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Title of paper: 'Public Television in Europe: The French and Greek Cases'

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Abstract

The aim of this article is to examine the way technological developments and the internationalisation of the television industry affects public television (PTV) broadcasters in Europe. The work focuses on the policies pursued by PTV broadcasters in selected European countries in response to the challenges that confront them in the era of digital convergence. The changes in the European television landscape force public channels to rethink their position towards new digital technologies, organisational structures and programming policy and scheduling. To illustrate the difficulties but also the opportunities that arise during this period of change, the article analyses specific activities and strategies undertaken by public channels in the main areas examined (reorganisation, programming and technology) in one large (France) and one small European country (Greece).

Keywords

public television

programming policy

organisational reform

France

Greece

Introduction

New communications technologies such as digitalisation and convergence, the growing internationalisation of the industry and the emergence of transnational corporations, alongside profound economic, social and political shifts have contributed to the emergence of a new television order and caused multi-faceted pressures on former PTV broadcaster monopolies. The public TV sector reacted in various ways to this situation. Each PTV broadcaster exists and operates within a specific environment, in which room for manoeuvre and initiative taking depends on many factors, including history, traditions, language and culture, the political climate, the level of economic development, the size of the market, the technological infrastructure and the regulatory framework. Other factors include the readiness of public channels to respond to the demands of the competitive digital era, which in turn depends on organisational reform, programming policy, and involvement in new technologies. These factors can hinder potential strategies and at times limit the public sector's room for manoeuvre. This explains to

some extent the important differences observed in the initiatives undertaken by different public channels.

This article focuses on the policies pursued by PTV broadcasters in selected European countries in response to the challenges that confront them in the era of digital convergence. The changes in the European television landscape force public channels to rethink their position towards new digital technologies, organisational structures, and programming policy and scheduling. To illustrate the difficulties but also the opportunities that arise during this period of change, the article analyses specific activities and strategies undertaken by public channels in the main areas examined (reorganisation, programming and technology) in France and Greece. These have been selected on the basis of presenting a combination of large and small countries, which have different levels of competition in the field of television. Further, the selection of these two Southern European countries has also been made to highlight the partisan political control of television which is featured in both media systems and the difficulty in developing a vibrant and independent public TV sector under such conditions.The article starts by defining the role of public television and outlining developments in the sector across Europe. It then moves on to analysing the competition, programming, funding and organisational strategies employed by PTV broadcasters to face the pressures that are apparent in the digital world. The second part of the article investigates the policies adopted by the French and Greek PTV broadcasters in the areas of new digital technology, programming and internal restructuring to survive in the current broadcasting ecology.

Part I

Public television in Europe

Public television can play an essential role in safeguarding a pluralist society and meeting its cultural and social needs and it is therefore at the heart of the democratic systems. Through its mass reach and influence PTV broadcasting has the capacity both to enrich people's lives as individuals and improve the quality of life in society. In Europe public TV occupies an important part of the television sector. It is not considered merely an economic activity, as it is in the USA, but rather a social and political tool, accessible to all and contributing to pluralism, diversity and democratic expression. Historically, monopolies in television (and radio) were justified on technical grounds (spectrum scarcity), but a raft of political and social arguments were added to these technical reasons, as it was believed that broadcast media could exert powerful influence and had to therefore be heavily regulated (Humphreys 1996: 112–113; Iosifidis, Steemers and Wheeler 2005: 9). With the notable exception of Luxembourg, which never experienced state control in the sector, as well as the United Kingdom, Belgium (Wallonia) and Finland, where private television was introduced in the 1950s, PTV broadcasters in Europe functioned under a monopoly regime until the 1980s and constituted the sole source of information and entertainment.

However, the organisation and functioning of public channels are not the same across Europe, for they vary in the way they are funded and structured, their political

independence and so on. For example, revenues of the British PTV broadcaster BBC and Swedish SVT derive almost exclusively from the licence fee, but the income of the Spanish TVE comes mainly from advertising and state grants. Greece's national public broadcaster ERT is funded by a surcharge on electricity bills. In the Netherlands the Parliament decided in 2004 to replace the licence fee by a special levy as a supplement to income tax. Apart from differences in funding, PTV broadcasters differ among themselves in structural terms. For instance, while TVE in Spain is characterised by an integrated structure, controlling every area of TV activity, local governments oversee the autonomous regional public TV stations across the country. Also some countries (France, Spain and Greece) witnessed the emergence of state rather than public broadcasting. The difference between public and state television lies in the degree of its independence from political power. While state television promotes the interest of the state, that is the government, public television enjoys autonomy and editorial independence. In France, Spain, Italy and Greece, conditions variously defined as 'political clientelism' or 'state paternalism', have prevented the full emancipation of public television from direct political control (Council of Europe 2004). In France and Italy state broadcasters began to be transformed into public service broadcasters in the 1970s, whereas in Spain and Greece the dictatorships of Franco and the Colonels respectively delayed the transformation processes.

Therefore there is a notable difference between state and public PTV broadcasting, with the latter enjoying political independence. But even the flagship of independent broadcasters, the BBC, was attacked by the British government over its coverage of the Falklands war in the 1980s as well as the 2003 war in Iraq. However, the differences in the organisation and functioning of public television are not limited to the degree of political independence. Some large PTV broadcasters have expanded internationally (the BBC, France Télévisions and the Spanish TVE) or embarked on cross-border cooperation (the Swedish SVT with other Nordic broadcasters), but others have focused on the domestic market due to small size and language barriers (the Greek ERT and the Irish RTÉ). Broadly speaking, the large variations among the broadcasting systems stem from the different traditions, political cultures as well as regulatory systems that exist across Europe. It follows therefore that it is difficult to identify a single public television model or accurately define public television. This means that any attempt to compare public television systems across Europe and bring for(published by Intellect, ISSN: 1757-2681 (special issue).

ward workable suggestions on their functioning should be conducted carefully and should fully acknowledge these differences. In general terms, however, there are some common obligations bestowed upon public TV by society which define the remit of its activities. These obligations can be summarised as follows (Garnham 1986; Curran 1991; Keane 1991; Murdock 1992; Graham and Davis 1997; Tracey 1998)<<?2>>: (1) universality of content and access; (2) provision of programmes which contribute to social cohesion and democratic process; (3) setting of high-quality standards in the areas of entertainment, education and information; (4) contribution to political pluralism and cultural diversity; (5) enriching the lives of individuals through history, the arts and science; (6) preservation and promotion of national culture and heritage; (7) editorial independence and accountability; and (8) serving the needs of an increasingly multi-cultural society (new obligation).

Public television in a competitive market

Whereas public television enjoyed a monopoly status in the past and there was little debate on its legitimacy, technological developments, political and economic changes, socio-cultural shifts as well as regulatory changes have cast into doubt, not only the way public television is financed, but also its very raison d'etre. Inevitably European public channels face a series of dilemmas which fall into four main areas.

Competition and programming strategies.

The abolition of state monopolies and the introduction of competition in the audiovisual sector have put public television stations in a inferior position vis-à-vis commercial channels. Although PTV broadcasters make efforts to respond to these new conditions, these efforts are limited by the fact that they have a social mission to fulfill, namely defending the public interest (that is to provide programming diversity, ensure viewer access and guarantee accuracy and impartiality). Carrying out this mission means that public channels have to offer quality (therefore high-cost) informative, educational and entertainment services, not normally provided in the free market. The obligation of public television to preserve the nation's culture, offer educational services and cater for minorities does not make it easy to compete directly with private broadcasters.

However, failure to deliver popular programmes that attract large audiences may result in a competitive disadvantage. One senses a disturbing contradiction between the necessity for PTV broadcasters to be aggressive in the market-place and their public service obligations (Padovani and Tracey 2003: 133). Therefore, the dilemma posed is the following: should public television stations continue to act in compliance with their statutory remit, or should they adopt competitive tactics similar to those of private channels? In other words, should they take part in the battle for ratings and therefore offer services similar to the private sector (where at times profit prevails to the detriment of programme quality)? Or should they focus on services that the private sector by definition does not cover? But if they choose the latter scenario, they may not be in a position to maintain audience shares at a reasonable level (around 20 per cent), so as to defend their position as servants of the public interest. As we shall see below, public channels are already in a ratings battle and some of them have adopted a more mainstream programming approach to address the competitive challenge.

Funding method.

The licence fee constitutes the main source of revenue for public television in Europe. Additional revenues come from advertising, sales of programmes and television magazines, government subsidies and subscription income. In the days of monopoly, it was much easier to justify the licence fee, but this collective funding system has come under intensive pressure owing to technological developments which have allowed many more channels in the market. The fact that advertising and other commercial revenues constitute only supplementary resources for the majority of public television channels, combined with the unwillingness of most governments to increase the licence fee to the required level of inflation, has caused economic difficulties for public broadcasters. In addition, discussions have for some time been taking place at a European level about how

to reduce public television's dependency on the licence fee and find more efficient and rational methods of funding it in the digital multi-channel era.

The choice of the funding scheme can influence the activities of public channels, and in particular, the content of their programme offerings. According to McKinsey & Company (1999, 2004) funding by the licence fee reduces dependence on advertising, avoids direct competition with commercial broadcasters and allows public channels to formulate a programming strategy that includes distinctive, innovative and risky programmes. Private broadcasters often accuse public ones of using public money for commercial activities and populist programmes offered by the free market anyway, therefore, resulting in market distortion and unfair competition. Despite numerous complaints lodged with the European Commission relating to financing systems, the EC rejected practically all of them and declared the use of the licence fee compatible with the Treaty. Still, such developments have caused confusion and created uncertainty about future revenue levels for public channels, thus putting a brake on investment, and pushing up operational costs.

Investment in new technologies.

The question initially posed regarding the rapid development of new communications technologies is whether public television stations should take advantage of alternative ways of transmitting their programmes. Should they be allowed to provide thematic channels, or services on the Internet, for example? It is worth noting that across the EU 27 only in the United Kingdom and Spain it is explicitly stated in the public broadcaster's remit that they should embark on digital activities. But in practice it is mainly large public TV broadcasters who have done so. One argument in favour of this practice is that investment in new communication technologies allows public channels to re-acquire their competitive advantage and therefore play a leading role in the new era. Another is that public television should be present on all platforms and ensure that digital content is accessible to all citizens to fulfill the universality principle. This can be achieved by offering a free-to-air package and by promoting a common, open standard for the broadcasting of digital television signals that would address the problem of closed, proprietary technical standards. This guarantees participation and promotes wide-spread take-up of digital technologies. As we will see below, most public broadcasters have launched, or participate in, free-to-view digital consortia.

Also, some large public broadcasters have already invested in areas such as the Internet and multimedia, whereas PTV broadcasters in some of the smaller countries are still in the planning stage. The dilemma, however, has to do as much with the means of funding these initiatives as with the access of viewers to new services. In fact, the method of funding such activities determines the level of access viewers can enjoy. For example, if the new services are funded by subscriptions, then they will be accessible only to those who can afford the subscription, thereby sacrificing the universality principle. If on the other hand they are funded by the licence fee, then they are accessible to all. This scenario, however, logically presupposes increasing the licence fee at regular intervals to cover this investment, something which national governments are on the whole unwilling to implement because of the political fall-out.

Organisational reform.

Long-term operational and organisational strategies for PTV broadcasters are essential to address commercial changes, shifts in audience preferences, as well as technological advancements. The search for new content, but also for new centres of production and organisational units able to meet new demands, presupposes the creation of a modern and rational organisational model elaborated and designed by specialist advisers, external managers and consultants, who can clarify priorities and look for specific objectives, rather than vague principles. As Coppens and Saeys (2006) argue, the pre-eminent instrument for a more specific definition of tasks is the public service contract. While laws and/or decrees continue to lay down a number of principles, the specific tasks themselves are defined in the contracts. A growing number of countries, including Britain, France, Ireland and Sweden have specified the mission of their PTV broadcasters in contracts, while the television systems of some of the southern European countries such as Spain and Greece have no contracts as yet. Most contracts urge the PTV broadcaster to adopt a more modern human-resources policy, spend public money efficiently and justify their financial resources, increase revenue from self-help activities such as overheads reduction and job redundancies. As a result the mission of PTV, broadcasting is increasingly defined in terms of specific and measurable targets.

The merit of these new administrative guidelines for PTV broadcasters, in which the public service contract is a basic element, is that they urge public corporations to be held more answerable to the community that they serve. However, the new administrative system may place too tight restrictions on the broadcaster's autonomy, for the assessment of the broadcaster's performance can be submitted to the relevant political authorities who will appraise it from their own perspective and perhaps impose sanctions (Coppens and Saeys 2006). Another drawback of encouraging a more management-oriented approach is that the public sector may operate openly on the basis of commercial criteria and no longer as a public service. Moreover, a Council of Europe report (2004: 15) points out that it has been proved difficult to develop a managerial culture required to downsize the organisations, reduce staffing, cut costs and promote cost-effectiveness and efficiency because labour laws generally prevent easy dismissal of personnel and in any case most attempts to carry through reform have become bogged down in political conflicts. Even though the broadcasters' attempts to re-organise are necessary for survival, these attempts are often troubled.

Part II

The above constitute but a small part of the complex web of dilemmas that emerge in the new television order, characterised by the development of new communications technologies, the prevalence of market forces, the liberalisation and the internationalisation of television markets, as well as the convergence of technologies. Despite the existence of different public broadcasting systems, the dilemmas and the problems that public channels face today are common among European PTV broadcasters. But how have public channels responded to these challenges and dilemmas? This section analyses the technological, programming and organisational strategies that public channels in selected European countries have adopted to address these concerns

and adjust to the digital era. More specifically, the analysis focuses on the digital initiatives, programming/scheduling and internal restructuring attempts of one large public broadcaster (France Télévisions) and one small (the Greek public broadcaster ERT). The data regarding programming and scheduling help us to assess whether the public organisations have become more commercial to face competition and whether in the process have abandoned their public service remit. The information about digital activities enables us to check whether the relevant public channels have taken advantage of the new communication technologies and platforms and have therefore turned into Public Service Media. Further, the analysis of internal restructuring strategies considers the steps taken by the public TV sector to combat bureaucracy and inefficiency. In sum, the examination of the above three areas in a small and a large European country highlights the readiness (or not) of the public sector to adapt to the digital age.

The investigation of a large and a small territory is important because it takes into account the relative sizes of the internal markets, and thus defines in business terms PTV broadcasters' room for manoeuvre. The size of the market usually defines the relative strength of a country in the television sector and its capability to develop an autonomous television system with strong production units. The selected countries illustrate different levels of competition and development in the field of television and also in all converged media. The marked differences can be attributed partly to the size of a national market, partly to the regulatory framework, and partly to the political and economic climate. Observing national experiences gives us a picture of the way in which external factors (for example the level of competition in television or the effectiveness of the regulatory framework) influence the ability of public broadcasters to compete with the private sector. The examination of the areas that are more directly controlled by public channels (internal reorganisation, programming policy and digital initiatives) highlights the readiness of the public sector to adapt to the digital age.

The selection of these two Southern European countries has also been made to highlight the partisan political control of television which is featured in both media systems and the difficulty in developing a vibrant and independent public TV sector under such conditions. In France, the government considered it necessary to intervene in the television sector to safeguard and promote national culture and identity. In France as in Greece (and Spain and Italy for that matter) one can find some degree of political subordination of public television by the government. In Greece, state broadcaster ERT was seen as a mouthpiece of the government. Greece, along with Spain, represents a model closer to the East European situation, where deregulation of television emerged in an unstable political and social environment. Nowadays one can observe major shifts in the media ecology in both countries under scrutiny. Market dynamics has resulted in a profound transformation of the French and Greek television systems since the late 1980s, bringing about a multiplication of media outlets and enhancing choice. However, state policy in television is still determined to a large extent by the persistent culture of political expediency and pluralism is hard to secure especially in news and political coverage as political elites constantly seek to influence the content of political coverage. These phenomena are typical of the European south, in direct contrast to the European

north where the television systems are characterised by political autonomy and independence.[1]

The French case

Following the privatisation of formerly public channel TF-1 in 1986, France 2 and France 3 are the main remaining public stations which are competing openly with the powerful private channels TF-1, Canal Plus and M6, which have substantial financial resources. However, France Télévisions (the company under which all public broadcasters operate, including France 5 which was launched in 2001) has managed to retain satisfactory levels of audience share. In particular, in 2006 France 2 enjoyed a share of 20.5 per cent, followed by France 3 at 16.7 per cent and France 5 at 3 per cent. Regarding funding, France Télévisions is funded by a mixed system of commercial revenues (mainly advertising) and the licence fee, although this may change in the future following President Sarkozy's suggestion to take away advertising from public channels. Occasionally, the public broadcaster receives special state subsidies to pursue specific objectives, such as the dissemination of French programmes abroad.

Organisational reform.

The PTV broadcaster has been benefited by a major restructuring programme which led to the formation of France Télévisions to combine the resources of the public channels. This change has improved the organisational and operational profile of the now joint stock company and led to a better exploitation of programmes and personnel, resulting in trimming running costs at a saving of about fifty to fifty-two million Euros a year since the beginning of the new century (James 2005). Overheads were cut and management streamlined, with the result that net debt has fallen from 245 million Euros at the end of 1999 to 109.6 million Euros in 2003 (IsICult 2004). Heavy losses have turned into a net profit of 14.2 million Euros in 2003. France Télévisions grew its advertising by 4.9 per cent in 2002 to 710 million Euros, while in 2003 advertising grew again by 6.8 per cent to reach 820 million Euros

Programming policy.

One reason commonly cited for France Télévisions' robust showing, as evidenced by the relatively high shares enjoyed by public channels, is a distinctive programming policy. According to a report by the Instituto Italiano per l'Industria Culturale, published by Screen Digest, France Télévisions has steered clear of many of the reality-TV formats taken up by commercial channels and has instead focused on regional and local issues (especially through France 3), news and current affairs magazines, high-quality fiction and documentaries (IsICult 2004). However, it is mainly France 5 – which shares frequencies with the high-brow Franco-German joint venture channel Arte, which acts as

[1] Information concerning these case studies was largely extracted from my recently published book *Public Television in the Digital Era* (Iosifidis 2007).

a guardian of programme quality and diversity, whereas the programming of France 2 and France 3 increasingly emulates that of private rivals.

Table 1 compares the annual output of the public channels with that of the national terrestrial commercial channels. It can be seen that France 5, which is tasked with promoting knowledge, culture and employment, devotes as much as 80 per cent of its schedule to current affairs magazines and documentaries. In direct contrast, France 2's programming consists mainly of TV series and docudrama (25.1 per cent), entertainment and music shows (17.5 per cent), while a large proportion is devoted to news (21.1 per cent) and current affairs/documentaries (17.9 per cent). France 3's schedule pays more emphasis to current affairs/documentaries (27.8 per cent), TV series/docudrama (25.6 per cent), as well as to national and regional news (16.7 per cent). The central news bulletin is at seven o'clock in the evening and has a large audience, being watched by working people and the elderly. The age groups that watch France Télévisions are generally older than those that watch commercial programmes. Taken together, the programming of the main public channels France 2 and France 3 differs only slightly from that of the private TF-1 and M6, which give some more emphasis to entertainment and TV series/docudrama (see Table 1).

TO COMP: Insert Table 1 here

The relatively small difference between the main public and private channels is because public broadcasters are increasingly dominated by commercial concerns and managed as private corporations. Their programming over the years tends to resemble those of their commercial counterparts, with the notable exception of France 5 and Arte (EUMAP 2005). A pan-European study by Leon (2004) found that there are still some differences between French public and commercial broadcasters in the area of cultural programming. Using a wide concept of culture, the study showed that France 2 and France 3 had more cultural output than their competitors TF-1 and M6, but in prime-time the public channels' programming showed a strong orientation towards entertainment, and information to a lesser extent.

This is evidenced by France 2's programming policy. In September 2000, hampered by a continual but not precipitous, fall in audience share, the flagship public channel made dramatic changes in its programming, especially at peak viewing times. A young director was put in charge of news, and drastically changed the format of the central evening news bulletin at eight o'clock in the afternoon. Preceding this bulletin there is now a talk show called On a tout essayé, presented by well-known comedians and DJs. Prior to these changes, France 2's output consisted mainly of documentaries and educational programmes, but it now has more of an entertainment and less of an educational character. Overall, the cultural and educational programming of France 2 and France 3 represent about ten to twelve per cent of their total schedule. Yet, only a tiny part of this offering is available at peak time (18.00-23.00).

Thematic portfolio.

Similarly to other large European public broadcasters, France Télévisions has set up several thematic subscription channels, including:

- Festival – set up in 1996 and shows French and European fiction). France Télévisions owns 56 per cent of the capital, the Spanish La 7 owns eleven per cent and another eleven per cent share is held by Britain's Carlton Communications.
- Mezzo – a music service founded in 1998.
- Ma Planete.
- Planete Thalassa.

Historie, broadcasting documentaries, was set up in 1997 but sold to TF-1 Group in 2002. Apart from these subscription channels, France Télévisions is an owner (together with 19 more public channels) of Euronews, the Europe-wide satellite channel which broadcasts international news, as well as in the international French-language channel TV5, co-financed by Belgium, Canada and Switzerland, specialising in news and entertainment. Up to 2001 the public broadcaster had an 8.5 per cent share in the digital satellite platform TPS but this was sold in January 2002 to the commercial rival TF-1, as part of the restructuring and deficit reduction programme outlined above.

Development of DTT.

Digital terrestrial television was launched in March 2005, two years later than originally scheduled. In addition to political upheavals, it had to overcome conflicts between technical standards – MPEG-2 and MPEG-4 were the prime contenders – and differences between France Télévisions, TF-1 and Canal Plus. The service entitled TNT and the initial offering consisted of 14 free-to-air channels while later in the year two bouquets of pay-TV were added. Take-up of services exceeded expectations and by June 2007 about 8.2-million households were equipped to receive DTT, bringing the DTT penetration to 22 per cent of French TV households. This is significant given that DTT was only launched in March 2005. This early success was partly because the set-top boxes were made available from as little as 70 Euros, and partly because the offering was sufficiently convincing to make people forget the earlier hesitancy. In fact, the offering improved substantially with the launch of additional channels to match the variety offered by the satellite consortia.

The Greek Case

TV broadcasting in Greece was developed in the late 1960s during a military junta which ruled the country between 1967 and 1974 and this impacted greatly on the degree of independence enjoyed by the public broadcaster. Throughout the 1980s, as Greece began to reform and modernise, audiences demanded a wider choice of their viewing options than those offered by the Greek public broadcaster Elliniki Radiofonia Tileorasi (ERT). In the late 1980s private TV broadcasters MEGA and ANT1 took advantage of loopholes in the existing legislation and began broadcasting programming mainly consisting of variety shows, American films and tabloid news broadcasts. ERT was forced, completely unprepared, into a regime of unregulated liberalisation where competition was expanding explosively. ERT's bureaucratic organisation and the frequent changes in administration, all made its programming and the efficient exploitation of its resources difficult. The absence, furthermore, of any strategic planning in the company, which should have responded to social and technological shifts during the critical phase of abolition of state

monopoly and the appearance of private television, marginalised ERT's development, and alienated it from the public. The arrival of advertising funded private channels resulted in an unprecedented reduction in ERT's audience share to below 10 per cent, as well as the loss of 80 per cent of its advertising revenue in the 10-year period 1989–1999. However, important steps have been taken in the last few years in reforming ERT so as to move it on to the next phase of its modernisation.

Restructuring efforts.

In the past three decades certain studies have been carried out and proposals have been put forward referring mainly to the organisational and administrative modernisation of ERT. Sir Hugh Green's proposals in 1975, the study by the BBC experts Alan Hart, Michael Johnson and Peter Marshount in 1990, the findings of Ernst and Young consultants in 1992, as well as the proposals of the Panhellenic Confederation of Trades Unions of ERT (P.O.S.P./ERT) in 1997, all highlighted ERT's operational, organisational and financial difficulties. The conclusions of these studies boiled down to the following: ERT was characterised by centralised decision-making and lack of clarity in objectives and allocation of responsibilities; the main services ERT-1 and ERT-2 (now ET-1 and NET) operated autonomously and were never integrated into a unified, coordinated ERT A.E. There was also overlap in programming between ERT's services; political interference and frequent changes of personnel in strategic managerial positions hindered the smooth operation of the company; the general directorate of administration and management was disproportionately large compared to the other directorates; there was no administrative mechanism to evaluate the performance of organisational units and to create incentives to improve it (for example, through cost reduction); ERT did not have the necessary marketing and sales infrastructure; the work of the Director General was significantly overloaded, as 16 organisational units report directly to him.

The studies' recommendations for the organisational improvement of ERT (particularly that of Ernst and Young 1992) can be summarised as follows: ERT should set up a unified general directorate of news and current affairs and a unified general directorate of programme production; the general directorate of administration and management should be split into three general directorates: technical, financial and administrative services; ERT should establish an internal body to assess performance in programme production; the public broadcaster should re-position and change the profile of the three public television networks: shaping ET-1 into a general interest channel, NET into mainly news network and transforming ET-3 into a regional channel; ERT should pay more emphasis in producing programming for the youth market and women, as well as output aiming at households in semi-urban regions and the countryside; steps should be taken towards the reinforcement of ERT's programme quality and objectivity, the cornerstones of its distinct, non-competitive nature vis-à-vis private television.

Without doubt, public television, as seen from the recommendations of the studies above, many of which have been implemented, has significantly improved in recent years and in general terms has become more accountable, with a change of character, change of mentality in the way it is run, and some independence from asphyxiating state control. Contributing decisively to this was the formation of a strategic management plan for the 5-year period 1998–2003 (the first in the company's history) carried out by consultants

KPMG, aiming at the organisational, managerial and financial renovation of ERT. In KPMG's 2003 assessment of the plan, it is stated that the company met most of the economic objectives (reduce debt through a share capital increase from the state) without extra funding (the level of the annual licence fee between 1997–2002 remained unchanged at 36 Euros per household). In more particular, the following were completed and achieved: paying off the company's accumulated debt and the drawing up of its first profitable balance sheet; development of a new service organisation for the company, with a significant reduction in the number of departments; completion of a study for the development of ERT's property portfolio, as well as the organisation of its archives; passing a law for the early retirement of 1100 permanent employees of ERT. This last scheme deserves a more detailed analysis as it brought organisational and financial benefits to the company in terms of operational costs and allowed ERT to invest more in programming which in turn resulted in a rise of the audience share.

The implementation of the early retirement programme.

One of the major, chronic problems of ERT has been the large number of its permanent staff. In 1996 its permanent workforce numbered 3500 people, a rather large figure which left scant margin for improvement in ERT's finances by producing a serious competitive disadvantage. It is striking that in the period 1996–1997, around 75 per cent of ERT's revenues were used to cover operational expenses and workforce costs, while the remaining 25 per cent was available for investments in new technologies and programme production. At the end of the 1990s the state took measures to face up to this bureaucratic situation. More specifically, Law 2747 of 1999 made provision for the implementation of a programme of early retirement of the ERT's personnel (voluntary and compulsory). The early retirement programme started in December 1999 and with the consent of trade unions in the four-year period 1999–2002 a total of 826 employees left the company. Up until June 2000 the monthly benefit accruing from this staff reduction, in relative prices, came to 1.7 million Euros, while the annual benefits totaled 24 million Euros. However, in 2003 ERT had an obligation to pay 96 million Euros in the form of pensions to the retired employees (KPMG 2003).

The implementation of the early retirement programme has both brought financial benefits to the company and contributed to a reversal in the ratio of operational cost versus investment in programming, which in all previous years was dominated by operational cost. An increase in investment spend is essential in the new era, as ERT has already started to modernise and digitalise its network. This increase in spend on entertainment, news, education and training programmes has increased ratings and added prestige to the company. But the early retirement programme has also offered an opportunity to restructure the workforce and to place employees in positions depending on their qualifications and experience. According to a former ERT Director General, its personnel was badly distributed across organisational posts, with the result that in some places there was over-supply and in others a serious lack (Panagiotou 2000).

Next phase of ERT's modernisation.

It is clear that important steps have been taken in this thorough-going renovation of ERT, without of course meaning that its organisational and operational problems have been overcome completely, for the public broadcaster has to go through the next phase of modernisation. In fact, KPMG was contracted by ERT to carry out a new 5-year strategic management plan to cover the period 2003–2008 which includes the following objectives: upgrading ERT's infrastructure to meet the requirements of the digital era; improving financial performance through further structural change and rationalisation. This will enable the company both to invest in digital technologies and repay the 96 million Euro debt to retired staff; reinvestment of revenues into programme production to increase public acceptance and achieve a total share of 20 per cent by 2008; introducing a mechanism to measure performance in terms of programmes provided to make it more accountable to the public (KPMG 2003). According to the consultants, the above actions will generate in the 5-year period 2003–2008 a sum of 235 million Euros, which both can be used to cover pensions to the staff due to early retirement and allow ERT to prepare for the digital age. Precondition for this was the increase in the annual licence fee (which the government accepted) and RPI + 1 per cent increase in the licence fee per annum (which was not agreed). A second precondition was the reformation of the regulatory regime, particularly with regards to defining with more clarity ERT's public service obligations. At the time of writing no action has been taken in this area.

Programming strategy.

In addition to sorting out its balance sheets, ERT improved its programming offerings especially in the areas of news and current affairs, as evidenced by the creation of the news and current affairs service NET (which replaced ERT-2). This enabled the company to gain back a significant number of viewers. Table 2 gives us a snapshot of the trends in audience shares in the period 1992–05, indicating that ERT went up by about seven percentage points in 2005 compared to its performance in 1995, thanks to a restructuring plan which changed the programming profile of the two main services (ET-1 became a general interest and NET a purely news channel) so there is no longer any overlap between them (see below).

TO COMP: Place Table 2 here.

But the situation was very different in the early days of market liberalisation. The introduction of competition between the public and private TV channels led ERT to compromise on quality by increasing programme homogeneity and limiting viewer choice. This is the outcome of an empirical study conducted by Tsourvakas (2004), which analysed ERT's programming strategy before and after TV market liberalisation. The findings suggest that the PTV broadcaster changed its strategy to offer types of programmes similar to their private counterparts, shifting the focus of its programming strategy from an informational direction to a more commercial orientation. While during 1987–1989 (just before competition) ERT pursued an informational profile, immediately after the entry of private channels (1989–1992) it paid more attention to entertainment programmes, such as foreign and Greek police series, foreign and Greek sitcoms, Greek movies and game shows – basically similar programme types of those offered by its private rivals.

Yet in more recent years ERT embarked upon an ambitious restructuring plan to change the profiles of its three services. Under that plan initiated in the late 1990s, ET-1 became the mainstream channel appealing to a broad audience, NET operated solely as a news channel and ET-3 became a regional service covering events from Northern Greece. These changes are reflected in Table 3 which shows that since the period 1998–1999 news and current affairs have dominated NET's output. In contrast, ET-1's programming contains diverse genres to appeal to a broad audience.

TO COMP: Place Table 3 here.

Table 4 demonstrates that the era of programming convergence between public and private channels has come to an end, for public channels differ tangibly from their private counterparts in terms of types of programmes broadcast. In particular in 2004–2005 the three public channels covered a far greater amount of news/information, children's programming and arts/culture than commercial channels. The latter paid emphasis on news/information, but also on series, films and light entertainment.

TO COMP: Place Table 4 here.

Digital initiatives.

The public broadcaster is lagging behind compared with its European counterparts in terms of involvement in digital activities, for it only launched digital terrestrial television services in 2006, to bring it in line with West European patterns. In more particular, in March 2006 ERT began broadcasts of ERT Psifiaki (ERT Digital), a bouquet of three thematic TV services broadcasting digitally, initially in the capital Athens, the second largest city Thessalonika and central Greece. The services include CINE+ (movies), SPOR+ (sport channel) and PRISMA+ (focusing on people with special needs). These channels are free-to-air and their reception only requires the purchase of a set-top box.. ERT's involvement in digital terrestrial television is expected to accelerate consumer take-up of digital services (especially if the public broadcaster takes advantage of its rich audiovisual archives to offer a complete range of programmes), thus making more achievable the government's target of switching off the analogue frequency by 2012.

Conclusion

This article provided a brief exposition of the state of play in European public television and compiled data from one large and one small European country to exemplify some relevant points. In more particular, it examined the programming strategies, digital initiatives and internal restructuring attempts of the public channels operating in France and Greece. The aim was to use the experience of these two countries to reach more general conclusions regarding the readiness of public television stations to adapt to the multi-channel digital era. The limited number of countries selected for the purposes of this article may be problematic in drawing general conclusions about the policies and strategies employed by public channels. Nevertheless, the thorough analysis of the national case studies, along with the careful initial selection of countries and personal observations, ensures that research into public television in each country is based on reliable and comparative data, and thus, constitutes a firm basis on which to identify

future prospects for public television at the pan-European level. Given the above analysis, we can assume that a group of PTV broadcasters from mainly larger European countries (France Télévisions in France, the BBC in Britain and TVE in Spain), but also smaller countries of Northern Europe (SVT in Sweden and YLE in Finland), have been active by investing in online services and creating interactive web sites, launching 'niche' channels and reaching agreements with other public and even commercial channels for the joint production and promotion of new services (although there are striking differences between them, with the BBC in the forefront in introducing new services). In the majority of cases, these initiatives were combined with attempts to reorganise internally, but also to save resources, at times requiring unpopular measures (dismissing superfluous personnel). In these countries, public television managed to defend its principles, justify its public service mission and cope with competition from private channels.

A second group of PTV broadcasters, coming mainly from the smaller Southern European countries of Greece and Portugal, but also Ireland, find themselves still at the review and planning stage. Activity in new technologies is limited and important steps towards internal reform have only recently commenced. Undoubtedly market size and the social and political context embedded in these smaller countries play a defining role in the decision to enter new, unfamiliar and commercially risky activities. For example, in Greece television took its first steps under a dictatorship regime and was openly used for propaganda purposes. The restoration of democracy found the medium wounded, lacking vision and not trusted by the Greek public. This explains to some extent the Greek broadcaster ERT's limited involvement in new technologies and the late adoption of organisational reform strategies. The Greek situation contrasts sharply with that in other small European countries, particularly the Nordic ones, which have been characterised by political independence, involvement in new services and early restructuring attempts. Political upheaval was also one of the reasons for the late launch of DTT in France, alongside industry indecision concerning standards.

> With regards to programming, multi-channel growth and declining share has left some public channels, including those under investigation, with no choice but to replicate services of commercial competitors. Adapting to declining audiences by scheduling similar programmes to their commercial rivals would result not only in less viewer choice but would also constitute a distortion of the market in so far as the public channels use public money to fund programmes that the market provides in abundance. The strategy of the so-called 'programming convergence', adapted by the Greek PTV broadcaster (but also by most of the Southern European ones) in the early days of TV market liberalisation led to marginalisation and alienated it from its viewers. PTV broadcasters should address the full range of audience interests and remain a major engine of offering original, home grown high-quality output, rather than recycled or bought-in mainstream programmes. Public service content in the digital age is not abundant as some technology gurus predicted, but scarce. Public channels should, therefore, be more relevant, more rooted to people's lives and serve as a model for all broadcasters, by catering for innovation in programming, providing diverse, independent news and offering thematic channels of plural content in an accessible and affordable manner To be able to achieve these objectives they should operate under a secure and stable funding model.

Programming is only one area in which PTV broadcasters need to improve to ensure the genuine support of the public for their continued existence. Other areas include internal restructuring to make public institutions more cost efficient and effective but without sacrificing their public service values. France Télévisions and ERT's cases are striking. The change of the Greek public broadcaster's management practices (suggested in the KPMG's report) enabled ERT to gain professional competence. In the highly competitive nature of the contemporary Greek TV market, where television is the single most important medium of political information, ERT provides a degree of pluralism and equity in the amount of political coverage. The French PTV broadcaster has also been benefited by a major restructuring programme which led to the formation of France Télévisions to combine the resources of the public channels. This change has improved the organisational and operational profile of the now joint stock company and led to a better exploitation of programmes and personnel.

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Table 1. Annual output of the national terrestrial TV channels in France – breakdown by genre (2004).<<?4>>

Programme types	France 2 (%)	France 3 (%)	France 5 (%)	TF-1 (%)	M6 (%)
News	21.1	16.7	0.3	11.3	5.0
Current affairs/documentaries	17.9	27.8	80.1	17.4	5.3
Feature films	3.3	4.6	0.6	3.7	3.0
TV series/docudrama	25.1	25.6	9.7	31.4	35.2
Entertainment/	17.5	9.0	2.2	16	35.1

music shows					
Sports	6.1	5.8	-	4.5	0.3
Other including advertising	9.0	10.5	7.1	15.7	16.1
Total hours	8,870	8,155	5,845	8,760	8,760

[Source: CSA, company reports, EUMAP; 2005]

Note: Being mostly a movie channel, Canal Plus is not included.

Table 2. Annual per cent audience shares of the Greek TV channels (1992–2005).

Year	ET-1	NET	ET-3	ANT1	MEGA	Alpha	Star	Alter
1992	10.5	5.9	2.5	30.7	33.6	–	–	–
1995	4.7	3.3	1.0	25.5	25.6	10.8	11.7	–
1998	6.1	4.0	1.2	24.1	21.2	15.8	14.3	–
2001	5.9	4.1	1.5	22.9	21.3	14.6	12.7	3.2
2005	4.2	8.7	2.0	20.6	18.4	13.1	11.6	10.8

[Source: AGB Nielsen Media Research; 2005]<<?5>>

Notes: NET was previously named ET-2 and Alpha was previously named Sky.

Table 3. ERT's programming mix by genre (1998–1999 and 2004–2005).

Genres	ET1 (1998–1999 ; %)	ET1 (2004–2005 ; %)	NET (1998–1999 ; %)	NET (2004–2005 ; %)
Series	10.8	3.0	1.7	9.6
Films	20.0	7.3	8.0	11.4
Light entertainment	1.3	0.3	0.3	0.4
Arts/culture	5.7	12.1	11.3	3.8
News/information	35.5	50.9	76.7	66.7
Children	11.8	13.2	0.3	1.3
Sports	10.9	7.7	2.7	5.6
Other	3.9	5.5	0.7	1.2

[Source: AGB Nielsen Media Research; 2005]

Table 4. Programming mix by genre – ERT, MEGA, ANT1 (2004–2005).

GENRES	ET1 (%)	NET (%)	ET3 (%)	MEGA (%)	ANT1 (%)

Series	3.0	9.6	1.0	28.1	26.2
Films	7.3	11.4	6.3	19.5	14.1
Light entertainment	0.3	0.4	0.4	6.5	6.7
Arts/culture	12.1	3.8	9.8	1.1	0.7
News/information	50.9	66.7	65.3	39.3	45.6
Childrens	13.2	1.3	3.6	1.1	2.1
Sports	7.7	5.6	9.7	1.8	2.2
Other	5.5	1.2	3.9	2.7	2.4

[Source: AGB Nielsen Media Research; 2005]

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