A Comparative Study of Public Service Broadcasting under Pressure: Are we seeing the Triumph of Hallin and Mancini’s Liberal Model?

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This ECREA paper presents findings from an UK Economic and Social Research Council (ESRC) research project conducted at the University of Manchester¹, which resulted in the 2012 publication of a research monograph Audiovisual Regulation under Pressure: Comparative Case Studies from North America and Europe (Gibbons and Humphreys, 2012; paperback edition in 2013). The research explored whether and how the ‘cultural policy toolkit’, a term originally coined by Canadian media experts Grant and Wood (2004), was standing up to strong deregulatory liberalizing pressures in the television sector in North America and Europe. We first looked at the USA, seen as the archetype and motor of deregulation, a country pushing for the international liberalization of trade in the audiovisual sector, notably in the World Trade Organization (WTO), and also a country whose industrial dominance in the international audiovisual marketplace was widely perceived as a threat to the culture industries of many countries around the world. Then turning to our cultural policy toolkit case studies we looked at Canada, the USA’s small northern neighbour, which presented perhaps the strongest case study test for the continued viability (or otherwise) of cultural policy toolkit measures. Having always been particularly exposed to the USA’s powerful and wealthy industry for programme production and distribution, in order to withstand the formidable pressures that accompanied geographic, cultural and linguistic proximity to its neighbouring audiovisual giant, Canadian media policy makers had developed a sophisticated cultural policy toolkit designed to resist the dominance of US media firms and products. In Europe, we chose France as a case study. France had developed a package of very similar cultural toolkit measures to the Canada and, together with Canada, was a leading advocate on the international stage of countries’ right to defend interventionist and protectionist cultural policy measures in the audiovisual sector. Both Canada and France relied heavily on production and distribution quotas and subsidies; particularly in Canada, but to a lesser extent in France, public service broadcasting (PSB) was a comparatively weak element of the cultural policy toolkit. To investigate the importance, and enduring robustness, of PSB as a crucial cultural policy toolkit element, we chose to look closely at Germany and the UK, countries which had a very strong commitment to PSB and, historically, strong PSBs. Germany also presented itself as a particularly interesting case, because in an earlier ESRC funded study of ours, looking at media ownership rules, traditionally seen as a key element of the cultural policy toolkit, we had

¹ ‘Globalisation, Regulatory Competition and Audiovisual Regulation in 5 Countries’, a UK Economic and Social Research Council (ESRC)-funded project (ESRC Ref: 000 23 0966) conducted by Professor Peter Humphreys and Professor Tom Gibbons together with Dr. Alison Harcourt, of the Politics Department, University of Exeter. The study examined six jurisdictions: Canada, France, Germany, the United Kingdom, the United States, and the European Union – together with relevant activities of the WTO and UNESCO. The project involved a considerable amount of overseas fieldwork. Altogether 115 interviews were conducted with policy makers, regulators, industry representatives, and media experts.
detected strong pressures of deregulatory competition within Germany as the Länder competed with each other in a classic deregulatory ‘race to the bottom’ to attract (or retain) media industry investment. Not least because of the European Union’s (EU) theoretical ability, as an international organization with competence over competition and trade rules, to mitigate such deregulatory ‘racing to the bottom’, our investigation included the EU. Finally, our book included a chapter on Europe’s small countries, because we recognized that a weakness of our original research project was that, aside from Canada, it did not explore the particular problems that small countries have in supporting their culture industries (on this see e.g. Meier and Trappel 1992; Puppis 2009; Ferrell Lowe and Nissen 2011).

Theoretically, we drew on the political economy literature on (de)regulatory competition and also on suggestions of ‘Americanisation’ made in some of the comparative communications systems literature. We also drew on historical institutionalist (HI) analytical insights, notably ‘path dependency’ in policy making. The regulatory scholarship points to the ‘Delaware effect’, a US state which had conspicuous success in attracting corporations and their tax revenues by providing lax incorporation standards (Carey 1974). Although a ‘California effect’ regulatory race to the top cannot be ruled out (Vogel 1995) as states may regulate higher standards, many suggest that a ‘race to the bottom’ is the more likely outcome of regulatory competition, as states, which are engaged in the increased international competition that accompanies globalization (Cerny 1997), adopt a trade and industry strategy of what Dyson (1986: 28) referred to as ‘competitive deregulation’. Indeed, three decades ago, Dyson saw this is applying very well in the communications sectors:

‘The threat of location of investment by multinationals in more deregulated environments promotes a process of competitive deregulation. Deregulation offers the prize of investment and jobs in financial services, telecommunications and broadcasting and increased tax revenues from these sources. In order to achieve these glittering prizes governments are encouraged to view domestic communications policies as “international gamesmanship” and deregulation as a prime national instrument of international economic policy’ (Dyson 1986: 28).

Deregulatory competition was also the finding of Hills and Papathanassopoulos (1991: 201) in their 1991 comparative study of communications policy in the USA and Europe:

‘Market restructuring and [technical] standardisation are all facets of a supply side industrial policy on the part of governments, which is intended to place their economies ahead in the race for international competitive advantage and international power’ (Hills and Papathanassopoulos 1991: 201).

Research on the liberalisation of telecommunications regulation in Europe certainly points to the importance of regulatory competition as an important factor, as countries perceived the wider economic as well as sectoral advantages reaped by the early liberalisers (USA and UK) and changed their policies and institutions accordingly, with the EU serving as an important facilitator (Humphreys and Simpson 2005; Thatcher 2007).
While there is plainly manifold evidence of far-reaching deregulation of the private television sector, the interesting question for us was the extent to which that changed broadcasting policy environment has affected the ‘cultural policy toolkits’ of our case studies. The implications of deregulation, liberalisation and commercialisation for the cultural policy toolkit is the constraint that these pressures place on the pursuit of cultural policy toolkit measures. Thus, in relation to a key element of the cultural policy toolkit, PSB, Steve Barnett observed that PSBs “are perceived as significant inhibitors of private sector expansion and therefore seen as legitimate targets for the advocacy of greater restrictions and smaller scale’ (Barnett 2006: 2-3).

Since the 1990s, many studies have pointed to the constraints that international deregulation, liberalisation and privatisation have placed on the traditional public interest goals of broadcasting. For instance, Herman and McChesney (1997) have made much of the structural power of largely US-based global communications corporations. These ‘global missionaries of corporate capitalism’, they argue, represent a major constraint on nation states’ continued ability to pursue media policies that promote public service goals and protect a diversity of national, regional and local identities. More recently, Des Freedman has drawn attention to the way that the historically well-funded and politically supported BBC has been subjected extensively to the disciplines of the market, even arguing that it has been a deliberate policy of government under New Labour; the implicit conclusion of Freedman’s comparison of the US and UK broadcasting systems is that they are converging on the same neo-liberal lines (Freedman, 2008). These are hardly lone voices. According to many scholars, there is occurring an apparently irresistible trend towards the convergence of European media systems on the deregulated, hyper-commercial, US model. Perhaps the most influential statement of the Americanisation of European media systems is that of Hallin and Mancini in their influential *Comparing Media Systems* (2004). This book achieved a deserved major impact in the international academic community through advancing their now widely referenced three models of relationship between media systems and political systems in established liberal democracies: the ‘Mediterranean or polarized pluralist’ model; the ‘northern/central European democratic corporatist’ model; and the ‘North Atlantic or liberal’ model. Elsewhere I have argued that their typology is seriously flawed (Humphreys 2012), but for this paper I restrict myself to consideration of one very important part of their argument, which contends that these highly distinctive models are converging. In their ultimate chapter, they refer to the ‘triumph of the liberal mode’, suggesting that a combination of socio-economic modernization and technological and market developments is leading to a striking measure of convergence on the American model. However, Hallin and Mancini’s study rather played down the importance of the cultural policy toolkit, most obviously in disregarding the distance that such mechanisms placed between the American model and the Canadian and in particular the UK models, which – despite the central role of PSB in the UK and Canada’s battery of other cultural policy toolkit instruments - they simply consigned to the ‘North Atlantic or liberal’ model. If in the television sectors of the countries under examination in our research project the cultural policy toolkit could be shown to have seriously weakened or even atrophied, then Hallin and Mancini’s convergence thesis would be confirmed. If, on the other hand, the commitment to cultural
policy toolkit instruments was found to be robust, then convergence would demonstrably be
seen as more limited than they imply.

From a historical institutionalist perspective there were strong grounds for expecting that
limited convergence would indeed be the case. In view of Hallin and Mancini’s history-
informed approach, it is surprising that they did not engage more with the political science
theory of historical institutionalism (HI), though the concept of ‘path dependence’ does feature
briefly (Hallin and Mancini 2004: 12, 300-301). HI sees institutions, defined broadly to include
norms, informal rules and procedures as well as formal rules and structures, as crucially
important in explaining political outcomes. According to HI, the institutional features of
different countries present structural constraints and opportunities for political agency (Zysman
1983; Hall 1986; Thelen and Steinmo 1992). Central to the theory is the concept of ‘path
dependency’, which posits that past policy has an enduring and largely determinate influence
on future policy. According to HI, national institutional profiles are persistent and resistant to
change, and institutions become ‘locked in’ to particular policies (Peters 2005). Thus,
historically rooted national institutional differences explain the persistence of national
idiosyncrasy. According to the HI perspective, when change does occur, such as under the force
of powerful exogenous pressures like technological change and internationalising markets
(‘globalization’), HI predicts that the reforms will follow characteristic national paths. Some
detailed empirical studies of communication policy would seem to confirm the high relevance
of the HI perspective for explaining the persistence of diversity in media systems which are
undergoing common processes of technological and market change. Thus, Levy’s (1997, 1999)
study of the introduction of digital broadcasting at the national and EU level found a striking
resilience of distinct national ‘policy styles’ to erosion both by the EU and by exogenous forces
of technological change and globalisation of media markets, despite the commonly experienced
pressures and reform agendas. Moreover, a number of empirical studies of country’s media
systems seemed to confirm what has been described as ‘symmetry’ theory (Collins 1990a;
1990b; Jääsaari 2007: 9-21), namely that there is a striking congruence between media systems
and their policy making and the political and legal structures within which they are embedded.
Indeed, this was the major theme of my own work on the German media system and policy
(Humphreys 1994) and also my comparative study of media systems and policies in Western
Europe (Humphreys 1996).

Our research design postulated three hypotheses. Informed by theories and observations about
(de)regulatory competition (see above), our research aim was to explore the proposition that,
in the contemporary context of globalisation, technological change and liberalisation of media
markets, policy makers are emphasising trade and industrial policy, with a view to improving
international competitiveness, at the expense of traditional goals of media and cultural policy,
aimed at protecting pluralism, diversity, and culture. This generated our first hypothesis:

- H1. Within a context of globalisation, commercialisation and technological change,
  regulatory competition between jurisdictions keen to maximise media investment is
  leading to a substantive (if not formal) deregulation, i.e. a ‘race to the bottom’.
However, the possibility existed that policy makers may be concerned about the impact on traditional media policy goals of protecting pluralism, diversity and culture. They may be very alert and responsive to the fact that market pressures might threaten pluralism and diversity, and indeed the survival of local and national identity. Therefore we hypothesised that politics might act against markets. Moreover, cultural policy may indeed serve to protect national producer interests. Thus, rejecting the inevitability of a ‘race to the bottom’, David Vogel’s well known study of consumer and environmental policy in the USA and the EU pointed to the way that politics had ‘traded up’ (his words) regulatory standards. To be precise, he explained how producer and consumer coalitions, which he termed ‘baptist-bootlegger’ alliances, had prevailed in the politics of regulation of these sectors. Green lobbies (the ‘baptists’) and rent-seeking producer lobbies (the ‘bootleggers’) in California and in Europe (not least Germany) had achieved stricter standards of regulation of automobile emissions with which foreign competitors had difficulty in complying. Such insights about ‘politics’ mattering, generated our second hypothesis.

- **H2.** ‘Politics’ can significantly constrain deregulation and even produce more effective and innovative regulation, i.e. a ‘race to the top’; deregulatory competition will least certainly affect highly politicised regulations that prevent harmful effects or promote the public good, such as public service broadcasting (PSB) and other cultural policy toolkit mechanisms.

Also, we recognised that international organisations, such as the European Union (EU), by setting the rules of trade and competition, have the ability either to promote or to constrain deregulatory competition between nation states. The extent that they choose either course depends on politics and policy making within the organization (Scharpf 1999). Hence, our third hypothesis:

- **H3.** The European Union can amplify or moderate pressures of globalization and deregulatory competition between its Member States.

We looked at the following cultural policy toolkit measures: 1) PSB; 2) quotas and subsidies; 3) media ownership rules; and 4) audiovisual external policy.

Our methodology involved literature review, documentation and fieldwork. We collected data and documentation from a large range of sources, including government web-sites, libraries and documentation centres. In the USA, Canada, Britain, France and Germany, and at the EU, we conducted over a hundred interviews with members of the media policy community: policy makers, regulators, industry representatives, interest group representatives, etc.. We also networked internationally with other researchers working on audiovisual media policy. We also drew on the findings of the aforementioned earlier research project on media ownership deregulation in the UK and Germany. However, the book’s chapter on small countries was not based on our own fieldwork research. For this, we relied on a review of the scholarship on the small countries’ audiovisual sectors and the problems they have in supporting cultural production.

What did we find?
Broadly, our research found some evidence to confirm the ‘racing to the bottom’ hypothesis (H1). We found strong evidence of deregulatory competition with regard to the deregulation of media ownership rules. Everywhere we looked we found regulations against media concentration being relaxed in order to allow industry consolidation, often quite explicitly legitimised in terms of improving the competitiveness of national media industries. Even here, though, apart from in the UK, this deregulation had not affected rules prescribing for national (or EU) ownership rules; Canada and France maintained these key protectionist elements of media ownership regulation in their cultural policy toolkits.

However, media ownership deregulation affected an element of the cultural policy toolkit bearing on the private commercial sector, and it was very much in line with broader deregulatory trends affecting that sector. Beyond this element of the cultural policy toolkit, we also detected a media discourse among UK policy makers that resonated with an awareness of the opportunities and costs of deregulatory competition both in their domestic and external (EU) policies for television. This was very obvious with regard to the UK’s position on European policy, reflected in its strong deregulatory stance on the revisions of the Television Without Frontier (TWFD) rules in the shape of the 2007 Audiovisual Media Services directive (AVMSD). UK policy makers certainly demonstrated a serious concern that regulation of the new media (non-linear on-demand services, mobile TV, etc.) risked deterring investment within Europe (the UK of course being their main concern). Concern with international competitiveness was also a important part of the policy discourse surrounding the UK’s Communications Act 2003 (not least regarding media ownership deregulation). In the German case, too, we discovered that Standortpolitik – a concern on the part of media policy makers to take account of powerful media interests which invest in their jurisdictions –fed into cultural toolkit policy making, not simply in relation to media ownership rules, but also in relation to the scope for the future development of PSB. Finally, our research led us to accept that the EU’s single market policies for television had created a situation which encouraged a degree of regulatory arbitrage by private media companies seeking less strict regulatory environments wherein to base their operations. This had greatly benefitted London as a site for European media investment,

With regard to H3, the research showed that the EU clearly has a dual capacity, both to deregulate and to reregulate, to act as a shield and/or as a conduit for globalization. How it actually performed depended in part on a structural bias towards liberalisation and market-making, which has been highlighted by the political scientist Fritz Scharpf (1999) and which I will not into here, but it clearly also depends on EU ‘politics’. To the extent that the implementation of the EU single market rules worked in combination with the technological changes that had greatly expanded the demand for television content, the EU could be said to have functioned as a magnet for US programmes, and it could be seen as a regional expression of globalization. As noted, the single market rules – based on the country of origin principle - clearly functioned to the advantage of those states which have offered favourable regulatory conditions and encouraged regulatory arbitrage by companies seeking the most favourable regulatory conditions for establishment, as mentioned to the benefit of London as a media centre. Also, the blocking of European level media ownership rules by major national and
producer interests could clearly be seen as a policy failure in terms of moderating the pressures of deregulatory competition of that particular element of the cultural policy toolkit. However, it was equally clear that EU audiovisual policy had been configured by a political conflict between advocates of the market and advocates of cultural policy, and that the latter had clearly managed to achieve some compromise policies that at least went some way towards promoting and protecting the cultural policy toolkit. This was obvious, for example, in the limited element of success that France had had in uploading its quota and subsidy policies to the EU level. It was much more strongly evident in the considerable success that France had in mobilising EU audiovisual external policy to support cultural policy toolkit measures, against strong deregulatory pressures from the USA in international trade negotiations. The EU has provided a shield to its Member States’ cultural policy toolkits, and by supporting the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions, it helped open up an alternative political front against deregulatory pressures coming from the WTO. Not least, EU politics had led to the Amsterdam Treaty’s Protocol on PSB and, in our view at least - though not in the opinion of all media scholars -, was constraining the Commission’s competition authority in its stance on the application of state aid rules to PSB. So far nearly all competition cases outcomes had been favourable to PSBs. The Commission’s 2009 Guidelines on the application of these rules to PSB, released to take account of new technological developments, explicitly recognised that PSBs should be able to use the new distribution platforms to deliver their public service remits to serve society’s democratic, social and cultural needs, as determined by the Member State.

Our research provided plenty of evidence to confirm the second hypothesis (H2) that ‘politics’ mattered. In all cases, we found that in the main political commitment for the cultural policy toolkit had endured and, so far at least, it had survived changes of government. This was plainly true in the large country cases in which we conducted our fieldwork, but our review of the literature on small countries confirmed that political commitment and path dependency were important factors explaining varying patterns of support for the cultural policy toolkit in the television sector, notably public service broadcasting. Our study found a remarkable ‘path dependency’ of policies for PSB. Against a background of far-reaching deregulation of the private TV sector, policies for PSB remained comparatively robust in Germany and UK. In France, and especially in Canada where it had never been strong, we found that PSB was much weaker, yet there was robust adherence to other characteristically protectionist ‘cultural policy toolkit’ instruments, notably production subsidies and scheduling quotas. As already mentioned, PSB had always been a less significant element of these countries’ cultural policy toolkits. Interventionist and protectionist quotas and subsidies were, on the other hand, key components, and both countries maintained a strong audiovisual external policy in support of the right to implement such measures. As noted, the French were effective to a degree in uploading such measures to the EU level, and were much more effective in mobilising EU external against U.S. pressures for audiovisual service liberalisation in international trade negotiations. Canada, supported by France, led the successful drive for a UNESCO cultural diversity convention which since 2002 had opened a new political front on the global stage to support the continuance of cultural toolkit policies, in the shape of the 2005 UNESCO Universal Declaration on Cultural Diversity.
In all cases, PSB was a major component of the cultural policy toolkit. However, commitment to PSB varied considerably between countries. The strength of their political commitment to PSB could be most simply gauged by looking at the degree of public funding that has been enjoyed by their PSBs. To determine this, we looked at a fairly wide range of sources, and the data told essentially the same story overall, identifying the same high spenders, medium and low spenders (Schwarz 2003; Lange 2007; Nordicity 2008; Ofcom 2009; Nordicity 2011; Edelvold Berg 2011). Germany and UK topped the high spenders; France ranked as a medium spender; and Canada joined the USA as a low spender. Moreover, French PSB was heavily dependent on supplementary advertising revenue, to the tune of around 30%, compared with around 11% in Germany and none in the case of the BBC. This helped explain the more entertainment orientated programming of French PSB commonly remarked upon by scholars.

The different levels of commitment to PSB could be explained in terms of a variety of factors, and here historical institutional (HI) analysis is clearly very helpful, with its stress on institutional development and path dependent policy making. PSB’s strength was of course dependent on its popularity with its audience, the public, but crucially also on its political and other institutional (e.g. constitutional-legal in Germany’s case) sources of support. The starting conditions were also important, since policy tended to follow path dependent lines.

In the Canadian case, there was never a period of public service monopoly. Right from the start, PSB co-existed with a dominant commercial sector. Yet from an early stage, the commercial sector was subjected to a battery of content and expenditure rules that were designed to support public service and in particular to defend Canadian cultural production. This established a path dependent policy trajectory whereby PSB was actually the less significant, and comparatively weakly funded, element of the cultural toolkit, which depended more on industry contributions to various production funds and protectionist Canadian content quotas. Nonetheless, the Canadian case demonstrated that it is possible through a complex and expensive regulatory framework to protect Canadian production for a Canadian market to which access by foreign (US) commercial broadcasters was subjected to significant limitations. Our study found that there continued to be strong support for this protectionist cultural toolkit model in mainstream politics and the Canadian audiovisual industry, though we regard the weakness of Canadian PSB as a possible Achilles heel for the future.

In the French case, particularly during the early days of PSB, elitist cultural policy regarding the creative arts and industries led to a traditional privileging of the cinema, with television always being seen as the poor relation, this becoming a path dependent pattern. The importance of ‘politics’ was highlighted by two further factors. First, popular support for PSB in France was seriously weakened by its politicization, which had been very strong during the De Gaulle years but endured to a degree thereafter. PSB in France suffered a legitimacy shortfall from being state television rather than public service television, very much under governmental influence and lacking the independence enjoyed by the BBC. The lack of public sympathy in turn helps explain the politicians’ persistent reluctance to raise more public funding for it. Further, it helps explain the absence of protest over the sudden privatization in 1987 of TF1, the most important PSB channel. Secondly, the early ‘commercialisation’ of French PSB, evident in the programming of PSB channels dependent on advertising and competing for
audiences even before the 1987 privatisation of TF1, meant that in the eyes of many it had already lost its raison d’être well before the age of multi-channel television arrived. Vedel (2009) refers to the period after 1974, when French PSB channels started becoming heavily dependent on advertising, as a period of ‘commercialized state television’. Chaniac (1999: 59) referred to the competitive programming model in France, which was ‘for the most part inspired by the American example’ with programmes ‘designed or purchased in keeping with goals determined by audience ratings.’ Other French media experts have made similar observations (Charon 2003; Dagnaud 2006). This weakness of PSB in turn reinforced the protectionist reflex which characterized French audiovisual policy.

Like Canada, programme scheduling quotas and production subsidies were a strong central pillar of the distinctive French cultural policy toolkit, particularly since 1986 when the French Socialist Minister of Culture Jack Lang extended the subsidy system that had generously supported the cinema industry to the audiovisual production. While this has not compensated adequately for the comparative weaker status of PSBs to raise French television production to the level of the UK or Germany, our study found no sign that this French quotas and subsidy model was under deregulatory pressure. Indeed, the principal subsidy mechanism – by which the Compte de Soutien à l’Industrie de Programmes (COSIP) distributes programme production subsidies funded by a levy on broadcasters’ turnover - has been extended to all operators offering TV services regardless of whether they are delivered via old or new media. Nor is the COSIP the only subsidy system: since the early 1990s, local and regional authorities in France have developed their own funds for audiovisual production. As for scheduling quotas, French generalist channels are obliged to devote 60 per cent of their air-time to European works and at least 40 per cent to French ones (œuvres d’expression originale française), these being works in the French language (or in a regional language of France, such as Breton). Moreover, as already mentioned, in the field of external audiovisual policy, France has championed cultural protection to counter the international deregulatory and liberalizing trend. This persistence of the distinctive French model’s reliance on subsidies and quotas and a vigorous external cultural policy confirms our general finding of path dependency in policies for the cultural policy toolkit.

Turning to the two countries where PSB was the main pillar of the cultural policy toolkit, political factors and policy making path dependency are similarly of key importance. In the UK, the BBC had always benefited from a very strong base of popular support, the quality of its programming and political impartiality being generally highly respected, which translated into strong cross-party political support. Our study found that the BBC benefited from being tacitly regarded by policy makers as the UK’s ‘national champion’ in international media markets (the BBC being by far the main producer/commissioner of UK-originated television production and there not being any other internationally successful UK mass media company). The BBC has also been seen as a driver of new media technologies, evident its role as pioneer of new media services for the Internet era, including its extensive and globally much visited website and its online TV catch-up service called iPlayer, for which policies it has enjoyed a large measure of public policy support (though fairly recent statements about the need for ‘clearer red lines’ surrounding the website suggest that this has reached its limit). Following
the collapse in 2002 of ITV Digital, the BBC’s Freeview platform became the central pillar of the government’s Digital Terrestrial Television (DTT) strategy and its Freesat (with ITV), launched in 2008, was vital for digital switchover. The BBC’s portfolio of digital channels has been notably successful in attracting audiences.

Our study found that whilst German PSB did not enjoy quite the same degree of public popularity as British PSB, it did have a very important basic level of political support. There were vocal political criticisms, particularly from politicians in Länder with strong private media industries. The stick with which they beat the PSBs was their perceived over-generous funding and oversized organisation. However, all the German Länder benefited from having (or in some cases sharing) PSB corporations in Germany’s federal system. A number of our interviewees pointed out that the deregulatory rhetoric of those Länder politicians who appeared sympathetic to the private sector was not necessarily always ‘consequential’ (konsequent) for policy, implying that to some extent their positions and proposals were designed for the consumption of the private lobbies, whereas in fact the PSBs were still recognised to be important economic and cultural assets for their Länder. Last but certainly not least, the German PSBs had benefited from helpful periodic interventions by the German Federal Constitutional Court (Bundesverfassungsgericht, BVerfG.) For instance, an important 2007 ruling gave them a welcome degree of financial security, reaffirmed their centrality in the broadcasting landscape, and affirmed their right to develop new media activities. This is not to suggest that serious challenges in Germany and UK are absent. In Germany PSB does not enjoy the same high degree of popularity that the BBC enjoys; it depends more on its constitutional-legal underpinnings, and it faces a powerful commercial lobby (particularly the press) which remains intent on limiting its scope for new media expansion. In the UK, the question of how to maintain the UK’s hitherto much prized ‘plurality of PSB’ (BBC, C3 and C4) has posed a major headache for policy makers. Nonetheless, unquestionably, the UK and Germany continued to have the strongest PSBs in the world. Historical institutionalist path dependency was highly evident in both cases, as with Canada and France and their distinctive cultural toolkit models.

Our chapter on small countries reflected our awareness that our research into the large countries and EU had neglected an important area of vulnerability to deregulatory pressures. Our findings, based on a reading of the scholarly literature, confirm that this was indeed the case. In terms of every component of the cultural policy toolkit, they lacked the resources and capacity enjoyed by our larger cases. We concluded therefore that there was a strong logic to the argument that they deserve special treatment by international bodies like the EU and the WTO. However, lacking sufficient political weight within the EU, they have so far been unable to persuade the larger Member States that they really do have a special problem and they therefore have been unable to secure much relief. Nonetheless, we found striking differences between the approaches that the small countries have adopted to compensate for their vulnerability. Given political will and sufficient economic resources, as in the Nordic countries and Switzerland (with its impressive provision of PSB for three language communities), it was still possible to resist the media dominance of giant neighbours.
Our general conclusion was that deregulatory competition and convergence on the American model are not inevitable consequences of the globalisation of media production and distribution. National systems are sufficiently differentiated to be able to resist pressures to converge towards a lowest common denominator in the kind and standard of services offered. Partly, this is because markets continue to have highly localised characteristics, of language and culture, but it is also because national regulatory policy styles and solutions have strong historical characteristics and institutions which shape change so that continuity is maintained with previous practice, precisely according to the historical institutionalist perspective.

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