

BOOK REVIEW

Towards a Market in Broadcasting: Communications Policy in the UK and Germany

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2012

Palgrave Macmillan: Hampshire, UK; New York, USA

347 pages including index, list of figures and tables, foreword, acknowledgements and list of abbreviations

Hardback,

US\$ 95.00

ISBN: 978-0-230-29861-3

This volume describes the evolution of broadcasting policy in the United Kingdom (UK) and Germany since the beginnings of wireless broadcasting at the start of the twentieth century. It covers the main public policies that have shaped the radio and television broadcasting sectors in both countries, paying particular attention to the following topics: state and private ownership of broadcasting companies; power of the central government and the regions; and the influence of political parties on the development of the broadcasting sector. The shift towards a market-based broadcasting sector that has occurred over recent decades is also explained.

According to the information provided in the book, the author had an academic affiliation to a British university. The book has a sound theoretical framework and follows an analytical approach. It is divided into four parts. Part I describes the theoretical framework, while Parts II and III describe the public policies related to the broadcasting industry in the UK and Germany respectively. Part IV compares the broadcasting sector in both countries.

Part I encompasses three chapters. In Chapter 1, the introduction, the author explains the motivation for conducting this research, the primary and secondary data employed, the research questions posed and the structure of the book. Chapter 2 explains several theories relating to the broadcast market. A good explanation of the interplay between the market and the state in the broadcasting arena is provided in this chapter. Chapter 3 explains the

similarities and differences of the legal systems in both countries. Different theories of the press are also explained.

Part II encompasses Chapters 4 to 10. Chapter 4 studies the period from 1920 to 1945, and explains how the British Broadcasting Corporation (BBC) was created in the UK as a cooperative of radio-set manufacturers. The BBC was transformed into a public corporation and, even though it had regional offices that produced content, it became heavily London-centric. Shortly before World War II, the BBC came under the control of the Ministry of Information and the BBC radio service, which adopted an ultra-patriotic posture, had a massive wartime audience.

The period from 1945 to 1955 is described in Chapter 5. In Britain, the Labour Party won the 1945 general election and subsequently pursued an economic agenda based on strong state intervention. One of the central topics examined by the Beveridge Committee was the public monopoly of the BBC and the possibility of introducing commercial broadcasting. In 1951 the Conservatives won the general election and Independent Television (ITV), the first commercial television network in Britain, which was to be controlled by the Independent Television Authority (ITA), was created.

Chapter 6 describes the period from 1955 to 1964. Programmes from the United States entered the ITV network and the ITA compelled local contractors to also provide local programming. Due to advertising on television, the revenues of ITV far exceeded those of the BBC. The Pilkington Committee recommended the allocation of the third channel to the BBC, and thus BBC2 started broadcasting in 1964.

The period from 1964 to 1979 is analysed in Chapter 7. In the 1960s and 1970s, the audience was divided in almost equal terms between the BBC and ITV, both of which were producing remarkable programmes. The BBC, for example, produced *Till Death Us Do Part*, *Steptoe and Son*, *Up the Junction* and the *War of the Roses* series. ITV was obliged by the ITA and its successor, the Independent Broadcasting Authority (IBA), to produce regional programmes, which helped to promote cultural regionalism. The Annan Committee recommended that

the fourth and last available terrestrial television channel should be treated differently to the existing ones.

In Chapter 8, the period between 1979 and 1990 is described. After the arrival in government of the Conservative Party led by Margaret Thatcher, broadcasting began to be treated as an economic good. Channel 4 was launched in 1982; it was publicly owned but its budget relied on advertising. The deployment of cable and satellite networks brought competition to the television market. The Peacock Committee helped to introduce a significant shift from a socio-cultural broadcasting policy towards a neoliberal one.

Chapter 9 spans the period from 1990 to 2003. To promote the independent production sector, the Broadcasting Act of 1990 introduced a quota of 25 per cent for independent productions on the BBC and the third channel (ITV). The BBC became more economically efficient by reducing staff and operating costs; it also implemented an internal reorganisation, with which programme-makers could choose between external or in-house facilities to make the productions. The Labour Party, which won the 1997 general election, advocated a light-touch regulatory regime.

Chapter 10 describes key issues between 2003 and 2011. The Communications Act of 2003 enabled a single regulator, Ofcom, to assume various responsibilities that had up to then been within the remit of different regulatory agencies. Ofcom at this point took charge of the regulation of communications infrastructure, content and media ownership. Moreover, UK television policy started being regulated based on competition law.

Chapters 11 to 17 form Part II. In Chapter 11, the events that happened between 1920 and 1945 in Germany are described. In the 1920s, the regional stations developed their own regional programming and were controlled by the federal states, the *Länder*. The Broadcasting Reform of 1932 instigated a strong centralization process and local stations were closed. After the Nazis came to power in 1933, the only existing broadcaster was used as an instrument for Nazi propaganda.

Chapter 12 describes the period between 1945 and 1955. At the end of World War II, Germany was divided into four occupation zones. In the regions occupied by the Western allies, the *Länder* succeeded in maintaining their own broadcasting stations, and controlling them independently of the central government. The *Arbeitsgemeinschaft der Rundfunkanstalten in Deutschland* (ARD), an organization that was controlled by the public broadcasters of the *Länder*, started a national television service in 1954.

The period between 1955 and 1969 is considered in Chapter 13. There was a conflict between the Federal Government (the *Bund*) and the *Länder*, because the *Bund* intended to launch and control a second broadcaster. The Federal Constitutional Court ruled that broadcasting was a matter for the *Länder*, and the *Bund* was forbidden from setting up a broadcaster on the grounds that it was responsible only for the technical installation of the telecommunications network. In 1961, the *Länder* established the *Zweites Deutsches Fernsehen* (ZDF) as the second national broadcaster. Afterwards, the public third channels of the ARD were launched.

Chapter 14 examines the period from 1970 to 1982, during which the Socialist Party, the SPD, was in power. A commission headed by Eberhard Witte issued a report providing solid reasons for market-driven reform: it recommended the introduction of cable pilot projects in order to test private forms of organization. However, the SPD government delayed the launch of these projects.

In Chapter 15 the period from 1982 to 1989 is analysed. After the Conservatives won the 1982 general election, the Minister for Post and Telecommunications, Christian Schwarz-Schilling, started implementing an agenda of communications liberalization. Competition emerged and provision of commercial television through cable and satellite networks began.

The period from 1990 to 2004 is described in Chapter 16. After the reunification of Germany, the organizational structure of the broadcasting corporations of the old *Länder* was imposed on the new ones. Given the increasing interplay between telecommunications and broadcasting businesses, the possibilities for media companies to do business increased.

However, the European Commission prohibited several joint ventures such as the intent of Bertelsmann, Kirch and Deutsche Telekom to create a media service company in 1994.

Chapter 17 deals with the main events that occurred between 2004 and 2011. The Federal Cartel Office and the Commission on Concentration in the Media exercised their powers to forbid any possible merger or acquisition that could distort competition in the broadcasting market. The European Commission initially objected to the online ventures of ARD and ZDF, though a compromise was reached by establishing a procedure to evaluate the conditions under which the public broadcast institutions could provide specific services.

Chapters 18 to 21 form Part IV of the book and provide a comparison of broadcasting regulation in the two countries. In Chapter 18, the relationships between the public and private sectors are compared, while in Chapter 19 the interaction of centralization and federalism is explored. The role of the market and the state is the focus of Chapter 20. Finally, Chapter 21 provides a summary of the answers to the questions that were posed in the introductory chapter.

Among the features that enrich the book are the excerpts from interviews with experts and policymakers, some of whom, like Peacock in the UK and Witte and Schwarz-Schilling in Germany, were deeply involved in the process of liberalisation of the broadcasting sector.

Something that is not mentioned in the book is who provided the funding to carry out this exhaustive research. Moreover, it is not clear whether this work is the product of academic research conducted at a university. It seems likely that this was the case, but this is not explicitly stated. Given the highly political nature of the subject studied in the book, the ownership of the media, and the abundance of biased studies on the topic, it is important to know what the background of the study is. Furthermore, little information is provided about broadcasting in the former German Democratic Republic. Even though it disappeared after the reunification of Germany, its citizens were subject to a broadcasting regime for over 40 years.

Given the theoretical background that is presented in Parts I and IV, the target audience of this book are researchers. However, any type of reader who wants to understand the development of broadcasting could focus solely on Parts II and III, the sections considering the UK and Germany, which are accessible.

In summary, the book contains a detailed description of the historical events that have shaped the broadcasting sector in the United Kingdom and Germany. Policymakers, researchers and anyone interested in media broadcasting will find in this volume a valuable source of information about the changing role of the state in public broadcasting.

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