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ACHIEVING LEVEL PLAYING FIELD BETWEEN THE
PUBLIC AND PRIVATE BROADCAST SECTORS

By

SANTOKH SINGH GILL

Paper No. 8
CBA-AMIC SEMINAR ON

"THRIVING IN A DIVERSE BROADCASTING ENVIRONMENT"

RIVERVIEW HOTEL, SINGAPORE


PAPER ON “ACHIEVING A LEVEL PLAYING FIELD BETWEEN THE PUBLIC AND PRIVATE BROADCAST SECTORS”

PRESENTED BY

MR. SANTOKH SINGH GILL

DIRECTOR OF PRODUCTION
RADIO TELEVISION MALAYSIA.
Mr. Chairman,
Honorable delegates,
Ladies and Gentlemen

Allow me, first of all Mr. Chairman, to thank the organizers the CBA and AMIC, for inviting Radio Television Malaysia to this seminar, and to present its views on the subject of the attainment of a level playing field between the public and private broadcast sectors. As you may have heard, RTM recently celebrated its 50th anniversary, and with its current output over two television and 36 radio channels, as well as the stiff competition faced from 3 terrestrial and cable operations as well as the year old satellite operator called ASTRO, RTM has accumulated a wealth of experience in serving the Malaysian nation, as well as meeting head on the stiff competition posed by our competitors. Having said that however, let us not forget that there are among us delegates who represent broadcast organizations with an even more longer and richer experience. We would like to hear and benefit from your experience.

1. DEFINITIONS

The term public broadcasting is a misnomer because all broadcasting is by its very nature to the public. The public is the consumer or customer and the service in this case is presented by the broadcaster. A better definition would be public service broadcasting and private profit oriented broadcasting.

Insofar as ownership is concerned, a public broadcaster can be either wholly or partially owned by a government, and or totally or partially controlled by a government. The Public Broadcast System or PBS of the United States is unique in that it is owned by a group of broadcasters but also depends on funding from its viewers and
listeners, the U.S. Congress, as well as profits from its many commercial enterprises. The BBC operates under its own charter, and is funded by the annual license fee as well as profits from its commercial enterprises.

If the issue is viewed from the standpoint of commercials, the definition of a public broadcaster can be stretched to cover four main categories:

i) Public broadcasters without commercials (NHK)
ii) Public broadcasters with commercials (TVNZ)
iii) Government broadcasters without commercials (RRI/TVRI)
iv) Government broadcasters with commercials (RTM)

Thus it is difficult to obtain a clearcut definition of a public broadcaster. The experiences, needs and scenarios vary. But generally speaking, a public broadcaster gives priority to the needs of the viewer and listener over that of commercial imperatives. Most developing nations public broadcasters will argue in favour of their objectives being to inform, educate and to entertain, in that order. In this context, it is also important to remember the vision of the PBS, i.e. ".... To do what others cannot do, will not do, or fear to do." A more comprehensive view of the objectives of a public service broadcaster was presented by Mr. John Birt, Director General of the BBC, who told the EBU’s recent General Assembly in Edinburgh that for the BBC

"The obligation to inform a high quality, impartial, and fair minded political debate will remain, as will the commitment to extending the horizons of viewers and listeners, exposing them to the best thinking in art, and to helping them to understand developments in science and to cope with the changing world, reaching out to all in society, and not just to those who can afford to pay."
2. General Observations

When Radio Malaysia was first founded in April 1946, it was seen essentially as a source of news and information. The goal of radio and television subsequently, in common with the experiences of many other national stations, became one of nation building. The nation, and national interest imperatives, dominated everything else. The current Prime Minister, Datuk Seri Dr. Mahathir Mohamed, has brought his own vision and ideas, that have influenced broadcasting viz, that the government plays a vital role in the economic, political and social life of the nation. The government has a right and need to inform the people about what it is doing for them. The government therefore needs a media organization through which it can spread its messages and information to own people, with Parliament and the people themselves acting as safeguards. And thus we have the situation where RTM is a department of the government.

Another directive that has dominated broadcasting in Malaysia is the policy that a government department that can earn money should do so, without burdening the public, with the revenues going to the Consolidated Fund of the Treasury. A further development, peculiar to RTM, is the establishment and operation of what is called the Akaun Amanah Tajaan, or the Sponsorship Trust Account, where a substantial portion of RTM's revenues are returned to be spent on buying of movies, equipment and the general improvement of programmes. The marketing of commercial airtime in RTM has been farmed out to 3 marketing organizations.

Thus RTM is not your usual government department model, but a hybrid that is capable of competing with the private sector. The policy that dominates RTM is called MEMO - Message and Money. Whilst we have retained our primary and missionary function of nation building, we operate as a business undertaking in almost every field.
This blurring of roles, with public broadcasters assuming commercial roles, and with the commercial broadcasters entering the domain of the public broadcaster, characterizes broadcasting all over the world. RTM trumpets the fact that many of its programmes dominate the top 20 slots in terms of popularity, and commercial broadcasters have come to realize that there is plenty of money to be made in broadcasting high brow stuff, as well as talk shows and discussions on public service issues.

Commercial broadcasters have also realized that audiences do not want entertainment 24 hours a day. Commercial broadcasts must also reflect the cares and concerns of society. Audiences also want to be educated, and television perhaps provides the best channel or medium for such education. The best example of this trend is the popularity of the Discovery Channel. Radio broadcasters too, through the use of interactive phone-ins, have been able to reflect their public responsibilities, and at the same time garner bigger audiences. Governments, especially in Asia, have realized the potential and positive role that the electronic media can play, and have either through persuasion or legislation, forced commercial operators to devote a portion of their airtime to public service programs.

A related issue that should be discussed here is the perception of governments and legislators about the role and usefulness of public service broadcasts. Our political masters and sustainers have continuously probed into the effectiveness or the very need of certain public broadcasts. Questions are asked in Parliament about whether public broadcast organizations are making a profit or not. Nobody wants to know whether turning a profit was indeed a goal of that organization. The problem for the staff who work in organizations where earning revenue has become a goal is that their performances will be measured by commercial criteria. The experience of NHK which was forced to abandon it attempt at commercialization by its own staff, suggests that the original, high sounding goals of public service broadcasters and organizations still have great relevance and meaning. Governments and legislators have been successful in their interference in many instances, as in the case of the BBC which was forced to give up many of its services because of
bugetary constraints. It had to find new sources of income, and literally reinvent itself so as to continue playing its pre-eminent role in domestic and international broadcasting.

Another question that should be discussed is whether the fightback of the public service broadcasters is succeeding or not? There is a very real war going on for audience share, and if I may add, revenue share. Strategies are being plotted daily in a world where audiences are being fragmented, new entrants and players appear every year over terrestrial, cable or satellite channels, and the costs of production, tele-serials and sport coverage rights are skyrocketing. Dato' Jaafar Kamin, RTM's Director General, who also heads the ABU, CBA and is closely associated with PBI and other international organizations has stated that the public service broadcaster is better off now than before. Conceptually, there has been a renaissance rather than demise as the public service broadcaster has reclaimed his relevance with his own audience. As audiences are becoming more selective, the public broadcaster has regained his popularity by offering better quality and variety. The public service broadcaster knows that a more discerning audience will go for better programming rather than channels. And public broadcasters are producing more entertaining and catchy programmes and winning back audiences. For RTM, there was a 15% increase in audience between 1991 to 1996. During the same period the revenue for television increased from 194 million ringgit to 349 million ringgit - an increase of 80%.

3. **HOW DO WE ENSURE FAIR COMPETITION FOR GROWTH AND EXPANSION**

The issue of fair competition for growth and expansion is an issue that governments and the owners of public broadcasting systems should address. It is not difficult for a private broadcaster to acquire the latest technology, highly rated serials and films, or the necessary training and manpower should these be found to be necessary and profitable. It is not easy for a public broadcaster to make a similar case and get the necessary
allocations to upgrade himself. The public broadcaster has however the same need and necessity to upgrade himself and provide a quality service. It should therefore become a matter of policy and philosophy for governments and the owners of public broadcast organizations to commit themselves to providing the necessary approvals and allocations so that the public broadcaster can provide the same level of service as that of the commercial operator. Any perception that the public broadcaster is indeed providing a second rate outdated service will only mean a rapid loss of audience, and this will bring into question the very position and need of the public broadcaster. Unfortunately, action on the part of the government is slow and this makes the task of competing that much difficult. Thus for competition to be fair governments must be responsive and generous.

Broadcasters today accept and plan for the rapid changes that are affecting us, especially in the field of technology. In the case of Malaysia, apart from RTM’s two TV terrestrial channels, there are two private television channels and 6 cable channels. Ten private radio channels have been started recently. Competition is the order of the day in KL, but what has really lent urgency is ASTRO - Malaysia’s first satellite operator with its 21 additional channels. Having to compete with additional satellite channels may sound difficult enough, RTM also has to face the fact that ASTRO’S headquarters in Sungei Besi house the world’s largest digital production and transmission facilities. With the current economic downturn, there is no way we will be able to match ASTRO technically. Another problem that RTM must face is the thinking especially among bureaucrats that RTM is already providing an excellent analogue service that can be seen and heard from south Thailand to parts of Papua New Guinea. So why spend more on getting CD quality sound and LD quality pictures? One way of overcoming this is to compel ASTRO to carry RTM 1 and RTM 2 plus 3 radio stations as part of its license requirement. But the day of reckoning will come as every advantage will be used and advertised by RTM’s competitors to take away our market share, and we hope that we will be able to act early.
rather than react too late. Policy and financial approvals will have to be given early enough so as to retain our market share.

Television’s chosen field for battle is the audience. The television audience has been characterised as being fragmented, fickle minded, easily persuaded, and a moving target. One fact of media life is that private stations will always be in a stronger competitive position than their public counterparts because of the resources at their command and flexibility. Public broadcasters will have to overcome this by focusing on the audience, and remembering that the audience chooses programmes that it considers worth watching, and will not hesitate to change channels if it does not like what it is watching. Public broadcasters should focus on relevant and important programming that may not necessarily bring in money. As stated earlier there is the need to widen the definition of public broadcasting to public service broadcasting. Programs on consumerism and the environment which are relevant public issues can be discussed, especially over radio. Another factor that public broadcasters must remember is the shrinking role of governments in most societies, and the consequent widening role of the private sector. Public broadcasters should not confine themselves to the safer and proven task of reflecting government policies and concerns, but should undertake the bolder and more exciting opportunities presented by the growing private sector. In this region, though news on political developments will continue to dominate, economic and social events will slowly assume greater importance. The public broadcaster must be ready to take on this challenge.

With the increase in the number of satellite and terrestrial channels, the number of foreign channels that can be viewed within a country has increased manifold. One commentator has called the profusion of channels like CNN, NBC, HBO and MTV as a “cultural hurricane” with its potential threat to the local culture. However, the satellite operators have found that local audiences prefer local programmes, and so they have been forced to indigenise their output, as is evident with STAR TV and India. The role of the public broadcaster as a provider of local material that will attract local audiences thus assumes greater significance.
It is a fact that satellite television has not attracted the advertising revenues that were projected because of their limited audiences whereas the advertising expenditure over local channels is increasing every year. Thinking globally but act locally for the local audience is the new mantra that could enhance the role of the public broadcaster.

Another fact of television life is the relatively low price of Hollywood programming and the high cost of local programmes. In Malaysia, RTM is proud to say that it pioneered the growth of the local television program industry. The 80% local programmes target by the year 2000 is well within reach, and today made-in-Malaysia, programmes are shown all over the world. RTM's role as a reliable buyer of locally produced programs, and the lucrative prices offered, has thus met the needs of the nation. The public broadcaster and his terrestrial and satellite rival will have to focus on the development of locally produced programmes because of their popularity and local relevance. Both the public and private broadcasters will have to play the same role of supporting and stimulating the local television industry, thereby reducing the role of Hollywood. The costs and benefits of this expansion will thus accrue to and affect both these sectors.

4. **SHOULD PUBLIC SERVICE BROADCASTERS BE MORE PROFIT DRIVEN THAN POLICY DRIVEN?**

The obvious answer to this question is that if the public service broadcaster is to remain true to the public that he serves then he should be driven by a policy to serve the public. But at the same time it must be remembered that profits are important in this modern day world where the cost of broadcasting keeps on rising every year. Perhaps what is wrong here is the use of the word 'profits' in the context of public broadcasting. The word that should be used is 'revenue' that is money made from broadcasting and other sales that would help to defray a large portion, if not all, of the costs of broadcasting. In the case of the BBC, apart from the license fee, there are tie-ups with various broadcasting-
related commercial enterprises, and profits are made. But these profits are ploughed back to provide good programmes. The BBC may thus end the year having made a lot of money, but not having any profits to show.

Insofar as RTM is concerned, as stated earlier, it is government policy to earn revenue wherever possible, though RTM will foreseeably remain more policy than profit driven. The cost of broadcasting is continuously going up all the time, especially with the quickening pace of technological change, the higher cost of telemovies and serials, and higher copyright charges for sporting events. Countries in this region are now faced with financial cutbacks, and increasingly are looking upon public service broadcasting as a burden rather than a boon. Thus almost all public service broadcasters are forced to adopt an entrepreneurial approach while jealously guarding the public service ideals that have motivated them all these years.

Markets and audience demands have invariably exerted their demands on broadcasting in general. As stated earlier the strategy that public service broadcasters could adopt, especially with the advent of multi-channel satellite broadcasting, is to think globally, but program to local needs and interests. The public service broadcaster should take a holistic view of his audience, viewing his listeners and viewers as well as himself, as citizens participating in their society, and to view this microcosm as part of a wider world.

This will be in sharp contrast to the commercial broadcasters view of their audience as mere consumers. The public broadcaster will have to stay close to his audience, and be sensitive and react to expressions of social and economic demand. Time Magazines's comment on children's programming at PBS is timely here, and I quote, 'The basic mission at PBS is to get children to learn. The basic mission almost everywhere is to get children to buy.' The age of consumerism and revenue generation has thus caught up with the public broadcaster. Indeed some of the revenue generation activities of public broadcasters are worthy of
study at business schools. But we must never lose sight of our mission, which is always to serve the public and the nation.

5. **SHOULD PRIVATE BROADCASTERS SHARE MORE IN ADDRESSING PUBLIC SERVICE OBJECTIVES?**

A responsible private commercial broadcaster would realize that he is a part of the society in which he operates. He is as responsible for its well-being as the government of the day or the public broadcaster. Should he prove to be harmful to the society in which he operates, sanctions or a possible closure by the government may well be a possibility. The goal of most corporations is to be responsible corporate citizens, and not to do anything that might jeopardize the making of profits. Again, commercial stations want to be close to their audiences. With few exceptions, it is true to say that most commercial broadcasters have public service programs, and they may even play this role better than their counterparts on public broadcasting.

Thus apart from the blurring or overlapping of the roles of the private and public broadcaster, the private broadcaster has also discovered that there are profits to be made in producing programs on subjects like consumerism, the environment and business issues. In Malaysia, private broadcasters are required to promote the national culture and identity. TV3 especially has played an excellent role in promoting local drama, and the local drama industry.

In conclusion, it is to be noted that it is the public broadcaster who sets the overall tone of the market and acts as the exemplar.

The public broadcaster should also play the role of the catalyst, initiating and encouraging measures and programmes that will benefit the whole nation. But what of the playing field between the public and private broadcasters. Is it level, or in other words are both parties co-equal? The conclusion of this paper is that fortunately or unfortunately, the equilibrium is shifting towards commercialisation, at least in Malaysia.