An Exciting, Yet Uncertain Future: Public Service Television and the Digital Age in Five Central/ Southeast European Countries

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The Digital Challenge for Television Broadcasters

Although the rise of new technologies has not ended TV viewing, it has certainly transformed it.
The interplay of technological changes (in the production, distribution and reception of media content), market changes (its internalisation and concentration), and the changes in audience behaviour, all of which together create new conditions for traditional media players, challenging the idea of communication and changing every aspect of how programming is provided, received or used. It is a fundamental process that changes the relations between technologies, industries, markets, genres, and audiences.

While these challenges are promising, bringing advantages to consumers[1], media / communication industries[2] and states[3], at the same time they post a threat. The possible drawbacks include social exclusion (i.e., it might not be affordable for some members of the population), extreme audience fragmentation as well as fragmentation of the public sphere, the diminished social and national integrative role of the media, shrinking advertising revenues due to extreme fragmentation of the market (which could force media companies to look for other sources of revenues), media concentration, etc.

When speaking of broadcasting in the digital age, discussions mostly concetrate on the issue of the introduction of digital television. The digitalisation of broadcasting, the replacement of analogue television, is set to finish in many European countries by 2012, and others by 2015 the latest. After June 17, 2015, countries in Europe will no longer need to protect the analoge services of neighbouring countries. The analogue signal will be switched off, which will inevitabely impact the entire broadcast industry chain, from the content and service providers to the consumers.

New trends reconfigure the whole media landscape, but are especiallly challenging for public service broadcasters (PSBs), since they not only change the technical condition under which they are to operate, but call into question their traditional role and remit.

> (…) even the very notion of PSB is being challenged. The “*public*” is in the process of becoming consumers. The kind of “*service*” which should be offered is under debate and “*broadcasting*” now accounts for only a part of the activity”[4] (Nissen, 2006)

Although in the earlier stages of European public service broadcasting the debates on the definition and justification of public service were not so common, today they have become increasingly frequent[5].

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[1] For example: increased choice and better technical quality of transmision of image and sound for consumers, portable and mobile television reception, interactive and participative media technologies, transfering power from schedulers and broadcasters to audiences/ users of media content and services.
[2] For example: digital compression and universality of formats created prospects for both hardwares and programmes, convergence of services, lower transmission costs, globalisation of digital content distribution.
[3] For example: more efficient use of frequency spectrum, the possibility to reach the population who live in areas that due to the spectrum limitations are currently not able to receive a signal
[4] Nissen, C. S. *Public Service Media in the Information Society.* Report prepared for the Council of Europe’s Group of Specialists on Public Service Broadcasting in the Information Society (MC-S-PSB), 2006, p.8.

Furthermore, there are external pressures from some international institutions such as the World Trade Organization "which seem to want to treat television, and indeed, culture, as just another commodity."[6]

Fragmentation of the audience, decreasing audience share of the PSB, weakening of the integrative role of the PBS, and the decline in public support for PSB might lead to the further questioning of the mandatory licence fee and of public funding. That puts a big question mark over the future of PSB, and leads many to ask themselves, is public service broadcasting finished?

Nevertheless, there are also those who argue that the need for PSB will not disappear. As Marko Milosavljevič reminds us, "the plurality of channels doesn't automatically bring plurality of sources and content. The reasons for the existence of PSB will stay the same as they are today."[7]

The starting assumption of our research was that we will continue to need public value in broadcasting, an agent for social, cultural and political cohesion in a society. We also presumed that commercial providers of media content are not capable of fulfilling that mission alone and that the PSB must therefore strategically confront new challenges in order to enable its sustainability and development in a digital environment. The main question of our research was: are the PSBs of five selected Southeast European countries ready to meet the new challenges, and additionally, what actions and policies are needed to ensure the existence and development of public service TV programming in a digital environment?

Challenges for Public Service Television in Central / Southeastern Europe

In many Central and East European countries these challenges are even more pronounced. As Jakubowicz summaries:

> In the media field, as elsewhere, post- Communist transformation has meant that Central and Eastern European countries are faced with a major policy overload. In this particular instance, they have the unevitable job of telescoping four centuries of law and policy making in the media into a couple of decades- from the 17th-century issue of freedom of speech all the way to the 21st century issues of the Information Society. This cannot easily be done, either on a policy level, or –and primarly – on a practical level, when a country is expected to leap over several stages in the development of its media industry in order to meet mostly economic and telecommunications policy goals formulated- as is the case with the digital swithover- in response to a different set of cicumstances than the ones they are grappling with. Equally difficult is the job of catching up on a decades of media market development.[8]

Public broadcasters in many transition countries have still not consolidated in terms of the transformation from state into public service television. When it came to preparing for the digital switchover, in such a context, the lag behind Western European countries is not surprising, yet should be taken seriously since the conversion to digital is inevitable and it is often expected that public service broadcasters should be the leaders in this process.

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[5] See Nissen, C. S. *Public Service Media in the Information Society.* Report prepared for the Council of Europe's Group of Specialists on Public Service Broadcasting in the Information Society (MC-S-PSB), 2006, p. 5.
[6] EUMAP, "Television Across Europe: Regulation, Policy and Independence", *(Bosnia - Herzegovina).* Open Society Institute (EU Monitoring and Advocacy Program- EUMAP), 2005, pp. 38-39.
[7] M. Milosavljevič, "Can Technical Needs Dictate Cultural and Public Interests? Public Service Programming and the Digital Age in Slovenia ", in M.Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.
[8] K. Jakubowicz, "Digital Switchover in Central and Eastern Europe: Premature or Badly Needed?", *The Public / Javnost,* Vol.14. No.1, p. 22, 2007.

Efficient communication practices on the process of digitalisation in many countries do not exist, and the process of switchover and switchoff is largly unknown to the general population, which might be especially problematic when it comes to fullfilling the mission in due time.

It is important to remember that a huge number of post-communist countries from the region are developing economies (lower/upper-middle-income economies[9]), which also affects the capacities of investing in new infrastructure.

Public Service Television in the Digital Age in Five Central/Southeast European Countries

Taking into consideration a few criteria, including indicators of multi-channel and multiplatform penetration, the existing regulatory framework and key policy documents related to digitalisation, market positioning of public service television, and their current (digital) services, capacity and strategies to enter the digital age, there are important differences in the readiness to confront the new challenges of the digital age in broadcasting among the five analysed countries: Slovenia, Bulgaria, Croatia, Serbia and Bosnia and Herzegovina.

Slovenia

In this context, Slovenia, among the leaders in the region, seems to be a step ahead of the others in terms of its readiness for the digital age. It is a relatively well - developed country, with previous market transition and entrance into the European Union and Euro zone.[10]

If we analyse data on the technological equipment of households and online access, we might conclude that Slovenia has good technological predispositions for the digital age. Among the five analysed states, Internet penetration in Slovenia is the highest, much higher than the European average[11] and higher than the EU average[12]. The percentage of broadband subscribers is also above the European average[13]. After television sets, mobile telephones are the second most important electronic medium in Slovenia. The telecommunication companies, which already offer online content and services for mobile subscribers, due to their economic power, technological development and the popularity of their services, are likely to become a very important player on the media market and even a serious competitor to the traditional media outlets in the area of digital television[14]. As stated in the country report: "there are basically just two strong players according to market shares, turnover and ability to adopt new digital technologies,"[15] public service broadcaster *RTV Slovenia* and commercial

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[9] World Bank Classification, http://web.worldbank.org

[10] World Bank classified it in the group of «high-income economies», World Bank Classification, http://web.worldbank.org.

[11] Internet penetration in Slovenia is 63.62 percent. European average is 37.18 percent. Source: International Telecommunication Union (ITU), Internet indicators: subscribers, users and broadband subscription, 2006, http://www.itu.int/ITU-D/ICTEYE/Indicators/Indicators.aspx#

[12] Internet penetration in EU is 51.3 percent. Source : Internet World Statistics /Internet Usage and Population Statistics: http://www.internetworldstats.com/eu/eu.htm

[13] The percentage of broadband subscribers is 13.96 percent, while the European average is 11.37 percent. Source: International Telecommunication Union (ITU), Internet indicators: subscribers, users and broadband subscription, 2006, http://www.itu.int/ITU-D/ICTEYE/Indicators/Indicators.aspx#

[14] M. Milosavljevič, "Can Technical Needs Dictate Cultural and Public Interests? Public Service Programming and the Digital Age in Slovenia",in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008..

[15] M. Milosavljevič "Can Technical Needs Dictate Cultural and Public Interests? Public Service Programming and the Digital Age in Slovenia", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

broadcaster *Pro Plus*[16]. The media sector in Slovenia in general is well developed in terms of quantity of media outlets and television stations registered in the country[17]. However, the size of the television market is limited by the small language area.

Apart from good technological capacities, Slovenia is lagging behind many EU countries both in the preparation and implementation of a switchover strategy and relevant regulation. Also, the spread of DTV platforms is at the moment very low (one percent) and significantly lower than the EU average (23.7 percent[18]).

Although its strategy for the switchover was prepared earlier (2006[19]) than in some countries in the region, when the country report was written,[20] the regulatory framework for television broadcasting in relation to digitalisation was still incomplete. The adopted strategy was the basis for the Draft Law on Digital Broadcasting that, at that time, was awaiting parliamentary procedures. Both the Draft Law and the strategy were prepared by the Ministry of Economy and brought different questions and criticisms, including that the Draft Law was "set too technically", and that the whole process had been approached mostly technically and economically, without real concern for "the important social, cultural and political consequences that will be felt for decades to come."[21] Furthermore, as recognised in the country report, it does not look like the regulatory authorities and other governmental structures are actually aware of the special role of *RTV Slovenia*.[22]

The Slovenian public service broadcaster, *RTV Slovenia*, has remained relatively successful and popular, and is still the most important source of local TV production. However, as in most of the countries of the region, its audience market share is shrinking (some exceptions can be found in Croatia and Serbia).

At the moment, besides terrestrial and satellite broadcasting, *RTV Slovenia* offers its content and services through teletext, WAP portal and web pages, including archives, live streaming, interactive services and user-generated content, etc. In 2007, *RTV Slovenia* plans to invests €20 million in equipment needed for digitalisation.

As concluded by Milosavljevič

> "On the one hand, *RTV Slovenia* is aware of the coming changes and the need to transform itself into a multimedia provider. On the other hand, it doesn't seem to have enough experts, skills and a precise enough concept (unlike

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[16] Owned by a foreign company, Central European Media Enterprises.

[17] 1,125 media outlets in total, including 36 television stations. Data taken from: M. Milosavljevič "Can Technical Needs Dictate Cultural and Public Interests? Public Service Programming and the Digital Age in Slovenia",in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008. Source of data: Ministry for Culture of Republic of Slovenia, "Razvid medijev", quoted by: M. Milosavljevič, "Can Technical Needs Dictate Cultural and Public Interests? Public Service Programming and the Digital Age in Slovenia",in M.Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

[18] European Commission, *Communication on Reviewing the Interoperability of Digital Interactive Television Services Pursuant to Communication COM(2004) 541*, 30 July 2004. COM (2006) 37 final. Quoted in M. Milosavljevič "Can Technical Needs Dictate Cultural and Public Interests? Public Service Programming and the Digital Age in Slovenia",in M.Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

[19] Ministry of Economy of Republic of Slovenia, *The Strategy of the Republic of Slovenia for the switchover from analogue to digital broadcasting*, 15 February 2006.

[20] Autumn 2007;

[21] M. Milosavljevič, "Can Technical Needs Dictate Cultural and Public Interests? Public Service Programming and the Digital Age in Slovenia", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

[22] M. Milosavljevič, "Can Technical Needs Dictate Cultural and Public Interests? Public Service Programming and the Digital Age in Slovenia", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

> powerful and/or more persuasive telecommunication companies and commercial channels) of how to do this, and how to persuade the regulatory bodies and government to provide a regulatory and financial framework. This would help *RTV Slovenia* to successfully adopt new technologies and maintain a specific, protected position in times of digital broadcasting."[23]

Bulgaria

Bulgaria[24] has a relatively well-developed media industry and transmission network (including a well developed cable infrastructure)[25]. Although internet penetration as well as the percentage of broadband subscribers is still quite low in comparison to the European average [26] it has enjoyed significant growth[27].The market of digital mobile telephone networks and services has grown rapidly in recent years, and the percentage of mobile cellular subscribers is very high and rising[28] . The technological context is well developed and there is interest among the audience/ users, which leads Orlin Spassov to conclude that "The state of the communication environment is favourable for starting digitalisation". It seems that this was already recognised by the cable industry, since there has been an emergence of cable networks that have taken the initiative and offered digital services even before the relevant legislation had been adopted.

Despite these developments, at the time when the country report was written, although the National Strategy and the Plan had been elaborated, they had not yet been adopted. There is a lack of coordination among the main institutions, numerous questions still remain open (such as the construction of multiplexes, the number of digital channels for PSB), and issues related to digitalisation are often politicised or create conflicts between different interest groups.[29]

> "The regulatory authorities reflect the distribution of political influence in Bulgaria as they are composed on a quota basis, as already mentioned. Thus, they often make decisions that more or less serve particular interests…The overall impression is of a lack of sufficient stability, of manoeuvring between the provisions of the law, of insufficiently well harmonised aspects of the legislation, and of biased decision-making by the regulatory authorities. The politicization practically means that important decisions about digital broadcasting can result from lobbying rather than from strict abidance to the logic of law. … It is obvious that in such a situation the regulatory authorities are under double pressure: both by the government and the interested media groups.[30]"

The national public-service television broadcaster/telecommunications operator, *Bulgarian National Television* (*BNT*) besides lacking adequate policy, is confronted with several technical and programming problems. This

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[23] M. Milosavljevič, "*Can Technical Needs Dictate Cultural and Public Interests?* Public Service Programming and the Digital Age in Slovenia", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

[24] The World Bank classifies Bulgaria as an "upper-middle-income economy" (as well as Croatia and Serbia), World Bank Classification, http://web.worldbank.org.

[25] 203 licensed television programme services, out of which 7 are broadcasted by terrestrial transmission, 196 by cable and satellite; 17 public and 186 commercial. Data taken from O. Spassov "Public Service Television in Bulgaria at the End of the Analog Age", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

[26] Bulgaria: Internet penetration 21.66 percent, broadband subscribers 5.01 percent; European average: internet penetration 37.11 percent, broadband subscribers 11.37 percent. Source: International Telecommunication Union (ITU), Internet indicators: subscribers, users and broadband subscription, 2006, http://www.itu.int/ITU-D/ICTEYE/Indicators/Indicators.aspx#

[27] See O. Spassov, "Public Service Television in Bulgaria at the End of the Analog Age", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

[28] More than 8 million mobile cellular subscribers in 2006; compound annual growth rate 2001-2006 was 39.7 percent. Source: International Telecommunication Union (ITU), Mobile cellular, subscribers per 100 people, 2006,

[29] Ibid.

[30] Ibid.

includes a lack of adequate financing, which strongly influences its programming (just to illustrate - *BNT* produces 14 hours of programming a day, more than the state financing covers, and is able to achieve that mostly with economising and only partly with its advertising revenue)[31]. Its serious competitors in the context of digitalisation are major private TV channels owned by foreign investors, cable networks which integrate different digital services, mobile operators, as well as Internet television[32].

> "By their reluctance to open up BNT to the market (in terms of content and advertising) and by their refusal to ensure adequate funding from the State, the post-1989 governments bear the brunt of the blame for the declining role of BNT while retaining greater control over it."[33] Furthermore, "In the absence of a new policy, the growing competition expected in the digital environment may place *BNT* in an even more marginal position on the market."[34]

BNT has necessary experts in terms of future content and technology, has started developing interactive services and is re-equipping some of its studios. However, as mentioned before, adequate regulative and financial supports are still lacking and the process of digitalisation is still slow.

Croatia

When analysing indicators of multiplatform penetration, it is evident that the usage of new media platforms and services in Croatia[35] are also showing a trend of significant growth, especially among the younger population. According to ITU data (2006) and in comparison to the other countries we researched, the internet penetration rate in Croatia was close to average by European standards and higher than in Bulgaria, Serbia and B&H. The percentage of broadband subscribers, as in the rest of the region, was still low[36]. The percentage of mobile cellular subscribers is high[37] and there is an estimation that the expansion of mobile phones reached its peak in 2006, with lower growth expectations ahead, though mobile services can be expected to develop further.[38]

In addition, a multi-platform, a multi-channel environment is developing. The telecommunication and cable sectors are almost completely under foreign ownership, as well as the terrestrial commercial broadcasters operating at the national level. However, public service *HRT* has a relatively strong position on the market, which can be perceived as an advantage in the process of digitalisation. It is the leader in both advertising income and audience share[39]. It is a market leader in providing public service content.

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[31] Ibid.

[32] Ibid.

[33] Ibid.

[34] Ibid.

[35] The World Bank classifies Croatia as an "upper-middle-income economy" (as well as Bulgaria and Serbia), World Bank Classification, http://web.worldbank.org.

[36] Internet penetration: Croatia 36.98 percent , Bulgaria 21.66 percent, Serbia 13.34 percent , B&H 24.28 percent, average European 37.18 percent; Broadband subscribers: Croatia 5.53 percent. Source: International Telecommunication Union (ITU), Internet indicators: subscribers, users and broadband subscription, 2006, http://www.itu.int/ITU-D/ICTEYE/Indicators/Indicators.aspx#

[37] Percentage of mobile cellular subscribers: Croatia 96.47 percent. Source: International Telecommunication Union (ITU), Mobile cellular subscribers per 100 people, 2006. http://www.itu.int/ITU-D/ICTEYE/Indicators/Indicators.aspx#

[38] Z. Peruško & H. Popović, "From Transmission to the Public Good: Media Policy for the Digital Age in Croatia", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

[39] *HRT* audience share is 54.25 percent. Source: AGB Puls, in *Hrvatsko medijsko tržište: regulacija i trendovi koncentracije*, Z. Peruško, K. Jurlin, 2006 (Source AGB Puls, in *The Croatian Media Market: Regulation and Concentration Trends*, 2006), unpublished study for the Media Division of the Council of Europe. Quoted by Z. Peruško & H. Popović," From Transmission to the Public Good: Media Policy for the Digital Age in Croatia", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

At the moment, the public service broadcaster *HRT* seems to be the leader in the process of digitalisation and the "only player seriously involved in the development of public service audiovisual digital content"[40]. As Peruško and Popović recognize, public service *HRT* might face its biggest competition in the future development of digital television from broadband internet providers[41] . Digital television in Croatia is already present as Internet protocol television- IPTV. In some regions, there is also experimental digital transmission DTT of all four channels at the national level (two channels of public service *HRT* and two commercial broadcasters *RTL Television* and *Nova TV*). It is presumed that the IPTV will be the main delivery platform for digital television; thus the important competitor to public service HRT is the first commercial IPTV- *MaxTV*[42].

In general, although public policy in the area of digital broadcasting is developing, it is "arriving very late"[43] and does not seem to be aware of the importance of the public service content in new media platforms and the entire digitalised media environment.

Serbia

In terms of introducing digital television and securing the sustainability and development of its PSB in the digital environment, Serbia lags behind most countries in the region and in Europe.

Its internet penetration, according to ITU data (2006), was the lowest[44] among these five states[45]. According to the same source, broadband penetration was still very low[46]. The mobile sector is growing, which is evident both through the strong increase in the number of mobile service users and of the amount of its yearly revenue[47]. Much later than elsewhere in Europe, the major telecommunication provider, *Telekom Srbija*, is planning to introduce a triple-play offer[48] and will be the first provider in Serbia to do so[49]. The same company plans to use its current infrastructure to start developing a digital terrestrial broadcasting network as well. As Milošević and Petrović recognise: "In the absence of state plans and activities it will give *Telekom Serbia* a head start and dominant position in the future in terms of content distribution platforms"[50]. There are estimations that multi-

[40] Z. Peruško & H. Popović, "From Transmission to the Public Good: Media Policy for the Digital Age in Croatia", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.
[41] Ibid.
[42] Z. Peruško & H. Popović, "From Transmission to the Public Good: Media Policy for the Digital Age in Croatia", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.
[43] Ibid.
[44] Internet penetration in Serbia: 13.34 percent (2006). Source: International Telecommunication Union (ITU), Internet indicators: subscribers, users and broadband subscription, 2006; http://www.itu.int/ITU-D/ICTEYE/Indicators/Indicators.aspx#
[45] The World Bank classifies Serbia as an "upper-middle-income economy" (as well as Croatia and Bulgaria), World Bank Classification, http://web.worldbank.org.
[46] Broadband subscribers in Serbia: 1.16 percent (2006), Source: International Telecommunication Union (ITU), Internet indicators: subscribers, users and broadband subscription, 2006; http://www.itu.int/ITU-D/ICTEYE/Indicators/Indicators.aspx#
[47] See M. Milošević, T. Petrović, "The Late Beginning of Digital Television in Serbia", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.
[48] This triple play offer includes high speed Internet, television and telephone service.
[49] M. Milošević, T. Petrović, "The Late Beginning of Digital Television in Serbia", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.
[50] M. Milošević, T. Petrović, "The Late Beginning of Digital Television in Serbia", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

channel penetration in television households is around 30 percent and is achieved mostly through an analogue cable platform,[51] which in recent years increased the number of its subscribers[52].

A huge number of broadcasters [53] is not an indicator of a developed industry, but rather of regulatory chaos[54]. Commercial broadcasters emerged in a legislative void in the 1990s. Media reforms in Serbia started later than in the rest of the region (2000), and have been slow and inconsistent, which strongly affected the development of its media environment.

> "The inefficiency of the Serbian legislature and the lack of political willingness have caused serious delays in the process of establishing a public service broadcaster and independent regulatory authorities in the field of broadcasting and telecommunications"…Presently, at the end of 2007, the Serbian broadcasting market is still characterised by intense competition and controversial regulatory practices. The Serbian media industry is considered to be one of the 'most unsettled and unregulated'[55] in Europe."[56]

Transparency in ownership is still a problem. At the time when the report was written, Serbia had not yet developed its strategy and plan for the switchover, and legislation remains to be adjusted[57].

Although the state is quite passive, broadcasters, cable and satellite operators are already introducing new digital services. Direct-to-home (DTH) service is already available though *Serbia Broadband – SBB*, a cable and Internet company [58]. Only the leading commercial player *Television Pink* has introduced thematic channels though this platform. Public service broadcaster *RTS* was the first broadcaster in Serbia that started to experiment with digital signal, and today has digital broadcasting. However, with no specific digital content and, absurdly, no audience because digital terrestrial receivers are still not available in the Serbian market, the communication practices in introducing digital broadcasting to the majority of people remain uninformed of the advantages of technology[59].

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[51] Usage of ITC in Republic of Serbia - Republički zavod za statistiku Srbije, 2007 quoted by M. Milošević, T. Petrović," The Late Beginning of Digital Television in Serbia", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

[52] The numbers of users grew from 420,000 in 2004 to approximately 700,000 in 2006. Data taken from M. Milošević, T. Petrović," The Late Beginning of Digital Television in Serbia", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

[53] More than 600 broadcasters in Serbia, as stated in: M. Milošević, T. Petrović, "The Late Beginning of Digital Television in Serbia", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

[54] M. Milošević, T. Petrović, "The Late Beginning of Digital Television in Serbia", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

[55] EUMAP report for Serbia 2005, available at http://www.eumap.org/topics/media/television_europe/national/serbia/media_ser1.pdf, (accessed on 8 May 2007)

[56] M. Milošević, T. Petrović, "The Late Beginning of Digital Television in Serbia", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

[57] M. Milošević, T. Petrović, "The Late Beginning of Digital Television in Serbia", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

[58] DTH / SBB has around 40.000 subscribers. Source: M. Milošević, T. Petrović, "The Late Beginning of Digital Television in Serbia", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

[59] Source: M. Milošević, T. Petrović, "The Late Beginning of Digital Television in Serbia", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

If we analyse the data presented by the authors, we may conclude that the public service broadcaster *RTS* has a relatively stable audience share which is growing[60]. However, in order to gain a bigger piece of audience share, it is continuously competing with commercial rivals[61].

Bosnia and Herzegovina

The capacities of the B&H television market, including the public service broadcasters' position and capacities, the existing regulatory framework, policies, and the level of readiness for the digital age are not promising in Bosnia and Herzegovina.

Although the development of a multi-channel and multi-platform environment is almost ignored in public discourse and policies, indicators show that technological and market changes are inevitably arriving to the underdeveloped, oversaturated, complex and financially poor BH television sector[62]. As elsewhere, audiences are not waiting and are increasingly deriving benefits from the arrival of a multi-channel and multiplatform environment.

The unfinished reform of the public service broadcasting system is an indicator of the lack of will and interest of the local political elites and the lack of their strategic approach towards the future development of PSBs. Complex constitutional structures, as well as ethno-nationalistic preoccupations, are constantly projected on the public sector together with the lack of sufficient understanding of the issues involved in the digital switch-over, broadcasting, programming and market development.

In addition to fragmentation along territorial and ethnic lines, in the last five years channels from neighboring Serbia and Croatia and their rising popularity made them very important competitors to the public service broadcasters in Bosnia and Herzegovina. For PSBs and small local stations, the same period has been marked by a significant audience decrease[63]. There is also increasing competition from private broadcasting operators, eroding market shares from the public service system,[64] which in B&H operates through three generally oriented channels with relatively small revenues.

The transition to digital broadcasting is still at a very early stage. At the time the report was written, the Strategy and Plan for the switchover from analogue to digital broadcasting had neither been adopted nor written. Regulation for the start up of the Digital Terrestrial Television (DTT) had not been drafted, the capacity not yet allocated to operators for the launch of DTT, the start up date for DTT of PSB not established, and the switch

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[60] Audience share of RTS1 and RTS2: 26.9 % in 2003 - 34.1% in 2006. See Table 4. Average Audience Share of the Most Important TV channels 2003 – 2006 in M. Milošević, T. Petrović, "The Late Beginning of Digital Television in Serbia", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

[61] M. Milošević, T. Petrović, "The Late Beginning of Digital Television in Serbia", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

[62] See: A. Isanović, "Will the Digital Revolution Be Televised? Concerns about the future of public service programming in Bosnia and Herzegovina", M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008; *Economic and legal analysis of the communications sector in Bosnia and Herzegovina.* The EU CARDS Twinning Project BA 02.01/02.012005; *Television Accross Europe: Regulation, Policy and Independence (Bosnia - Herzegovina).* Open Society Institute (EU Monitoring and Advocacy program- EUMAP), 2005

[63] PSBs audience share decreased from 37.9 in 2002 to 23.7 percent in 2006. Source: Report MIB – BiH Gallup International "*Mjerenje gledanosti TV stanica 2002 - 2006*"

[64] See A. Isanović, "Will the Digital Revolution Be Televised? Concerns about the future of public service programming in Bosnia and Herzegovina", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

off of analogue frequency not set by the law. Support policies also had not yet been defined, nor were support measures for the diffusion of receivers and standardization policies.
All of this reaffirms the sense of the ill-preparedness regarding the challenges of a digital environment.

Instead of a Conclusion: An Exciting But Uncertain Future

The analysis of the multi-channel and multi-platform media environment in selected countries shows several common trends; for example, the arrival and growing power of new media players that offer new digital content and services. Long term decreasing audience and market share of the public service broadcasters is present throughout the region. Moreover, public service broadcasters are losing the younger audience especially, who are turning to other sources and services and increasingly expect greater influence over the media they consume[65]. Currently, it seems as if there are no clear policies that would ensure the long term sustainability and development of public service television programming in the digital age.

Flexible new media players and forces driven by economic interests are responding to the challenges of the digital age by introducing new services though their platforms, often before the state has even devised a policy on how it wants to protect the public value through those platforms. To quote Spassov, in general it seems that “The media industry is developing faster than the State”[66] and that “we are still paying little attention to what is happening. In our way of thinking, our policies and our habits, we are still in the analogue age”[67]. Analysis shows that policy makers often lack the understanding of the scope and the character of the changes arriving with a multi-channel and multiplatform environment. There is a lack of awareness of the consequences the process might have on the social, cultural and political life of its citizens. While they are often focused on frequency planning and resolving technical issues regarding the digitalisation of broadcasting, the importance of the fulfilment of public interest in the digital age remains unrecognised, content issues are unresolved, and the future of public service programming in the digital age still unclear. This future is strongly dependent on state policies, whose creation must be transparent, and include more public debate between all stakeholders As Peruško and Popović, noted in their chapter on Croatia:

> It seems it is still necessary to remind that the media have a social role and impact, even if they are delivered to our mobile phones or on our computer screens: the media constitute not only a business, but a social activity as well. In the multi-channel environment of the abundant delivery networks, it might become harder to enforce the social benefit expected of the media. This will become especially difficult if society is not sure what kind of social benefits it wants and expects from the media. Proponents of further liberalization of the media system and policy think that there is no further need for enforcing a social contribution from the media, as the diversity in media type and channel is so great that “the market” itself will provide exactly what the individual wants. This issue warrants much more probing before we can propose a happy end to the problem.[68]

At the same time, all countries are lagging behind in preparations for the switch-off. It is often stated that public service broadcasters should be the leaders in the process of introducing digital broadcasting. As we saw, in some countries similar tendencies can be already recognised, while in others, the existing regulatory framework and key policy documents, their social and market positioning, capacities and institutional strategies still do not enable them to take the lead.

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65 H. Jenkins. *Convergence Culture.* 2006, p. 244.
66 O. Spassov, “Public Service Television in Bulgaria at the End of the Analog Age” in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.
67 Ibid.
68 Z. Peruško & H. Popović , “From Transmission to the Public Good: Media Policy for the Digital Age in Croatia”, in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

In general, in the transition process, many public service broadcasters have been assigned a special role in accelerating the assumption of digital broadcasting by introducing the technology to its audiences and raising their interests in it. However, that is hard to achieve without upgrading its programming and providing its citizens with new digital content and services on different delivery platforms[69]. After all, it is the content and services, and not the technology itself, that encourages the majority of citizens to adopt or reject digital programming.

Although we recognised several challenges and problems for public service broadcasters in the digital age, it is important to remind, as some authors noted, that in the creation and diffusion of new digital content public service media might also have several competitive advantages. They have rich archives and production rights that can be exploited through new services; they can join forces with other public institutions in the production of new content; most likely they will not meet competition in the provision of some genres; and they possess recognisable brands, "islands of trust" they have constructed that might be developed on all platforms and certainly become an advantage in the digital environment.

The future of public service broadcasters will definitely depend on public policies, and wheatear they will be supportive of further development in the digital age. However, their future is also strongly dependent on their legitimacy. Therefore, public service broadcasters must take seriously their "public" and the changing habits of their audiences/ users, since public service media can be justified only in terms of the programming it can develop, acquire or produce, and deliver to its audiences "anywhere, anyhow, anytime."[70]
In regard to this process, we can analyse the experiences of earlier adopters of new digital services, and the experience of countries that are more progressive in terms of conversion to a digital platform. However, in order to (re)define the new role and remit of public service media to meet the needs in each of these societies, the policies and practicies in defining how public service programing in the digital age would create public value, sustain citizenship, civil society and serve democracy at all levels, and to contribute to and promote education, stimulate creativity and fulfill its task in relation to culture and social cohesion - we must consider the unique local aspects of the different contexts (see Jakubowich, 2007 [71]).

Based on an analysis of these local specifications, under which the sustainability of long-term development of public service programming in the digital environment are to be achieved, each of the following country chapters tries to outline a set of clear and practical recommendations. We hope that policy makers, media professionals and all other stakeholders will find this contribution useful in the process of their preparations for the digital age, as well as for further exploration of this issue.

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[69] See P. Iosifidis, "Digital TV, Digital Switchover and Public Service Broadcasting in Europe", *The Public/Javnost*, Vol.14. (2007), No.1, pp. 5-20.

[70] A. Isanović, "Will the Digital Revolution Be Televised? Concerns about the future of public service programming in Bosnia and Herzegovina", in M. Sükösd (ed.). *Public Service Television in the Digital Age: Strategies and Opportunities in Five South- East European Countries*. Mediacentar Sarajevo, 2008.

[71] See Karol Jakubowicz's statement from the Conference "Repositioning Public Service Broadcasting: The BBC Charter renewal and its Global Aftermath", September 3007, London; http://media.mcgill.ca/finles/psb_statements.pdf

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