A Funding Model for Public Broadcasting

Presentation by
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The World Radio and Television Council (2000) defines public service broadcasting thus:

- Neither commercial nor State-controlled, public broadcasting’s only *raison d’etre* is public service.
- *It is the public’s broadcasting organization; it speaks to everyone as a citizen.*
- Public broadcasters encourage *access to & participation* in public life.
- *They develop knowledge, broaden horizons & enable people to better understand themselves by better understanding the world & others.*
Media as an Institution

- Media is uniquely a three dimensional institution.
- Political as a provider of ideally news & current affairs role.
- Cultural circulates & produces the images, sounds & representations of culture – part of the cultural industries/sector.
- Economic as part of a market system i.e. carrying advertising of goods & services, an employer & buying goods & services including cultural products – programmes etc.
- This three dimensional nature is particularly characteristic of public broadcasting institutions.
- Requires unique & appropriate governance, funding, management & accountability mechanisms that are aligned.
The Impact of Funding

- Funding & financing in broadcasting (& media in general) are the key but not only determinant of types or forms of broadcasting.

- It follows therefore that a form or type of broadcasting must be aligned with an appropriate funding model.

- To be sure appropriateness does not mean you cannot use a mixed model & to SOME degree achieve some of the mandates of the type of broadcasting that you want.

- In fact in most economic systems today a mixed model is the only possibility.
Trends in Funding & Financing

• From the 1990s the major trend was to shift funding of public broadcasting from state funding to commercial sources.
• This trend coincided with a general shift to operate other public services commercially.
• It has also coincided with a rethink on public enterprises along the lines of commercialization and/or privatization. FM advocating this line.
• Organizational structures in public broadcasting have changed to embrace the commercial emphasis e.g. CEOs as the leaders not Director Generals.
• Business unit approach to internal organisation.
Trends in Funding & Financing

- These trends have often meant a significant reduction in state or public funding for public broadcasting.

- Public broadcasters have been urged to improve on their commercial strategies to get more commercial funding.

- Advertising & commercial sponsorship have become key & dominant sources of funding.

- Equally strategies to collect the licence fee have been developed & diversified to include coercive measures.
SABC’s sources of funding

Over the last few years the sources of the SABC’s funding are made of the following:

1. **Commercial activities**
   
   *Dominant above 75%*

2. Licence revenue (below 30%)

3. Government support under (5%)
SABC’s broadened Mandate

• Post 1994 the SABC has been given a broadened mandate to meet the demands of a transforming society.

• It has had to itself transform from being a state broadcaster into a public broadcaster.

• The language, cultural & politically independent role for a democratic dispensation requires huge resources that cannot simply be accessed from commercial sources without compromising the mandate.
Impact of Commercial Funding on SABC

• Uneven delivery on the local content mandate especially the production of news bulletins & current affairs in all the official languages.

• In particular the unsatisfactory use of indigenous African languages has resulted in the retention of the colonial & apartheid language status quo.

• Access to information has therefore been somewhat curtailed for the large majority of people whose language of ease in communication is their mother tongue.
Impact of Commercial Funding on SABC

- *Uneven development* of local content across programme genres drama, comedy, music etc using all the languages especially the indigenous African languages.

- The failure to diversify the films/entertainment shows on television & the over reliance on old Hollywood fare of the blood, sex & crime type and ‘mindless’ shows.

- Uneven development & failure to diversify *undermines* the mandate to develop SA & African culture and identity.

- Also directly & indirectly undermines the growth of a local strong viable and competitive independent production centre.
Impact of Commercial Funding on SABC

Consequently the SABC:

- Is not *necessarily* the first & permanent choice of South Africans.
- Is not sufficiently distinct from the commercial broadcasters.
- Does not unequivocally set standards journalistically & break news at all times.
- Has some excellent journalism – Special Assignment.
- Has not been able to invest in long term training & development of staff including journalists & producers.
- Has not yet invested in new technologies to the extent it should have given the changing technological environment.
- Has no well articulated vision of using new technology platforms to deliver on its mandate.
Impact of Commercial Funding on SABC

• Overall therefore the SABC’s identity as a public broadcaster has been compromised. Suffers an identity crisis of some sort. Hence calls for it to be simply privatised!

• Organizationally it has the hybrid structures of a commercial broadcaster & those of a public broadcaster – corporate management without corporate best practice performance & accountability mechanisms.

• The compromised identity & hybrid structure has in turn affected its transformative role & the need to create an open public sphere for South Africans who first & foremost citizens & not consumers whose access depends on socio-economic status.
No Three Tier System

• The full implication of the impact of a *predominantly* commercial funding model is that we do not have a 3 tier system of broadcasting as our broadcasting policy demands.

• Further it means we do not have *a genuine* public broadcaster & this has implications for national unity & cultural identities, democracy & development & our place/role in the global scheme of circulation of images and discourses.

• Ultimately it has implications for who we are (identities) as South Africans & what our aspirations are.
A New Model is Needed

- A new funding model should enable the SABC to be a genuine public broadcaster dedicated to public service.
- Such a model should ensure **long term assured funding** which enables the SABC to not only be **sustainable** but to be able to **make long term plans**.
- **Long term plans** will include production strategies, human resource development at all levels, in-depth audience research & adoption of new technologies to improve production & transmission & provide a universal service which ensures universal access.
- A new funding model should integrate (not accommodate or cater for) the independent production sector as part of the system of production of the public broadcaster.
The New Funding Model

- It should have **public funding** at its centre as a **dominant source** that is **insulated** from interference by a government of the day. *Need for a constitutional amendment!*
- Commercial sources but **NOT** as **the dominant & critical source** should be allowed **BUT** not in programmes like news & current affairs, educational & children’s programming.
- The **licence fee** should continue but its collection should be linked to developing programmes that build citizen’s sense of responsibility.
- If the programming becomes **predominantly** public service licence fees could be easier to collect & acceptable to citizens.
- New possibilities brought by new technologies should be used to develop new unique programming that appeals to specific audiences or caters for small audiences.