

Danish Public Service Broadcasting in transition: From monopoly to a digital media environment – a shift in paradigms



Poul Erik Nielsen

UNIVERSITY OF AARHUS, DENMARK

ABSTRACT: Danish Public Service Broadcasting has gone through two consecutive transitions. The first in the late 1980s and early 1990s was a transition from a paternalistic public service monopoly, Danmarks Radio, to a so-called Danish model with two dominating non-profit public service stations in a competitive television system. The second is an ongoing transition from public service broadcasting in an increasingly politicised and competitive television system to public service media in a complex digital media environment. The article analyses the transition processes in a media system and media policy approach with focus on political, juridical, economic, and institutional perspectives. The article presents two main arguments. Firstly, the institution Danmarks Radio, the politicians, and most of the national cultural elite experienced the first transition as revolutionary, and in respect to agenda setting, mode of address, and institutional changes the transition was revolutionary, but the 'real' revolutionary transition is the current transition to a digital media environment where the original idea of broadcasting is challenged by fundamental changes in the relation between media institutions and media users. Hence the whole concept of public service has to be reconsidered, and the public service institutions will have to reinvent new positions for themselves. Secondly, Danish media policy in general and public service broadcasting in particular has historically been dominated by a national cultural and political paradigm, but in the current situation are (national) cultural issues marginalised and the media policy is governed within international economic and legal paradigms.

KEYWORDS: public service broadcasting, media policy, media institutions, digital media



INTRODUCTION

The aim of this article is to present a historical analysis of Danish Public Service Broadcasting (PSB) from the monopoly era in the 1980s to the current transition into public service media (PSM) in a digital media environment.

Danish PSB has since the late 1980s gone through two consecutive, comprehensive transitions in the midst of dramatic changes in the Danish media environment. The first in the late 1980s and early 1990s was a transition from a paternalistic pub-

lic service monopoly, Danmarks Radio (DR), to a so-called Danish model with two dominating non-profit public service stations in a competitive television system. The second is an ongoing transition from PSB in an increasingly politicised and competitive television system to PSM in a complex digital media environment.

The article will analyse PSB in a media system and media policy approach with focus on political, juridical, economic, and institutional perspectives. The article will present two main arguments. First, DR, the politicians, and most of the national cultural elite experienced the first transition as revolutionary, and in respect to agenda setting, mode of address, and institutional changes the transition was revolutionary, but PSB in the shape of the two public service broadcasters, DR and TV2, serving a public maintained a stronghold in Danish broadcasting. The 'real' revolutionary transition is the current transition to a digital media environment where the fundamental idea of the transmission model in broadcasting is challenged by essential changes in the relation between media institutions and media users. Hence the whole concept of public service has to be reconsidered, and the public service institutions will have to reinvent new positions for themselves.

Second, Danish media policy in general and PSB in particular have historically been dominated by national cultural and political paradigms, but in the current situation the Danish media policy increasingly is governed within international economic and legal paradigms while (national) cultural issues are marginalised. The Danish politicians have been ignorant to these changes and cling desperately to old national and ideological paradigms instead of addressing the enormous political challenges to PSM and media in general within the new governing paradigms.

PUBLIC SERVICE BROADCASTING – A CONTESTED CONCEPT

PSB is a contested concept that has different meanings depending on the context. PSB in Southern Europe has always been different from the Scandinavian model, and in each country PSB has changed historically.

In Denmark PSB in the monopoly era was deeply rooted in a non-profit, vertically integrated public institution financed by compulsory licence fee. The PSB remit included universality of service, pluralism, diversity of programming, promotion of democratic processes, and strengthening of national language and culture.

Although the relatively loosely formulated public service remit remained more or less unchanged for decades, PSB changed continuously due to technological, socio-economic, political and cultural changes, and since the mid-1980s several of the main pillars of PSB have been contested: financial model, ownership, universality, programming policy, and non-broadcast activities. Anyhow, despite these essential changes and the ongoing political and cultural debate about public service broadcasting, public support to the, at any time, existing form of PSB has maintained quite persistent in Denmark.

Theoretically, the public service monopoly has been seen as a social responsible supplement to the free market print media. The freedom of the printed press has guaranteed freedom of expression as stated in the constitution, while due to scarcity of frequencies and political reluctance to give up control of broadcasting freedom of expression in relation to electronic media has been strongly limited. Instead, the PSB remit has been considered to guarantee free and equal access to information.

The end of the radio and television monopolies did not provide freedom of expression in the electronic media, since scarcity of frequencies still made it necessary to limit licences, but theoretically the Internet has solved this problem and given anyone the opportunity to express themselves freely through sound and images. This challenges the PSM to present strong arguments for the legitimacy of maintaining PSM as a supplement to the free market media.

MONOPOLY ERA

Television was introduced quite late in Denmark due to political reluctance because of economic hardship after the Second World War, but encouraged by the national electronics industry a trial period was launched in 1951 and in 1954 television was officially inaugurated within the existing radio monopoly. Television was introduced within the existing legislation on radio and a new broadcasting law was not passed before 1959.

Throughout the monopoly era did DR have a vertically integrated television system, where the station not only had monopoly on broadcasting, but also controlled the better part of all national television production except for a few commissioned drama productions.

Although industrial and financial policy played an activating role in the introduction of television in Denmark, the dominating paradigm of Danish PSB throughout the monopoly era has been national, social and cultural policy. The public broadcaster was considered a key player in the enlightenment of the general public and in creating a national cultural identity. In many ways DR was very successful in the monopoly era and had strong public support. Hence, in the 1960s and 1970s DR was a contributory cause in the development of the Danish welfare state.

DR was formally independent of the state, but the monopoly broadcaster has continuously operated in a complex and contested political environment both externally and internally. The privileged position of being the only broadcaster caused endless political scrutiny of the programs. Especially the news coverage and other journalistic programs were under scrutiny. Politicians from both the right and the left complained over a biased programming policy. DR was by no way a state-run institution, but the institution experienced continuously both legitimate and illegitimate pressure from the political elite no matter who was in power.

DR was also the scene of cultural hegemony. Under shelter of the public service remit to educate, enlighten, and give the public access to a unified culture did DR

develop a paternalistic attitude toward the audience and presented the middle- and high-brow stance of the cultural elite in Copenhagen, just as the station showed contempt for popular culture and popular products from the entertainment industry not least American series.¹

DR had a dominating paternalistic educational attitude towards the general public and many of the programs addressed like-minded citizens, cultural elitists and politicians. Further, DR had over the years turned into a self-sufficient, heavy bureaucratic organisation with an abundance of leaders and strong unions with wide-ranging privileges. Hence, DR faced several significant challenges when it had to adjust to a new competitive television environment.

END OF MONOPOLY

Since the late 1960s there had been sporadic political and cultural debate on establishing a second national television channel either, as was the case in Sweden, a second channel within the existing broadcasting monopoly or by launching a second competing station.² Anyhow, it was not before the European Telecommunication Satellite Organisation (EUTELSAT) in 1981 decided to sell surplus satellite capacity for private television (Mortensen, 1992) that the debate got off the ground. Danish politicians saw satellite television as a 'threat from the sky.' Just as the introduction of German terrestrial television had caused concern and accelerated the introduction of television in Denmark, did the threat of satellite television cause political and cultural concern that led to political action. The agenda was set for a strengthening of the national terrestrial output as a protection against the cultural influence from transnational and foreign television stations.

When TV2 was conceived in 1986 the neo-liberal government wanted a private alternative to DR, which in their views was biased in favour of the Social Democratic Party. The left wing politicians were not in favour of a liberalization of the electronic media and preferred another public service broadcaster financed by licence fees. The left wing politicians and the cultural elite were strongly against the introduction of advertisement in Danish television because in their views television commercials eventually would be detrimental to the quality of the programs.

The Danish political situation was quite complex in 1986, because the neo-liberal government did not have a stable majority, so it had to find a majority from case to case. In the case of TV2 it took fierce political battles before the government in co-operation with the small Social-Liberal Party, Radikale Venstre, succeeded in reaching a compromise. Radikale Venstre was usually more in line with the left on

¹ Danmarks Radios – three radio channels – had a more varied programming profile and regional systems of editorial offices secured a much more diversified coverage of the provinces.

² The first significant challenge of DR broadcasting monopoly was local radio and television broadcasters launched in 1983. Secondly, access to terrestrial television from neighbouring countries and to cable television was prevalent in some parts of the country.

cultural issues, and the party used its parliamentary decisive position to obtain disproportionately strong impact on the new broadcasting law. Radikale Venstre reluctantly accepted advertisement,³ while the government accepted that TV2 was established as a self-governing non-profit institution with by and large the same public service remit as DR. TV2 was a low budget station partly financed by advertisement and partly by licence fees, and the station was only supposed to broadcast between two and three hours per day, but the station started out with three times more. Further, TV2 was obliged to set up the headquarters outside the capital and to establish an expensive system of eight regional television stations. The regional stations should broadcast local news in a daily window on the national channel. Finally, TV2 was only allowed to produce its own news, current affairs, and sports programs, while TV2 was obliged to buy all other Danish programs from independent television and film companies. Thus, TV2 was supposed to breathe some life into a languishing film industry.

Spurred by the 'threat from the sky' TV2 was mainly conceived within an ideologically muddy political paradigm, and the station can in many ways be seen as a deformed response to malfunctions in the old bureaucratic monopoly. TV2 was by most seen as an ugly duckling, not really a liberal alternative to public service broadcasting, and neither a new strong public service broadcaster. Anyhow, the so-called Danish model with two non-profit public service broadcasters was born, and much to the surprise of the arrogant DR and the cultural establishment, the newly introduced daily ratings showed that TV2 immediately was a popular success and already in 1990 overtook DR in the ratings.

Despite high penetration of the newly introduced satellite channels did DR and TV2 sustain a *de facto* duopoly with at least 70% of all viewing time throughout the 1990s. The popularity of TV2 was founded in a combination of a diversity of public service programs and a commercially inspired programming strategy, and TV2 changed the mode of address in the programs, gone was the paternalistic attitude. Although the critics and the cultural elite often criticized TV2 programs for being too commercial and lacking quality, and despite the fact that continuous modifications of the advertisement regulations obviously caused an increased commercialisation, it was never seriously questioned that TV2 in an innovative way fulfilled its public service remit. Due to the non-profit public ownership TV2 was governed in the tension of the public interest and semi-commercialism. The ugly duckling turned out to be a swan, maybe not the most beautiful one, but anyhow a swan.

In the beginning DR had huge difficulties in addressing the new challenges from TV2 and the emerging satellite channels. DR slowly but steadily lost market share

³ The regulation on advertising was in the outset extremely strict. TV2 was only allowed to broadcast advertisement between programs and only three advertisement breaks per day, two national breaks around the main news program and a regional break before the regional news.

every year down to 27% in 1996 and for a while it looked like DR might end up marginalised as a small niche channel catering 'classical' public service programs to the cultural elite.

DR was not financially dependent on high ratings like the private satellite stations and to some extent TV2, but once the daily ratings were available a new rationale was established – the logic of competition. DR and TV2 were not subject to hard-nosed competition on market shares and target groups as their private competitors, and the public service broadcasters were obliged to provide a diversity of programming for large audiences as well as minority groups. Anyhow, the logic of competition created focus on ratings and it was extremely problematic that DR lost viewers on classical public service programs like news, current affairs, documentaries, and national drama. DR gradually lost journalistic and cultural leverage and if the decrease in ratings had continued the legitimacy of the institution would have been at stake. Hence, DR realized that it had to make organizational changes and change course of action in relation to programming strategy, scheduling, formats and mode of address. In 1998 DR launched a second satellite and cable channel, DR2. Despite lack of universality DR2 was established with the intention to provide the more classical public service programs for minorities, while DR1 then could be more mainstream.

The organizational culture in DR was on all levels very strong and the management and employees found it extremely difficult to adapt to the new competitive environment where an obsolete sender dominated mode of address had to give way to a mode of address that comply with needs and preferences of the audience. Although, internally in DR it might organizationally have been experienced as a revolutionary transition, in retrospect the changes have been less dramatic. The competitive environment was established within a traditional mode of one-way broadcasting although changing focus from the producer to the viewers. After some years DR had adjusted to the new competitive environment, and since the station had quite some goodwill and legitimacy in the general public, it quickly regained most of its leverage.

Finally, in connection with the introduction of TV2 a new way of management was introduced. A smaller board replaced Radiorådet in DR and TV2 was established with a small board. The boards should only take care of the overall operations and had no formal influence on programming. The board members should have professional knowledge on media management, economy, law, and culture, and they were not allowed to be Member of Parliament. These changes boded a paradigmatic change of the overall management of PSB from political and cultural paradigms to economic and professional. Anyhow, this has only partly been the case, political interventions and regulations have been more prevalent than ever since the transition from the monopoly era to the competitive environment. Some of those regulations have been of economic character, e.g. continuous modification of the advertisement regulations for TV2, while others have been political

and cultural motivated like political appointments of board members and specific request for TV2 and DR to contribute financially to Danish film production. In this sense the Danish politicians maintained significant impact on the public service broadcasters.

The introduction of TV2 was spurred by changes in technology and seen as a protection against the cultural impact of transnational private satellite channels like CNN and MTV. The establishment of a second competing public service broadcaster in a Danish television model has been successful in containing the influence from foreign television stations. The transnational satellite stations have only achieved a marginal position, even though the cable and satellite penetration increased from 58% in 1992 to 75% in 2008. Instead the main challenge has come from private satellite channels aimed at the Danish market. The two most influential competitors have been the Swedish-owned Viasat, a member of the media conglomerate Modern Times Group (MTG), and Pan-European SBS Broadcasting merged with ProSiebenSat.1 in 2007. Viasat's main channels TV3 and TV3+ have been reasonable popular in specific target groups primarily due to entertainment and sport programs. The vertically integrated Viasat has launched additional low pay channels and a host of premium movie and sports channels besides being a dominant provider of Direct Broadcast Satellite (DBS). TVDanmark (now Kanal 4), owned by SBS Broadcasting, started out as a network of local television. Previously the station had windows for local programming.

Anyhow, the strong presence of DR and TV2 on the Danish broadcasting market has demonstrated that modernized public broadcasting adjusted to the competitive market has been able to maintain a significant cultural and social impact to the satisfaction of the Danish viewers.

The real threat to PSB is in the making in the current transition and comes from private competitors, EU policy and law, political intervention, technological development, and changes in media consumption.

FROM PUBLIC SERVICE BROADCASTING TO PUBLIC SERVICE MEDIA

The current transition from PSB to PSM is spurred by significant changes in technology. It is important to point out that it is the social use and political decisions that determine the use of the new technological possibilities, but the social use of the Internet and the digitalisation of the media in general have already brought about dramatic changes in media consumption. A host of new digital on-line and off-line services, e.g. social media, games, interactive platforms, podcast, news features, and re-configuration of 'old' media on the Internet challenge traditional broadcasting. Further, the current introduction of terrestrial digital broadcasting increases the number of broadcasting stations and other services substantially.

Several media scholars (Lowe, Jauert, Jakubowicz, Bardoeel, Scannell, Søndergaard, Mortensen, Syvertsen, Leurdijk and many more) have thoroughly analysed

how technological, social, cultural, political, juridical, and financial aspects challenge the public service broadcasters in the current transition to a new media environment. The predominant opinion among media scholars is that public service broadcasters have to reinvent themselves as PSM using different distribution platforms, and they have to create new forms of communication as a way to establish legitimacy in the present media environment and society at large. In the following I would like to draw attention to some specific issues related to the current transition in Denmark.

The transition process in Denmark has been dramatically different for the two public service broadcasters, DR and TV2. When the current neo-liberal government in 2001 took over power from a coalition of Social Democrats and Radikale Venstre it heralded a new liberal media policy. Recognizing the important cultural role of Danish PSB the government at the same time requested an invigoration of the private commercial media sector. Despite the extreme popular success of TV2 and the idiom 'If it ain't broke don't fix it,' the government proclaimed that TV2 would be privatized within 100 days and new national private radio stations would be launched to challenge DR's dominance on radio. In 2009 the privatisation of TV2 was still pending, and the private national radio market was in ruins after some spectacular failures.⁴

In 2003 the Minister of Culture appointed a new board for TV2. The expressed goal for the new board was to prepare the privatisation of TV2. The board immediately complied with the political statements and replaced the director of TV2 with a supporter of privatization, so the political involvement on TV2 management was quite heavy-handed. Anyhow, the privatization process encountered serious problems and got out of control for the government.

Although the public service broadcasters had won the rating battle against the increasing number of private competitors, and TV2 had got the lion share of advertisement spending on television, the private competitors were not beaten yet, instead they changed battlefields and challenged TV2 financially and juridically.

In 2000 the private broadcaster TvDanmark owned by SBS Broadcasting submitted a complaint to the European Commission alleging that the financing scheme for TV2 according to EU legislation was incompatible state aid. The European Commission decided in 2004 that TV2 had been overcompensated and had to pay back 144 million € to the state. After consulting the European Commission the Danish government recapitalised TV2 with a similar amount. TvDanmark and Viasat immediately responded by bringing the European Commission's decision to accept recapitalisation to the Court of First Instance under the European Court of Justice and legal battles have been fought ever since.⁵

⁴ A comprehensive analysis of the Danish radio market see Jauert *et al.*, 2007 and 2006.

⁵ For a comprehensive and detailed analysis of the EU legislation and court cases see Mortensen, 2006 and 2008.

In 2000 TvDanmark filed a complaint to the Danish Competition Authority alleging that TV2 misused its dominant position at the Danish advertisement market for television. The Danish Competition Authority ruled that TV2 had violated the competition law and issued an injunction to prevent new violations.

These legal battles are not directly linked to the question about privatization of TV2, since SBS Broadcasting did send the initial complaints before the privatization plans were presented in 2001. Instead the legal battles indicate a general shift in paradigms in Danish media policy in two ways. First of all, it is getting more and more obvious that Danish media policy has to be conducted in accordance with EU-legislation both in terms of EU policy on ICT issues and general EU-legislation on competition. It is a general shift towards increased decision-making power in the EU, although the EU legislation still leaves room for national decisions on issues related to PSM. Secondly, some new big international media conglomerates have entered the Danish media market and suddenly the rules of game have been changed. Many important decisions on Danish media policy are taken on board meetings out of political control.

It is noteworthy that the neo-liberal government was ignorant of the shift in paradigms and totally misjudged the complications involved in privatization of TV2. Apparently, reminiscences from the old mindset where PSB exclusively was a national political and cultural matter had blinded the government. Anyhow, despite all the obstacles the government has perseveringly tried to find a way to privatize TV2. In 2003 TV2 was converted into a limited company, and in October 2004 right after the European Commission had accepted the recapitalization of TV2, a majority of shares in TV2 was offered for sale. Eight companies or consortia made an offer, among them MTG, SBS Broadcasting and two consortia with Danish newspapers represented. Afterwards two of the bidders, MTG (Viasat) and SBS Broadcasting (TvDanmark), brought the recapitalization to court, so in 2005 the whole process had to be cancelled because two of the bidders were involved in the court cases towards TV2 and the court cases entailed extreme uncertainty of the value of TV2.

The government maintained that it planned to sell TV2, and in 2006 a dynamic managing director was engaged to conduct an aggressive expansion of TV2 activities to prepare the station for privatization. Within 5 months TV2 launched a 24 hours news channel, a national radio station (after a fierce and costly battle for the licence), and a sports channel (in co-operation with MTG). The managing director retired from TV2 after little more than a year and soon after the radio station failed. TV2 has subsequently had financial problems although the new management might have exaggerated the scope of the problems.

In case TV2 eventually is privatized it is the intent of the current government that the station should continue to be imposed the existing public service remit. The remit only affects the main channel and the regional stations, while the niche channels, all on-line services and additional services are separate commercial activities supposed to be financially independent of the main channel. This separation be-

tween public service activities and commercial activities has historical reasons. In the outset all TV2 activities were considered part of the public service remit, as is the case for DR, but TV2 wanted to acquire more financial liberty of action and soon after TV2 in 2000 had launched its first niche cable and satellite channel, TV Zulu, the station lobbied to turn it into a low pay channel. Since TV Zulu as all channels included in the public service remit had a 'must carry' in cable systems it would not be possible to collect even a small monthly fee, unless the station gave up the 'must carry' privilege thus violating the public service principle of universality. The wish for more financial liberty of action was in line with the media policy of the neo-liberal government and the separation of public service activities and commercial activities took place after a political agreement in 2002. TV2 has ever since expanded the commercial activities. Financially this separation created a messy situation with no clear financial separation between public service activities and commercial activities. Since TV2 continued to be a dynamic player on the commercial media market, the separation has been a necessary but not sufficient step to comply with EU legislation and the conditions for state aid. On the other hand, from a cultural and political perspective it is just as messy and illogical. The main channel is part of the public service remit, while the 24 hours news channel, TV2 News, and on demand service, TV2 Sputnik, providing access to many programs from the TV2 main channel are not.

Despite the organizational turmoil caused by the expansive policy and subsequently cut backs, TV2 is still by far the most popular television station in Denmark with an audience share of 31% on the main channel in 2008 and additional 7% on five niche channels. Based on the popularity of the main channel it might from a business point of view be a rational decision for a new owner to stick to the current programming policy thus fulfilling the public service remit. Anyhow, as soon as the current introduction of terrestrial digital broadcasting is accomplished, in November 2009 TV2 lost the competitive advantage of being the only national terrestrial broadcaster with commercials. It is unlikely that the main TV2 channel in this new digital environment will be able to preserve its unique dominant position and sustain the current advertisement revenue. The relatively expensive program types on the main channel like news, investigative journalism, and Danish drama productions might come under pressure unless a new private owner is willing to reallocate resources from the commercial activities to the main channel.

In case TV2 remains a 100% state-owned limited company the challenges in the new digital media environment will be just as comprehensive. First of all the existing EU legislation prevents the government from providing additional funding to the main channel, and secondly, it would both from a democratic and financial point of view be problematic if a state-owned company should play a significant role on the commercial media market.

Privatized or not, TV2 as a public service broadcaster is headed towards insurmountable obstacles. TV2 might still be a swan in the current broadcasting market,

but neo-liberal ideology, incompetent political interventions, and hazardous management have amputated the public service identity and TV2 is unprepared for a transition to PSM. To what extent TV2 is prepared for the challenges in the new digital broadcasting environment is questionable, TV2 might easily end up as a disfigured digital swan.

When it comes to DR the development has been quite different. The general idea of PSB is deeply rooted in the whole institution, and all activities in DR from broadcasting to on-line services are part of the public service remit. While DR in the first transition was unprepared for the entry into a competitive market, the station has prepared itself thoroughly for the current transition to PSM. DR has shown keen interest in new media since the mid-1990s. The first trials with digital audio broadcast was made in 1995, DR Online was launched in 1996, and in 2001 the first genuine interactive television program was presented in co-operation with a major cable operator providing set top boxes. Although not all of these activities were successful and popular, DR remained committed to new media.

In 1999 the board decided to go ahead with a visionary plan to build a new multimedia head office, DR Byen, designed to meet the standards of multimedia productions and abolished old physical barriers between radio, television, and new media. Anyhow, professional cultures among journalists and other media people in DR are still shaped within the framework of the traditional media, so it will be necessary to abolish mental barriers as well, and it will probably take some time to adapt to a new production mode, but DR Byen facilitates a creative environment.

Big (public) projects like DR Byen seem to be predestined to exceed the estimates, as was the case in this project. The project was conceived when the previous government led by the Social Democrats was in power, and no doubt the DR management and board had made unrealistic estimates to make the project more attractive in anticipation of receiving additional funding from the government, not least because DR Byen was an important asset in the establishment of a new fashionable neighbourhood in Copenhagen. Unfortunately for DR, the project was implemented under the current neo-liberal government, and it had no intent to rescue the ambitious PSM project, especially not in a situation where its own liberal media policy had failed spectacularly. Hence, DR had to reduce expenses dramatically and lacked proper funding for the planned activities when the station finally moved into the modern media complex in 2006. 500 positions were closed down and around 150 got sacked. The spending cuts have had significant consequences for programs and other services. The management decided to close several existing programs, close down the whole section for radio documentaries and montages, and to sell many of DR acquired rights to sporting events like the Olympics 2012 and the World Cup in soccer in 2010. This strategy made the spending cuts visible, but it did not result in additional funding from the government.

Previously the concept of PSB had been used in a broad sense and the public service remit had been loosely formulated. Although the Amsterdam Treaty guar-

antees the right of member states to provide state subsidies for funding of PSM, the EU regulations request precise clarifications of the public service remit. The EU legislation and a general request from the government for management in detail have caused the government to introduce a public service contract with DR. The contract is a mixture of loosely formulated obligations “DR shall through content and services stimulate participation in public debate and the democratic process” (Kulturministeriet 2007, Author’s translation) and quite specific and detailed demands “DR shall every year as a minimum broadcast 560 hours news programs between 5PM and midnight” (*ibid.*). It is significant that the contract includes obligations in relation to new media: “DR shall contribute to popularize new forms of digital media by creating new programs and information services that makes the technology known to viewers, listeners, and users, and inspire them to use the technology” (*ibid.*). More specifically, DR is obliged to provide services on all media platforms to create communities and secure interactive information services on the Internet. According to the contract, DR is in many ways supposed to act as a locomotive for the social use of the new technology.

DR is in the public service contract imposed to internally make public value tests of the new services to “secure that the new services fulfil cultural, democratic, and social needs in society” (*ibid.*). Contrary to the public value tests in BBC in Britain, the Danish tests have less focus on impact on the market, probably because the Danish media market is significantly smaller than the British, and the Danish commercial players are not expected to be able to cater these new services. Anyhow, DR has in 2009 accepted, due to pressure from local newspapers, to close a service launched in 2006 with more than 90 sites providing news and information on county level. It is beyond dispute that this service fulfilled social and democratic needs in society, so DR continuously has to adapt to the power relations in the political and financial environment.

DR was involved in the specific elaboration of the public service contract, and the inclusion of new media might have been a wish from DR and not so much a political request. Anyhow the government has accepted the inclusion of new media in the remit, so the legal framework is in place for DR engagement in new media.

As mentioned DR programming was under endless political scrutiny during the monopoly era because of DR privileged position as the only broadcaster. Paradoxically, DR and to some extent TV2 programs are continuously subject for special cultural and political attention, primarily because the public service broadcasters are the only national stations providing news coverage, political debates, and nationally produced documentaries. The most popular private stations are predominantly providing entertainment programs like sports, talk shows and foreign fiction. Further, DR extremely popular Danish drama series have been subject to extensive criticism from the government’s nationalistic supporting party Dansk Folkeparti for being left wing biased. In general, the public service broadcasters and the private stations are not judged by the same cultural and aesthetic standards.

Furthermore, the current government has several times, despite its vociferous support for freedom of expression, enunciated intimidating public criticism of specific DR programs, especially the news coverage of the Iraq War and documentaries critical towards government policies. In 2003 the Minister of Culture did send an e-mail to the head of the board where he criticized DR news coverage of the Iraq War and indirectly threatened with organizational sanctions. The government's criticism is serious harassment of freedom of expression and significant violations of the established ideal of the arms length principle in Danish public service institutions.

Despite the obvious risk of political compliance and self-censorship, the different standards of evaluation and continuous criticism of DR and, to a lesser degree, TV2 can be seen as signs of health. It is beyond dispute that the public service broadcasters provide a significantly different and more diverse programming in relation to political, social, and cultural issues, and the high expectations from the public distinguish DR and TV2. The critical journalistic programs presented by especially DR are essential for healthy democratic processes, and vibrant PSB will always be a battlefield for political and cultural interests. Consequently, DR and TV2 have significant democratic legitimacy in the current broadcasting market, but it remains unsettled whether the two institutions will be able to maintain this legitimacy in a complex digital media environment. The whole concept of public service has to be reconsidered, but it is obvious that new services guided by reinvented public service principles will be able to provide a range of new participatory services for the common good and supporting democratic processes. These services will provide valuable supplements to services provided by private companies in the relatively small Danish media market just as it is the case with public service broadcasting, but it is important that sufficient resources are allocated.

The political support for PSM is rather ambivalent. Officially all political parties support PSB and the transition to PSM, the opposite would not be political opportune taking into consideration the strong public support for PSB. Anyhow, the government and its supporting party are seemingly not committed to the transition to PSM. The neo-liberal media policy has not only created problems for TV2 and national commercial radio, but the government has also systematically sapped the position of DR. The unsuccessful privatization of TV2 has left the station in an extremely vulnerable situation. The financial situation at the entrance to digital television is uncertain, and the separation between PSB on the main channel and a range of commercial activities has made it impossible for the station to prepare itself for the transition to PSM, because all new multimedia activities have to be commercially viable.

Despite the fact that the legal framework is in place for DR involvement in new media, the government's public critique of DR programs, the reluctance to provide adequate resources to DR new multimedia head office, and the wide-ranging political request for management in detail have caused problems for DR and compli-

cated the current transition. The government has never openly criticized the general merits of PSB or PSM, but the neo-liberal media policy has sapped the opportunities for a successful transition to PSM thus creating an uncertain situation for PSM in Denmark in the future, despite the fact that DR has been much better prepared for the current transition than the previous transition.

CONCLUSIONS

Danish PSB has gone through two significantly different transitions. The first transition was politically initiated although spurred by the introduction of transnational satellite channels. Complex political negotiations resulted in the establishment of TV2 in a muddy patchwork compromise. The political decisions were taken within national cultural and political paradigms and created a new media environment for broadcasting in Denmark. Contrary to the poor political workmanship, the Danish model for PSB turned out to be very successful in the emergent competitive media environment not because of clear political foresight, but the patchwork compromise initiated unpredictable social and economic processes as often is the case with political interventions.

The current transition from PSB to PSM is initiated by immanent developments in the media environment spurred by social use of new technology, and indirectly Danish media policy has had important impact on the transition so far. PSB within a traditional transmission model of broadcasting is still dominant and might continue to be prevalent years to come, but we have already witnessed dramatic changes in media consumption, and social media on the Internet and different forms of interactivity challenge the transmission model and public service broadcasting. Danish media policy has not directly addressed how these changes challenge PSB and the concept of public service. Anyhow, Danish media policy has indirectly had significant impact on the transition. The political wish to privatize TV2 was part of a general neo-liberal media policy and was conceived within an old mindset of PSB *versus* private broadcasting. The political ignorance of the increased influence of EU policy on Danish broadcasting policy and the underestimation of the effectiveness of big private media conglomerates have demonstrated that the Danish government has been late to recognize that Danish media policy is governed by new paradigms. The government has left TV2 in serious condition both facing increased financial competition from commercial digital television and unprepared for the transition to the new digital multimedia environment. DR has prepared itself thoroughly for the transition to PSM, but DR has not got the expected financial support from the government, so DR has lacked resources to successfully fulfil its vision in the new multimedia head office, so it remains unsettled if DR will succeed.

It is important to state that although EU policy has an increased impact on national media policy, EU leaves plenty of scope for national political action within

PSB and PSM. In the end it takes political commitment to secure PSM in the future, so far the Danish government blinded by its catastrophic liberalization policies on TV2 and private national radio has obstructed any serious attempt to secure a smooth and successful transition to PSM. The development from traditional broadcast towards new multimedia will gradually take place, the question is to what extent the public service institutions will be able to reinvent new positions for themselves and play a significant role in the digital media environment.

REFERENCES

- Banke, L.M., Michelsen, M., Rahbek, P. (2004). *Radio- og tv-lovgivning*. Kbh.: Thomson/Gad Jura.
- Carstensen, M.B., Svith, F., Mouritsen, P. (eds.). (2007). *DR og TV2 – i folkets tjeneste?: Public service – medier og demokrati*. 1. udgave ed. Århus: Ajour.
- Jauert, P., Søndergaard, H. (2007). The Danish Media Landscape. In: Terzis, G. (ed.). *European Media Governance*. Bristol: Intellect Books.
- Jauert, P., Ala-Fossi, M. (2006). Nordic Radio in the Digital Era. In: Carlsson, U. (ed.). *Radio, TV & Internet in the Nordic Countries*. Göteborg: Nordicom.
- Kulturministeriet (2007). Public service-kontrakt mellem DR og kulturministeren for perioden 1. januar 2007 til 31. december 2010. <http://www.kum.dk/sw6554.asp>.
- Lowe, G.F., Jo Bardoel, 2007 RIPE@2007. (2007). *From public service broadcasting to public service media*. Ed.: Gregory ferrell lowe & jo bardoel, Göteborg: Nordicom.
- Lowe, G.F., Jauert, P., 2005 RIPE@2005, Nordicom. (2005). *Cultural dilemmas in public service broadcasting*. Göteborg: Nordicom.
- Mortensen, F. (2008). Altmark, Article 86(2) and Public Service Broadcasting. *ESTAL – European State Aid Law Quarterly*, 2/2008.
- Mortensen, F. (2006). Catch 22: The privatization of Danish TV 2 vs. EU rules of state aid. SMID – Society of Media Researchers in Denmark.
- Mortensen, F. (1992). *Satellit-TV og -radio i danmark: Baggrund for de aktuelle lovændringer*. Arbejds-papir, 112. Århus: Center for Kulturforskning.
- Mortensen, F., 1942, ed. 2008. *Public service i netværkssamfundet*. MODINET-serien. 1. udgave ed. Frederiksberg: Samfundslitteratur.
- Mortensen, F., Nordisk Ministerråd. (1992). *Satellit- og kabel-TV som trussel imod public service*. Nordiske seminar- og arbejdsrapporter. Kbh.: Nordisk Ministerråd, p. 587.
- Nielsen, M., Juul, E. (2006). *Political Questions: 5 Questions on Political Philosophy*. Automatic Press. Vince Inc Press.
- Terzis, G. (2007). *European Media Governance: National and Regional Dimensions*. Bristol: Intellect Books.