

Is the Public Interest under Threat?
Media Policy Responses to the Private Sector Recession in Europe

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“SPAIN: TELEVISION POLICIES AT THE SERVICE OF PRIVATE INTEREST”

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ABSTRACT

For the last years, the Spanish television market has enjoyed a sustained growth and high benefits. The two main commercial broadcasters are among the most profitable ones within Europe. Last year, Telecinco won 211.3 million € with a net benefit margin of 21.5% over its income; Antena 3 TV won 92 million € with a net benefit margin of 12.7%. However, in mid 2008, the worldwide economic crisis hit Spain causing a major downturn in advertising revenues. Moreover, the fight for the rights of the national soccer league between Sogecable and Mediapro –the two biggest Spanish media conglomerates– and the race for positioning the new digital terrestrial channels breached the apparent stability of the market. The commercial broadcasters spread an alarm message: without a legislative reform and the repositioning of the national public broadcaster, the implementation of digital terrestrial television and the overall viability of the television system would be under threat. The commercial operators asked the government to implement emergency countermeasures that would help them to overcome the crisis.

That call had a clear bias towards private interests but the socialist government made it its own and pushed forward a series of market and legislative reforms. First of all, the concentration and ownership rules have been relaxed. The recently passed law 7/2009 allows market players to have significant participations (over 5%) in more than one broadcaster. This will allow the integration of companies and would result in a reduction of pluralism and the reinforcement of the oligopoly at the terrestrial platform. However, the government defends the new law by arguing that it will ensure the balance within the television market and it will foster its development.

The second measure is a ban on advertising for the public broadcaster RTVE. Following Sarkozy's initiative in France and the constant requests of the commercial broadcasters, the Spanish government has decided to remove commercials from the public channels as a part of the reform initiated in 2006. The proposal is that the government will provide the necessary funds from the national budget and from taxes on commercial broadcasters and telecommunications operators' incomes. The measure is currently being debated at the

Parliament. Independently of its final content, it will neither provide nor ensure the necessary stability and independency that PSB requires to properly serve the citizenship.

The third initiative adopted is the introduction of pay-tv services in the digital terrestrial platform. Although the granted licenses only allow FTA broadcasting, the government has surrendered to the pressures of the commercial lobby UTECA. Two facts have been decisive: first of all, some terrestrial broadcasters might be able to exploit the football rights; secondly, the new DTT channels are not as appealing and innovative as they were supposed to be due to conservative programming strategies resulting from the lack of economic resources. This measure wants to allow the development of new business models that would improve the terrestrial offer. However, its implementation is far from being carried out transparently and its contribution to the public interest is not clear at all.

This presentation describes and analyses the current situation of the Spanish television market as well as discusses the three main policy initiatives carried by the government. In doing so, it wants to contribute to the reflection on how public policy is trying to face up the current crisis scenario. Among the expected results, the Spanish case is a good example to demonstrate how the key role of market players in the implementation of public policy affects the government's actions. Therefore, their contribution to public interest is questionable. In addition, the analysis of the Spanish television policy, which is characterised by its fragmentation, the lack of a national regulatory authority and a strong clientelism, will demonstrate how the current conjuncture favours a radicalization of the Mediterranean polarized pluralist model described by Hallin and Mancini. Consequently, public policy is not helping to protect public interest but fostering private ones.

Keywords: Television Policy, Public Interest, Spain, Crisis.