REPOSITIONING PUBLIC BROADCASTING

CANADA'S CBC

Among the legacies of the British Empire to former colonies such as Canada and Australia are its institutions. Some of them, like parliamentary government and the stiff upper lip, appear to be everlasting. The endurance of public broadcasting, on the other hand, appears to be less assured.

Ironically, the well-being of public broadcasting in the former Dominions is threatened by other features of Britain's one-time global hegemony, namely mercantilism, the homogenising effects of the English language and the ideas of Adam Smith. If the sun ever sets on public broadcasting it will largely have these to thank.

In Canada, at the end of 1996, the insecurity surrounding the future of public broadcasting was palpable. Even the future of the country itself seemed more likely – and no one with any sense was taking bets on that. However, it shall be the thesis of this article that the problems of public broadcasting should be seen as conjunctural rather than definitive, and that the current crisis, intelligently dealt with, can even be salutary.

THE CRISIS IN GENERAL TERMS

The period since the early 1980s has witnessed a generally recognised trend in public broadcasting (Rowland & Tracey 1990), brought on by the simultaneous erosion of political commitment on the part of governments, the ballooning fiscal deficit of the state, the expanded capacity of signal delivery systems, and mutations in audience expectations.

In Canada, this has been felt most acutely in anxiety surrounding the financial and existential future of the Canadian Broadcasting Corporation (CBC). In the recent intense debates on the future of Canadian broadcasting, there has been a shift from the traditional strong idea that public broadcasting could and should refer exclusively to a national broadcasting service. The CBC remains the centrepiece and most important single institution of the Canadian broadcasting system, but the space it occupies continues to shrink. At the same time, however, the total space occupied by public service broadcasting in Canada has been enhanced by the addition of public educational broadcasting services, by the formal recognition of community broadcasting as a distinct and legitimate part of the system, and by the creation of new value-added publicly owned and mandated services. The CBC itself has moved into specialty broadcasting and the regulatory authority, the Canadian Radio-Television and Telecommunications Commission (CRTC) has in some, albeit rare, cases insisted on requiring private broadcasters to meet public service obligations. Independent television production, meanwhile, is increasingly reliant on public funds.

All of these developments require a new conceptual, as well as strategic, approach to the notion of public broadcasting in Canada. Typically, this has been slow to emerge, as public debate on the question focuses on the CBC and its response to the government's apparently diminishing political will to support public broadcasting in an increasingly hostile environment. The public service commitment of Canadian broadcasting faces grave challenges, in spite of the rhetorical reassurances enshrined in the legislation governing it.2

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The main problem is that no one knows what the government really feels or intends with respect to the future of Canadian public broadcasting. This includes the government itself. A string of inquiries since the mid-1980s have made numerous well-thought-out, well-researched proposals for attacking the CBC's perpetual financial problems, but none of them have even received a full airing. Most recently, the government named a blue-ribbon committee headed by Pierre Juneau – a former CBC president, CRTC head, and now, in retirement, founder and president of the UNESCO-supported World Council for Radio and Television – to review the mandates of the CBC, the National Film Board and the broadcast and film development agency, Telefilm Canada. After much fanfare, the committee reported with a long series of recommendations aimed at reviving the CBC, particularly its virtually moribund English television network, and a proposal to shift the financial burden of funding the CBC from Parliament to a new cable and telecommunications distribution levy (Canada 1996). Spurred on by a campaign by the cable industry, the press vilified this controversial proposal and serious discussion of the report was hopelessly obscured. The government did not even need to state its point of view.

Obviously, Canada is not alone in facing this type of situation. The evolution of broadcasting worldwide has been marked by the convergence of two parallel sets of changes, one technological, the other ideological. While broadcasters became equipped with unprecedented capacity for the production and distribution of audiovisual material, political leaders subscribed to the idea that this new capacity should be used for market-based broadcasting business. But Canada provided a particularly interesting vantage point for observing these changes, because the types of questions they raise have been with us for such a long time – in fact, since the beginning of broadcasting: What is the appropriate mix of public and commercial broadcasting activity within a single system? What is the appropriate relationship of foreign to domestic program origin, of national to less-than-national program content? What is the appropriate social role for broadcasting?

Public broadcasting in Canada is on the cutting edge of the contradiction between culture and economy. Contrary to most European examples, for instance, public broadcasting in Canada has always been an enclave within a broader industry. Its main instrument, the CBC, has never been entirely sheltered from the imperatives of commercialism and competition (although the CBC enjoyed a monopoly in television during most of the medium's first decade, and CBC radio, since 1974, has been commercial-free). In its mixture of commercial and public service components, Canadian broadcasting has always constituted a hybrid system. This means that there are two ways to look at the developments of the past fifteen years. On the one hand, there has been a definite shift towards privatization of conventional public broadcasting, as commercial and budgetary pressures on the CBC force it to adopt a posture increasingly resembling that of the private sector, as more and more of its production activities are farmed out to privately-owned independent companies, and as public funding which used to go to the CBC is diverted to subsidizing private broadcasters via Telefilm Canada's broadcast development fund. On the other hand, these developments can also be seen as a 'public-isation' of the private sector, insofar as that sector has become increasingly reliant on public funding and public policy measures, not only through such mechanisms as the Telefilm fund, but also various CRTC regulations, and the protection afforded Canadian cultural industries under the Canada-US Free Trade Accord, the North American Free Trade Agreement, and the General Agreement on Tariffs and Trade.

So, as the multichannel environment continues to expand, as the relationship between audiovisual content and distribution takes on new shape and form, and as the policy apparatus redefines its role under the guise of adapting to the so-called information highway, the question of the future of public broadcasting has to be properly repositioned. The starting point of this repositioning is to recognize that there is far more at stake than the institutional future of the CBC. The Broadcasting Act is not naive when it describes all of Canadian...
broadcasting as a public service, but the system governed by the Act has been inconsistent and, at times, incoherent, in operationalising that description. So the lines between public and private broadcasting are increasingly blurred.

THE CBC, 1984-1996

The CBC's recent troubles began around 1980 when the ruling federal Liberal Party's cultural policy approach underwent a major shift favouring the development of cultural industries over investment in public cultural institutions. In 1983, a series of policy papers announced this shift in the audiovisual sector, resituating the CBC, foreshadowing new regulations favouring the cable industry, and pouring public funding into private independent production. The Conservative government elected in 1984 began applying massive cuts to CBC funding, while increasing its mandate responsibilities in the new Broadcasting Act adopted in 1991. The CBC board, composed exclusively of partisan political appointees and essentially non-accountable, was left to manage the cuts. It was singularly unequipped to do so. In 1990, for example, the CBC closed local stations and reduced regional services without any apparent regard for the impact on its audience support (cf Skene 1993).

When the Liberals returned to power in 1993, they promised to reverse this tendency, but somehow not surprisingly, they have not. Irritated by what it perceived as the CBC's nonchalant, if not negative, role in failing to promote Canadian national unity in the face of the threat of Quebec secession, the government has continued to cut the CBC's annual parliamentary appropriation. Thus, by 1996, total projected budget cuts for the period 1984-1998 had reached a summit of $5414 million, or 47% in per capita funding terms (CBC 1996).

Just how serious is the CBC's financial situation? Reduction in service has been evident at many levels. The shutdown of local stations, trimming of staff, cancelled programs, increased reliance on advertising, and outsourcing of production, have all translated into a less distinctive, less popular personality — particularly in English television — which the encroaching 500-channel universe continues to undermine. In radio, too, despite general acclaim, a successful schedule blending local, regional and national programming is being carved up according to strictly accounting criteria. As of 1 January 1997, advertising was introduced to the hitherto protected national evening television news program. By May 1998, CBC's full-time staff will be about half what it was in 1984. Those who remain are virtually paralysed by insecurity, rampant rumours and a general lack of confidence in the way decisions are being made. As one award-winning producer has put it, 'The sense of purpose has been shattered' (Duke 1996).

The CBC in 1996 was still, however, a considerable enterprise. It still received close to $1 billion from Parliament, and anticipated another $300 million in television advertising revenue. This represented one-third of all federal spending on heritage and cultural programs in Canada and made the CBC the largest single player in the Canadian broadcasting system. Nearly 90% of all Canadians claimed to tune in to CBC television at least once a week (Kiefl 1994).

The problem was that the CBC's total space in the system was progressively decreasing. In 1989, observers were already alarmed to note that CBC's average share of the English television audience was down to 19%. By the fall of 1993, English television's share had plunged to 13.6% (Kiefl 1994). Most recent figures have seen CBC's share of English television audience occasionally dip below 10%, even lower in some important markets. Radio-Canada meanwhile held a more respectable but still declining 25-30%.

These figures provide a distorted picture, however. CBC's audience share is drastically affected by the tremendous diversity of programs on offer in Canada, particularly to cabled households (over 75% of the total). Canadian cable subscribers receive not only all Canadian conventional television services, but at least four US networks and a selection drawn from more than a dozen Canadian specialty services. Consequently, no English-language television service in Canada has a share higher than 20%. Also, linguistic duality built into the system has the CBC providing a full range of services in both English and French, and in French the demographics and cultural context are such that CBC television has a much more prominent screen presence. The CBC
Newsworld was the only Canadian specialty service for which more than 50% of subscribers felt they were getting their money's worth (Kiefl 1994).

One path to the future was for the CBC to continue branching into additional specialty services, while maintaining its generalist channels. The corporation was institutionally prepared to go this route, which had the advantage of 'unbundling' its services and requiring each separate service to seek its own accommodation with a particular segment of the public (see Ellis 1994). Another route would be for the CRTC to insist more forcefully on public service objectives when awarding new licenses to private sector supplicants and to enable new players to enter the public sector.

With all the various reports before it, the government in 1996 could probably find the authoritative backing somewhere to do just about whatever it pleased. After all that had been said and learned about public broadcasting in the previous ten years, it was time the government went beyond policy-talk and did something. With the exception of the largely symbolic Broadcasting Act, one had to go back to 1983 to find a major policy-driven government initiative that had left its mark on broadcasting. On the public side, broadcasting had been lurching back and forth, essentially by default, victimised by federal fiscal policy and the higher mission of industrial development. Yet, incredibly, Canadians still seemed to believe in public broadcasting (see Compas 1995).

Behind the rhetoric heralding the coming of the information highway and its cornucopia of audiovisual goodies, the key to repositioning public broadcasting in Canada in 1996, therefore, lay in amalgamating the following:

1. a redefined mandate, structurally recombining national, regional, local, generalist, and specialised services, including those offered via the CBC and other institutions;

2. funding based on a more appropriate distribution of the wealth and resources generated by the broadcasting system, supplemented by public subsidy and strategically targeted advertising;

3. programming that met definable audience needs and interests, as opposed to mere addition of more and more entertainment; and

4. public accountability, through mechanisms that established a two-way flow of information and communication between broadcast professionals and their audiences.

Given that broadcasting in Canada had developed as a hybrid creature — to the point where, today, it can best be described as a semi-public, semi-private system — any proposals for reforming it, to be viable, had to take these aspects into account. Although most of the arguments raised against enhancing the public dimension of the system tend to be economic, the real obstacles are political. The simple fact is that the principal shareholders of the private sector and a certain public sector establishment share a vested interest in the prevailing structures, despite their specific differences. The public interest demands that neither should be sacrosanct.

The challenge of repositioning public broadcasting needs to be approached first of all as an exercise in constructing an ideal type, where hard questions can be asked and radical proposals put forward. Regarding financing, for example, why must we take for granted the private sector's hold on broadcasting activities that are able to turn a profit? Assuming that broadcasting generates a range of products, some of which cost more to produce than others, some of which are more attractive to advertisers than others, some of which can be financed by subscription while others must, in the interest of equity, be supplied free of charge ... assuming all of this, and remembering that broadcasting is a public service, why shouldn't the profits generated by certain activities be used to subsidise the rest?

Regarding structure, why must we continue to protect the institutional corporate framework of the CBC, rather than broadening the horizons of public broadcasting? This has occurred to a limited extent, as I have shown earlier, but real innovation in this area would require a lot more imagination, political will and tenacity on the part of the government, the CRTC and the CBC itself. As it now stands, by insisting that the CBC, as the main corporate embodiment of public broadcasting in Canada, compete with the private sector and with other public broadcasters directly, for audiences, for advertisers, for access to cable channels and their value-added
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operates six full-service national networks, a northern service broadcasting in seven native languages, an international service and two cable news services. It stretches across the second largest national land mass in the world, covering six time zones, and is considered indispensable in vast areas where no other terrestrial broadcasting signal is available.

So as the CBC's ship rocked unsteadily in increasingly stormy seas, its place in the overall environment of Canadian broadcasting was shifting as well. As the conventional television market continued to fragment, the CBC was actively involved in developing new services, with new corporate partners, which again raised two distinct spins with regard to its mandate: should the CBC concentrate on providing a distinctive, streamlined public service on the margin of an increasingly commercial television market, or should it participate in expanding the public service horizons of broadcasting?

The Juneau committee seriously addressed these questions, and came up with some meaningful answers.

We need Canadian programs ... to enable our citizens to understand one another, to develop a national and community consciousness, to help us shape our own solutions to social and political problems, and to inspire the imagination of our children and express their hopes ... Canadian programming on the CBC should be intended, first of all, for the active participation of Canadian citizens in the affairs of their country (Canada 1996).

But the financial situation was such that the CBC had in fact been moving in an opposite direction since the 1970s:

It has subtly reduced its emphasis on children's programming and more serious drama; produced or commissioned less high profile arts programming; and provided less money for local and regional programming (Canada 1996).

Speaking at a public symposium a few months after the tabling of his report, Juneau stated:

The CBC and the federal government face a moment of truth; either fundamentally transform CBC television and establish a new, stable funding system to pay for it, or continue the status quo which will inevitably lead to the CBC's demise (Juneau 1996, 9).

Regardless how one slices it, maintaining the traditional policy objective of a strong Canadian screen presence means finding more money, not less, for public television. Access for and to Canadian content also requires public subsidy. Even assuming maintaining government funding and advertising revenue at existing levels, more money needed to be found simply to maintain the existing level of Canadian screen content. Where could this possibly come from? The answer was from distribution.

Distribution could generate revenue in various ways. The cable industry, for example, with 38% of total broadcasting revenue, accounted for only 6.4% of the amount spent on Canadian programming (essentially through its regulatory obligation to support local community television). The CBC, in comparison, with 20% of the total revenue – 13% from its parliamentary appropriation and 7% from advertising – accounted for 42% of spending (CMI 1994, based on Statistics Canada data). With cable penetration in Canada approaching 80% and steadily climbing, cable revenues appeared to be an attractive source of funding for public broadcasting.

Indeed, by 1996 it was clear that the only 'solution' to the financing of public broadcasting lay in taking the Broadcasting Act at its word and adopting a holistic approach to the economics and policy expectations of the system as a whole: to stop treating a distribution franchise as a license to print money, to stop agonising over the fiscal belly-aching of both private broadcasters and the CBC and insist they meet their respective mandate requirements, and to open up new windows of public service in the expanding media environment.

Some of this had begun gingerly with the creation of the CBC's all-news English-language cable service, Newsworld, in 1987 – and, eight years later, its French-language equivalent, le Réseau de l'information (RDI).

Fitting into the CRTC's logic of using the cable service as a locomotive for adding on new user-financed specialty services, Newsworld and RDI were vibrant, popular additions, at no direct public cost (the services are financed exclusively by cable fees and advertising, although they benefit from CBC infrastructures and news staff). According to research done for the CBC,
subscriber base, we risk painting public broadcasting into a corner.

Finally, regarding content. Here the question of taste and the role of the system's various gatekeepers will inevitably continue to clash with audience figures, budget projections and the availability of cheap American programs. Some admirable progress has been made in the quality of Canadian program production over the years, but let us recall again that none of this would have been possible without public subsidy.

In fact, public broadcasting in Canada has to be viewed as a package deal. When we see it this way, we can begin to look critically at the CBC without feeling that we are undermining public broadcasting in the process. We can strip public broadcasting of the overriding 'national' purpose which has alienated the CBC from its regional roots at the same time as it has contributed to promoting the two solitudes in both official languages. We can begin to look at the role of broadcasting in creating and sustaining public space, as it comes to be redefined in the age of globalisation.

This means an unequivocal commitment from the federal government that regardless of any structural tampering with the CBC, the result will not be a diminishing of the overall place of public broadcasting in the system. It means recognition that broadcasting and its new equivalents will continue to be subject to regulation in the public interest in the new context of the information superhighways. It means a new social contract with the private sector based on the recognition of public service obligations in exchange for market privileges, and the setting aside of certain areas of commercial activity as financial resources for the non-market sector of the system.

Only once these principles are clearly established can we look seriously at concrete proposals for the future of public broadcasting. Only then, for example, could we look at reforming the CBC as something more substantive than a cost-cutting operation. We could also look at the respective roles and funding sources for not only the CBC but the whole range of public service activities indicated by the new broadcasting environment. We could then address the appropriate relationship between lucrative and non-lucrative activity in the Canadian broadcasting system.

Most important, we could then establish the place of broadcasting as the centrepiece of a common social and cultural project.

ENDNOTES
1. This article is an updated version of Raboy 1996a and b. For further background to the context of Canadian public broadcasting, see Raboy 1990, Skene 1993, Eman 1994, Nash 1994.
2. The Broadcasting Act, for example, specifies that the Canadian broadcasting system, comprised of public, private and community sectors, constitutes a public service essential to the maintenance and enhancement of national identity and cultural sovereignty (Canada 1991, 36).
3. Telefilm was set up in 1983 as a vehicle for promoting independent production of Canadian film and television content. Its funding has grown steadily to make it Canada's second largest cultural institution, after the CBC, with a budget of more than $C150 million. Telefilm contributes up to one-third of the cost of a television production that has a guarantee of broadcast, the balance of funding to come from the broadcaster and other sources. Both the CBC and private broadcasters are eligible for Telefilm support, so the net result has been a general increase in Canadian screen presence and a contracting out to the private sector of projects which would previously have been done in-house by the CBC.
4. The government's charge that CBC coverage of the 1995 Quebec referendum on sovereignty was biased, was shown to be unfounded (Erin Research 1995).
5. Television, AM Radio and FM stereo networks in both English and French.
6. In fact, the CRTC and the cable industry have created a television production fund which was expected to generate as much as $C300 million by the end of the century. Only weeks after the announcement of the most recent round of CBC budget cuts, the federal heritage minister announced an injection of $C100 million into this fund, illustrating that where there's a will there's a way. The fund is headed by a senior vice-president of Rogers Communications, Canada's largest cable distributor. Is it possible to be too cynical about such a diversion of public funds to the private sector?
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