six independent production companies and a further sum of €5.3ml representing 17% of the total sum was awarded to a further six independent production companies'¹⁷. The types of programming undertaken by these commissions also pointed to the degree to which the oligopolistic structure was self re-enforcing. The skills, capital and commissions accumulated by these twelve companies gave them the critical mass to deal with the types of long run programming that ensured annual profits and the potential of current programming being re-commissioned into the following year. For these companies innovation was arguably less important than repetition as the initial investment in formats yielded larger returns, when reused, over longer periods of time. For the smaller scale operators, the converse was the case, with commissions being confined to single spot programming and a resulting necessity for diversification into advertising, corporate and educational production. Ironically, some of the criticisms pertaining to the structure and organisation of RTE appeared to be duplicating themselves in the 'independent' sector. The benefits of critical mass in a programme making organisation were being demonstrated in the success of the large-scale commercial independent operators. A second category denoting plurality which pertains to the economic bases of the production companies providing programming also arose as an issue. For the most part the super Indies and the smaller organisations are funded through commercial revenue with little or no production coming from not for profit community or social economy media initiatives. Again this raises questions about the intentions towards plurality articulated in the policy measures.

If the policy rationale vis a vis plurality appeared to be increasingly compromised, then the overall rationale of stimulating an export oriented television production

¹⁷ RTE, Independent Production Unit Annual Review 2002.

sector appeared also to be contradictory. For RTE, the purpose of its schedules is to provide a service for a national audience. It has thus commissioned programming from the independents which compliments its scheduling and overall strategies in public service terms. The principle of Article 5. is thus presented with a structural contradiction. The export potential is circumscribed by the national bias and complementarity of the programming. This combined with the abject failure of TV3 as broadcaster and the BCI as the independent regulator to produce any notable level of demand from TV3 to the independents means that the export goal of the policy is somewhat under realised. Those working in the sector suggest that this export dimension is not an issue for them. As one producer suggests 'we are too busy making programmes for an Irish market. Our programmes are made with an Irish market in mind, that is where the demand is'¹⁸ . Another producer re-enforces this suggesting that it is the case in other European countries also:

We don't make programmes for broadcast in Ireland that we hope to sell on internationally; we just directly approach the international broadcasters with a view to making programmes for them. If we were to change some of our programmes it would dilute the essence of it. I went to see an international distributor, used to be Chrysalis television, they were saying that 95% of domestic programming just will never travel, if you are aiming to sell stuff internationally some times you can compromise it so much, that it doesn't even appeal to the domestic audience any more, better off making Irish programmes for an Irish audience and in terms of selling stuff internationally, your better off trying to sell ideas internationally rather than programmes,¹⁹ .

In 1996 RTE had signalled its awareness of this issue, under pressure from government reactions to Independent sector lobbying. As it suggested in its

¹⁸ Interview MD of independent production company #1

¹⁹ Interview M.D. of independent production company #2, May, 2004.

1996 report: 'during the year, the IPU became increasingly aware of the valid ambition of several Irish producers and production companies to expand into the international sector, and it began to examine what role, if any, it should play in such an expansion'²⁰. By 1999, RTE announced an international development fund as part of its efforts to assuage the demands of the larger independents who now firmly established in home markets sought expansion into non domestic markets;

'The IPU launched a targeted strategic initiative in 1999 to assist in the development of the independent productions sector. Many companies find it difficult to allocate the small but critical amounts of development finance necessary to put a potentially attractive international programme proposal into the international market. RTE's funding meanwhile is normally directed towards material for the domestic schedules and resources do not flow towards projects primarily intended for international sale by production companies. RTE recognises however that the continuing dependence of most Irish companies on Irish broadcast income is an inhibition to the development of a healthy and viable production sector'²¹.

RTE however did not fully commit to this strategy and continue to point to its central purpose of serving Irish audiences. As such, the export dimension of Article 5 and its interpretation through national legislation appears to have little relevance in developing the export potential of smaller nations. In European terms the application of the European directive has been recently shown to benefit mostly larger countries who can sell on product to smaller neighbouring countries which share linguistic and cultural commonalities²². That is, Ireland still demonstrates relative low export capacity whereas it provides a market for UK product.

²⁰ RTE, Independent Production Unit annual review 1996

²¹ RTE, Independent Production Unit annual review 1999

²² David Graham Associates, 2004, Impact study of measures concerning the promotion of TV programmes, DGA, London, 2004.

The diversion of revenue into the independent sector thus stands as a subsidy to a domestic commercial industry which, despite the caveats above, has contributed a degree of plurality in provision and greater range in programming to the programme schedules. However, as the purposes of the legislation has been otherwise it is still not clear how the independent contribution is, without reservation, public money well spent. Whereas the existing rationale of this policy appears to be somewhat moribund, the public interest rationale that may pertain has not been fully explored. Considering that the amount of spend on domestic programming within RTE now stands at a ratio of two to one in terms of in-house to commissions, how do independents consider their role as elements in a public service? The process of commissioning and producing programmes creates a considerable degree of overlap between the organisation and the independents. There are commissioning rounds, on-going production meetings and a core set of guidelines used by both in-house and independent programme makers. However, it is clear that the independents do not approach their programming as part of a public service per se. The key personnel of five successful production houses were only able to articulate their relationship to a public service in the slightest of terms. According to one company director, the 'entertainment sector isn't really a public service role, that would be more like the educational or documentary strands'²³. Another company re-enforced this attitude in the following terms 'I understand their public service remit as both a viewer and a producer, but in terms of what we do we are very much involved in the entertainment and comedy end of things, we just try to make funny programmes, public service broadcasting remit wouldn't enter our heads when we're doing stuff'²⁴. A third interviewee suggested that the public service element of RTE's operation was no longer of great relevance; 'RTE are caught between a rock and a hard wall, while they would view themselves as a public service broadcaster, they are primarily driven by commercial realities, it our job to understand those

²³ interview MD of independent production company #1, May 2004

²⁴ interview MD of independent production company #3, May 2004

realities'²⁵ . From this perspective it appears that public money is directed to funding indigenous commercially driven content. However, the reality is perhaps more complex.

Within RTE the contribution of the independents in producing content for an overall public service is not questioned, what is questioned however is the industrial logic of their continued expansion without consideration of a specific role and balance between pure commercial and semi commercial production. According to one producer who is also involved in the RTE trade union group;

We don't have a problem with the independent sector doing well, what I do have a difficulty with is the growth of the independent sector, a growth pattern which effects our ultimate sustainability. It depends on what model you use, if you look at the likes of New Zealand that went through a nightmare of de-regulation, if you look at America and television production, and so-called independent or commercial radio there, there is very different regulation, there is essentially market domination, by one giant conglomerate, Clear Channel, and that's the kind of situation that has now developed within the independent sector in the UK, with the recent mergers there, and to a certain extent here, we have seen the emergence within the independent sector of four to five, key players as opposed to the ideal of the independent sector, which was meant to be relatively small creative units as opposed to the Tyrones and that kind of thing'²⁶.

A producer working within the television division of RTE concurs with this suggesting that the logic of developing the industry tends to obscure the logic of commissioning for public purposes²⁷ . There is little consideration of what type of programming should be kept in-house in order to utilise the institutional strengths

²⁵ interview MD of independent production company #4, June, 2004

²⁶ Interview, RTE Producer and Head of Trade Union Group, June 2004.

²⁷ Interview Producer, RTE, November 2004.

of RTE whereas there is no appreciation of how the structure and organisation of independents may lend itself to other types of programme making. Initially programming was commissioned based on what the independents had the capacity to produce. He suggests that there has been a convergence in the way both production cultures operate, with RTE becoming more business like and independents appropriating RTE practices and sensibilities, but, little effort has been made to articulate the ongoing differences. These differences stretch beyond the question of handling editorially sensitive programming such as news and current affairs. In the most obvious cases they can apply to situation wherein programming creates a direct interface with the public most notably in reality television genres. In such a situation programming that needs to be dealt with within the public service ethos is now often produced under the logics of commercial companies operating according to the bottom line. This can lead to damage for the public service profile, reduce the readily appreciable distinctiveness of RTE as a public broadcaster and contradict RTE's claims to address its audience as citizens. As it would appear that it is government policy to harness the independent sector to drive the re-configured commercial dimension of RTE's programming, the question of the division of labour in programming between RTE and the commercial sector thus needs to be addressed. Thus the depth and range of RTE's production base becomes a key question in relation to the overall commercialisation of its content.

7.7) Organisational change and new rationales for commissioning

One of the key successes of the governments approach to changing the form and function of RTE was its pressuring of the organisation to embrace the expertise of consultants instead of relying on its own rationale for organisational change. In the period from 1997, choices made by elected representatives were being considerably supplemented by the input of hired expertise. This, arguably, is indicative of both the absence of requisite state machinery to make such inputs and a surrender of responsibility by both government and state agencies/employees to make decisions in the public interest. As such it

represented the replacement of expertise based on normatively derived social goals to governance based on the supposedly value free realms of 'budget, accountancy and audit'²⁸. In 2001 RTE was granted a licence fee increase that was just 20% of the sum it had initially requested. One of the key reasons cited by the Government was the evidence produced by Price Waterhouse Coopers investigation that RTE was not making sufficient progress in its own internal transformation agreements²⁹. The impending financial crisis had thus forced RTE into a corner resulting in the commissioning of a consultancy report from KPMG/Logical on a strategic framework for the organisation's future development³⁰. The then recently appointed RTE authority understood that the only reasoning that consultants would find acceptable, would be that of other consultants. If RTE's internal Project Teams report had been a bottom up exercise the KPMG/Logical exercise represented an entirely top down exercise. The report highlighted the necessity of developing a programming strategy that would create a complimentary efficiency between in house and commissioned programming. It highlighted RTE's inflexible cost base as a key factor in RTE failing to manage its programming commitments in a cost efficient way. According to the report 'other international broadcasters including those with a public service remit have a cost base aligned with their mix of commercial and licence funding, so far RTE has not, the mismatch means that RTE faces uncertainty in its revenues which it cannot adjust adequately' (KPMG, 2002). In general the report suggested that the broadcaster was overstretching itself in relation to its public policy/public service duties without be able to adjust its costs as revenues demanded it. Its commitment to public purposes was not reflected in the amount of licence fee that it received from the government, and thus, it needed to adjust its operations to reflect the fiscal value put on public

²⁸ As has been noted such realms are normatively derived from rationalities of government based on the supremacy of free market economics and the (asocial) rationally maximising subject at the centre of new liberal governance.

²⁹ Price Waterhouse Coopers, 2001, Review of application by RTE for a license fee increase, On behalf of the Department of Arts, Heritage, The Gaeltacht and the Islands.

³⁰ Logical Strategy and KPMG Corporate Finance, 2002, Report to the RTE Authority: A Strategic Framework for RTE.

broadcasting by successive governments. It thus suggested as a key strategic move that RTE needed to 'increase flexibility, enabling RTE to adjust to variations in revenue by shifting from fixed to variable cost structure, in particular, steadily outsourcing a greater proportion of television production' (KPMG/Logica, 2002). In general the report suggested that RTE needed to reduce programming that utilised high fixed costs (full time staff and facilities) and balance out its schedule with programming that represented more variable costs (independent production). This technocratic parlance suggested that RTE could source programming from the independent sector above the fixed cost of its statutory commitment and thus incorporate flexibility in relation to programme performance relative to commercial revenue generation. The consultants suggested that this was the only option open to RTE as its existing high fixed cost base was no longer tenable due in part to the additional fixed cost of the 'Independent Production Unit funds'. Thus existing staff would have to be reduced to match *standard levels of demand* as opposed to *peak levels* and remaining staff used in a way that maximised their cost efficiency. In order to achieve both of the aims of increasing flexibility and maximising cost efficiency in a complimentary fashion the report suggested that RTE move to what it termed 'focussed production in television'. Focussed production would entail a restructuring exercise wherein 'all long running predictable programming is retained in-house, as well as programming of key strategic importance, such as Sports, where RTE should hold the rights. As a result in house programming of approximately 350hours a year would be transferred to the independent sector'. In the appendix to the report the type of programming that would remain in-house was summarised as follows;

- News
- Sport
- Current Affairs
- Fair City (tri weekly soap opera)
- Winning Streak (games show)
- Fame and Fortune (game show)

Thus full capacity programmes would fully utilise a reduced work force whereas the ability to commission from the independents, at will, would introduce the kind of flexibility that would allow RTE to control its costs. Inevitably it would also introduce a division of labour between what RTE producers got to produce and that which is out sourced to the independent sector.

Following the submission of the report to RTE management, RTE later related in a correspondence to the Department of Communications that 'the broad principles (of the KPMG report) have been accepted by the authority'³¹. RTE moved to implement the recommendations as part of its overall pitch for a licence fee rise in 2002, through an internal organised project group, the Strategic Targets and Results team. The implications of moving to a 'focussed programming' were soon observable in the stations spend on its commissioning strategy. In 2000, 2001 and 2002 RTE's spend on the independent sector was broadly in line with its statutory commitment to the sector. In 2003, RTE's statutory commitment to the independent sector, under the Broadcasting Act 2001, stood at €27,732,689. However in 2003 RTE's spend on the independent sector amounted to €46,148,898, a significant increase on its statutory commitment³². With in-house productions then standing at €76,223,000, commissions from the independent sector then represented 37% of RTE's domestic spend in 2003, thus beyond the 20% mandated in the 1993 Act³³. In the IPU report for 2003, the list of commissions in each genre is in excess of that for previous years although the general category of genre types is consistent with the strategy outlined by KPMG. In the industry RTE's move to the process of 'focussed programming' was illustrated by the discontinuation of its contract with Tyrone Productions to produce the popular mid afternoon studio based magazine programme 'Open House'. Whereas the move baffled both Tyrone and certain commentators it was in line with its strategy of bringing 'long run predictable

³¹ RTE, Strategic Targets and Results Team, Presentation to Department of Marine Communications and Natural Resources, 2002.

³² IPU annual report 2003

³³ RTE Annual Report 2003

programming' in-house³⁴. The boon to programming hours was however also directly related to RTE's commitment to the provision of new programming as part of its statement of commitments related to its new charter resulting out of the 2002 licence fee settlement. The adjustments made by RTE to essentially outsource flexibilisation contributed to its successful bid for a license fee increase in 2002. The long petitioned demand of a licence fee rise that was index linked to cost price index (so that the fee would rise each year in line with inflation) now allowed RTE to move ahead in its strategic planning. Another factor in RTE's successful licence fee campaign was the intervention of the Forum on Broadcasting which broke with its agreement not to comment on funding levels to suggest that RTE's lack of license fee revenue was a central issue in the future of Irish broadcasting.

Within RTE it was felt that the reduction of the production base and the increasingly economic logic of utilising production capacity had gone too far. The pressure to achieve optimum flexibility had led to a division in programme production which had little to do with programming logic yet restricted RTE's in-house programming to a considerable degree. Programme producers within RTE have found themselves restricted to mostly studio and set based production whereas location production has gone out to the commercial sector. The developments have led to concerns that RTE's production base can no longer address a wide range of production within a public service ethos but must allow commercial companies to deal with large categories of programming. According to a producer and member of the TUG group:

What commissioning editors do then with their budget, particular types of production particularly ESP, (out and about), an awful lot of that has gone outside, the type of factual type programming, stuff like ear to the ground, the travel programmes, that kind of thing has tended to go out a lot more

³⁴ However, RTE soon re-advertised for a producer for the programme as it discovered that it could not produce the programme in house because of lack of spare capacity.

quickly.... There would be a concern, but not just amongst producers, but also journalists that would have worked on factual type programmes in the past, would you believe, that kind of thing, increasingly they see a decrease in the number of outlets available for them, the type of programmes which they are now doing are studio based, more light entertainment variety type programming, from a career point of view, people do not have the same types of career developments opportunities that they would have had, even 10 or 15 years ago, it has impacted on our ability to undertake certain types of programmes, staff have been let go in the areas necessary for outside production, if we want to do something along those lines now we cant³⁵.

Central to this complaint is the fact that market governance logic has supplanted a dialogue based approach to the genres and programming should be approached within RTE and what programming could easily go out. Another producer points out that much studio based light entertainment and arts programming could easily be commissioned out but that it is important to discursively 'identify the areas where that type of programming could just as well be made by in-house as by independent, and the kind of programming that could only have been made in-house or could only have been made independently'³⁶. What is of additional concern is the fact that this type of programming is now certainly prone to a higher degree of commercialisation. That is, in so far as RTE's role in broadcasting news/current affairs/informational based programming is perceived as being its core contribution to public service, the remaining 'indigenous' content is not deemed to be editorially sensitive and therefore open to drive RTE's commercial performance. Central to this approach is a negation of the proposition that public interest programming may pertain to non-informational genres of broadcasting. Whereas it was hoped that the licence fee rise prompted by the Forum on Broadcasting may allow more flexibility on this issue, the increase and its attendant statement of commitments and charter have, for the

³⁵ Interview, O'Braoinan, op-cit

³⁶ Interview, RTE producer, op cit

most part, tended to bypass RTE production and flow out to the independent sector. Concerns about the reduced capacity were both anticipated and expressed only by the then DG Bob Collins:

‘We have taken very significant measures to ensure that our cost base is as low as possible. Part of our concern is that the cost base is much lower than it should be in terms of making the range of programming we believe is necessary for the audience’³⁷.

Once again the issue of diversity in the cultural output of the broadcaster comes to the fore as the drama, reality and lifestyle genres of programming are more closely tied to the commercial necessities of the broadcaster. The demands of commercial revenue places innovation, criticality and diversity in these genres within a whole new context.

7.8) Organisational structure and the shifting balance of programming

Under circumstances of financial strain, governance and structural changes had been coaxed out of RTE before the Forum intervened on the issue of public funding. Focussed production radically re-orientated RTE's production base whereas the move to Integrated Business Divisions (IBDs) heralded a new culture of production within the organisation. The introduction of integrated business divisions sought to uncover the distribution of costs and revenues within the organisation. The move to IBD's was suggested by the KPMG logical report and was essentially tied up with the transformation programme demanded by government in return for increased public funding. The report was also a result of the fact that PWC had cast doubt on the previous transformation programme and its benefits, contributing to the less than substantial licence fee increase in 2001. The central concept of the IBDs was to ‘increase accountability for performance

³⁷ RTE Presentation to Joint Committee on Communications, Marine and National Resources, 27/11/02.

and introduce transparency in measuring performance³⁸. In a presentation to Government RTE management proposed that 'divisional areas are not accountable for the revenue sides of their business, giving control of both costs and revenues to the IBDs will achieve greater and more effective level of performance'. The IBDs were to be the start of a new 'organisation design, which devolves many operational, commercial and support responsibilities directly into new IBDs'. The IBDs were to break down into three large units, Television, Radio and News, with each of them being responsible for both costs and revenues.

For RTE this represented a modified version of producer's choice, the version of new public management that had been introduced to the BBC in the 1990s. Whereas in the late 1990s RTE management had toyed with the introduction of producer choice and even introduced it in various experimental projects, the problems associated with its operation in the BBC coupled with internal resistance led to its withdrawal. Whereas producer choice fragmented the BBC into miniature cost centres, the IBDs integrate the various elements involved in programme making into spatially related organisational structures. A key reason for this move was to make the programme maker's cognisant of the cost and revenues associated with their programming. Premised on the assertion that RTE 'output units' lacked accountability for costs and transparency for how those costs were incurred the 'change to a full business division structure in which there is full accountability and responsibility for all activities providing output, creating costs and generating revenue in one place for each of the major types of output provided by RTE'. In an evaluation of the move to this model Pricewaterhouse Cooper related 'the existing output/production/editorial focus of the TV and radio divisions is therefore expected to change to a managerial focus which recognises the financial and revenue implications of production decisions³⁹. Thus the new IBD's sought to encourage the three e's of economy efficiency and effectivity without necessarily going as far as introducing internal

³⁸ DCMNR, 2002, Note on the KPMG/Logical Report.

³⁹ Price Waterhouse Coopers, 2003, RTE Licence Fee Adjustment Review, For DCMNR.

markets. According to one producer working within RTE the move to IBDs has meant awareness of a financial rationale for programme makers and that 'a significant amount of responsibility upon the producer was probably a good idea, financial responsibility, we have actually moved towards that, producers do now have more financial responsibility than we used to have, and we can do certain degree of trading off on budgets, shaping budgets, we wouldn't have had that ten years ago'. The same producer suggests that being aware of costs and revenue is not the same as being driven by them and the ethos of public service in programming still dominates. However, according to the same producer, the Key Performance Indicators (KPI), designed to monitor the performance of the IBD's, prioritise the awareness of market share without a fuller elaboration of whether the organisation is meeting public purposes in its programming. According to the producer 'You are conscious of dealing in a world in which performance is measured, and sometimes measure in terms of figures, and sometimes you do wonder the extent to which other equally important measures of the success of a television programme are being used'.

Following RTE's move to focussed programming and Integrated Business Divisions, the Government consented to a considerable increase in the licence fee. Following the report from the Forum on Broadcasting, one of the key roles of the future converged content regulator, the Broadcasting Authority of Ireland, was outlined as being the oversight of the charter agreed between the Minister and RTE. The Charter as outlined by the Forum's interim report was presented as a reform of the situation wherein 'RTE is not bound by any precise rules on the content or timing of the material it broadcasts'⁴⁰. It suggested that a charter would 'express in definite terms the precise scope of RTE's role and commitments which we require of it, under statute, as the designated public broadcaster'. The charter would, in the Ministers view, become the key means through which RTE's use of public funding would be made accountable to the

⁴⁰ Forum on Broadcasting, 2002, Report to the Minister for Communications, Marine and Natural Resources.

public. Having reversed decades of depressed public funding, the Minister was keen to ensure the organisation would legitimise the increased public funding. The development of Charters for European public broadcasters was by this stage an intrinsic part of the process of articulating the relationship of those broadcasters to the market. The RTE charter would detail certain 'identified and measurable deliverables' that would provide a benchmark for RTE's performance. Whereas the discussion concerning the qualitative dimensions of what RTE should deliver had not progressed greatly from the previous Broadcasting Acts' characterisation of public broadcasting, the charter was quite clear on how much of it there should be.

The question of the balance between quantity and quality had been an element of RTE's original pitch for a substantial increase in the licence fee in 2001. The 2001 application from RTE, reviewed by consultants PWC, wrestled briefly with the issue. In their original application RTE had proposed that additional licence fee would contribute towards what it termed 'enhanced programming' and would 'preserve existing improvements in service and permit more and better Irish programmes'⁴¹. PWC, though not making any judgements themselves, posed the question of whether 'there is a clear relationship between cost of output and quality of output'⁴². RTE attempted to address this question more fully in its following application for a licence fee rise suggesting that its production base allowed both value for money whilst ensuring quality. It first set out that, relative to the UK, its cost per hour of production was highly competitive offering good value when compared with like for like programming. It also pointed to the evidence of its own historical experience that levels of production spend tends to demonstrate a high co-relation with audience share. If audience share was taken

⁴¹ Price Waterhouse Coopers, 2001, op-cit

⁴² Price Waterhouse Coopers, 2001, op-cit

to be one indicator of programme quality, then the evidence suggested that high levels of production spend, for core programming was a necessity⁴³.

RTE's arguments were met with little support in either the 2001 or the 2002 licence fee applications. In 2001 PWC queried whether 'enhanced' programming was in fact a climb-down from its previous commitments to increase its domestic output. Following this the director general of RTE Bob Collins submitted a subsequent letter suggesting that levels of output would increase from 40% to 47%. He suggested that increased output would;

1. Redress the decline in indigenous television output which had occurred over the past number of years and
2. Differentiate its programming from other broadcasters operating in the market by producing original quality indigenous programmes which will drive TV ratings which in turn will help drive advertising revenue⁴⁴.

In 2002, despite the derisory licence fee rise of 2001, RTE once again stated that it recognised the necessity of providing clear objectives in its statement of commitments but continued to caution that 'the commitments will be in quantitative *and* qualitative terms, because more does not always equal better'. RTE suggested that in order to invest in qualitative dimensions such as innovation, production values, technical quality enhancement, original and challenging programme making, then any charter would have to allow for investment in training, research and development, and the nurturing of journalistic and creative talent.

⁴³ A comparable analyses taking place in the UK under the auspices of the Independent Television Commission, found that the historical evidence also suggested that 'mid level' television budgets tended to provide the basis for quality without demanding the kind of audience levels that would constrain originality and innovation (ITC, 1998). According to Robin Foster, former head of strategy at the ITC and now a senior figure in Ofcom, mid budget programming is where 'risk taking and innovation can occur' as low budget does not allow the investment of resources required and high budget tends to demand an adequate return on investment that is not commensurate with risk taking (Foster, Television Sept, 01).

⁴⁴ Bob Collins, 2001, Letter to Michael McGrail, Price Waterhouse Coopers, 2001.

7.9) Interest group pressure

The logic of the market, in terms of quantitative measures for value for money, was re-enforced by a wider pressure from those who stood to benefit from this market logic. In general the Minister was absorbing pressure from different interest groups in relation to RTE's commitments to the independent sector. According to James Hickey, Screen Producers Ireland were unhappy about the lack of attention paid to independent producers in the licence fee settlement of 2002. The €20million, rising annually with CPI, was now according to Hickey, out of proportion to the licence fee. According to Hickey, 'the lpu figure is now therefore less as a percentage of RTE's overall television programme expenditure than it was in 2001'⁴⁵. SPI put pressure on the government to rectify this and even though they were satisfied with RTE's increased spend on commissions they demanded a statutory guarantee of no less than 25% of production spend. Both TV3 and the Independent Broadcasters of Ireland also publicly and privately lobbied on these issues. In its submission to the Forum on Broadcasting, TV3 had insisted that there be 'a number of phased steps, under the administration of the BCI, to ensure that state funding provided to RTE and TG4 is concentrated exclusively on producing Irish content'⁴⁶. At the time of the Minister consideration of the licence fee increase in 2002, TV3 contacted his office to advise on a linkage between public spend and indigenous content. Writing in the contexts of RTE's out bidding of TV3 for the rights to the UEFA Champions League that year, TV3 complained that;

'Rte will now spend in excess €2.5 million to broadcast these matches. Regrettably, we calculate that the amount bid by RTE to secure the rights will require a substantial contribution from the licence fee. This type of behaviour is damaging to Irish broadcasting as these funds could have

⁴⁵ Interview James Hickey op-cit.

⁴⁶ TV3, 2002, Submission to the Forum on Broadcasting. TV3, the independent commercial broadcaster had been legislated for in 1988, launched in 1997, and has had a succession of corporate backers, most notably, Can West and Granada.

been used for Irish programming development in Ireland since tv3 could have continued to provide the Champions league coverage for free as it has for the past three years. The licence fee payer would surely be better served if this mandatory levy was invested in Ireland'.

In its later submission to the charter review (which was to set out the general parameters of RTE's operations) TV3 re-enforced the point stating that ' the justification for a compulsory and universal licence fee is that it will provide a choice of Irish public service programming alongside the massive and growing consumer led choice available (and) that the relevant programming...is provided in prime time⁴⁷. In general TV3 were looking for an exit strategy for its own commitments to indigenous programming but also, and critically, a narrowing of the public service remit to that of 'distinctive' as opposed to 'distinctive and popular' (McKinsey). The Independent Broadcasters of Ireland followed a similar tack suggesting that RTE restrict its licence fee use to funding indigenous material of a factual and educational nature⁴⁸

In general, these varied pressures and RTE's previous move to focussed programming entailed a large increase in public funding flowing into a production base that had been re-structured to work well below capacity in order to introduce flexibility into its cost structure. This in fact meant that the money flowing to RTE from the licence fee rise was in fact, bypassing in-house production and for the most part stimulating increased demand from the

⁴⁷ TV3, 2003, Submission on Draft Public Service Broadcasting Charter.

⁴⁸ This was a strategy that had proven results as parent company Can West had used similar tactics in its base market to influence the debate on CBC, the Canadian public broadcaster. CBC now produces only indigenous material but has lost substantial audience share in the process. In simple terms the strategy emphasises the licence fee increase as a form of subsidy in the audiovisual economy, with public funding flowing towards an area of indigenous industrial growth. It is only possible to speculate what the impact of this rationale on the department of finance would have been. The department had committed itself to a low tax regime with public finances coming from other innovative sources. A licence fee that represented an injection of public finances, and a potential of the majority of that going towards an indigenous growth area, was just the type of targeted investment in niche industries that the then finance minister had demonstrated an attachment to.

independent sector. The evidence for this is clear in the 2003 figures for commissions (see table above). Whereas 513 hours of programming were commissioned by the IPU via the standard arrangement an extra 171 hours were commissioned on top of this. According to the 2003 IPU report, 'in addition to IPU activity as detailed above, RTE also provided additional funding and/or facilities to the value of €12,644,377 in respect of other independent programmes which were commissioned, completed or developed in 2003 (RTE : 2003). This was in addition to the expenditure recorded on the statutory Independent Television Programmes Account and arose primarily as a direct result of the Licence fee increase granted in 2002'. (IPU annual account 2003). The cost of in-house productions for 2003 stood at €76,223,000 whereas the cost of commissions stood at €45,904,000. Thus the balance of programming had significantly shifted towards the independent sector with commissions in 2003 accounting for just over 37% of indigenous programme costs. The addition of the charter in 2003 with its commitments to specific genres appears to lead to a further need to draw on independent sector commissions whilst maintaining its own production base at pre-licence fee increase levels. The penalty for RTE not meeting these targets is an adjustment in the degree to which the licence fee can be increased yearly in line with cost price index which, for the present, is a Government decision. Effectively, RTE's finances are subject to direct political decision on a yearly basis.

The key issue here is the extent to which RTE's integration into the logic of market governance supersedes the bureaucratic governance within RTE, and the potential of a democratic governance agenda, such as the Public Trust structure of the BBC or the Scott Trust of the Guardian newspaper, that engenders public input on an ongoing basis. As with the removal of the capacity to decide on what programming should be produced in-house and what programming should go out, the rationalising logic introduces a means/end approach that does not consider the purposes of the organisation under review. A similar approach is thus taken in relation to the decision as to how much of RTE's license fee rise to

direct towards programming as the 'measurable deliverable' of a licence fee rise as opposed to enhanced training, structures and innovation as a less tangible measureable. The governance approach ensures that only that which can be counted is considered worthy of measuring. In the contexts of a politically unprecedented licence fee settlement, RTE was surrendering a degree of its programme making and organisational autonomy. The Minister was aware that the licence fee rise would have to have legitimacy amongst the other interest groups involved in the policy process, but also that it could be justified to the citizenry via tangible and measureable outcomes. The effect was to introduce an incentive for more populist programming into RTE. This was not inconsistent with the public service mission as a degree of populism mixed with a public knowledge agenda is possibly the only strategy for public broadcasters existing within a expansive market driven industry. However, it also introduces the exclusivities of the market via its attention to market mechanisms of measuring performance. Would expanded television programming driven by advertising be capable of addressing the needs of plural audiences?, what cohort of consumers would be most served by this structure? Would the broadcaster be able to develop its central role in generating critical publicity and discursive testing without being able to cross subsidise expensive political journalism? Could the Indies do investigative journalism without the security of organisational support for labour and time intensive development and production? With a surplus of revenue directed towards the independent sector there is space for RTE to commission or invest in programming arising from other production bases. This however, would involve a degree of consultation with community and ethnic media concerns to attempt to widen the cultures of production contributing to the *national* broadcasting agenda.

7.10) Deliberative policy generation and the discursive re-articulation of PSB

One important development in government policy on broadcasting in this period was the emergence of a deliberative policy style. Beginning with the Forum on

Broadcasting, public forums became a testing site for a new consultative approach to policy development. Using a range of methods including the creation of the Forum, the Department also hosted public events on issues such as Broadcasting policy and Sport, issued consultations on the development of RTE's charter and statement of commitments and invited submissions and participation in relation to the development of broadcasting legislation. Thus, whereas the political economy of broadcasting was very much an internal departmental and community specific matter (illustrating a politically determined drive to institute market mechanisms into RTE's functioning), the Ministry opened up the discursive construction of public broadcasting to the wider public. This represented a significant departure in Irish policy terms but was in keeping with a more open a dialogic approach to policy generation across Europe in this period. It was also characteristic of the emerging Fianna Fail policy style of negotiated, consensus-lead governance and the way in which the government supported public service broadcasting, but not necessarily in the shape it was in.

The 2001 Broadcasting Act had provided a wide and all embracing definition for public broadcasting as required by European Union competition concerns in this area. The broad definition of PSB could be interpreted as tacit support for the continued internal re-interpretation of public broadcasting free of any specific generic definitions. In the legislation PSB was defined as having 'the character of a public service', free to air and available to the whole community. It would provide mixed genre schedules; carry news and informational programming and programmes of cultural relevance to the Irish public. However, such generality also made it difficult for the government to determine specific policies for the broadcasting sector. The Forum on Broadcasting had been convened by Minister, Sile DeValera, in the summer of 2002 with the specific remit of addressing the distinct roles for public and commercial broadcasters; the arrangements for funding for PSB; the role of the independent television production sector; the potential roles of all broadcasters in relation to national, regional and local level programming; the role of broadcasting in the promotion of

the Irish language; the responsibilities of different broadcasters for the production of cultural content and the preservation of audio visual material. The forum addressed these questions both internally whilst also holding a number of public meetings and inviting submissions from the general public on pre defined matters. The forum was eventually to report to the Minister a year later and helped to set the agenda for a number of issues. Internal documentation from the Department helps to reveal the role of the Forum in placing certain issues on the policy agenda. The key issues relative to public broadcasting and RTE which the Forum had an impact in generating to the top of the policy agenda were the continued public support for the public broadcaster RTE; the necessity of requisite public funding to support RTE's remit; the necessity of increased regulation of RTE via an overarching sector regulator, the generation of a charter and the development of a set of programming commitments from RTE in order to increase its accountability to the public.

Fianna Fail, continuous with its historically ambiguous support for PSB, assimilated this advice and added its own support for a public broadcaster which presented a 'uniquely Irish voice' with an ability to reflect on 'the life of the nation' (DCMNR, 2002). Whereas in the 1920s 2RN had come into being as reactive policy to modernity and post colonialism and in the 1960s RTE emerged from government concern over the threat of commercial imperative to cultural policy, in 2002, RTE's digital future was being secured in response to the perceived threat of Globalisation to a distinctive Irish identity. The new minister Dermot Ahern was working with tacit knowledge of Sky's domination of digital television distribution, the EU's moves to develop the internal market and the difficulties of directing positive interventionist policy within the regulatory state (see previous chapter). Public broadcasting was thus becoming discursively and structurally re-aligned with Fianna Fail's vision of a distinctly Irish national (de-politicised) cultural producer, albeit one that was open to populist re-interpretation by myriad contributions to the broadcaster's schedules. This was in some contrast to the politicised public broadcaster of the 1995 Green Paper. However, support for

RTE still needed to be tested to ensure no electoral damage was experienced through the support of an increased licence fee. The Forum helped to secure the legitimacy of the public broadcaster RTE and shored up government interventions in this area. Public opinion, perhaps also driven by anxiety about cultural globalisation, was in broad support of the maintenance of a distinctive national public broadcaster capable of undertaking national cultural production. The government was able to announce an index linked licence fee increase in 2002 partially through its effectiveness in restructuring the organisational basis of the broadcaster but also through the general support for RTE that had been generated in the public sphere. However, whereas the forum had begun the process of re-articulating the importance of public broadcasting in a general meta-culture that had come to link privatisation and liberalisation with the economic success of the Celtic Tiger, the Government still sought a closer reading of what PSB might entail. With the announcement of a licence fee increase for RTE in 2002 it also announced what it referred to as a fundamental restructuring of public service broadcasting. RTE's governance would be subsumed within a proposed single regulator for the broadcasting sector, the Broadcasting Authority of Ireland (legislation pending 2008). It would become a commercial state company with a board of 12 members. 5% of its licence fee would be re-distributed as contestable funds for programming of an Irish cultural nature (see below). It would generate a renewable charter that was to be a statement of its activities and a contract between it and the Irish viewer and it would annually state its programme commitments in clear terms so that the public service customer could be clear about what they were getting for their money.

Both the charter and the statement of commitments were developed within an open consultative style. The DCMNR generated a draft charter in late 2003 to allow the submission of comments on its contents. In general it restated the public service character of RTE, to provide choice in its public service offerings, to adhere to a set of guiding principles in relation to the general character of its

programming and to adhere to competition laws so as not to disadvantage its commercial rivals. The charter published in summer 2004 was itself a relatively broad but important document. It set out RTE's legislative commitments under both Irish and EU law whilst also attempting to define the general character of the public broadcaster. It restated the public service nature of the broadcaster emphasising its commitment to reflecting the democratic, social and cultural values of the country, its contribution to media pluralism, its commitment to geographical, cultural and political diversity and its objective and impartial approach to informational programming. This was a forward looking update on the public service remit that demonstrated a general understanding of the place of broadcasting within the nation and how that related to the wider mediascape. It was in keeping with the European Union's definition of public broadcasting and its less nationalistic and more socio-culturally pluralist sense of public purposes (CEC, 1999b). However, a key question arises as to whether these general aspirations were matched by the shifting political economy of the broadcaster. Would the broadcaster be able to programme material relative to the emerging diversity of the country if its commissions were chiefly tied to driving advertising revenue? How would it manage its commitment to diversity as well as *reflecting* the majoritarian views of the country and generating healthy advertising revenues via the mass audience? How would the broadcaster decide on what political, cultural and social values were reflective of the majority? The discursive construction and material restructuring of public broadcasting appeared to be riddled with contradictions, albeit contradictions that could be institutionally resolved if the political will to mitigate the incentives towards consensual majoritarianism were to be addressed.

Whereas the consultation on the charter had a lower public profile than the forum on broadcasting it did attract considerable response from industry and non profit interests. In general the response from the sector combined with some of the earlier responses to the Forum help to plot the policy strategies of myriad interest groups as mapped below;

Policy actor interests in restructuring of RTE

- TV3 (Can West/Granada/Doughty Hanson) sought to limit RTE's competitiveness in high profile acquisitions through arguing its necessary commitment to the indigenous production sector.
- Independent Broadcasters Ireland replicated those (Can West generated) arguments
- Fianna Fail sought to re-orientate and de-politicise RTE as a national cultural broadcaster
- Community media interests pointed to the vacuum in 'public' programming left by RTE's commercialism.
- The Broadcasting Commission of Ireland downplayed the significance of the integrated public broadcaster to boost its own competencies as an overarching regulatory body.
- The independent sector lobby groups sought to divert as much revenue as possible towards their members.
- State agencies un-related to broadcasting emphasised programme production as a significant area of export development for SME's.

Overall the consultation process served to legitimate RTE, the licence fee increase and a new policy style based on ongoing consultation and discussion whilst also introducing an updated conceptualisation of PSB. It also demonstrated considerable support for the governments strategy of re-structuring RTE to produce more indigenous popular and culturally relevant programming, albeit, as the result of the strategic motives of some of the actors as much as for a wider cultural rationale. Whereas the process of agenda setting still lay with government and government appointed bodies, discussion of the governmental agenda was now open to an input from a wider array of interests. Whether this meant that RTE itself was open to wider input from civil dimensions of consensual governance is, however, a moot point. What is clear is that the national broadcaster would reflect the emerging neo-liberal corporatist state in its

prioritising of culturally relevant programming determined in large part by its re-alignment to market operation.

7.11) Top slicing the license fee

As part of a package of reforms for RTE, the decision to top slice the licence fee is illustrative of the market-based solutions pursued by the government in relation to re-articulating public broadcasting. Five per cent of the 'net proceeds' of the license fee was 'ring fenced as a special broadcasting fund for new, additional, innovative content, from which all free to air broadcasters (independent broadcasters licensed by the BCI and RTE, with special emphasis given to locally based community broadcasters), can draw'⁴⁹. The decision to include such a policy innovation, however, was not derived directly from the Forum on Broadcasting's recommendations⁵⁰. In the invited responses to the Forum's consultation on broadcasting, the lobby group the Independent Broadcasters of Ireland, which had been lobbying on this issue since 1993, were the only respondents to moot the top slice⁵¹. Whereas the FOB had accepted the claim that independent broadcasters had in relation to attaining some measure of compensation for their public service duties, the Forum had insisted that such funding should not come from the license fee. According to the Forum, extra funding should be derived from direct government grants and the license fee maintained as indivisible. The 'top slice' appeared to be a reprise of a policy approach that had met with considerable opposition when it first appeared as part of the 1990 Broadcasting Bill. In that Bill the Minister of Communications Ray Burke had proposed setting aside 25% of the license fee to fund the public

⁴⁹DCMNR Press Release, 11/12/02, 'Dermot Ahern announces fundamental reform of public sector broadcasting'.

⁵⁰ The Forum stated in its report 'The forum rejects the contention that commercial broadcasters should benefit also from public funding in proportion to their contribution to current affairs and cultural matters. Arguments were put forward in favour of a pool or central fund to which all broadcasters would have access and which would be administered by an independent agency. This, however, would simply fragment the public service element of broadcasting and would not achieve the desired result. The most likely outcome would be that funds would be widely disbursed to fund cheap programming'.

⁵¹ Previously called Association of Irish Radio Stations, before TV3 became a member.

service duties of the commercial broadcasters that had come into being via the 1988 Radio and Television Act. At that time the bill was defended as an important element of public policy. According to Dick Roche, addressing the Dail in this period;

'multiple choice in the airwaves has been introduced through licensed and legitimate stations. Up to 600 people are now being employed in legally operating stations outside RTE, an additional television channel has been franchised and broadcasting is now a growth industry...there is nothing new in the notion of giving grants to areas of the private sector where this is deemed to be in the public interest or where it is desirable to achieve certain national policy objectives'⁵² .

However the 'notion' of funding this sector was a volte face on the governments own policy which had outlined that access to national resources (spectrum and licenses) as well as access to consumers had been deemed privilege enough for commercial broadcasters to undertake content requirements. In 1988 the Bill met with considerable opposition both within and outside the Dail and was eventually amended to remove the top slicing of the licence fee⁵³ .

The rationale behind the revived 'top slice', however, appears to be linked more so to developing market based policy solutions to the 'problem' of governing/measuring public broadcasting, satisfying the remaining stakeholders in the broadcasting ecology and finding ways of encouraging public service programming from broadcasters in the coming era of perceived digital plenty⁵⁴ . The immediate interest groups to whom the Fund was addressed were those of

⁵² Roche, Dick, Dail Debates.

⁵³ The idea of splitting the licence fee also made a re-appearance in the debates surrounding the 1995 green paper on broadcasting. However it was shelved again on this occasion.

⁵⁴ Practitioners from the independent production sector tend to see the top slice as adding to the bureaucratic minefield by creating another commissioning body but acknowledge that it is funds that they will potentially benefit from.

the community broadcasting and independent broadcasting sectors. In an internal briefing note on the licence fee increase the Minister suggested that 'the 5% fund for other broadcasting entities will allow effective benchmarking of Irish public broadcasting costs and quality'⁵⁵. The implication was that as well as encouraging public programming the fund will provide a further measuring stick against which RTE's organisational performance could be measured. The fund would thus help regulate RTE's cost base by allowing the operation of competition to cost this area and thus provide indicators applicable to RTE. No doubt, the implication was that the top slice could be increased and decreased depending on RTE's performance vis a vis the benchmarking of the private and not for profit sector. The problems of such an approach (apart from the fact that it opens up another potential avenue for government control of the broadcaster through funding) was that it:

1. Ignores the fact that programming represents units in an overall service which should serve as the basis for measuring 'public broadcasting'
2. Public interest programming is in itself a profitable exercise.
3. The value of the licence fee is embodied in forms that indirectly contribute to output such as training, ensuring access to services and investment in new technology etc.
4. 'Public interest' programming is not necessarily confined to specific genres such as news, documentary, cultural and educational programming
5. Quality comparisons can already be ascertained from what the market provides (or fails to provide) at present in Ireland.

The minister also received internal advice that the top slice was problematic. A senior civil servant in the minister's own department, Ciaran O'Hobain advised that fragmenting the licence fee was unwise on at least two counts. First that any

⁵⁵ DCMNR, 2002, Briefing note for Minister Ahern for Government Meeting on RTE's Application for a licence Fee Rise. The key emphasis of this memo is the investment in indigenous programming that the licence fee increase represents.

decision in this regard should be taken by the proposed unified broadcasting regulator, the Broadcasting Authority of Ireland, and second, that the handing over of public money that could potentially find its way to private shareholders was not 'good public policy'. In this instance, the introduction of competitive structure, with a regulator essentially becoming a commissioner of programmes, in order to simulate market conditions in broadcasting was perceived to be beyond the legitimacy of a public body using public money, as adjudged by the bureaucratic governance structure of the Department of Communications. In support of his argument O'Hobain suggested that 'the forum on broadcasting strongly argued that licence fee funds should not be made available to private broadcasters' and that 'if a fund as envisaged is to be established then it would be better to increase the licence fee by a lesser amount and to provide additional exchequer resources to the BAI'⁵⁶. O'Hobain also made the point that the 'top slice' would re-enforce the attempts of vested interests to narrow the definition of public broadcasting while transferring funds to private interests for an area of activity that was already profitable in its own right. In comparison to the opposition that had greeted Ray Burke's top slicing initiative, the response was more muted. The Minister pressed ahead despite the advice of his own officials illustrating the relationship between the Ministry and the Department, and the latter's relative passivity in relation to headline policy development. Bob Collins, Director General of RTE in a letter to the department pointed out that;

'the decision to make available a portion of licence revenue represents a fundamental shift in broadcasting policy in Ireland. It is moreover a major policy change without consultation of any kind by the department...there are many reasons why I find this course of action is undesirable...In the first instance, the principal beneficiaries are most likely to be shareholders of companies located outside the state. Secondly, the decision would in effect represent a cap on the extent to which the (RTE) authority can have access

⁵⁶ Ciaran O'Hobain departmental note, 'Re: Draft Memo for Government arising from consideration of the recommendations of the forum on broadcasting', November 2002.

to licence revenue for the purpose of providing programme services towards which licence payers have always known their licence fees to be directed⁵⁷ .

Collins in the latter point had highlighted a key implication of the 'top slice' i.e. that, in the public's understanding, the link between public funding and a dedicated public broadcaster would now be broken. Collins suggested that the general policy moves away from an integrated institution of public broadcasting was diluting the concept of RTE's role as the national public broadcaster. If the licence fee was to become a 'trust fund for innovation' then the structure and purposes of the public broadcaster would become less of a priority in public policy. However the top slice was legislated for by the 2003 Broadcasting Funding Act, and following a brief period of review by the EU competition directorate, was brought into operation in 2006. The policy concept of subsidising indigenous production across the schedules of all Irish based broadcasters may ultimately be timely and beneficial but whether it represents a proper use of public monies is problematic whereas the value of resources diverted from the public broadcasting institution is damaging to its capacity. Moreover it is indicative of both the Government's emphasis on culturally relevant programming, giving another clear indication of Fianna Fail's preference for national cultural public purposes in broadcasting public policy and the paucity of resources made available by the state to expand public purposes without cannibalising the existing ones.

The rationale behind the commissioning of one off programming for distribution on varied broadcasters is an appropriate response to the increasingly competitive scheduling of indigenous broadcasters, often unwilling to risk one off programming in conservatively stripped schedules. However, the utilization of the licence fee to achieve this is indicative of the limitations on public finances to secure public policy outcomes. Once again the space for positive intervention is

⁵⁷ Bob Collins letter to Brendan Tuohy, Secretary General, DCMNR, 04/12/02

limited in the market led competitive approach to broadcasting and the funds available for existing positive interventions look set to be fractured by well needed but ultimately questionable policy interventions.

7.12) Re-structuring as marketisation

Whereas RTE received the license fee increase that it had been deprived of for so long there are outstanding policy issues that remain relatively un-contested. Of considerable issue is the perceptible shift of discretion, decision making and power away from the public institution of RTE (bureaucratic governance) and towards an instituted market rationale (market governance). In general public funding has been characterised as necessary for maintaining editorial independence in news and current affairs and support for indigenous cultural production. Government policy has invested faith in markets solutions and has utilised them to replace spheres of agency with their measurable, calculable and predictable presence. As has been indicated above, this perceptible move towards market governance initiates the process of diminishing the rationale for a full capacity public broadcaster and replaces many of its operations with market mechanisms. This creates structural contradictions in relation to the discursively generated public purpose of the public broadcaster and the pressures and emphases that emerge from its political economy. The large and rising presence of the independent contribution to programming means that a sizeable section of RTE's programming is made by private operators working to a mixture of public and market logic. The restructuring of RTE in terms of its operative and governance structures means that this is also true of its own production base. In general terms there is increasingly less reason why programming can not be produced by any broadcaster with a copy of the BCI's production rules and guidelines. The addition of a charter based on a logic of quantity as against quality also stimulates a degree of demand that RTE cannot in itself supply. Thus a sizeable market for independent productions is fashioned from the perception that RTE has historically failed to react to consumer demands. Markets, shadow markets and pseudo markets have been implemented in myriad different ways to

create a correspondence between production and consumer and advertiser demand. The organisational arrangements have been changed to make producers more aware of 'other customers', that is advertisers. The broadcast programme fund is being developed to create a mechanism through which the market costs of public service programme production can be assessed. In general what all these mechanisms point to is a diminished trust in the expertise, logic's and ethos of the public broadcaster, a trust which is now replaced by market mechanisms. The re-orientation of the organisation towards the expertise, logic's and ethos of commercial operation mean that there is a reduction in the distinctiveness of the organisation and a drift towards a situation wherein other private operators will be just as well equipped to deliver a public service mandate that has been re-orientated towards market operation. The eventual dissolution of the Authority, the combination of the public service and commercial broadcaster regulation into a new authority and the re-constitution of RTE as state owned commercial enterprise all point to its perceptible blending with the market. A vacuum in the articulation of an an ethos directed towards renewed norms for the public interest has contributed to this move to market logic.

A concomitant issue arises in relation to the public policy objectives associated with the diversion of public monies towards the independent sector. Whereas the ostensible logic of this policy is economic there are valid cultural criteria related to goals of plural programme supply. A perfunctory analysis of schedules over the 1990's indicates that there is increased vertical diversity in programme genres that mirror the increased involvement of the independent sector in programme production. This is however partly due to RTE's shift in commissioning emphases following the 1985 Stokes Kennedy Crowley review. The public charter has also laid new emphases on the obligation of RTE to commission genres which it used substitute with imports and has led to increases in such areas as drama which were relatively neglected. (it may also be noted that complaints about RTE's utilisation of licence revenue for sporting and film rights, usually from the commercial broadcasters, stand in stark contrast to

government demands that RTE be more commercially minded in its operation). However the contradiction inherent in the goals of plurality and the economic development of the sector has led to the situation wherein just twelve companies can attract 67% of commissioning funds. Further to this, the logic of growth suggests these larger companies must increasingly look to international markets to realise increased profits. The question of whether commercial product can continue to supply the needs of domestic schedules whilst orienting towards international markets is a point of considerable debate in the UK at present. The development of the format as the prime exportable television commodity places limits on both genre innovation and the depth of cultural reflection possible within such constraints. Expansion and growth in international markets also prompts further questions about the continued commercial autonomy of such companies. In the current conditions of convergence, media concentration has considerably increased as varied media groups look to opportunities to secure their control on as many areas of the value chain for the myriad delivery of content that is now possible. Should public money be directed, without condition, to the growth of companies that may easily be bought by larger media interests? Public money would thus subsidise media concentration as opposed to the plurality it is supposed to support⁵⁸. Added to this is the question of whether cultural diversity is best expressed through companies chiefly attuned to the new commercial imperatives within RTE. The chief competition that may be offered to the independents from differentially funded broadcasters should be from RTE itself. Yet RTE has lost the ability to offer such competition through the progressive restructuring of the organisation to cut its costs back to those of an under funded broadcaster. Thus the question of economic plurality in programme supply raises

⁵⁸ One precaution against such a situation arising is the more even distribution of funds across producers. There is also the possibility of the gradual build up of equity for the public broadcaster in such companies so that future profits offer return on the broadcasters investments and can be channelled back into public programming. This would only be recognition of the actually existing inter-dependency of these companies. It may also be preferable that when companies reach a certain size and stability they operate outside of RTE's statutory quota and therefore provide programming on the same basis as acquisitions. This would also prevent RTE becoming dependent on a dominant supplier which may be bought up or shift allegiances to a competitive content provider in the developing digital environment.

the issue of de-coupling RTE from market led efficiencies in order to allow the funding and development of programming that do not necessarily originate from commercial operators, depend on market demands nor aim primarily to satisfy commissioners through satisfying advertisers.

All of these questions point towards the issue of programming autonomy within RTE and the structures that should oversee its operation. Public broadcasters operate in a peculiar field of interpreting the tastes, demands and needs of increasingly plural collectivities existing within nation states. The operation of purely economic rationale in how they should be structured to do this considerably undermines their purposes. Thus the somewhat random division of programming capabilities between in-house and independent producers based on how RTE can operate most cost efficiently considerably circumscribes that which can be undertaken by the public broadcaster. The fact that such a division pays no heed to the sensitivities of what is apt for public and commercial producers to undertake point to the inadequacy of the approach. The discontent within RTE in relation to the types of programming that are no longer available to producers arise to some degree from trade union concerns but are also borne out of a concern that recognition of RTE as a public broadcaster may be damaged by the abandoning of public service intent for certain highly popular broadcast genres/programmes. A related incursion into programme autonomy on the part of the public broadcaster is the quota system set out in the charter that measures by genre the commitments to indigenous programming that RTE should commit to. Added to this the enforced constriction of RTE's production base, overall, leads to a contraction in the amount of programming it can produce so that licence fee rises tend to be re-directed to the independent sector limiting not only the type but the amount of programming which RTE can reasonably become involved in.

Finally, the approach to the restructuring of RTE points to one final irony in the move towards market governance in Irish broadcasting policy. The public

broadcaster, its resources and structures has become the only way in which government can intervene and direct policy. The attention given to RTE in this regard is testament to the failure to establish institutional governance over the marketised broadcasting landscape as a whole. RTE and the licence fee have become a proxy for a wide range of policy measures that have no other outlet. Whereas re-regulation has proceeded on the basis that markets can be directed towards public policy goals, via regulation for competition and more markets, the situation in relation to RTE tends to suggest that the reality is otherwise. Thus RTE, (arguably along with TG4) is the focus for growing the independent sector; internationalising indigenous independent television producers; funding PSB programming across the schedules; increasing popular programming output. Whereas all these elements are evidence of the increasingly economic direction of broadcasting policy they also point to a considerable vacuum in relation to the development of a system wide re-regulation that has the ability to marry incentives with public policy commitments to create potential interventions in the broadcasting system. But this, in itself, points to a policy environment that is considerably in tune with the logic of the market and less open to vertical policy interventions by governments acting according to socio-cultural logics.

7.13) Summary

RTE's development of a third way emerges out of a combination of both pragmatism and incremental adaptation that is the hallmark of the development of public broadcasting in Ireland. However, whereas it has much that is beneficial in terms of securing the broadcaster's future and also developing its programme repertoire, there is space for development of its capacity to forge a relationship with an increasingly pluralistic society, via both representation and access to the airwaves. If anything, this is where a structural deficit has emerged in Irish broadcasting with the commercial and political incentive to serve a broadly homogeneous concept of the audience. Critics charge that centralized parliamentary politics and the consumer culture tend to be over-represented in relation to the needs of securing as large an audience/licence fee as possible.

This makes it difficult to depart from largely consensual areas of experience and thus has a tendency to under represent non-party politics and the under-consuming classes in terms of allowing access to circulation of their own stories and representing those to the majority culture. The relationship between the public broadcaster and the independents points to increased diversity vis-a`-vis RTE' 's previous schedules but also a degree of convergence between RTE's present output and that of UK, European and American channels now available to the majority of the population. Given the nature of RTE's reduced production base and large capacity spend on outside programming there is space to take risks and innovate in ways that may not always please the productivist logic of governance. This can involve co-productions between Indies/community producers, communities/public broadcasters in varied combinations. In the past this type of programme approach has been shown to hold its own in schedules when approached in imaginative and creative fashion. In fact the emergence of factual entertainment, if handled within a public service mode, can engage with complex issues of social change whilst also allowing access to the screens and a degree of control over representation for invisible groups within society. It is strategies such as this that point to the future of a distinctive public broadcaster with a justifiable access to public funding. However, given the structural pressures towards the consensual dynamic, rationalisation and competition, it demands imaginative policy making to allow for this space. RTE' has previously been successful in expanding the plurality and diversity of programming available across the airwaves. What is now missing is any conceptualization of how a publicly owned institution may, in terms of procedure and output, further contribute to the plurality of production and diversity of output. As in most third way politics, the mysterious third sector appears to be missing in Irish national broadcasting. Attempts to shift the frame in relation to the challenges facing public broadcasting in increasingly plural and diverse societies suggest the potential for an innovative institutional design for the public broadcaster that may meet some of these challenges. If community broadcasting is to be more than local commercial broadcasting it needs a degree of public support. Conversely, if

RTE' is to expand its access beyond the independent commercial television production sector it could develop a relationship with this dimension of programming. This can occur through straightforward transfers via commissioning or through a level of infrastructural support in relation to technology transfer, training and subsidies. As RTE' looks to the digital future and expanded channel capacity, it could stand to gain a community channel that schedules a programme mix of offerings from around the island. This again would enhance RTE's legitimacy as a public service provider, widen access, deepen plurality and enhance communities. These are the new contexts in which an institution of public broadcasting needs to consider its mission.

Chapter Eight

Conclusions

8.1) Introduction

This thesis has utilised a theoretical framework drawing on political economy and institutionalism to evaluate policy reactions to wider emphases of political, economic, technological, spatial and institutional change in the Republic of Ireland. Two case studies were carried out in order to investigate the hypotheses introduced in Chapter Two. This final section will evaluate the findings that have emerged from the combination of the theoretical framework, the research methodology and the varied methods used to generate the theoretically informed knowledge. The section will first present a brief summary of the chapters that have preceded the present one. It will then move onto presenting the key findings or knowledge arising out of the overall project, the tentative findings that require further development, and, proposed avenues of research that arise from the research. It will then consider the relative strengths and weaknesses of the project overall and the specific strengths and weaknesses of the theoretical framework, the research strategy, the methods and the research process overall. Finally it will consider the potential applications of the research in the field of media/communication analysis and potential avenues for further research.

8.2) Summary

The thesis has evaluated an alternative explanation of why marketisation as a process is prevalent in media policymaking and undertook a case study in Irish broadcasting policy to evaluate those propositions. The thesis has operationalised a research framework that places policymaking at the centre of a nexus of institutions which are partly shaped and constituted by the political economic contexts which are re-produced by them. It has sought to evaluate policy responses to key structural changes in the communications field and locate them within institutional contexts that are ultimately the outcome of macro institutional changes that carry an inherent market logic. Moving through the

frames from political economy to macro-institutionalism to meso institutionalism it has posited that the contexts of institutional change in policymaking towards broadcasting in western media systems, have undergone paradigmatic change in the period from the 1980s, and, that this can be partly traced to the 'neo-fordist' model of capitalism that has found expression in the international system. Whereas other accounts have emphasised marketisation as a key ideological dimension of media policy norms in the period from 1980 to the present, this thesis has posited that the marketisation in this period also relates to a variant mode of production, a successor to the decline of fordist political economy, which inherently channels market logics. The literature began by evaluating processes of marketisation through a detailed analysis of institutional changes in the public service system in the UK and Ireland. It also reviewed the EU's stewarding of responses to technological, spatial and political economic change in order to situate Irish responses to policy problems and gauge the pan European articulation of the wider institutional changes posed in the theoretical framework. In the middle section a detailed policy history of broadcasting policy in the Republic of Ireland was presented drawing on the macro and meso level institutional co-ordinates of policy making, both to contextualise the case studies and also trace the historical institutional legacies in Irish broadcasting policy as path dependent features of the Irish broadcasting system. The thesis then moved into contemporary Irish broadcasting policy with a case study of the policy approaches to instituting digital television into Ireland with a focus on DTV as a nationally controlled dimension of policymaking. The second case study provided an analysis of policy towards the 'restructuring' of public broadcasting which provided a significant opportunity to test the wider hypotheses in so far as it demonstrated a 'clash of institutional dynamics' stretching across old and emerging paradigms for broadcasting policymaking.

8.3) Findings

The findings of the research relate to the degree to which the case studies shed light on the theoretical premise of institutionally shaped policymaking. In the first instance it is useful to refer back to what was proposed in the theoretical framework. The phenomena of marketisation in Irish broadcasting policy is partly an outcome of macro-institutional change which structures political economic change, referred to here as neo-fordism. It is also the outcome of meso institutional change arising from the varied sites of governance of the media/audiovisual sector and related to changing state strategies, changes in the norms of governance, changes in conceptions of the public interest, changes in the scale and level of policymaking, and that this level of meso institutional change is an outcome of regulatory and societal responses to normalising or stabilising a new mode of accumulation that arises out of macro institutional change. Thus, in simplistic terms, marketisation is both a product of changes and consistencies within the capitalist mode of production and economic and extra economic responses to that scenario. What evidence was there for these theoretical suppositions and did they provide reliable frameworks for analysis?

Firstly, there was strong evidence in the research that market logics have become central components of the mode of governance of broadcasting in the Irish context. In relation to policy responses to the digital transition in television distribution, it is clear that policymakers adapted the strategy of creating a competitive platform structure to enable a process of 'liberalised convergence' in the Irish communications structure. This has been the outcome of incremental developments in overlapping policy fields. What was also clear was that this policy dynamic was an outcome of the preferred approach to digital transition that has been gradually elaborated at European level governance of media and telecommunications. The findings of this thesis suggest that this strategy has produced considerable difficulties for the digital transition in Irish communications creating related difficulties for the digital transition in broadcasting. Each of the supposed competitive platforms have experienced setbacks in their roll out plans

whereas the continued absence of a DTT platform and the difficulties in attracting investors points to a significant weakness in the overall approach. It is clear that the economic conditions for multiple platform roll out present difficulties for small economies in adapting the competitive platform approach to convergence. The availability of resources are limited relative to population size, financial capital and audience revenues, making the fragmented provision of delivery mechanisms a policy problem that has not been sufficiently dealt with. Whereas economic difficulties have generated problems for the overall model of transition they have also generated problems in relation to the political and social dimensions of public policy in this area, with requisite support for the domestic broadcasting ecology being undermined by the lack of development of a DTT option. DTT represents a public policy option referred to as the 'public service platform', in so far as it provides a plank for policy developments based on universal service, public service, access, diversity and plurality norms. Thus the findings of this first case study illustrates that policy makers have attempted to initiate a market structure in television delivery whilst instituting a form of overall market governance of that structure. The adaptation of this strategy has been largely unsuccessful partly due to a lack of adequate attempts to incorporate a public element that would help drive developments regardless of the prevailing market conditions. This has been the grounds of success for multiple platform provision in comparative countries that have so far successfully developed their transition models.

The second case study also demonstrates strong market logics at work in the policy approaches that were taken to restructure the public service broadcasting institution in the period from 1999 to 2007. The findings of the analysis suggest that the public service broadcaster has been pressured into adapting practices aligned to market logics that on the one hand strengthen its legitimacy through increasing its indigenous output but on the other hand weaken its discretion and distinctiveness as a public service broadcasting institution. Restructuring of RTE's production base has relied on economic rationale creating constraints on

the ability of the organisation to produce a range of genres in-house. Programming that is central to the public service remit is increasingly outsourced to the independent sector whereas the alignment of this programming to advertising dynamics give it a considerably populist character. What is at stake here is the degree to which popular genres are being precluded from carrying public purposes whereas the overall profile of RTE's schedules is in danger of converging with that of the private sector. Whereas popular legitimacy for RTE may be delivered by such a strategy, the lack of distinctiveness and the variable quality of programming at the level of originality, innovation and public purpose, ultimately leads to an undermining of the institutional distinctiveness of the broadcaster. RTE's restructuring emerges from the norms of corporate strategies as generated by global consultancy firms. There is lack of an alternative logic based on concepts such as 'public value' or 'public purposes' (Barnett, 2008). This development is accompanied by a governance logic that decidedly de-emphasises the existing institutional basis of public broadcasting in Ireland. Evidence of this can be seen in the top slicing of the licence fee, the re-articulation of the BCI as a public service commissioner and the moves towards the absorption of the governance structure of the public broadcaster within a new centralised broadcasting regulator. Whereas there are arguments for economies of scale in broadcasting regulation in a small nation, there are also strong arguments for regulatory plurality in relation to maintaining a distinctive culture of regulation for public broadcasters. The governance of public institutions require application of different knowledge, norms and regulative mechanisms if concepts such as 'public purposes' and 'public value' are to have meaning. The dangers of eliding public and commercial governance are that the cultivation of institutional practices will become blurred.

There was strong evidence that the norms of governance articulated in Irish policy responses to both the digital transition and the re-orientation of public service broadcasting have become strongly economic and technology lead. Here there appears to be an elision of concepts of the public interest with those

of economic efficiency and technological development. These concepts are strongly linked to sustained concern about the maintenance of competitiveness at both the institutional and national level. In the communications field, and specifically in broadcasting, the apparent inconsistencies in the ability of market mechanisms to deliver these levels of competitiveness appear to go unheeded. In a related fashion, the tangibility of economic and technological competitiveness as a 'public interest' test appears to be preferred to socially, politically or culturally generated criteria. This is linked to the singular dynamic of the Irish state in the previous twenty years as it has emerged as a flexible competition state. Whereas the public service persists, the articulation of public purpose that may institutionalise public services that deliver distinctive value and generate distinctive social relations appear absent. Thus a strong dynamic of governance relates to the generation of consensus on the market making proclivities of the state as a symbolic gesture to the states integration into the wider political economic system of the Washington consensus. What is clear is that there is little reflection upon the relative impacts of the logics of marketisation in the Irish contexts or any clear indication of the benefits of extending the realm of market co-ordination over evermore spheres of experience. Marketisation appears to be accepted as an end in itself. For example, the proliferation of distribution outlets and extension of market segments across the broadcasting field is not accompanied by consideration of the impacts on the content generating dimensions of the Irish broadcasting field. The increased fragmentation and penetration of international distributors and channels in the Irish context is an outcome of the market making proclivities of EU level audiovisual policy, itself a response to the global level moves to realise broadcasting as goods and services to be traded. The attainment of marketisation in national contexts extends the domain of international commercial operators whilst creating pressure on local operators in relation to the attainment of content, resources and audiences. This agenda that is strongly supported in larger audiovisual markets tends to benefit operators with economies of scale within those markets. Whereas governance in the Irish

broadcasting field supports this agenda, once again, with little benefit other than a symbolic commitment to the open economy market agenda. Government reflexivity in relation to both EU and Global policy agendas in audiovisual communication has been demonstrated sporadically but could be developed into consistent policy strategy that acts to shape those larger agendas. Adapting the logics and norms generated elsewhere will not suffice. At stake is the maintenance of plurality, diversity, access, freedom and accountability in broadcasting available to Irish audiences. In more general terms the thesis demonstrates the mechanisms whereby market structures are generalised to national contexts, an indication of one of the key outcomes of economic globalisation under US hegemony. This extends earlier considerations on the globalisation of production taking place through the strategies of global corporations. These market dynamics appear to result in trade off between economic growth and political sovereignty/autonomy in different spheres of experience. In addition the thesis confirms that there are new market dynamics that arise out of an alignment to neo-fordist political economy.

There was strong evidence in the research that Irish broadcasting and communications policymaking has absorbed neofordist logics related to a particular regime of accumulation arising from Anglo American political economy, and that this has implications for previously existing market regulation. It is evident from the case studies that the overall governance of broadcasting has adapted structural features of an after fordist political economy. The overall structure of broadcasting has become de-composed into constituent elements referred to as 'value boxes' in the literature. This decomposition has been pursued and supported in Irish policymaking towards broadcasting with, for example, RTE increasingly losing transmission, regulatory and production faculties that previously characterised it as an integrated broadcaster. This is part of the move away from the organisation of production into monopoly and oligopoly towards a competitive system that is based on encouraging as many content and service outlets as is possible in the broadcasting field. The varied

policy measures directed towards outsourcing, developing the independent sector and creating contestable funds also point to the increased flexibilisation of content production in the broadcasting sector. Once again this resembles wider changes in the macro institutional form of the wage labour nexus increasing the casualisation of work contracts, introducing flexibility into RTE's operations and generating economies of scope on the basis of outsourcing. Lastly, the overall logic of technological neutrality in content provision, processes of digitalisation and moves towards the 'anytime anyplace anywhere' dynamic of service provision is consonant with changing norms of consumption. It is thus logically plausible to suggest that structural changes in the Irish contexts are responsive to the macro institutional changes that characterise neo-fordist logics of economic development and that these institutional shifts have been absorbed by policymakers. However, it is arguable that it is the European policy lead in this dimension that generalises these institutional adjustments through the extension of its influence in the media and communications field.

The following finding can only be posited in a tentative fashion reflecting the need for extended research on this subject. It appears evident that Ireland has absorbed the market making institutional norms of the anglo American policy sphere whilst accepting the internal marketisation policies of the Europeanization project. It is also arguable that the macro institutional dynamics of the neofordist regime of accumulation necessarily channel new sets of market dynamics that de-emphasise socio-regulatory features of the previous regime of accumulation. These macro institutional adjustments channel codified social relations that articulate a victory for the logics of capital accumulation contra the political, social and cultural regulatory mechanisms that stabilise growth regimes. This encourages a new dynamic of market making that pervades social relations. Flexibilisation, competitiveness, consumer sovereignty and financialisation of the economy appear to rest on accumulation dynamics that undermine the capacity of states and societies to normalise or regulate economic relations relative to social, cultural and political purposes. These macro institutional adjustments,

geared towards the extension of flexible product markets, structure broadcasting policy without much deliberative debate on their systemic logics. This is an extension of market forces and systemic logics into spheres of experience previously shaped by political and social domains. In Habermasian terminology, the public dimension of both the 'systems world' (formal politics) and the 'lifeworld' (community) are increasingly structured by the private dimensions of the systems world (economy). Whereas it is clear that there is political and public legitimacy for continuation of democratic control of systems development, there appears to be little political or public will or means to pursue it.

8.4) Strengths and weaknesses

The theoretical framework has allowed a multi-tiered analysis of structural change in Irish broadcasting. It has enabled the drawing together of political economic, institutional and policy study approaches to provide an insight to the myriad contexts which shape broadcasting policy in the Irish context. It has also allowed for a deeper understanding of the phenomenon of marketisation arising out of structuralist accounts of political economic change, to complement the abundance of ideological ones in the literature. Overall, the theoretical framework has allowed for a deep contextualisation of structural change drawing attention to political economic, institutional and governance issues that are essential to understanding change in the broadcasting sector in particular and in media policy/production in general.

The strategy of choosing two key policy issues also yielded rich results by allowing for the application of the analysis to different policy problems within the broadcasting field. The transition to digital television allowed for a wider analysis of changes in the communications field and the relative effects of processes of technological convergence, providing an account of the negotiated nature of convergence as a structural change. It allowed for a deeper reading of emerging communications governance by the EU and its impact on its member states. It also provided a significant case for understanding the process of market

institution, so often presented as the outcome of naturally occurring processes of human behaviour or mere ideology. It provided a useful snapshot of the interaction of different levels of governance on issues of technological change and the continued transition towards market lead governance in the broadcasting and communications sector. The case study on public broadcasting allowed for a deep analysis of the interaction of deep structural change arising out of global processes but interacting with national dynamics. The reconfiguration of the balance between public and private broadcasters and the inter-systemic mixing of the two provided a complex picture of the continuing survival of PSB. Public broadcasting is in transition rather than decline, but there is a price to pay for survival that raises questions about the quality of the public purposes in broadcasting we are left with. From this perspective this case study complimented the previous one by illustrating how marketisation is not just an issue for structural change in contexts, but that marketisation from within is also an issue.

The weaknesses of the approach arguably arise from the span of the theoretical framework. Drawing on structural change in production and regulation related to wider political economic shifts and mobilising different levels of governance from the global to the national, whilst drawing attention to the intersecting relationship of ideology and interest groups with the institutional determinants of policymaking, often proved unwieldy. Whereas this framework helped to generate a panorama of the contexts of policy making, it proved somewhat difficult to operationalise and lead to a too scant analysis of some of the issues raised. At different points of the thesis different elements of this approach are brought to the fore, sometimes creating a degree of disconnection in the sequential analysis. However, an upside of this, is the degree to which it has opened up numerous avenues for future research.

Weaknesses also emerged in the method of research especially in the balance of interviews across the sector. Whereas numerous interviews were carried out it

proved difficult to attain interviews from current government ministers and officials which would have allowed for the testing of some of the propositions presented in relation to the mismatch between official policy and outcomes, and, official mentalities regarding public service broadcasting. However this is a problem of carrying out contemporary research on 'live' policy issues. This explains the recourse to freedom of information documentation.

8.5) Future areas of research

The research has opened up many areas for potential development, both theoretical and substantive. The scope of the theoretical framework, the Regulation, political economy and neo-institutionalist dimensions all provide useful conceptual tools for production oriented media and communications analyses. The varied macro institutional dimensions provide broad areas of political economic contexts for media and communications systems along multiple lines of inquiry, whether it be in relation to changing media-work dynamics, the competitive dynamics of media firms, the financialisation of capitalism and its requisite impact in the resourcing of media, the changing consumption norms of media audiences, the role of the state and the relationship between national media systems and the international regime. The political economy approach elaborated in the earlier chapters also continues to provide a useful in-point to contextual analyses of media policy and/or the structure and output of media. There is certainly room for elaboration of the state, market and society relationship in the Irish context and the way in which it interacts with other variables to shape the character of the media. Neo-institutionalism has proved a useful methodology when placed within the theoretical contexts of Regulation theory and critical political economy. There is further scope for the elaboration of institutionalist analyses of both broadcasting and policymaking organisations, perhaps on more targeted and meso-level.

At the substantive level there are also many areas for future research suggested by the findings above. The thesis would have benefitted from a comparative

dimension, to test the hypothesis that size really matters when it comes to the adaptation of generic media policy and market dynamics. From this perspective there is useful research to be done in comparing the experiences of smaller European nations in adapting to both structural change (spatial, technological and socio-political) and governance change (as it arises in different spheres of policymaking). A related area for further research would be the relationship between Irish governance (or, more generally, national governance) and EU policy towards the audiovisual sector. How does Ireland fit into the schema of liberalist/dirigiste in media policy? Which nation's media politics tends to gain clearest expression at European level? This would provide illumination on one of the key relationships shaping present day media policymaking in Ireland and once again could be generalised to include comparisons of the influence of other 'small media nations'. The ongoing transition in public service broadcasting is another area for further analysis. How do PSB's adapt to technological, international and market dynamics whilst also negotiating socio-cultural change and claims to legitimacy? Elements that have not gained lengthy enough treatment in the thesis also suggest fruitful areas for further research. The overall transition in regulatory dynamics and the emerging post-liberalisation tool kit in broadcasting is an area for further development and, combined with normative assessment of media policy, would provide a yardstick for measuring the degree to which economic and techno-centric policy making has replaced concerns with the socio political norms of media policy making.

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