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**MEDIA POLICIES
IN A RAPIDLY CHANGING WORLD**

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INTRODUCTION

Already starting at the end of the last century, the transformation of the media landscape in Europe has accelerated in the past decade. New technologies, new competitors and (as a result?) new media behavior have disrupted the old order and changed the rules of the game.

Politics has, in general, been slow to react. Governments are – as they should – reluctant to interfere in media matters. But on the other hand, we have seen flourishing media ecosystems in European countries diminish. Maybe even to reach a point where independent reporting is no longer significant as a part of a democratic system. Journalism has to re-invent itself to fulfil its role as a watchdog of institutions and organisations. The question is if, and how, governments will come to the rescue.

Sarajevo Mediacentar is interested in examples of best practices in terms of transparency of media funding. Mediacentar is particularly interested in the transparency of the processes and the purpose and criteria of government funding. The writing of this document made it clear that the way European governments support media is far from transparent. Of course, governments work by budgets that are made public, but in many countries it would take quite an effort to find out exactly how much money is used to – in one way or the other – subsidize media. For example, sometimes support can be “hidden” in measures like agreements with national postal services.

In this document we will elaborate on some of the best examples of ensuring independence of decision-making in state policies and practices of supporting the media. Therefore, we examined the evolution of media markets and the developments in the field of journalistic innovation and media policy in nine European countries. The overview shows that the countries we have examined all use different instruments to promote media innovation. These differences can be explained by the political, cultural and socioeconomic histories and structures of these countries. It is clear that there are no *one-size-fits-all* solutions. The research shows that governments in all of these countries are struggling with the dilemma whether or not to interfere in matters regarding journalism. Governments fear to endanger journalistic independence.

When it comes to innovation policy, in most cases we see a mix of judicial, financial-economic and “soft” instruments (like encouraging the sharing of knowledge between media companies). There are examples of direct support (subsidies and loans) but also indirect measures like tax advantages. For decades governments have felt (financially) responsible for public broadcasting systems; in sparsely populated countries governments helped to give people access to newspapers. But developing a policy aimed at media innovation is relatively new. Its effects are still to be examined. What the countries have in common is that the media landscape has changed dramatically. Broadcasters and newspapers face the same problems; traditional journalistic organisations are no longer – or are much less – dominant.

As a result, it is difficult to establish the effectiveness of government involvement in rapidly changing markets. Most governments face the same dilemmas: Should we support traditional companies that are clearly not sustainable; should we support new companies that may have little social impact? Privacy issues seem more important than ever, and should governments get involved in “the battle against Facebook and Google”?

The main focus of this document is on government involvement in media and the organisations that monitor the rules and the law. Given the limited time available, it is restricted to practices in the Netherlands and neighbouring countries, Finland and a group of South European countries.

I hope that this document will contribute to the successful transformation of the news media industry in Bosnia and Herzegovina.

BELGIUM

In Belgium there are three regional communities responsible for media. Therefore, media regulations and media policies were transferred to the Flemish, French and German speaking communities. There is no such thing as a Belgian media market or a single government approach to media ownership and innovation policy.

The Belgian Constitution of 1831 guarantees freedom of expression and press freedom as inalienable rights in articles 19 and 25. The degree to which the constitutional guarantees against preventive censorship have been eroded has been a subject of debate in recent years. There is still some legal discussion and vagueness around the subject.

The Flemish government has subsidy programs for news publishers and TV broadcasters (ca. €350 million per year). There used to be a structure to stimulate **innovation** in the media, but this has been terminated in 2012. The Flemish government is known for its generous but non-targeted support for media. There is a discussion in the Flemish Parliament to change this policy by those who are in favour of a journalism fund (like in the Netherlands).

Authority over cultural affairs resides with the language communities. A 1980 law specifies radio and television as cultural affairs. The parliaments outlined the basic rules in decrees, clearly based on language criteria. Those are then specified by the administration and the minister of media. The responsibility for the enforcement of the rules rests in Flanders with the Vlaamse Regulator voor de Media (Flemish Media Regulator). The decrees do not address the way governments in the language communities support media, except for public broadcasting. For the past decades, the decree has been adjusted in order to provide more independence for public broadcasting.

In Belgium there exists a support system for the **press**. Indirect government support, aimed not at a specific paper but at the newspaper market as a whole, is organised by the federal government. The most important of these subsidies are favourable rates with the postal service. These are hard to calculate. Estimates for 1990 were around €54.5 million for newspapers and €190 million for newspapers and magazines combined. There are also other forms of indirect support. Professional journalists can ride the train for free. Newspapers and magazines are also transported at a favourable rate. Journalists also get a significant discount at Brussels Airlines. Another important form of indirect support is the 0 percent VAT. It applies to all newspapers and magazines with informative content for the general public that appear at least 50 times a year. A point of critique of the Belgian indirect subsidy system is that it disproportionately favours the bigger papers, thereby widening the gap in the print media market.

In Flanders, yearly €271 million (€ 44.5 per capita) are spend on public broadcasting (VRT) and €1.88 million on regional broadcasting. Sometimes there are (relatively) small amounts available for innovation, but nothing structural. Sometimes, out of the blue, government gives money to publishers “for support” (recently €910,000 for MediaHuis). The government of Flanders does have a lot of measures that seem to support media indirectly, like reduced VAT rates and a “deal” with the Belgian postal service with regard to delivery of newspapers.

FINLAND

Finland is a post-industrial, sparsely inhabited Nordic country with a population of approximately 5.5 million. It has two official languages: Finnish, spoken by the vast majority of the population, and Swedish, spoken by 5.4 percent of Finnish citizens.

In Finland, the Ministry of Transport and Communications is responsible for communications policy — including matters relating to information security and data protection, mass media, and postal services — while the Finnish Competition Authority monitors business deals and trade practices. Finnish media legislation includes a wide range of regulations and rights, from those embodied in the Constitution to the Communications Market Act of 2003, which in 2009 was amended to enshrine universal Internet access for all Finnish citizens. The Finnish Communications Regulatory Authority (FICORA) monitors and promotes communications markets and services in the interests of the general public, business, and industry. Despite the existence of 23 separate media laws, however, there has been no special legislation on media competition, concentration, or ownership. Existing norms are defined within Finnish and EU legislation on general concentration and ownership matters.

From a brief international comparison, it is evident that regulation of media ownership and concentration is not particularly stringent in Finland. The Finnish Communications Regulatory Authority, FICORA, is an agency under the ministry as the general administrative authority for electronic communication and information society services. FICORA plans and administers the use of national and international radio frequencies, communications network numbers and network addresses. It collects television and licence fees to be used for public service programme production, grants short-term broadcasting licences, and monitors the content and advertising of television and radio programmes. FICORA publishes reviews on the development, the pricing and service level of communications markets and services. The tasks and sphere of the responsibilities of FICORA have extended due to the rapid expansion and globalisation of the Internet, mobile services and electronic commerce. The convergence of computers, telecommunications and mass media is one of the biggest changes the sector has ever faced. The digitalisation of radio and television networks enables the networks to be used even for other forms of communication than the traditional mass media.

The ministry is also responsible for matters concerning state subsidies given to **newspaper** publishing. The government’s budget includes an annual allocation towards political party newspapers and for discretionary press subsidies. The discretionary subsidies are granted to newspapers published in national **minority languages** and for the corresponding web publications. Subsidies are also granted to the Swedish-language news services of the Finnish News Agency. The granting of such discretionary subsidies is decided by the government.

According to the Ministry of Transportations and Communications, the Finnish media has not benefited from state aid to the same extent as their counterparts in other Nordic countries. The current situation has warranted a need to investigate how and whether the press could be supported during the transition of media and how such a support would affect the media market. In a [subsequent report](#) by administrator Tuomas Harpf, he suggests that Finland adopts a similar model to the media support system that is in use in Denmark in order to support **production and innovation**. The total amount of support given was suggested to amount to €30 million, of which production support (€25 million) could be granted for example to cover up to 30 percent of the production costs of journalistic content. However, this support should be granted on a fixed term basis and it should be as neutral as possible in terms of competition (see: Epilogue).

Yleisradio Oy (Yle) is Finland's national public-broadcasting company (1926, modelled on BBC). The company is financed by a public broadcasting tax (known as the Yle tax), which is collected annually from private individuals together with their other taxes and also from corporations. Yle has a status that could be described as that of a non-departmental public body. It is governed by a parliamentary governing council. Yle's turnover in 2010 was €398.4 million.

Finland had quite a reputation with regards to supporting media, newspapers in particular. 25 years ago, newspapers received almost €40 million per year (the Finnish Model). This has been reduced to practically nothing.

GERMANY

The German Basic Law, the interpretations of the Federal Constitutional Court and the law of the European Union provide the legal framework in which media policy develops. They describe and also confine the playing field of the actors involved in the formulation and implementation of media policy.

Germany has a “dual system” of both public and commercial broadcasting (in fact, if you include community media it is a tripartite system). In public broadcasting the Länder (states) have a strong role. The German Federal Constitution stipulates that the sole responsibility for broadcasting rests with the Länder of the Federal Republic as part of their “cultural sovereignty”. Because of this, the public service broadcasters are a creation of the Länder that act individually or jointly (in agreements). This means that all nationwide media laws have to be settled by an agreement between the different Länder. A basic agreement of all Länder (Rundfunkstaatsvertrag) defines the general broadcasting situation, as far as both the public and the commercial sectors are concerned.

The overall arching influence on media legislation stems from the constitutional court (Bundesverfassungsgericht), which played a strong role in elaborating the pillars of the broadcasting system in Germany. While broadcasting legislation is oriented more to the common good and the needs of the public sphere – although it has to comply more and more with the EU requirements of competition laws – legislation for press and online media is oriented solely to the market model of competition. Special legislation is made to protect individual rights of privacy.

In recent times, debates about the future of German public service broadcasting are more and more influenced by decisions and challenges of the EU. Direct state subsidies do not exist neither within the print sector nor in the electronic media, although special aid such as a reduced value added tax rate and reduced prices for distributing print products via mail serve as a state generated support for the press.

For many years, the innovation policy of Germany was mainly focused on regional development and infrastructure projects. This policy was established after the integration of former West and East Germany in the late eighties. Recently, a share of funds has also been allocated to **innovation promotion**. Next to the federal government policy, all Länder offer also programmes for strengthening the innovation activities of companies and areas. Most of the programmes are technology open, only few Länder also support specific technologies. The technology programmes of the Länder very much consider their economic and innovative potential. In general, these programmes do not have a specific (multi-) media sector orientation but can include media innovation initiatives.

The Germans pay € 17.98 per family yearly for their public broadcasting system. ZDF and ARD have a yearly turnover of € 9.1 billion. Newspapers do not receive any direct government support. But it is estimated that by reducing the VAT rate (7 percent against 19 percent standard) for newspapers (as it does since 1968), the German state waives almost €500 million per year.

ITALY

Articles 21 and 41 of the Italian Constitution of 1947 protect the freedom of expression and the freedom of economic entrepreneurship respectively. The authority entrusted with the dual task of ensuring proper competition of operators in the market and to safeguard pluralism and fundamental freedoms of citizens in the field of telecommunications, publishing, mass media and postal services is the *Autorità per le Garanzie nelle Comunicazioni* (AGCOM), created with the Maccanico Law in 1997. This is a collegial body with a president (appointed by the government), a council of eight members (elected by parliament) and two committees (one for networks and infrastructures, another for services and products). This authority extends its control over the telecommunications sector, the electronic media and the publishing industry. Its political origins, however, made AGCOM a rather timid and ineffectual regulator. It holds important control over the telephone market, but it has shown little capacity to effectively regulate the TV system.

The action of the AGCOM is characterized also by its investment in research and innovation, considered as fundamental to improve the quality of market regulation and to guarantee the monitoring of relevant innovations. Within this framework the authority regularly conducts studies in the fields of electronic networks and communications services, communication infrastructures as well as media content.

Despite these studies, Italy lacks a bipartisan plan to shape the Italian electronic media vis-à-vis the challenges of globalisation. This present state of uncertainty and fogginess in the media landscape can be attributed to turbulence in the political system, lack of transparent government programmes and a strong lobbying effort by major operators.

The *Ordine dei giornalisti* claims to be an ethical watchdog over its members, but it has been particularly inefficient in this activity. There is a parliamentary board to supervise RAI, too. It was introduced in 1975 as a political authority comprised of 41 MPs from all parties. This body only has jurisdiction over the activity of the public broadcasting company, RAI, but it was given the important role of electing its president by the 2004 law.

With regard to the newspapers publishing sector it is clear that the current policy of public subvention does not stimulate innovation but rather supports incumbent operators. In Italy the **publishing sector** receives both direct and indirect public subventions. More precisely, publishers – those belonging to journalists' associations, foundations or representing linguistic minorities or political parties – that have been operating in the market for at least five years receive a fixed contribution equal to 30 percent of their annual costs, with a limit of one million euro, and a variable contribution depending on the circulation of titles. Further, publishers have been enjoying reduced postal tariffs for delivering their printed products to households, a 50 percent discount on phone bills as well as an exemption from VAT on 80 percent of sales, the difference being reimbursed by the state to the respective operator. The reduction on postal tariffs has been suspended in 2012 as the postal service announced it was missing €250 million of reimbursement from the state.

Such subventions seem actually to support established publishers rather than stimulating start-ups to enter the market. In fact, new publishers are not entitled to receive direct public support for the first five years of their activity. It was not until June 2014 that a €120 million fund was finally created to support **innovation** within established and new publishing firms, stimulate the hiring of qualified journalists within the new media sector and facilitate reorganization processes during the next three years.

The Italian government also passed the law 179, *Decreto Crescita 2.0*, to enhance the creation of innovative start-ups. A register for innovative start-ups was created and is kept constantly updated. Registered start-ups enjoy reduction of start-up expenses, tax reductions, relaxation of regulation in case of eventual losses, exemption from employment law, tax credits for the employment of skilled employees, disposal of equity crowdfunding platforms, tax incentives for investors, and access to a fund that serves as guarantee for 80 percent of start-up loans. *The Italia Start-up Visa* is a further program introduced in 2014 to make the release of a visa for foreigners that want to start-up an innovative firm in Italy. Again, these are not media specific measures but media start-ups could well profit from them.

An Italian household pays a yearly contribution of €90 for public broadcasting. This forms 68 percent of the total costs of RAI. The rest is paid for by advertisement (€698.2 million) and €201.6 million by copyrights and other businesses. Most newspapers are financially supported by companies, political parties or banks. Depending on the composition of a government, newspapers have access to government funding. It seems clear that most newspapers would not exist without support.

PORTUGAL

Similar to what is happening in other countries and media markets, the main challenge of the media companies in Portugal is to innovate their business models, either through the improvement of processes and products (incremental innovation) or through the introduction of new products and new methods for content distribution (radical innovation). The media industry in Portugal is hit by an economic recession and a structural crisis due to the emerging of new media and technologies. A circumstance which has limited resources to invest in innovation and development, which is a strategic key for the competitiveness of companies and pluralism of the media system. It is for this reason that the state should also have an active role in public policies that foster media innovation. In the Portuguese case, as stated above, the initiatives have been timid and restricted to local regional media and public service media.

It feels safe to say that the future of media companies in Portugal is dependent on the acceleration of international growth because of the external market's stagnation, a circumstance that increasingly requires the adoption of good management practices and innovation in contents' formats, management and marketing. In this context, the Portuguese regulatory system may have an important role to promote healthy competition in the information market and to stimulate innovation in media companies.

In the last decades, the Portuguese government has not been sufficiently proactive in designing public policies and strategic programs to stimulate innovation in the media sector in Portugal. However, it is still possible to identify some initiatives or programs created by the state that stimulate innovation, particularly in regional and local media, through direct subsidies in various fields (education, market research, innovation and technological modernization, among other possible policy areas) and indirect subsidies (support for postal costs in newspapers delivery). In any case, these supports have been progressively reduced and rethought in recent years, not only because their impact fell short of expectations, but also due to economic pressures, which brought the adverse situation that the country has gone through since 2010, culminating in the intervention – rescue – from Troika.

Despite of the progressive reduction of the assigned amount, the state, through the government's Office for the Media (GMCS), has been creating support models (direct and indirect), which have potentiated innovation and dynamism of the local and regional media markets. Direct support is given to **newspapers and local radio** or to specific **media projects**, in the form of a loan to purchase new equipment or to innovate and develop a journalism project. There has been some dialogue in the past years, particularly between the Portuguese Media Confederation and the government members responsible for the media, in order to create **specific programs** within Portugal 2020 (national application of funds from Horizon 2020) for the media industry, whose goal of the program, approved by the government in September 2014, is to support the transition to digital, new business models and internationalization of the domestic media industry.

Three main types of indirect state interventions in the media industry can be identified, through teaching and research system:

- The state, through the Institute of Employment and Vocational Training, has **funded** the Professional **Training** Centre for Journalists, an institution that has played an important role in the preparation of human resources for media companies, especially in the area of content production and journalism.
- The Science and Technology Foundation – state foundation to encourage research – has supported some projects, like the creation of **research** centres in the field of communication sciences that help to think about the role of media in society and to generate information on journalistic practices and market.
- Universities and institutes, particularly the public ones (because they receive more state resources and have greater presence in the country), have played a key role in the **training** of professionals to support the value chain of media companies, from editorial, content production and multimedia technologies sectors, to their management and marketing. It will also be important to strengthen cooperation with the media industry.

The new media regulator – Entidade Reguladora para a Comunicação Social (ERC) – initiated functions in March 2006, articulated with Autoridade Nacional das Comunicações (Anacom) and Autoridade da Concorrência (market and competition authority). The reform of regulatory framework implied the extinction of Alta Autoridade para a Comunicação Social (AACS – Media High Council) and Instituto da Comunicação Social (ICS – Institute for the Media), the latter reorganised as Gabinete para os Meios de Comunicação Social (Media Services Office).

The ERC is a public agency independent from the government, whose board members are elected by Parliament. It pursues the assurance of the following structuring principles: pluralism and diversity; freedom of information; citizens' fundamental rights; protection of more sensitive public and audiences, such as children and elderly people; accuracy and reliable nature of information. To avoid an excessive media property concentration affecting principles such as pluralism and diversity is one of the ERC's main tasks; the media regulator watches over the attempts of economic and political power to influence and jeopardise media independence. In addition, the ERC should promote co-regulation and encourage self-regulation mechanisms.

RTP currently gets more than half of its funding from a license fee, which is expected to generate about €140 million or €180 million this year — less than €30 per household. But RTP is also getting about €70 million directly from the government and a smaller amount in advertising revenue.

While relationships between Portugal's government and press are nowhere near the level of control and suppression as under earlier fascist regimes, critics of the current government claim leaders are trying to exercise more control. Although the government owns several media outlets, Portugal's diverse and active press corps keeps citizens informed and helps maintain an open dialogue about government and politics that was missing for nearly five decades. We have found no evidence of government support for independent newspapers.

SPAIN

Broadcast media have specific laws regulating their content and schedules. These are inspired by European regulations. One specific law has regulated content provided via Internet since 2002. No specific laws apply to print media. Newspapers and magazines do not receive subsidies except for some publications written in minority languages. In 2017 VAT has been raised for most products in Spain. The VAT charged to publications however is still only 4 percent (*tipo superreduccio*). Digital television has been raised from 10 percent to 21 percent. The Spanish government has an active policy to protect media in the country. They were the first to actually charge Google for using Spanish news sites (the “Google-tax”).

Innovation in the media in Spain has not been led by regulation. The wave that swept the media in Spain has taken managers, firms and even entire markets by surprise. The development of the Internet and free consumption have diminished content value. There is an abundance of substitutes. Consumers found news and entertainment without any cost and started “fleeing” some media outlets. Then, the industry was hit by the September 2008 financial crisis that eroded growth and advertising with it. It was the “crisis inside the crisis”. The need for daring solutions was all the more pressing in a context with fewer resources to cope with change. The digital transition has updated company learning. Traditional ways of production changed and the workforce needs to be trained again. Some old and established players are threatened and only learning companies make progress. Best brands are able to innovate, have initiative and accept risks. The more capable media companies “swim against the stream”.

The Ministry of Industry, Energy and Tourism created CIRCE (Centre of Information and Network for Business Creation). Its goal is to help with information activities of innovation and entrepreneurship. A fund to help young entrepreneurs was also created. Another key public initiative is the “Avanza” (Spanish for “move forward”) Plan for the Development of the Knowledge and Information Society. Between 2005 and 2008 the Plan has received €5.000 million to fund projects to develop products, processes, applications, contents and services related to **ICT**. Its basic priorities were promoting the use of the Internet and the creation of digital content.

The Ministry of Economy and Competitiveness also created CDTI, a fund to finance technological innovation that helps innovation projects in large companies. Measures to protect intellectual property are assigned to the Ministry of Education, Culture and Sports.

The Spanish government regulatory and policy actions are favouring more innovation in the telecommunications sector than in the media. Public action has been oriented **more to technologies than to content**. A confusing web of public initiatives and institutions make the promotion of innovation and entrepreneurship less dynamic and efficient for the media industry.

This year the budget of the public broadcasting company has been reduced by 20 percent to €937 million (€20 per capita). Spanish public broadcasting is partly (half) paid for by the public, the rest is paid for by taxes on telephone companies and paid television. There are no indications that the Spanish government has an active policy in supporting newspapers of other media companies.

SWITZERLAND

Freedom of the press, radio and television is guaranteed in the Swiss Federal Constitution (art. 16). Furthermore, article 93/4 of the Constitution, which regulates radio and television, explicitly calls for the protection of the **press**. There is, however, no legal obligation for the Swiss press to fulfil a public service mandate. Newspapers – as private enterprises – are only subject to free entrepreneurial decisions and, of course, the market.

Switzerland has a reputation as being on top of innovation and competitiveness. Sadly, most efforts in that regard were focussed on traditional firms and not on start-ups. If Switzerland is competitive in terms of offer of incubation and infrastructure facilities, as well as in terms of education offering, the country is far less well off in terms of financial support offered to new firms such as direct subventions, fiscal easing or risk capital enhancement. Politicians are quite active in trying to change the situation and grant the possibility also for new firms to enter the market. With reference to the media sector some measures have already been taken in order to improve the situation of smaller companies and strengthen competition on the market. In 2007, as a result of the revision of the broadcasting law (RTVA, art. 40), new criteria for the distribution of the license fee have been established. A fixed amount is being distributed each year to **commercial broadcasters**; since the revision of the law the amount went from 9 million Swiss francs to 18.5 million for radio broadcasters and from 6.5 to 31.4 million for TV broadcasters. There are three Swiss commercial TV stations (only in the German-speaking part) and fourteen regional commercial TV broadcasters in all three language regions. In each language part, private and public TV stations from neighbouring countries reach a considerable number of viewers. They, of course, do not get money from the Swiss government.

Print media are not receiving any direct contribution coming from the state. However, as in many other countries, they are granted a reduced price of postal services for the **distribution** of newspapers. The difference is paid to the post by the state. Considering the structural crisis that the media industry is undergoing and the fact that print circulation is constantly diminishing, the government took action and in 2012 constituted an independent Federal Commission for Media (COFEM) giving it the task to analyse the situation and propose alternative ways to support the media sector and thus ensure media **pluralism**. The commission submitted a report in September 2015 which suggests several measures to support in particular the journalism sector, considered as essential to the democratic debate. The proposition is based on the conversion of the present indirect financial support in terms of reduced postal price for the newspaper delivery into financial support for other actions.

First of all, COFEM proposed to support the national **press agency** ATS, considered as an infrastructure for the whole industry. Then, financial support should go to the **training** of journalists and to the development of innovative media projects, ideally in collaboration with the programs of the Federal Commission for Innovation and Technology. Furthermore, the creation of media **start-ups** should be facilitated, while **exceptional journalistic achievements** as well as **media research** should be awarded and further sustained.

Bakom and UVEK are in charge of supervising the performance of Swiss radio and television broadcasting. Since 1984 the Independent Authority for Programme Complaints (UBI) has been evaluating complaints about programming.

In Europe the Swiss public broadcasting system is the most expensive: €140 per person. The Swiss government also contributes considerably (€40 million per year) to newspapers and magazines by Swiss Post granting price reductions.

THE NETHERLANDS

The Netherlands has a policy that differentiates from other European countries. It has a long tradition of media freedom. In the last decade, the Dutch support system to the news media has gone through a continual process of rethinking and transformation. The choice of policy instruments has changed. The policy now focuses more on stimulating journalism in general, instead of publishers and editors, to deliver news across diverse media platforms. This task has been delegated to the *Stimuleringsfonds voor de Journalistiek* or innovation fund for journalism. The fund focuses on supporting innovative activities of news media, in particular activities of smaller firms and start-ups, research, giving advice and organising workshops and events that aim to inspire actions in the media and bring different experts together. The Fund has to work with a yearly budget of € 2.1 million.

The Commission for the Media supervises the implementation of the media law regarding public as well as commercial television and cable operators. The commission allocates broadcasting time to national, regional and local public media, and gives licenses to commercial stations. Broadcasting organisations have to meet two criteria to get into the public broadcasting system: An individual organisation needs at least 150.000 (paying) members and they have to carry out the requirements of the media law to broadcast a prescribed amount of programmes in categories like information, culture and education. Public broadcasting organisations also have to produce a certain share of domestic programmes. The commission also monitors the financial situation of public broadcasting and is authorized to fine the broadcasting organisations for clandestine advertising, illegal sponsoring, or commercial side-lines.

The national public broadcast gets around €600 million a year (and around €160 million from advertising). Regional public broadcasting gets around €125 million a year. There are (relatively) small amounts for the Dutch Journalism Fund (€2.1 million), local broadcasters (€1.5 million) and “media-wisdom” (€1.5million).

UNITED KINGDOM

Media innovation in the UK is taking place as part of its broader industrial development innovation and innovation policies. These policies have been developed within the context of a country that relies strongly on markets for development and growth and has instituted significant deregulation and reductions in government intervention in business in recent

decades. Consequently, innovation policies tend to rely heavily on creating an environment that supports innovation and entrepreneurship, promoting commercial research and development, and the production of government–industry innovation networks.

The UK has made significant effort to develop and implement comprehensive innovation policies in the past decade, emphasizing creation of a supportive environment for innovation and increasing the capacity and support for innovation through innovation networks, skills training, access to private financing and an innovation investment fund, incentives for research and development, public support through research councils and regional development agencies, improvements to the intellectual property regime, and academic funding to improve innovation and knowledge transfer.

Specific activities supporting innovation are diffused through various relevant ministerial departments and agencies at both the UK and nations levels. A UK government-supported National Endowment for Science, Technology and the Arts (NESTA) is a leading player in encouraging and shaping innovation through public–private partnerships and addressing issues affecting innovation.

The greatest support has been given to areas including science, technology, and engineering. Innovation policy has been specifically coordinated with national economic and employment policies to support areas where greatest growth is perceived possible.

The number of media-specific innovation policies are limited, but media are regularly included within information economy, digital, and creative industries policies. The most enduring media policy is that the British Broadcasting Corp. (BBC) has been directed to research and advance broadcast technology since it was established nearly a century ago.

Government agencies have invested significant support in skills **training** in digital media systems and production, entrepreneurship for **small media**, support for **media innovation networks**, special funding for **public service media**, supporting **cultural industries** (dance, theatre, etc.) **beginning media production and distribution**, and providing **export** support for **audio-visual products**.

Academic **research and education** related to media innovation have been funded by the arts and humanities and economic and social research councils at leading universities. Most of the grants have been related to digital transformation and improving knowledge and development of systems, products, and strategies, and understanding consumption of digital media.

Direct support for commercial media innovation projects has tended to be limited to R&D incentives and support for exporting successful innovations. In general, one might argue, that in the UK, there seems to be much attention for enabling innovation by improving training and education, addressing financial costs of innovation, and developing long-term technological expertise in public firms. In the case of the UK, it is difficult to separate out the money coming from media innovation funds or general innovation funds in the budgets of the various departments and agencies.

The overarching government approach to media has been one of “light touch” control and an open market environment. The main drive is to increase private ownership and to “be digital”. This has led to progressive reductions in regulation. However, the existence of the BBC as a four-dimensional – print, television, radio and online – public service entity

sits uneasily with this arrangement. There are complaints that the presence of the BBC distorts the market at a time when many conventional media are struggling to survive. The government department with major responsibility for the media is Culture, Media and Sport.

In 2003 a complex system of media regulation and oversight was partially rationalised through the creation of Ofcom to police broadcasting and telecommunications (replacing five separate bodies). This heralded a “lighter touch” statutory regulation (for example, prohibitions on cross-media ownership were relaxed); however, controls over content were strengthened. This aspect of Ofcom’s work also applied for the first time to the BBC. Otherwise, the corporation established a trust to oversee its operations and to represent the public. As a public corporation, the BBC is ultimately answerable to parliament.

Everybody in the UK who owns a television pays € 175 yearly. It is up to the Ministry of Culture, Media and Sports to decide how much money goes to the BBC (total € 2.3 billion).

The British government has no specific media policy or direct support for media. But indirectly, there seems to be an extensive system of support. VAT has been reduced to 0 percent and the government is very generous in advertising in British newspapers. Different parties differ on the cost of the VAT reduction, but some estimates speak of more than € 700 million yearly.

EPILOGUE

As the document shows, relations between governments and media are, in general, complex. In a mature democracy, the government should foster well informed, independent media, although that is not always in their best interest since media have a tendency to be critical of governments and government institutions.

Nevertheless, many governments feel the pressure to support media. Ever since radio and television exist, many governments do this by financing public broadcasting. They should, of course, guarantee and safeguard the independence of public broadcasting. The question is what the level of control over these public media is.

Apart from that, many European countries have a history of supporting both public and private media from a standpoint of **maintaining diversity** of media. This can vary from a lump sum contribution to all newspapers in a country that is scarcely populated that it is expensive to deliver the newspaper (Norway) or to help journalism to re-invent itself, like the Netherlands.

It goes without saying that these times ask for non-conventional measures. Media face new unprecedented challenges. Mass media no longer accommodate advertisers, the willingness to pay for news is vanishing, most traditional media have a hard time keeping up with new technology. Apart from that, big US platforms like Facebook and Google seem to dominate media. They decide which customer gets to see what and take around 85 percent of the online commercial income.

Traditional media should reinvent themselves, but they do not have the means to do that. New media should be able to experiment, to fail, to expand, so they need seed money, the

right environment. Here is where politics comes in. One could argue that the problems media face are a result of a disturbance in the market that should be solved by the market itself. One could also claim an active policy by the government is needed to give media a fighting chance to survive and find a new ecosystem for news and information that is independent and reliable.

Most governments support a system for public broadcasting. It is fascinating to see how different governments have very different approaches when it comes to supporting media in their search for new audiences, new techniques, new business models. Governments can abstain from any form of support, they can have a real policy or they can be supportive without much focus. Those governments who do support media, with or without a vision or strategy, can be generous or spend just enough money to pretend to have given it a lot of thought.

Flanders (the northern part of Belgium) has its own government and its own media policy. But, quite frankly, “policy” seems to be too kind a word. On the bright side one could say that the government is very generous. The government made a special deal with the newspaper publishers about distribution. They resist ruling from Brussels (Europe) by maintaining btw (VAT) on online-productions at the low rate of 6 percent. Apart from that, there is little money for innovation and unexplainable amounts of money (recently more than €900,000) was given to one of the biggest publishers (Mediahuis) for “support”. This while Mediahuis makes a very healthy profit.

In Denmark, the government has a different approach. Copenhagen very generously supports all journalistic initiatives on a commercial basis, as long as these initiatives are aimed at a big audience. All these initiatives can apply for a financial contribution. The level of the contribution is defined by the size of the organization (the bigger, the more money). Here, one might say that the Danish government avoids every discussion by simply making subsidy available for everyone. The question is, if this policy will encourage journalists to start something new. In a worst case scenario old school media simply get more time before their inevitable downfall.

Although there is always room for criticism, the Dutch approach seems to have some advantages. For the past seven years there was (relatively) little money available (less than €3 million per year) for innovation and “special journalistic project”. But this money seems to be well spend and has helped to create an environment where the mind-set has changed, start-ups get a fair chance to grow and the “wind of change” reaches both legacy media as well as new entrepreneurs.

The Netherlands has an organization (the Dutch Journalism Fund) that organizes programs aimed at media innovation and does research on developments in that field. This DJF receives roughly €2.1 a year. Recently, the government announced to make another 5 million available for investigative journalism. It has yet to be decided how this money is going to be distributed and by whom.

It is clear now that mainstream media have never been a friendly environment for women and marginalized groups. The online world changed all that, allowing these communities to create their own means of cultural expression, news, information and dialogue. User generated content is the buzz-word for some time now. Everybody can be a journalist, a publisher. You do not need a lot of money to start an online “newspaper” or “magazine” based on a community. Many media projects are run on a non-profit, democratic basis and

are based on voluntary participation in program making and in management by members of civil society.

Community media contributes to peoples' empowerment to improve their social and economic conditions, fight against discrimination and racism, become more effectively involved in the democratic development of their community and country and provide an alternative to mainstream commercial content. It is a positive sign that many European governments are aware of this and "diversity" is an increasing important factor in media policy.

The oversight of activities in a number of European countries makes it clear that there is no proven format for government involvement in media. Much is done by trial and error, not everything is as transparent as it should be, many of the measures lack focus. Maybe the way things are organized in the Netherlands will give some sense of direction. I chose this example, not because this system is without flaws, but because I know it well and it addresses most of the questions in BiH.

In the programs of the DJF transparency is of the utmost importance. Not only because the way government money in general is spend should be justified, but also because we want to make sure that all media benefit from the way projects are executed, whether they fail or succeed. That is why every project that is funded by the DJF includes obligation of writing a report on the way the project is handled in order to get full funding. This report will always be published on the website of the DJF.

Projects only get funding if they meet the criteria that have been formulated. The projects have to be journalistic by nature and innovative. These are preconditions. Projects that do not meet these criteria are excluded from the competition. The projects that are allowed to enter the competition are measured by criteria with regard to sustainability. We think it is important that there is some evidence for the assumption that there is a market; we also are very critical about the composition of the team. There should be journalists in the team, but it helps tremendously if there is also somebody who knows about technique, somebody with a feeling for business, a designer maybe. All the applicants are judged by experts. This is how we make a shortlist that, in the end, has a ranking that we use to decide which projects to subsidise. We try to organise this process as professional as possible, because we want to be able to explain to people who do not get money on what grounds their applications have been rejected. If people do not agree with our decision, they have a right to be heard by the board of the DJF. As a result, the decision can be reversed. And if not, applicants who have the impression that they are not treated fairly, of course, have the right to go to court.