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Title:

The Reform of Public Service Broadcasting in Italy

Abstract

This paper provides an overview to a series of reforms undertaken at RAI (Radiotelevisione Italiana), the Italian public service broadcasting company since July 1993. The reform process began as a direct result of the collapse of the Christian Democrats and its coalition partners after 45 years of continuous government and was initiated by the centre-left 'Technocrat' government led by the former governor of the Bank of Italy, Carlo Azeglio Ciampi (April 1993 to May 1994); it was also continued by the centre-right Berlusconi government (May 1994 to December 1994), by the centre-left Dini government (January 1995 to April 1996) and the centre-left Prodi government (April 1996 to October 1998). The research focuses on the impact of the reform process on the functioning of public service broadcasting in Italy. It identifies four areas of RAI's operations which merit special attention: the system of political occupation, the so-called lottizzazione; the internal network system; the devolution of Raitre (RAI's third channel); and the RAI and Fininvest-Mediaset duopoly. The final section assesses the potential impact of the 1997 Broadcasting Act, which spells a further period of reform for RAI.

Introduction

Public service broadcasters in western Europe have played a prominent role in the

development of democratic life in the postwar era. Broadcasting functioned as a new type of public forum or public sphere, as Scannell argues: ‘the fundamentally democratic thrust of broadcasting lay in the new kind of access to virtually the whole spectrum of public life... made available to all’ (Scannell, 1989: 140). Arguably, there was a common rationale of purpose behind the development of public service broadcasting - to provide information and to act as a forum for public debate. It is also true to say, however, that each nation-state has developed different broadcasting systems in line with its own internal political and social conditions, market imperatives and institutional practices (Corner et al, 1997: 5). This is clearly illustrated by the development of public service broadcasting in Italy where political elites have played a major role in governing RAI (Radiotelevisione Italiana) and where a unique broadcasting market has developed in the post-1976 period. Given the importance of the state and market to the development of RAI, this article will start with an historical and institutional appraisal of public service provision in Italy before moving to a discussion of the recent reform process.

Public Service Broadcasting in Postwar Italy

The development of public service broadcasting in Italy closely mirrored the positive and negative aspects of the wider postwar settlement. The management of RAI played a central part in promoting the postwar idea of hope and renewal. It did this through the promotion of particular forms of social togetherness or national inclusion. Radio and television programmes promoted a plurality of ideas and discussions on a whole range of important issues. The company also followed the classic Reithian idea of presenting in broadcast form the best of human achievement (Bettetini, 1990: 238). During these years

there was a deliberate and concerted attempt by the government and broadcasting authorities to target a 'unified' Italian public (Monteleone, 1992: 196; Cavazza, 1979: 96). Public service was 'progressive' therefore insofar as it promoted the policy of educating the Italian public through the provision of a universal and accessible service. RAI covered a wide range of programme formats that played a formative role in Italian cultural development. The result of this model of broadcasting meant that the Italian people developed and nurtured collective or familial viewing habits over an extended period (Monteleone, 1992: 426).

Whilst the authorities encouraged a unified national culture, this did not equate to an inclusive culture. Acts of inclusiveness were also accompanied by instances of political and social exclusion. Firstly, the company was compromised by overt political interference. Senior appointments to the company were closely controlled by political elites, led by the Christian Democrats. News services were also heavily compromised by government intervention. The main political party excluded was the Italian Communist Party, despite the fact that the party had long argued for democratic not revolutionary change. But the policy of exclusion extended itself at various times to other political parties, social groups, and even, at times, to correnti (factions) of the Christian Democrats. RAI was also dominated from Rome at the expense of its regional centres. This was despite repeated demands for greater devolution in line with wider constitutional and legal provisions. Arguably, therefore, RAI hindered the same democratic process it was seeking to promote.

RAI in the Age of Competition, 1976-1993

There were two landmark events in the mid-1970s that shaped the course of public service broadcasting development in Italy (until the current reform process), and which merit closer investigation: 1) The 1975 Italian Broadcasting Act; and, 2) The Constitutional Court Decision 206, July 1976.

As part of the 1975 Broadcasting Act, responsibility for the overseeing of broadcasting was transferred from the Executive to Parliament. These powers included appointing RAI's Administrative Council, therefore allowing Parliament a large amount of influence in the running of the Company. The Christian Democrats were, however, able to hold on to much of its influence by virtue of being the largest party in Parliament. The remainder of the power fell to the Socialists because the Communists had not come to a political accord with the Christian Democrats (Cavazza, 1979: 103--105). Therefore, despite the good intentions of the groups demanding reform and the Constitutional Court, little had actually changed. Instead of the Christian Democrat-centred government deciding broadcasting policy, a Christian Democrat-centred Parliament decided policy.

The 1975 Broadcasting Act contributed to the formal carve-up of RAI by political parties: the system of lottizzazione. The 1975 Broadcasting Act explicitly states that RAI should be split into two separate network directorates 'responsible for devising and producing radio and television programming' (Esposito and Grassi, 1975b: 53). But the undeniably good intentions of the reforms were to last for a short period, with the result that the networks were gradually subjected to political dogma. The partition of the company along party lines ran from the President (Socialist) and the Director-General (Christian Democrats) down to the networks, Raiuno (Christian Democrats) and Raidue

(Socialists), and finally to journalists and administrative staff. Few escaped political scrutiny. With the system of lottizzazione, Italy's premier media institution lost any ideas of political autonomy and impartiality it may have harboured before the reform process began. What should have been a key institution of the public sphere became a privatised sphere of political patronage.

With the separation of the three television networks (Raitre started transmissions in 1979), and the precise political bureaucratisation of the whole company, further problems quickly manifested themselves. The first problem was that the television-making process was virtually triplicated. It therefore created unnecessary additional costs (Rizza, 1990: 527). The system of allowing network autonomy also led to open internal competition between the three RAI networks; a situation which ultimately led to damaging rifts within the company and to unforeseen obligations for the political parties themselves in the financial upkeep and maintenance of the public service broadcaster. The system of lottizzazione did not only involve the process of 'political partition', but also involved the process of 'political obligation': this denotes the active involvement of political parties in order to resolve the day-to-day problems of keeping a large organisation functioning properly (Ortoleva, 1994: 92).

The political interference inside RAI also led to a watering down of another key part of the 1975 Broadcasting Act: the establishment of a third RAI channel that served the Italian regions. The lottizzazione of RAI actually worked against the introduction of a proper autonomous regional network. The two existing networks and political authorities fought a rear-guard action against full implementation of the Act's provisions. This was due mainly to a pervasive centralised management culture at RAI and the reluctance of

Roman politicians to grant greater devolution. Raitre constituted a marked improvement in RAI's service to the regions, but it provided little more than a regional news service and some minority language programmes. The subsequent cash injection in Raitre (1987) was made in order to bolster its national ratings with national programmes. In fact, Raitre's provision for regional programmes progressively decreased in the late 1980s and early 1990s (RAI Annual, 1992--3: 40--41; RAI Annual, 1997: 60--61).

The third event which had a dramatic effect on public service broadcasting in Italy was the decision of the Constitutional Court in July 1976 to grant permission for commercial operators to run television channels on a local basis. Hundreds of new and local television companies sprang up and thousands of new radio stations went on-air, aided by the government's policy of farsi spazio da se, 'making room for those who want it', which allocated local frequencies on a 'first come first served' basis. The frequencies covered a small geographical area and were, in general, commercially unviable. The lack of regulations allowed one player, by a mixture of entrepreneurial skill and close political ties, to gain a monopoly over the three commercial channels. This man was Silvio Berlusconi. By 1984 Italy had a de-facto duopoly. RAI controlled three channels and a private operator, Berlusconi's Fininvest, controlled three channels. This duopoly system was officially sanctioned in law in 1990.

The emergence of a new and vibrant commercial broadcasting industry was not restricted to Italy alone. But unlike many other European public service broadcasters, RAI took a conscious decision to fight its commercial competitor on its (the commercial operator's) own terrain. There were two principal reasons for this: 1) commercial operators, unhindered by comprehensive regulations, targeted RAI's core audience with

popular and cheaper television programmes, and; 2) RAI was too divided to coordinate an effective or strategic response. RAI took a clear step down-market in order to match its commercial competitor. No other European public service broadcaster, with the possible exception of the Spanish RTVE, was forced to break so clearly with its old programming formats (Achille and Miège, 1994: 34).

The Reform of Public Service Broadcasting in Italy

The collapse of the old political regime and the resulting winds of change in Italy since 1992 were both unforeseen and dramatic. The Christian Democrats' downfall was provoked by numerous crises, culminating in the Tangentopoli ('Bribesville') corruption scandal, which implicated many leading politicians from the Christian Democrat and Socialist parties. RAI was deeply involved in a number of these crises. The main dimension was the crisis of the partitocrazia (rule of parties), which had taken an extremely tight hold on RAI (the so-called lottizzazione), more than on any other public institution. The dissolution of the two main political parties controlling RAI, the Christian Democrats and the Socialists, left a power vacuum at the heart of the company. Also, without party support, RAI faced financial bankruptcy. I will now consider the reform process and examine their potential effects on public service broadcasting provision.

The Internal Restructuring of RAI

The first objective of the reform process was to resolve the dire financial situation in which RAI found itself. In the last six years RAI has undergone major structural and organisational changes. As a result, the company has enjoyed a sharp revival in its

financial fortunes. This can be demonstrated by presenting some headline figures. From a financial loss of 479 billion lira in 1993 (£192 million pounds), the company has gone back into profit. In 1994, 1995, 1996 and 1997 RAI made small profits (of 19 billion lira, 65 billion, 97 billion lira and 136 billion lira respectively (£7.5 million, £26 million, £39 million and 54 million pounds) in contrast to the heavy losses incurred in 1993. The total amount of debt has also been sharply reduced in the same period. Such an improvement in economic fortunes has been achieved by cutting back on expenditure and by attracting additional income.

Additional income has come primarily via the abolition of RAI's financial ceiling restricting advertising income, increasing its total annual advertising revenue by between 6% and 10% for the period studied (Jacobelli, 1996: 83). In addition, the company has continued a vigorous campaign to curb persistent non-payment of the licence fee. In 1991, 72.53% of Italian households owned a television licence. By 1996 the figure had risen once again to 80.73% (in order to put this figure into some sort of historical context, it should be noted that 76.32% of Italian households owned a television licence in 1981) (RAI Annual, 1997: 178--179). Finally, RAI has been granted additional government loans, especially when the company was on the verge of bankruptcy in late 1993. It should be added however that RAI also returned 300 billion lira (£120 million) to the government in 1995, a highly symbolic gesture of RAI asserting its financial independence from political authorities. In the short-term at least, the financial objectives of the reforms have been largely met.

The company also attempted to save costs through the introduction of new structures that have coordinated some of the commissioning and scheduling functions

formerly controlled by the three networks. In effect, it was this reform that ended the tripartite system of network control. There were two main reasons why this policy constituted a radical shift from the old organisational structure. First, some commissioning powers were taken away from the three networks. Second, the plan was premised on withdrawing scheduling powers from the three networks and giving them to a new centralised scheduling department responsible to the Administrative Council. This new restructuring policy was therefore based on ensuring the effective use of internal resources unrelated to the political imperatives that had determined so much of RAI's previous organisational strategy. There was also intense opposition to many of the changes. Much of this opposition has originated within the networks themselves and has stressed the positive aspects of the old structure of organising television services (Guglielmi and Balassone, 1995: 125). The networks, therefore, still retained important commissioning and production decisions, and have been closely involved in the changes undertaken. The result of this opposition is that RAI is stuck half way between the old system and the new model. There is little doubt however that RAI is a more effective organisation because of the greater emphasis placed on coordinating the three channels.

Public Service Broadcasting and the Regional Question

One feature of public service broadcasting in Italy which has remained more intractable, however, is the problem associated with devolving broadcasting services to the regions. The reform process undertaken since 1993 has failed to change this situation, although there have been numerous proposals. The main idea was for the reform of Raitre based on the German ARD model (Demattè, 1993: 19--39). It was rejected after an intense

internal campaign by Raitre executives and the resignation of an Administrative Council member, Elvira Sellerio in June 1994. The official reason why it was finally rejected was the lack of financial resources. The final cost of the projected was estimated at 1000 billion lira (400 million pounds) (Jacobelli, 1996: 64). For a company undergoing radical pruning, the costs were seen as being too prohibitive and contrary to the overriding project of lowering RAI's burgeoning debt. In other words, the regional reform came too soon into RAI's financial recovery.

And yet, the plan was conceived in the winter of 1993--1994, announced in June 1994 and according to a former President of RAI, Claudio Demattè 'required six months to implement'. But this Administrative Council fell at the end of June 1994 due to the government's rejection of its restructuring plan. The new Administrative Council, led by Letizia Moratti, subsequently dropped the proposed reform. Indeed, there was also another reason behind the collapse of the ARD plan. In fact, and somewhat paradoxically, it would seem that the political pressure for regionalisation actually subsided in the post 1994 period and this constitutes the second reason why the ARD plan was dropped. The fall of the Ciampi government in April 1994 and the rise of a Berlusconi government, including the pro-federalist Northern League party, lessened not strengthened the political imperative. To put it simply, only the League applied sustained pressure for a regional channel. Other parties in the government-coalition were either indifferent to the proposals or were actively hostile. The failure to implement the ARD plan was symptomatic of wider fears in acceding greater autonomy to regions. This came over clearly in the interviews I conducted. In part, the problem is political and has

historical precedents; it relates to the fears expressed by Roman parties and state authorities for greater regional autonomy.

The emphasis on regional policy was based on making more piecemeal concessions, but constantly reviewing the situation in relation to internal resources and external pressures. An agreement was signed with Regional Presidents that gave them more input into the discussion process for regionalisation and more scheduling powers on Raitre (Jacobelli, 1996: 96). Other small-scale improvements were also forthcoming. For example, on March 27 1995, a new minority language service began to Italy's Slovenian population (RAI Annual, 1997: 60--61). But the company moved away from the ARD-based plan and starting discussing possibilities of adopting a plan based on the ITV system in Britain. One advantage of such a plan was the reduced cost involved. The plan would require fewer regional production centres than the ARD plan. Also, a system based on regional programmes controlled and coordinated mainly from the centre would lead to the creation of a Network Centre based in Rome. The idea of retaining control in Rome enjoyed widespread support in RAI HQ.

The Delottizzazione of RAI

In June 1993 a mini-reform of RAI was passed by Parliament altering the power structure within the company with a view to dismantling the lottizzazione system (Law No. 206, 25th June 1993). The main aim of the law was to reform the much-criticised appointment system. Members of the Council were no longer chosen by a parliamentary commission and the state-owned IRI (RAI's parent company), but were instead chosen jointly by the two Presidents of the Parliament. Since 1976, the Commission had been little more than

a puppet for the party hierarchies and enjoyed little effective autonomy. By giving the power over appointees to senior institutional figures (in Italy, the two Presidents are the second and third most senior figures, following the President himself) the system for controlling RAI became the responsibility of ‘non-partisan’ institutional guarantors, and theoretically above party politics. But theoretical independence has traditionally counted for little in Italy. The proof of the pudding would be in the eating.

The fear was that after new elections, the success of any new political coalition would inevitably lead to the conservation and reaffirmation of old political habits; that is some form of relottizzazione. When the right-wing Berlusconi government came to power in May 1994 those fears were confirmed. The forced resignation of Claudio Demattè’s Administrative Council in June 1994 was an act of pure political expediency. The actions of the Berlusconi government undermined the fundamental tenets of public service broadcasting, and, as Enzo Biagi has observed, also struck at the very heart of good democratic governance (1994: 48--51). The unpalatable truth was that a culture of party interference was so deeply ingrained that it would require successive waves of reform to stamp it out in a thorough manner. Yet, the development of a new form of political interference was different to the system preceding it. Firstly, the tripartite RAI had vanished. The dissolution of the Christian Democrats into smaller parties and the complete disappearance of Craxi’s Socialist party necessitated this. So even if the three-network system survived as functioning and operating entities, the balance of power within the company had irreversibly altered. Few doubted this.

But whilst the new government did reassert some form of political tutelage over RAI, it never reintroduced the old lottizzazione system. Strong evidence for this comes

from the fact that whilst the old Administrative Council was sacked, the reform package it had produced but not implemented was continued by successive Administrative Councils. It is this reform package that sought to curb the powers of the three networks. If the new political authorities were planning on reestablishing the old lottizzazione system, why would they also push ahead with the reform of those same centres of power? Instead, the new political situation required more subtle methods of political placement not renewed political partition. So another method of political interference, ‘individual lottizzazione’, was used in order to promote the interests of the political parties. The appointment of successive Administrative Councils and senior directors (by the Berlusconi government in 1994, and by the Prodi government in 1996 and 1998) led to widespread claims that senior RAI personnel were taking politically inspired decisions.

RAI and Fininvest-Mediaset Duopoly

It is not surprising, perhaps, that the reform package failed to tackle wider aspects of broadcasting regulation in Italy. For example, there has been no attempt to broaden the scope of the public service remit in Italy. Little effort has been made to draw the commercial sector into the local television industry or to restrict its diet of low quality or entertainment programming. The Constitutional Court effectively declared Fininvest’s dominant hold over the commercial system illegal in December 1994. The Court also argued that the system was unlawful if smaller commercial operators were not granted the necessary frequencies to enjoy national coverage. But this was effectively contradicted by referenda results in June 1995 where the Italian public voted in favour of Fininvest-Mediaset owning three channels and in favour of the partial privatisation of RAI.

The major consequence of the RAI and Fininvest-Mediaset duopoly is that it openly encourages a practice that has a highly detrimental effect on public service broadcasting as a whole: the mutual counter-scheduling of programmes. In fact, the whole programming format adopted by RAI depends on the policy objectives of its main competitor. The policy of counter-scheduling is a defensive mechanism used by RAI and Fininvest-Mediaset to protect audience share and advertising revenue (Siliato, 1992: 246). Therefore, RAI still finds itself in a vicious circle. RAI wants to break the age-old problem of homogeneity of programming. It is, however, faced by a commercial competitor largely unfettered by regulations which has one aim: to make a profit. What does RAI do? Does it attempt to break the mould and risk a drop in audience, or does it maintain the relationship? In short, RAI still finds itself in a Catch 22 situation. Admittedly, once the internal reforms were fully implemented, and more money became available for programmes, and RAI could achieve greater diversification of its output. But this was because it had started to put its own house in order. Any meaningful reform process required attention to be paid to the wider duopoly and attempts to put the wider media system in order.

The 1997 Broadcasting Act

Although this article has concentrated on reforms carried out at RAI during the three year period 1993-1996, the 1997 Broadcasting Act signalled further changes for RAI and, potentially, the RAI / Fininvest-Mediaset duopoly. As far as RAI is concerned, the new broadcasting legislation has reduced the number of RAI channels allowed to take television spot advertising from three to two (Article 3, Law 249, 1997). The effect of

this change is that Raitre will lose all of its advertising and has become reliant on the licence fee. With RAI being reduced to just two advertising channels, the Broadcasting Act has required Fininvest-Mediaset to reduce the number of its terrestrial channels from three to two. The most likely scenario at this current time is that Retequattro will be withdrawn to become a satellite channel (although no date had yet been fixed in August 1999). The 1997 Broadcasting Act also specifies that RAI restructure itself into separate internal divisions. As a result, the company will be split, with a publicly owned holding company (RAI) governing five separate divisions (Article 31, Law 249, 1997). This could pave the way for the partial privatisation of one or more of these five divisions, which, in turn, would comply with the result of the 1995 Referendum. This reform will take at least two years to accomplish.

Such changes, if fully implemented, will represent a notable change in the structure and organisation of the Italian broadcasting system. Taking the case of RAI first, the removal of advertising on Raitre has occurred simultaneously with a more general rethink about the future of Raitre. As we have seen, Raitre's growth in the late 1980s and early 1990s came on the back of increased nationwide programming for national audiences. This, in spirit at least, went against the idea of a regional or decentralised channels proposed in the 1970s. Without the use of national advertising revenues, the Administrative Council has a unique opportunity to reform Raitre, introducing a greater element of regional programming or even decentralising its management structure. So the thorny issue of decentralisation has therefore gone back to the top of the political agenda, with the restructuring of Raitre into 'New Raitre' being

outlined in an internal company document dated 30 April 1998 (Nuova Raitre e Piani Aziendali Coordinati).

New Raitre was scheduled to start transmissions on 1 January 1999 (although this has already been delayed to an unspecified future date). The channel is to be funded primarily by the licence fee, although extra funding will be sought from ministerial and other sundry agreements. The new channel will absorb resources currently allocated to Raitre, Tg3 and TgR, the national and regional telegiornali that furnish Raitre news services, the new thematic production departments (culture, youth, etc) and RAI Education (formerly Videosapere). New Raitre therefore has a larger production capacity than the old Raitre and will constitute one of the five internal divisions under new restructuring plans. With the absorption of other RAI departments, the scale and range of New Raitre's activities will greatly increase, with plans to develop a 24 hour news and other specialist services on satellite channels. The general remit of Raitre will remain broadly the same: Raitre will continue to cater for regional and national audiences and nurture experimental programme formats, etc.

What is clear, however, is that without advertising revenue, New Raitre will be able to break away from its reliance on national programming, which it adopted in order to generate more advertising revenue. However, there are a number of problems which still face New Raitre. Firstly, the abolition of advertising revenues will cost the New Raitre channel 250 billion lira annually (roughly £100 million). In other words, the proposed changes, welcome as they are, could weaken the financial position of the entire company. This, in turn, will put extra pressure on each channel to protect existing

resources (licence fee and advertising revenues) and attract added revenue. Certainly, the company looks unlikely, on current projections at least, to revive the ARD plan.

Moving from RAI to the broader picture, the proposed reforms of the Italian broadcasting system could undermine the predominance of the RAI and Fininvest-Mediaset duopoly. One major side effect of the Raitre reforms is that Fininvest-Mediaset look set to lose one of its terrestrial channels. Whilst the exact date of this change remains unclear - it certainly will not occur until New Raitre is fully operational - it does highlight the quid pro quo nature of the Italian system. Although the reduction in the size of Fininvest-Mediaset may appear to place the company in a difficult situation, the company would not lose Retequattro's advertising revenue completely. Instead, Retequattro would become a satellite channel. So although its overall potential audience would fall, the blow is, potentially, less serious to Fininvest-Mediaset than to RAI. The other Fininvest-Mediaset channels will be able to compete for the 250 billion lira advertising pot bequeathed by Raitre.

Conclusion

RAI has managed to survive the downfall of its two main political patrons, the Christian Democrats and the Socialists, and to overcome the serious financial crisis that engulfed the company in the 1993-1994 period. Also, the company is no longer divided as it once was. This should allow the company to reassert a coordinated programme strategy. But these positive results should not hide the problems which still beset the company. The promised devolution of Raitre has still not begun. No action has been taken to curtail RAI's counter-scheduling of its commercial rival's programmes. Finally, overt political

interference in the company's affairs remains. Over the years, RAI has seen its public service mission undermined by political interference and commercial battles. RAI ought to re-establish a public service that promotes greater political autonomy, represents the complexities of modern Italian life, and excels in all areas of programme making. In order to achieve this, RAI also requires the support of a political class that respects these aims and objectives. By and large, this political class has not respected these laudable aims.

In a recent newspaper article (La Repubblica, 31 December 1998), the presenter of SuperQuark (Italy's best-loved popular science programme), Piero Angela outlined his plan for the future structure of the broadcasting system in Italy. Angela argued that public service duties should not be provided by RAI alone, but by all commercial broadcasters. He argued that commercial channels should only be awarded a national licence when those operators make firm promises to supply a full range of television programmes. In other words, he was restating the basic premise that public service broadcasting should provide mixed programmes available to all. In other words, Angela argued that television still remains a very important institution for sustaining common political and cultural values vital to the good maintenance of democratic societies.