## Manfred Kops

Public Service Broadcasting an Economic Definition

Paper Presented at the International Conference "Public Service Broadcasting: A German-Ukrainian Exchange of Opinions"

> June 22, 2010, Kyiv-Mohyla School of Journalism, Kyiv, Ukraine

1. A Theoretical Model for the Description of Broadcasting Systems with the Market, the State, and the Civil Society (Voluntary Sector) as Basic Forms for the Provision of Broadcasting Programmes

#### 2. Operationalising the Theoretical Model I: Revenue Structures as the Key Determinant for Broadcasting Systems

- 3. Revenue Structures as the Key Determinant for Broadcasting Systems: Empirical Results, Internationally Compared
- 4. Operationalising the Theoretical Model II: Legal Structures as the Key Determinant for Broadcasting Systems
- 5. Revenue Structures and Legal Structures as the Key Determinants for Broadcasting Systems: Empirical Results, Internationally Compared
- 6. Conclusions and Prospects

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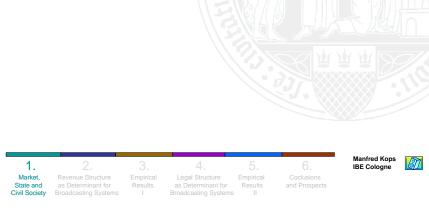
1.1. The Market and the State as Basic Forms for the Provision of Goods

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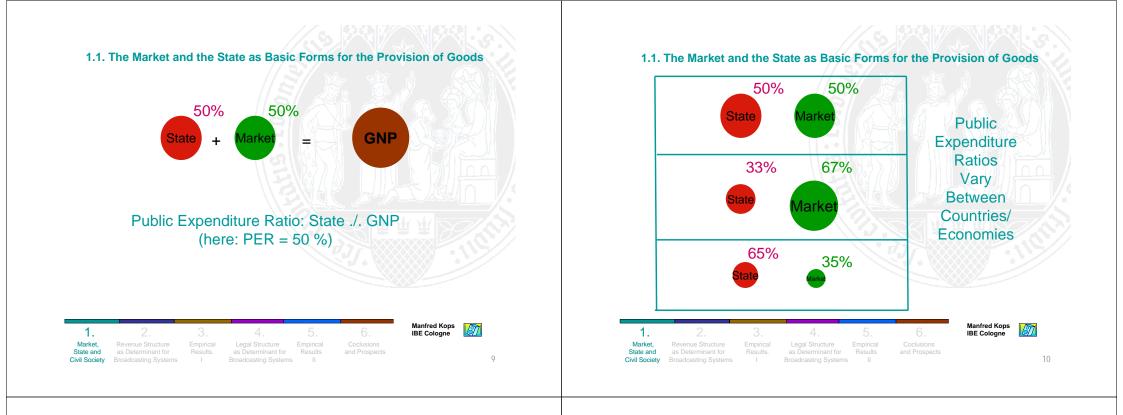
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A Theoretical Model for the Description of Broadcasting Systems with the Market, the State, and the Civil Society (Voluntary Sector) as Basic Forms for the Provision of Broadcasting Programmes

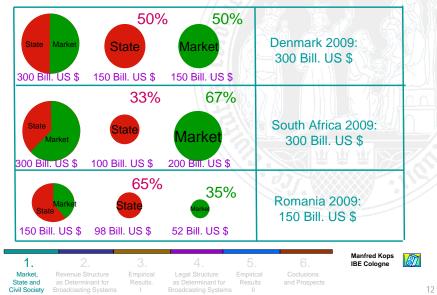
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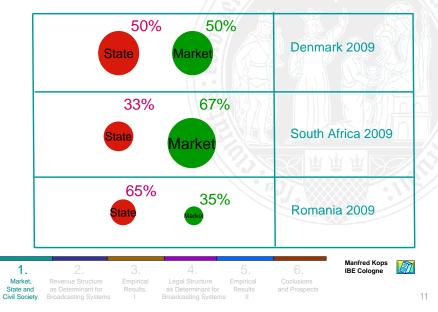


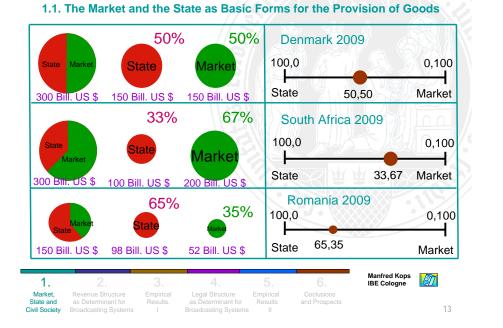


## 1.1. The Market and the State as Basic Forms for the Provision of Goods



1.1. The Market and the State as Basic Forms for the Provision of Goods

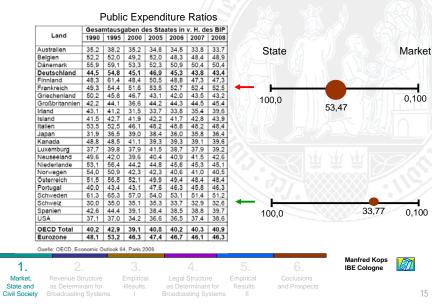




## 1.1. The Market and the State as Basic Forms for the Provision of Goods

Land	Gesar 1990	ntausg 1995	aben c 2000	2005 2005	2006 2006	v. H. de 2007	2008 2008	Public				
Australien	35.2	38.2	35.2	34.8	34,5	33.8	33.7					
Belgien	52,2	52,0	49,2	52,0	48,3	48,4	48,9	Expenditure				
Dänemark	55,9	59,1	53,3	52,3	50,9	50,4	50,4					
Deutschland	44,5	54,8	45,1	46,9	45,3	43,8	43,4	Detice 0				
Finnland	48.3	61,4	48.4	50,5	48,8	47.3	47.3	Ratios				
Frankreich	49.3	54,4	51,6	53.5	52,7	52,4	52,5					
Griechenland	50.2	45.8	46.7	43.1	42.0	43.5	43.2	vary				
Großbritannien	42.2	44,1	36,6	44.2	44.3	44.5	45.4					
Irland	43.1	41,2	31.5	33.7	33,8	35.4	39,6	because of				
Island Italien	41.5	42.7	41.9	42.2	41.7	42.8	43.9	Decause of				
Japan	31.9	36.5	39.0	38.4	36.0	35.8	36.4	Differences in				
Kanada	48.8	48.5	41.1	39.3	39.3	39.1	39.6					
Luxemburg	37.7	39.8	37.9	41.5	38.7	37.9	39.2					
Neuseeland	49.6	42.0	39.6	40.4	40.9	41.5	42.6	the (perceived)				
Niederlande	53.1	56.4	44.2	44.8	45.6	45.3	45.1					
Norwegen	54.0	50.9	42.3	42.3	40,6	41.0	40.5	Capabilities				
Österreich	51.5	56.5	52.1	49.9	49.4	48.4	48.4					
Portugal	40.0	43.4	43.1	47.6	46.3	45.8	46.3	of the State				
Schweden	61.3	65,3	57.0	54.0	53,1	51.4	51.2	UI THE State				
Schweiz	30.0	35.0	35.1	35.3	33,7	32,9	32,6	and the Market				
Spanien	42,6	44.4	39,1	38.4	38,5	38.8	39.7	and the Market				
USA	37,1	37.0	34,2	36.6	36,5	37.4	38,6					
OECD Total	40,2 48,1	42,9 53,2	39,1	40,8	40,2	40,3 46.1	40,9					
Eurozone			46,3		46,7	46,1	46,3					
Quelle: OECD, Eco	nomic O	utlook 8	4, Paris 2	2008.								
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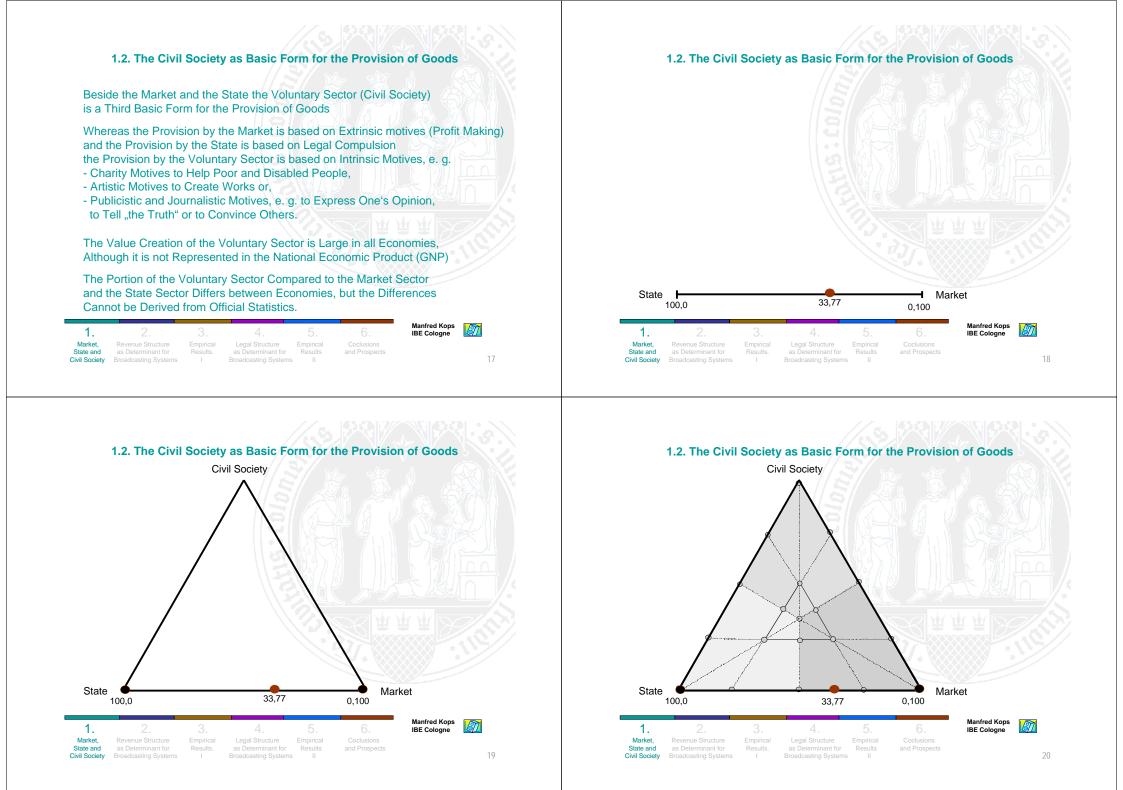
## 1.1. The Market and the State as Basic Forms for the Provision of Goods

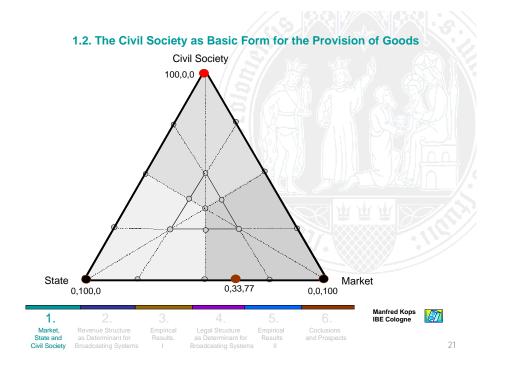


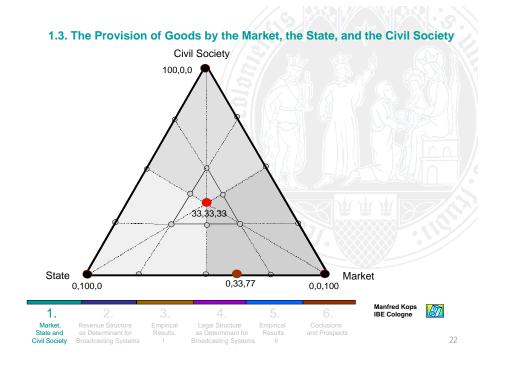
#### 1.2. The Civil Society as Basic Form for the Provision of Goods

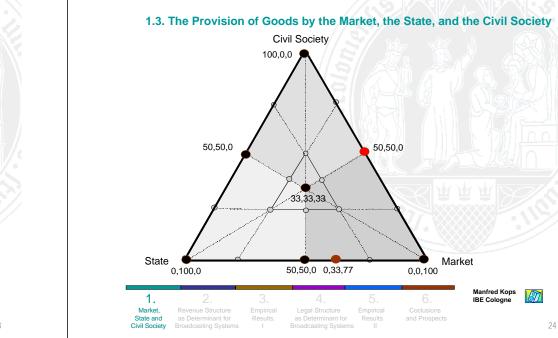
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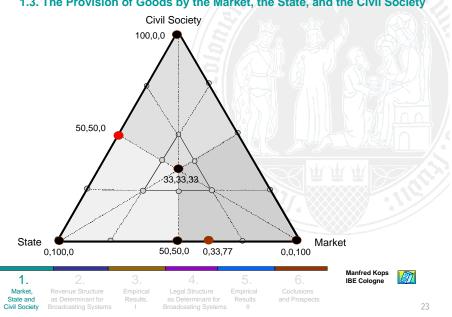


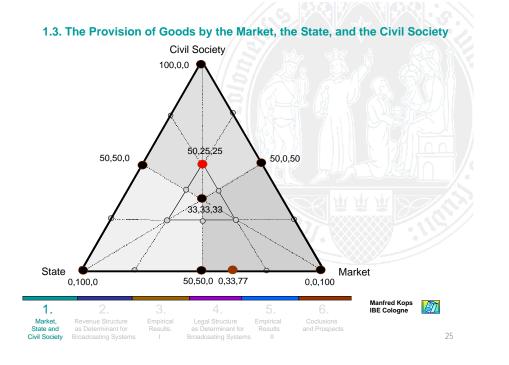


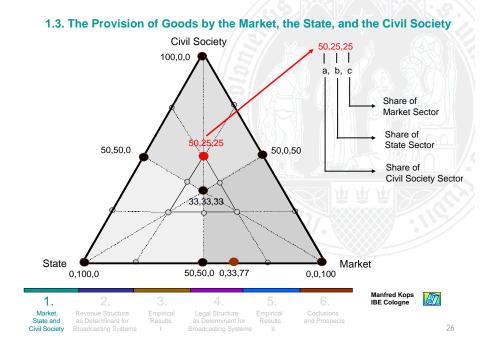


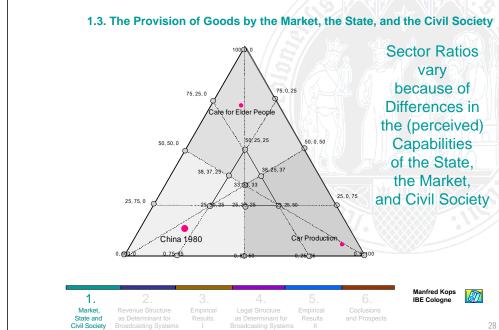


1.3. The Provision of Goods by the Market, the State, and the Civil Society

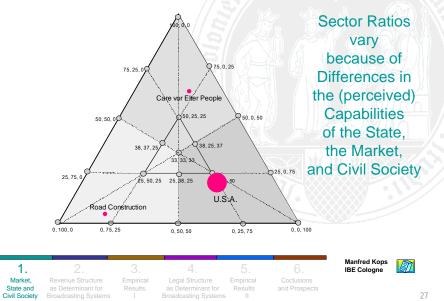




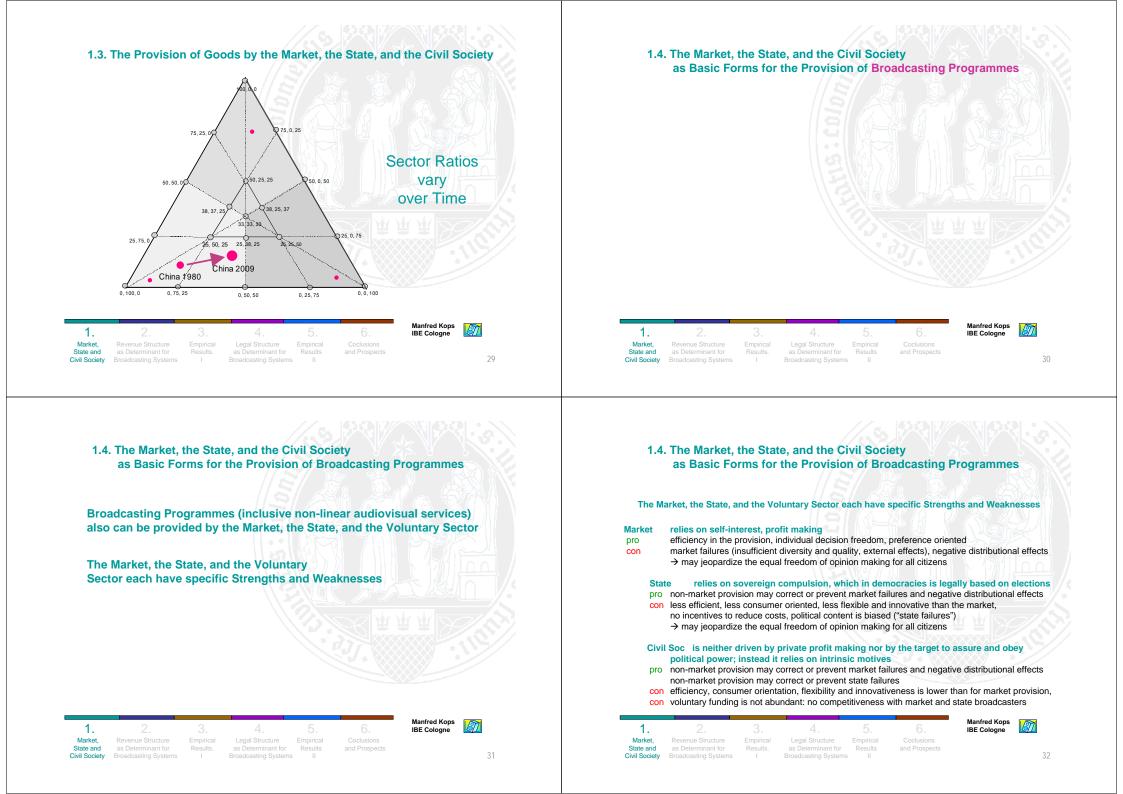


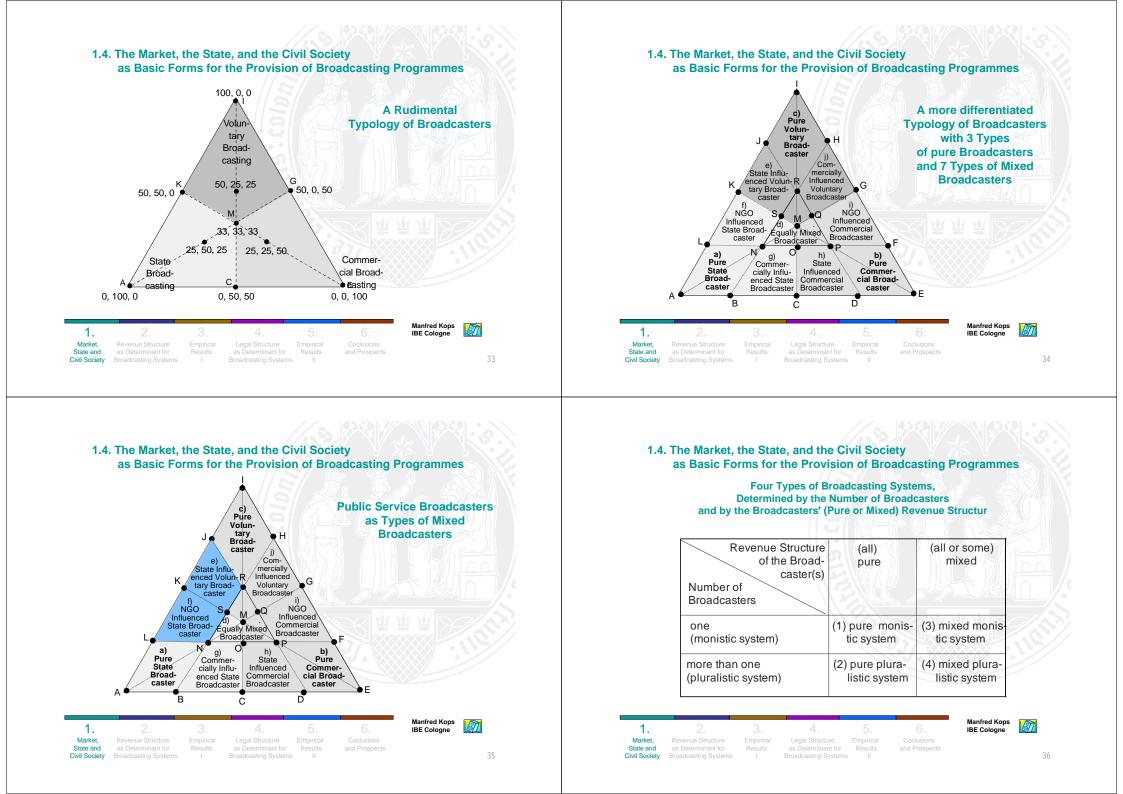


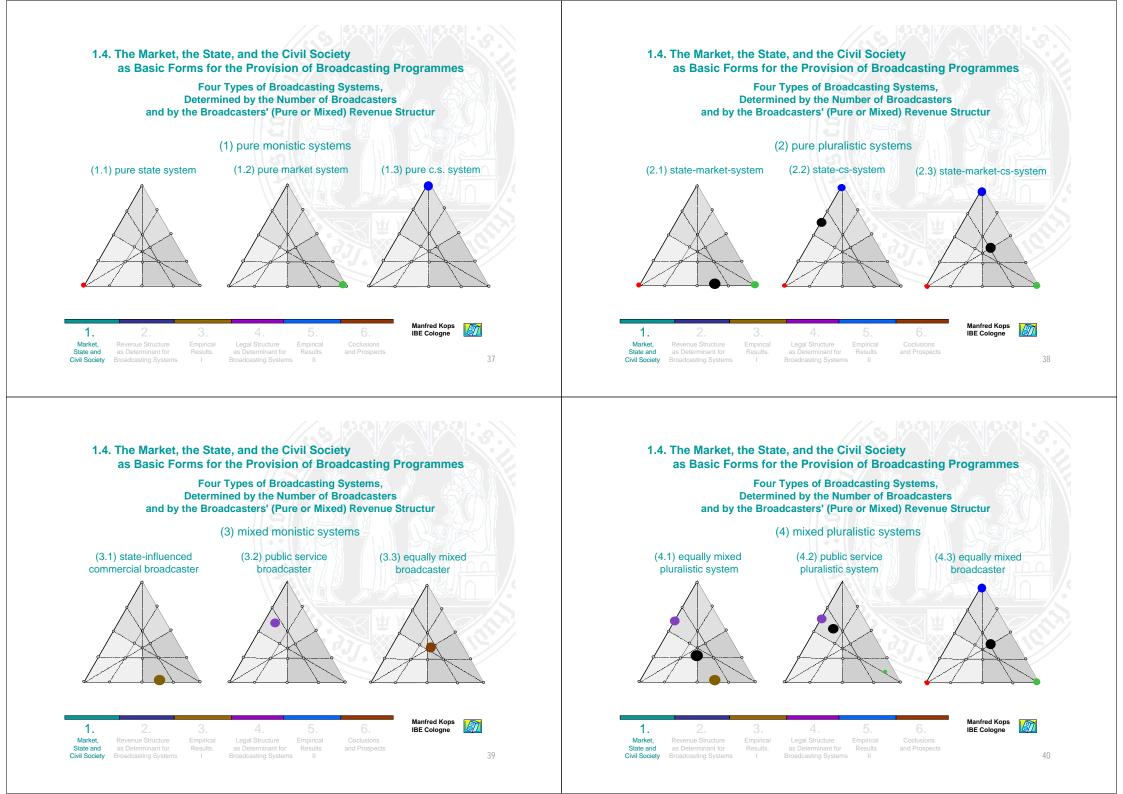
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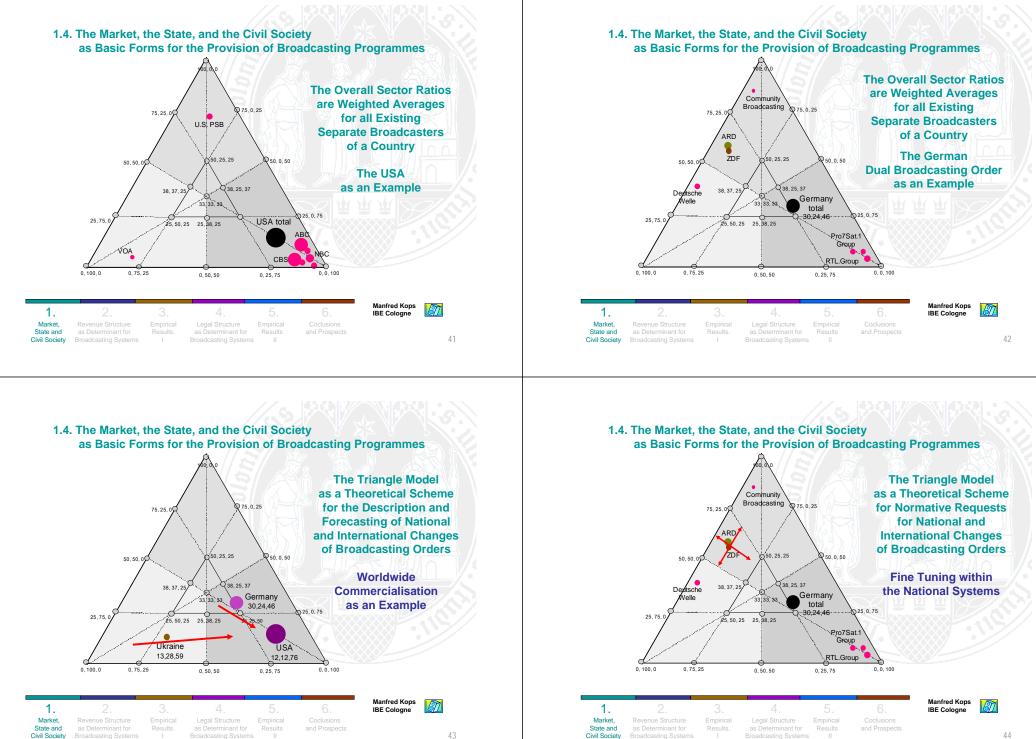


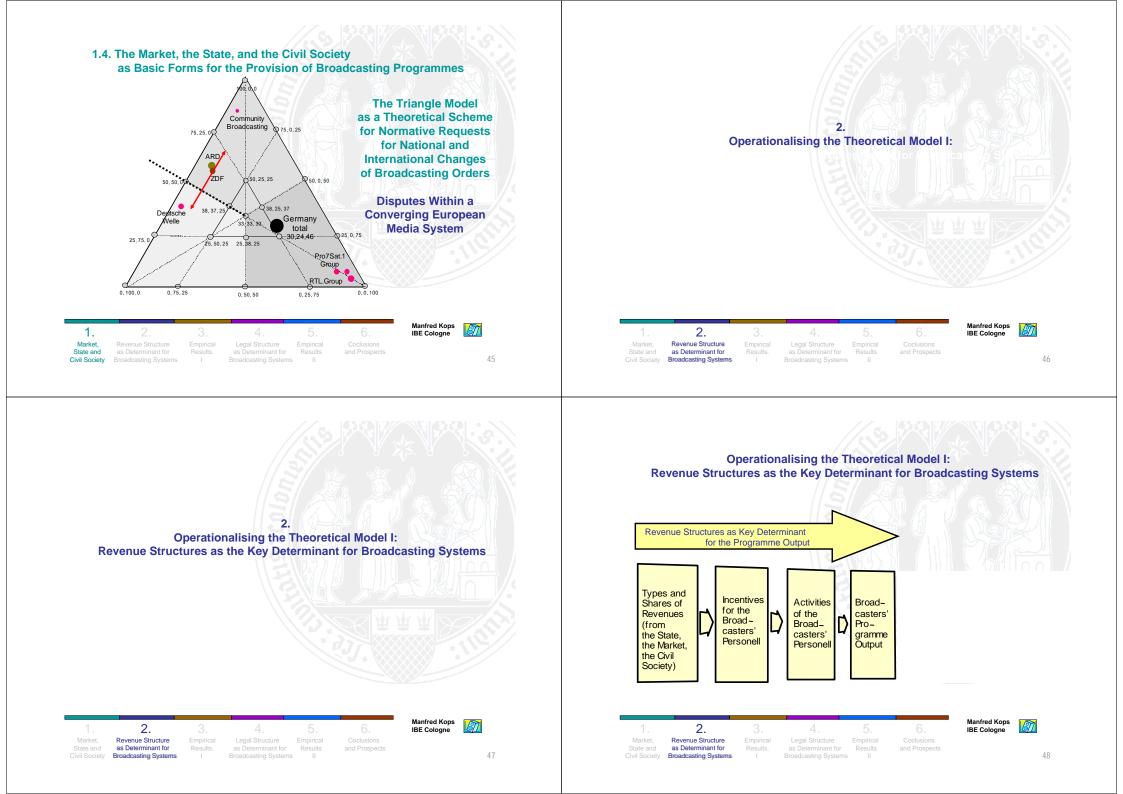
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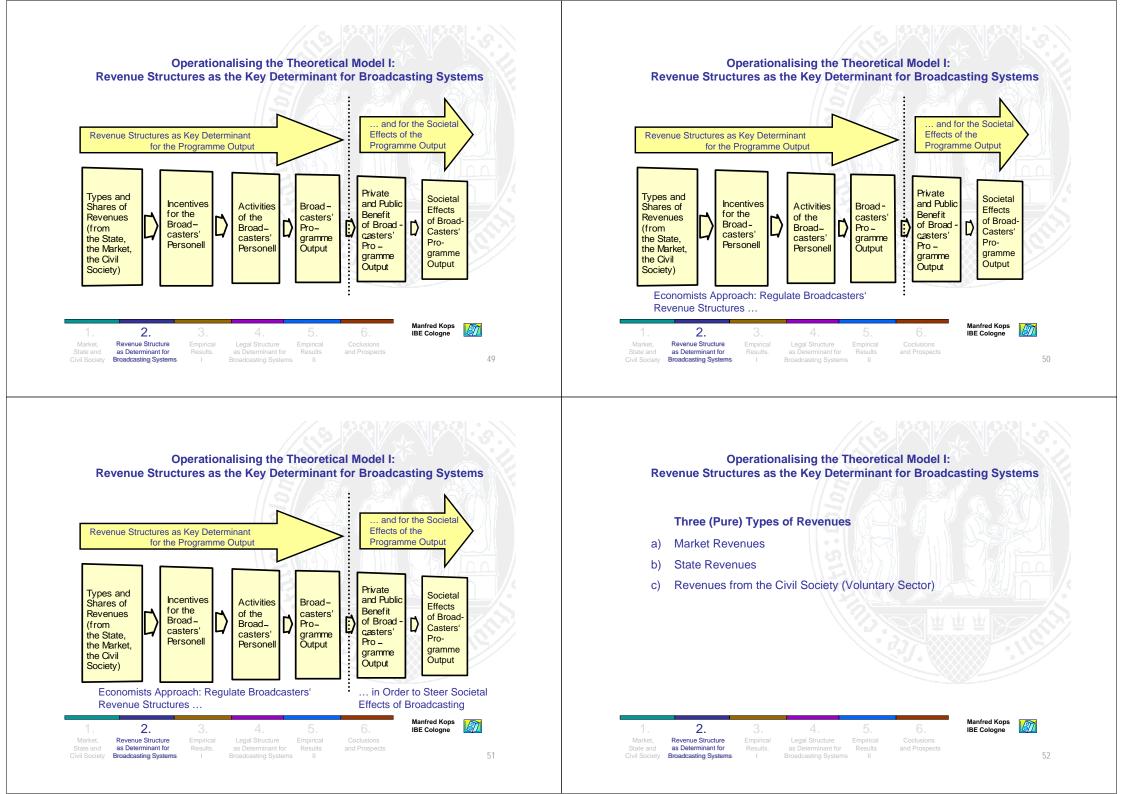












#### Operationalising the Theoretical Model I: Revenue Structures as the Key Determinant for Broadcasting Systems

#### **Revenues from the Market:**

- Advertising and Sponsoring
- Subscriptions (Pay-per-View, Pay-per-Channel)
- Programme Sales
- Merchandising
- Other Transaction Revenues (e.g. from Telephone Call-Ins)

1.	2.	3.	4.	5.	6.	Manfred Kops IBE Cologne	
Market, State and Civil Society	Revenue Structure as Determinant for Broadcasting Systems	Empirical Results.	Legal Structure as Determinant for Broadcasting Systems	Empirical Results II	Coclusions and Prospects		53

#### Operationalising the Theoretical Model I: Revenue Structures as the Key Determinant for Broadcasting Systems

#### **Revenues from the State:**

- Discretionary State Grants
- Discretionary Shares from Tax Revenues
- Rule-based State Grants
- Rule-based Shares from Tax Revenues
- Rule-based Devotion of a Public Revenue Source (e. g. of a Receiving Licence Fee)

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Market, State and Civil Society	Revenue Structure as Determinant for Broadcasting Systems.	Empirical Results. I	Legal Structure as Determinant for Broadcasting Systems	Empirical Results	Coclusions and Prospects		

**Operationalising the Theoretical Model I:** 

Revenue Structures as the Key Determinant for Broadcasting Systems

Operationalising the Theoretical Model I: Revenue Structures as the Key Determinant for Broadcasting Systems

# **Revenues from the Civil Society**

- Donations in Cash from Individuals
- Donations in Cash from NGOs
- Donations in Cash from Corporations
- Donations in Kind from Individuals (e. g. journalisic contributions)
- Donations in Kind from NGOs
- Donations in Kind from Corporations

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Revenue Structure as Determinant for roadcasting Systems	Empirical Results.	Legal Structure as Determinant for Broadcasting Systems	Empirical Results II	Coclus and Pro

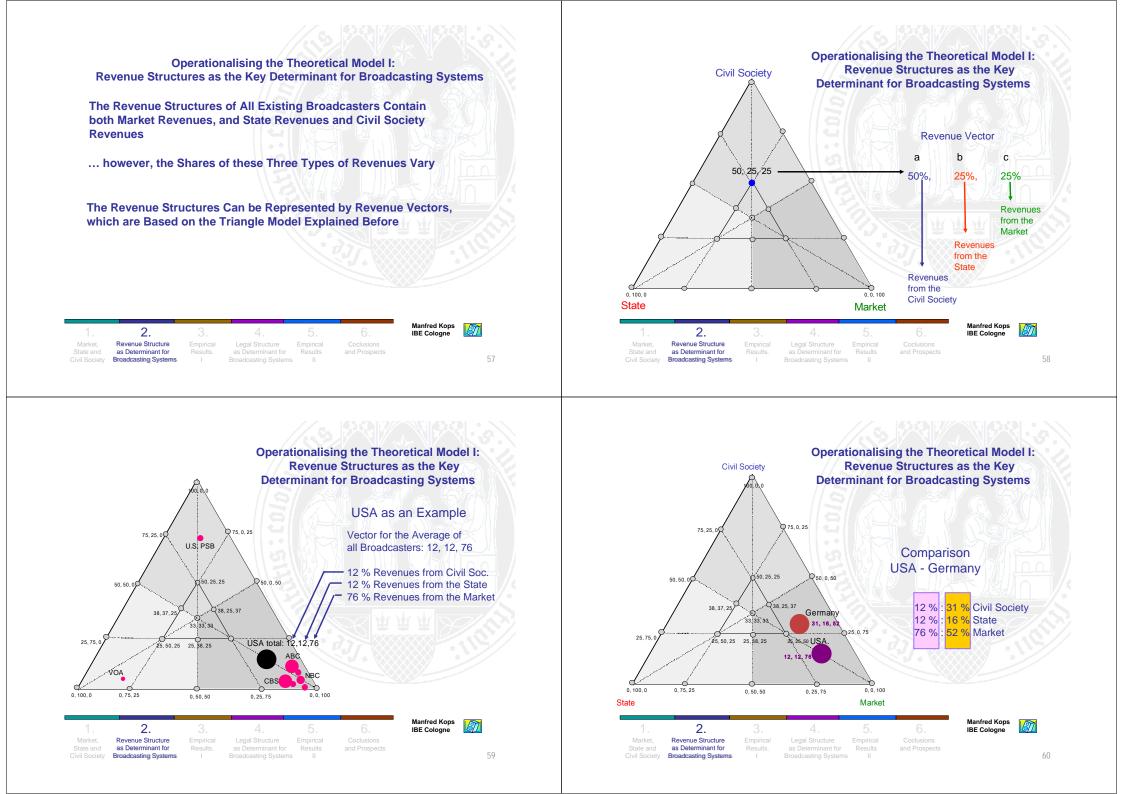


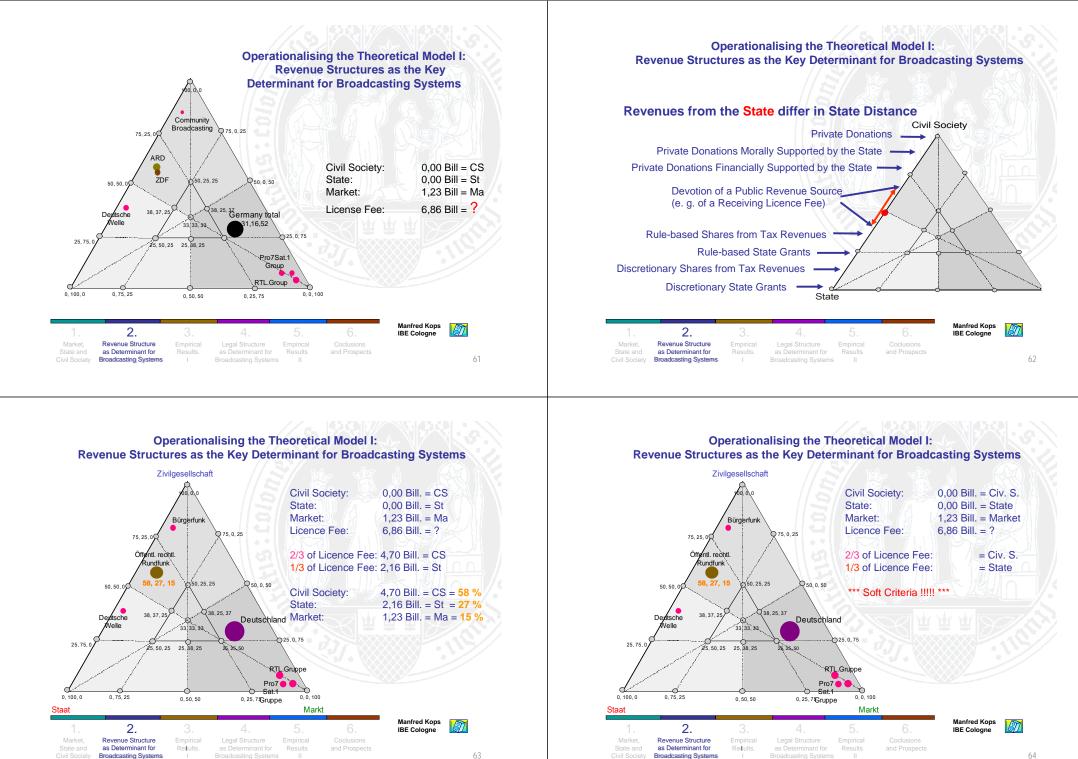
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1.	2.		4.	5.	6.
Market,	Revenue Structure	Empirical	Legal Structure	Empirical	Coclusions
State and	as Determinant for	Results.	as Determinant for	Results	and Prospects
Civil Society	Broadcasting Systems	5 I	Broadcasting System	ns II	



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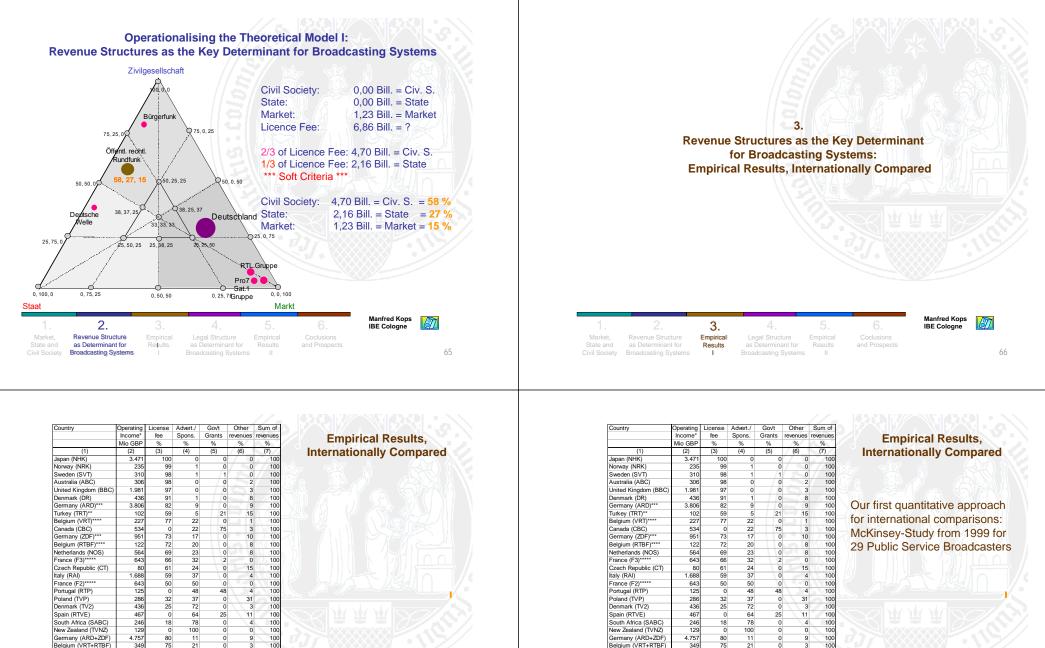




Broadcasting Systems

Broadcasting Systems

64



2.		3.		4.		5.	6.	Manfred Kops IBE Cologne
***** The total operating incor							own calcula	
*** The total operating incom							own calcula	/ <b>1</b>
** The total operating income		DE w as split	by us by an	estimated ra	tio of 80 %	ersus 20	Source: Mc	KINSEY 1999, p
21 % of operating income r								
Public funding derives from			bills and a tax	on electroni	ic goods (59	% and		
Operating income, excluding								
rance (F3+F2)	1.286	58	41	1	0	100		
elgium (VRT+RTBF)	349	75	21	0	3	100		
ermany (ARD+ZDF)	4.757	80	11	0	9	100		
lew Zealand (TVNZ)	129	0	100	0	0	100		
South Africa (SABC)	246	18	78	0	4	100		
Spain (RTVE)	467	0	64	25	11	100		
Denmark (TV2)	436	25	72	0	3	100		
Poland (TVP)	286	32	37	0	31	100		
Portugal (RTP)	125	0	48	48	4	100		
France (F2)****	643	50	50	0	0	100		
taly (RAI)	1.688	59	37	0	4	100		
zech Republic (CT)	80	61	24	0	15	100		
rance (F3)****	643	66	32	2	0	100		

Empirical Results

1

67

and Prospects

Belgium (RTBF)****	122	72	20	0	8	100
Netherlands (NOS)	564	69	23	0	8	100
France (F3)****	643	66	32	2	0	100
Czech Republic (CT)	80	61	24	0	15	100
Italy (RAI)	1.688	59	37	0	4	100
France (F2)*****	643	50	50	0	0	100
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France (F3+F2)	1.286	58	41	1	0	100
* Operating income, excludir	ng commercia	lincome				
** Public funding derives fro	m: a 3,5% lev	y on electrici	ity bills and a	tax on elect	ronic goods	(59% and
21 % of operating income	resp.)					
*** The total operating incom	e for ARD an	d ZDF was s	plit by us by	an estimated	d ratio of 80	% versus 20
**** The total operating incor	ne for VRT ar	d RTBF was	split by us t	oy an estimat	ed ratio of 6	35 % versus
***** The total operating inco	me for F2 and	d F3 w as spl	it by us by a	n estimated r	atio of 50 %	versus 50 %
		2		/		
∠.		3.		4.		
t, Revenue Struc	ture	Empirical	Le	gal Struct	ure	Empirical
nd as Determinan	t for	Results.	as	Determina	int for	Results
iety Broadcasting Sy	/stems	1	Broa	dcasting S	Systems	11





Source: McKINSEY 1999, p. 30.

own calculations

																		-						
Country	Operating Income*	Licens	Adve Spor		Gov/t Grants	Othe			19 NU//		<u>1</u> 77 - 1	11.1			Co	untry	Operating Income*	Licen					Sum of	
	Mio GBP	fee %	Spor %	is.	%	%	es reven		Emj	irical	Resul	ts,			_		Mio GBP					wenues n	%	Empirical Results,
(1)	(2)	(3)	(4		(5)	(6)	(7		Internet	ional	Com					(1)	(2)	(3)			5)	(6)	(7)	Internetionally Compared
Japan (NHK)	3.471	10		0	(0)	) (0)		100	Interna	ionai	y Con	ipare	u		Ja	pan (NHK)	3.471		100	0	0	(0)	100	Internationally Compared
Norway (NRK)	235		9	1		0		100								rway (NRK)	235		99	1	0	0	100	
Sweden (SVT)	310	9	8	1	1	1 2	0	100								eden (SVT)	310	0	98	1	1	0	100	
Australia (ABC)	306	ç	8	0	10	)	2	100							Au	stralia (ABC)	306	5	98	0	0	2	100	
United Kingdom (BBC)	1.981	9	7	0	0		3	100							Un	ited Kingdom (BBC	) 1.981	1	97	0	0	- 3	100	
Denmark (DR)	436	9	1	1	(	)	8	100			R V		NU N		De	nmark (DR)	436	6	91	1	0	8	100	CNIII LA MICILLA A VERTA A
Germany (ARD)***	3.806		2	9	(	)		100	Our first q	lantita	tive ap	proa	ch			rmany (ARD)***	3.806		82	9	0	9	100	Our first quantitative approac
Turkey (TRT)**	102		i9	5	2'			100	for interne	innal			4.1			rkey (TRT)**	102		59	5	21	15	100	for international comparisons
Belgium (VRT)****	227		7	22	(	)			for interna	ional	Jompa	115011	5.			lgium (VRT)****	227		77	22	0	1	100	for international comparisons:
Canada (CBC)	534		0	22	75			100	<b>McKinsey</b>	Study	from 1	999	for			nada (CBC)	534		0	22	75	3	100	McKinsey-Study from 1999 fc
Germany (ZDF)***	951		3	17	(	0	10									rmany (ZDF)***	951		73	17	0	10	100	
Belgium (RTBF)****	122		2	20	(		8	100	29 Public	Servic	e Broa	dcast	ters			lgium (RTBF)****	122		72	20	0	8	100	29 Public Service Broadcaste
Netherlands (NOS)	564			23	(		8									therlands (NOS)	564		69	23	0	8	100	
France (F3)*****	643 80		i6 i1	32 24		2		100								ance (F3)***** ech Republic (CT)	643		66 61	32 24	2	0	100	
Czech Republic (CT) Italy (RAI)	1.688		9	37				100	4 types of	rovon	100					v (RAI)	1.688	-	59	37	0	4	100	4 types of revenues:
France (F2)****	643		0	50				100	+ types of	even	103					ance (F2)****	643		59	50	0	4	100	4 types of revenues.
Portugal (RTP)	125		0	48	48		4	100					- 17 m			rtugal (RTP)	125		0	48	48	4	100	
Poland (TVP)	286		2	37			31	100								land (TVP)	286		32	37	0	31	100	
Denmark (TV2)	436		5	72			3	100								nmark (TV2)	436		25	72	0	3	100	- License fee
Spain (RTVE)	467		0	64	25	5	11	100								ain (RTVE)	467	7	0	64	25	11	100	- Advertising/Sponsoring
South Africa (SABC)	246	1	8	78	(		4	100							Sc	uth Africa (SABC)	246	5	18	78	0	4	100	
New Zealand (TVNZ)	129		0	100	(	)	0	100							Ne	w Zealand (TVNZ)	129	9	0	100	0	0	100	- Government/State Grants
Germany (ARD+ZDF)	4.757	8	0	11	(	)		100							Ge	rmany (ARD+ZDF)	4.757	7	80	11	0	9	100	
Belgium (VRT+RTBF)	349		5	21	(	)	3	100								lgium (VRT+RTBF)	349		75	21	0	3	100	- Other Revenues
France (F3+F2)	1.286	ŧ	8	41		1	0	100							Fra	ance (F3+F2)	1.286	6	58	41	1	0	100	
* Operating income, excludie ** Public funding derives fro			icity bills :	and a ta	iv on eler	tropic dor	de (59%)	bnd								perating income, exclud Public funding derives fr				and a tax or	n electror	hic goods (F	9% and	
21 % of operating income		011 01001					00,00,01									1 % of operating incom		l on oic	ou only only			10 90000 (0	o /o unu	
*** The total operating incom		1 ZDF w a	s solit by i	is by ar	estimate	ed ratio of	BO % ver	115 21	Source: Mo	(INSE)	1999, p	. 30.				The total operating inco		nd ZDE w	as solit by	us hy an es	timated r:	atio of 80 %	versus 20	Source: McKINSEY 1999, p. 30,
**** The total operating inco									own calcula			,				The total operating inco								own calculations
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d as Determinan	t ioï	Result	S.		etermin		Res		and Prospects						State and			Resu	IIS.	as Deter				and Prospects

Country

(1) Japan (NHK)

United Kingdom (BBC

Norway (NRK)

Sweden (SVT)

Australia (ABC)

Denmark (DR)

Turkey (TRT)\*\*

Belgium (VRT)\*

Canada (CBC)

Germany (ZDF)\*\*

France (F3)\*\*\*\*\*

Italy (RAI)

France (F2)\*\*

Portugal (RTP)

Poland (TVP)

Denmark (TV2)

Spain (RTVE)

South Africa (SABC)

New Zealand (TVNZ)

Germany (ARD+ZDF)

Belgium (VRT+RTBF

France (F3+F2)

Belgium (RTBF)\*\*\*\*

Netherlands (NOS)

Czech Republic (CT)

Germany (ARD)\*\*\*

Income\*

3.471

235

310

306

1.981

436

3.806

102

227

534

951

122

564

643

80

1.688

643

125

286

436

467

246

129

4.757

349

1.286

cense	Advert./	Go√t	Other	Sum of
fee	Spons.	Grants	revenues	revenues
%	%	%	%	%
(3)	(4)	(5)	(6)	(7)
100	0	0	0	100
99	1	0	0	100
98	1	/1	0	100
98	0	0	2	100
97	0	0	3	100
91	1	0	8	100
82	9	0	9	100
59	5	21	15	100
77	22	0	1	100
0	22	75	3	100
73	17	0	10	100
72	20	0	8	100
69	23	0	8	100
66	32	2	0	100
61	24	0	15	100
59	37	0	4	100
50	50	0	0	100
0	48	48	4	100
32	37	0	31	100
25	72	0	3	100
0	64	25	11	100
18	78	0	4	100
0	100	0	0	100
80	11	0	9	100
75	21	0	3	100
58	41	1	0	100
ome				
n electric	ity bills and a	tax on elect	ronic goods	(59% and
DF w as s	split by us by	an estimate	d ratio of 80	% versus 3
	s split by us b			
	_	_		
-		4		
		was split by us by ar	was split by us by an estimated r	was split by us by an estimated ratio of 50 %

Empirical

Results

1

Legal Structure

**Empirical Results**, **Internationally Compared** 

Our first quantitative approach for international comparisons: McKinsey-Study from 1999 for 29 Public Service Broadcasters

4 types of revenues

Simple reallocation of revenues from the licence fee:

50 % as state revenues, 50 % as civil society revenues.

and Prospects

Source: McKINSEY 1999, p. 30,

own calculations

Manfred Kops IBE Cologne

71

Operating tot. Rev. tot. Rev. tot. Rev. tot. Rev. tot. Rev. tot. Rev.

457

51

123

193 28

145

206

23

647

322

62

135

318

316

195

129

650 78

527

vol state com

% %

 (9a)
 (9b)
 (9c)

 50,0%
 50,0%
 0,0%

 49,5%
 49,5%
 1,0%

44,0% 44,0% 12,0%

34,5% 55,5% 10,0%

38,8% 38,8% 22,3%

1,0% 76,0% 23,0%

39.8% 39.8% 20.3%

38,7% 38,7% 22,7% 37,2% 37,2% 25,7%

33,0% 35,0% 32,0%

35,5% 35,5% 29,0%

30,8% 30,8% 38,3%

25,0% 25,0% 50,0%

1,3% 49,3% 49,3%

26,3% 26,3% 47,3%

13,5% 13,5% 73,0%

3.7% 28.7% 67.7%

10,3% 10,3% 79,3%

0,0% 0,0% 100,0%

43,2% 43,2% 13,7%

38,8% 38,8% 22,4%

29,0% 30,0% 41,0%

as Determinant for Results

49,0% 50,0%

49,7% 49,7%

49,5% 49,5%

48,2% 48,2%

1,0% 1,0%

0,7% 1,0%

3,7%

Result:

%

vol sect state sect com sect

116

155

152

981

210

57

88

406

379

47

210

225

28

520

161

62

75

59

134

25

2.053

135

386

0

1.674

Mio GBP Mio GBP Mio GBP Mio GBP

1.736 1.736

116

152

152

981

210

35

88

5

379

210

212

28

520

161

2

75

59

17

25

0

2.053

135

373

3.

Empirical

Results

1

47

1.674

(2) (8a) (8b) (8c)

own calculations Manfred Kops IBE Cologne

Source: McKINSEY 1999, p. 30,

**Empirical Results**,

Internationally Compared

First quantitative approach for

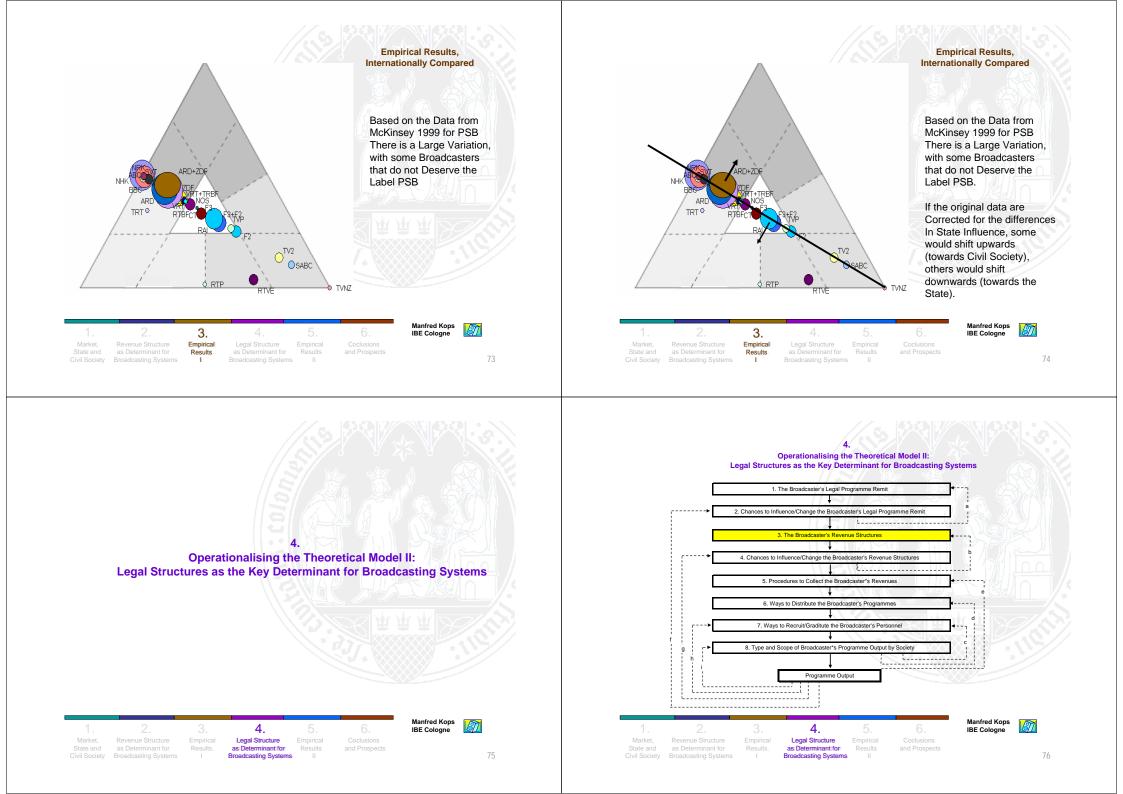
McKinsey-Study from 1999 for

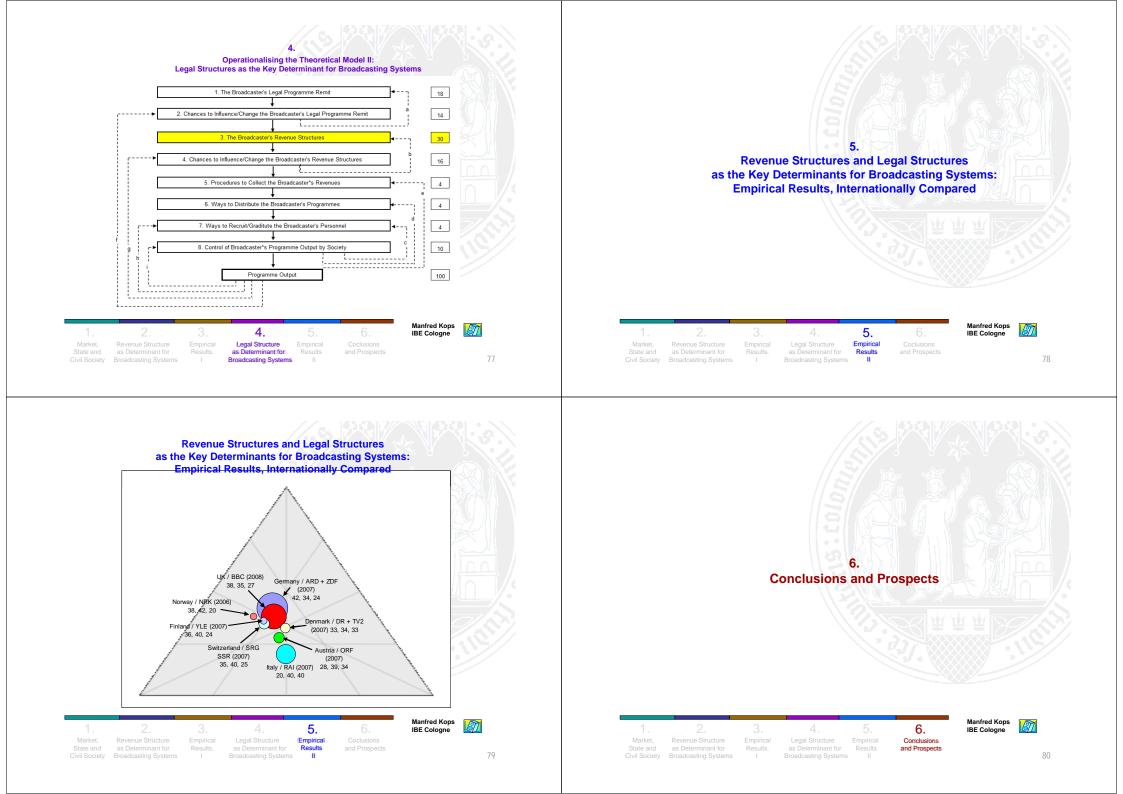
29 Public Service Broadcasters

roughly adjusted revenue vectors

international comparisons:

		7	,
			4





## **Conclusions and Prospects**

- 1. The Comparison of Broadcasting Systems becomes more important in the course of international conversion, especially in the course of European harmonisation
- 2. There is no standard instrument for the comparison of Broadcasting Systems
- 3. Both economic and legal criteria need to be considered
- 4. A comparison of Broadcasting Systems requires a consensus about the set of determinants and about the determinants relative importance (weights)
- 5. Different academic disciplines need to provide its knowledge.

