Public Service Media Funding. Future and state of the question in the British and Spanish systems

Financiación de los medios audiovisuales públicos. Futuro y estado de la cuestión en los sistemas británico y español

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Abstract

PSM are not going through their finest moment. Adequate funding to ensure their survival is one of the fundamental factors that will shape their future. This paper takes a look at and compares the history of British and Spanish PSM, two very different systems. In both cases, they have suffered from cutbacks, though on a very different scale. In general, the mechanisms for obtaining necessary budgets are still bound to their respective traditions.

Resumen

Los medios audiovisuales públicos no están en su mejor momento. Una adecuada financiación que permita su supervivencia es uno de los factores fundamentales que marcarán el futuro. Este artículo recorre la historia de los sistemas mediáticos británico y español y los compara. En ambos casos, han sufrido recortes, aunque en escala muy distinta. Los mecanismos para obtener el presupuesto necesario están aún ligados a las tradiciones respectivas.

Keywords

Public Service Media, Media Economics, Mass Media, Television

Palabras clave

Medios audiovisuales públicos, Economía de los medios, Medios de comunicación de masas, Televisión

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Summary

Sumario

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1. The PSM crisis

The future of Public Service Media (PSM) or public service broadcasting (PSB) looks pretty bleak. There are many uncertainties, virulent discussions about their funding model, continual cuts, etc. The crisis has spread throughout Europe, the cradle of these radio and television corporations inherent to the Old Continent. They are facing moral and economic bankruptcy apparently condemning them to minimisation, privatisation or, at worst, extinction. Different experts and organisations have raised the alarm: "The visibility and sustainability of national players, and therefore the national audio-visual industry, is endangered" (EBU, 2015, p. 7). Furthermore, there is enormous pressure to reduce PSM organisations, restrict investment options, and limit online and digital operations (Lowe and Steemers, 2012). That said, we should not forget that the crisis is not new, the last 25 years having been marked by prophecies of doom and gloom (Debrett, 2014). Richeri, for example, has warned that PSM are suffering a three-fold crisis of legitimacy, financing and identity (1994). The crisis actually goes back to the 1980s with the deregulation and flexibilisation of European audio-visual policy as a whole (Gavaldà Roca, 2014), together with a generalised undermining of public corporations brought about by the neoliberal theories proposed by Margaret Thatcher and Ronald Reagan on both sides of the Atlantic in favour of financial profitability. During this time, "public entities not only faced a slow death due to the rise in competition, economic pressures and the ideological, market-oriented change; but also the threat of suicide" (Rowland & Tracey, quoted in Ojer Goñi, 2009, p. 21). Since then, things seem to have gone from bad to worse: "A potent combination of regulatory, financial, commercial and technological challenges encourage an idea that, as an institution, the PSB is in serious decline and perhaps past its sell-by date" (Lowe & Steemers, 2012, p. 10). The crisis is especially significant in Western Europe, whereas in the so-called Global South (Asia, Africa and Latin America), PSBs are growing and developing (Rahman & Lowe, 2016). Digitalisation and competition from Internet services or social networks via which more and more audio-visual material is shared, are also compelling circumstances. As researchers, we must shift the focus of traditional media towards a "broader view of content creation and flows (or revenues) across a variety of platforms and delivery systems" (Mierzejewska

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& Shaver, 2014, p. 48). To this must be added the persistent crisis in public radio and television services which has lasted now for over 30 years.

The panorama has very often been described as so bleak that it is surprising that these corporations have survived at all and could even be said to be in good health: Ofcom has stressed that the television crisis has been exaggerated and in spite of the general perception, the main news programmes have maintained their audiences (Cushion, 2012). Even so, as Curran concludes, it would seem prudent to treat predictions about the imminent transformation of communications with some caution (2005, p. 210).

The most extreme cases of the PSM crisis have occurred in the periphery of the European system. The situation in Spain is paradigmatic in this sense: RTVE is immersed in a deep crisis in terms of both its identity and finances. Moreover, the complex situation of regional autonomy as regards audio-visual policy has not helped much either. The dramatic closure of Canal 9 Radiotelevisió Valenciana (RTVV) in 2013, a broadcaster with 25 years of history, is a good example. The authorities of the Valencia Community region are striving to reopen it, but in the meantime it is still the only public broadcasting company in Europe that remains closed due to the crisis.

Private competitors have taken advantage of the general crisis affecting the audio-visual business model as a whole to doggedly attack public media. In the UK, the BBC —at the core of the PSM system— has become the main target of the attacks launched by the media magnate Rupert Murdoch, for whom “the only reliable, durable, and perpetual guarantor of independence is profit” (Debrett, 2014, p. 42). In Spain, the private broadcasters under the umbrella of the lobby *Unión de Televisiones Comerciales Asociadas* (UTECA) financed a devastating study that underlined the disproportionate spending, scant profitability and bloated debt of their public competitors (Deloitte, 2011), and their lobbying finally led to the government supressing advertising on RTVE (Azurmendi, 2007). Despite the generalised perception of economic crisis —especially in the audio-visual industry— and the eternal complaints from private companies, it is worth remembering their official income figures, which are substantial in both the British and Spanish cases. As for the Murdoch’s Sky, it earned €970.2 million according to its annual balance as of June 2015 (Sky, 2016). In Spain, the Atresmedia group brought in a respectable €970.2 million, also in 2015, compared to €883.2 million the previous year (Atresmedia,

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2016). Mediaset España, Atresmedia's biggest competitor, controlled by Silvio Berlusconi's Fininvest group, whose flagship is the TV station Telecinco, made a similar amount in the same year: €971 million, compared to €932 million in 2014 (PwC, 2016). As can be seen, it does not seem appropriate to talk of a crisis when bearing in mind the solid profits which, furthermore, are still rising.

Now is a time of change. On the one hand, the BBC has been immersed in the renewal of its Royal Charter, involving a heated debate that will ultimately give rise to the model that is to govern the corporation over the next decade. On the other, in Spain the national and local elections have completely altered the political landscape. The ascent of new political parties that have proclaimed new forms of government based on participatory tools and open processes that take citizens into account, has modified the rules of the game. The PSM model is also pending renovation. And the BBC, of course, is a model to follow in any discussion about the future of Spanish public service media. The BBC has served as an example for Spain at different times, such as when the socialist government of President José Luis Rodríguez Zapatero implemented the well-intentioned but failed reform of RTVE as of 2006 (Azurmendi, 2007, p. 271). Speaking on public radio during the last election campaign, President Mariano Rajoy called for an agreement between all the parties to achieve an unbiased public broadcasting service free of financial problems[1]. However, following the management of the previous government, hounded by accusations (Consejo de Informativos TVE, 2014) and justified inquiries and studies that underscore the news programmes' politically biased focus (Gavaldà Roca, 2014; Soengas Pérez & Rodríguez Vázquez, 2014), perhaps we should not be too optimistic about Rajoy's supposedly good intentions. The BBC has also served as an example for the symbolic case of Radiotelevisió Valenciana (RTVV), specifically as regards the creation of an Audience Council (*Consell de la Ciutadania*) under the new Act 6/2016 on Autonomous Public Service Radio and Television Broadcasting (*Corporació Valenciana de Mitjans Audiovisuals*)[2], a body demanded by Podemos, one of the new emerging parties, and inspired by the British model.

1 http://www.eldiario.es/sociedad/Mariano-Rajoy-TVE-independiente-BBC_0_527397376.html [Accessed 11/06/16].

2 https://www.boe.es/diario_boe/txt.php?id=BOE-A-2016-7691 [Accessed 29/08/16].

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2. Research method

Our research falls within this general context of crisis in public radio and television corporations outlined above. It focuses specifically on the comparison of the financing mechanisms that these corporations have used to date or that they propose to use in the immediate future. The means of obtaining funding is clearly essential in order to ensure continuity, offer programmes of a suitable quality, and enjoy sufficient independence from the government of the day in order to guarantee unbiased news programmes—the backbone of any PSM. Subsequently, the way in which these funds are administered and a coherent programme schedule and public service is articulated will doubtless be important. Nevertheless, the means of obtaining budgets, where these come from and how far they go are the main pillars on which everything else rests. Therefore, emphasis will be placed on the budgetary changes, discussions and proposals that have emerges in the context of renovating two systems at the extremes of the European public audio-visual ecosystem. Accordingly, we will first take a look at the BBC, the radio and television broadcasting corporation that from its advent has been a yardstick for its European counterparts and which is currently in turmoil, before focusing on an audio-visual system on the periphery of the continent. Spain has become a paradigmatic model especially in terms of what should not be done if the aim is to preserve the European public television model. From the perspective of a comparative analysis of two systems that are poles apart, yet which share goals and a *raison d'*être, we shall concentrate on the financing mechanisms that we regard as central to their future viability. By establishing the current state of the question, taking into consideration the different historical communication models and the predictions and ideas aimed at making conventional broadcasting compatible with new convergent forms of communication, we believe that we will be able to draw conclusions that may pave the way to a tenable public audio-visual system with a future.

3. Analysis and discussion

3.1 The British model

The BBC is governed by a complex legal framework whose fundamental point of reference is the Royal Charter, which usually runs for 10 years and

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establishes general policies, trends and governability, amongst other matters. Redrafting the clauses within the new charter is a long, painstaking process lasting nearly two years with precise milestones. The Green Paper (Department for Culture, Media & Sports [DCMS], 2015), containing general assessments and guidelines, was the first of two documents drawn up by the government, followed by a number of different reports published throughout 2016. The final report, the White Paper (DCMS, 2016), outlines the official proposal and acts as the basis for the new Royal Charter.

Prospects at the beginning of the process could not have been more dire. For some authors, the future of the BBC was more uncertain than ever (Mair, Tait & Keeble 2014). The fact that the renewal was to be carried out with the Conservatives in power set all the alarm bells ringing, especially when bearing in mind that the then Secretary of State for Culture —on whom the BBC depends— John Whittingdale had been arguing for years for its minimisation by reducing the licence fee[3].

Even so, in spite of all the gloomy forecasts of budget cuts justified by the crisis, the data show that the BBC is still the biggest and most influential actor in the UK audio-visual market. The corporation has a 33% TV and a 53% radio audience share (Oliver, Ohlbam & Oxera, 2016, p. 9). As for the Internet, its website is still one of the most important in the world, with 101 million hits in 2015 (BBC, 2015, p. 9). However, other studies have found that despite the BBC's strength it has become less popular among young people and racial minorities (BBC Trust, 2014).

The White Paper's release went a long way to dispel the doubts about the corporation's future prospects. In the autumn of 2016, parliamentary debates were scheduled prior to the act completing its passage through Parliament. Furthermore, this process was marked by the political instability brought about by the victory of the Brexit vote that cost the new charter's prime mover —PM David Cameron— his job. The document laid out the government's intentions. Over the next 10-11 years, the BBC would continue as before: "It feels less like a blowout and more like a slow puncture" (Freedman, 2016, p. 2). Even so, the threat to the BBC's status as the benchmark PSM has not

3 http://www.telegraph.co.uk/culture/tvandradio/bbc/11192145/BBC-licence-fee-worse-than-poll-tax-says-John-Whittingdale.html [Accessed 16/07/16].

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disappeared; it has only diminished for the time being. The crux of the matter, according to the corporation's director Tony Hall, was more BBC or less BBC (2016); extending or reducing, or at least maintaining. On this matter, the White Paper did not beat about the bush: for at least the next five years, increased licence fees in line with the CPI are to be maintained. This means that the BBC will still earn a similar amount to the €3.7 billion obtained in 2015, out of a total budget of €5 billion. The BBC is the best financed public television corporation in Europe (DCMS, 2016, p. 92), according to data provided by the European Audiovisual Observatory (2016). It should be pointed out, though, that this is only the case if the absolute funding figures are taken into account, as opposed to funding per inhabitant with respect to which the United Kingdom (UK) at €76 trails behind Finland (€85) and Germany (€98) (Sehl, Cornia & Nielsen, 2016). In any case, the British government has reasons to claim that the BBC is a well-financed institution. And obviously, a sufficient budget means plenty of in-house production and the maintenance of jobs.

There are many other novel aspects that have a bearing on the future of the BBC, but we shall concentrate here on those concerning its financing. The increased licence fee is still the public broadcasting service's prime source of funding, although some interesting changes have been put forward. One of the great disadvantages of this historical tax is clearly the fact that it is applied at a flat rate, implying that it does not factor in the enormous differences in income of licence holders. At least for the time being, people over 75 years of age are exempt from paying it. This is not a minor aspect: the government estimates the total cost at €745 million until 2020. It has also been suggested that the so-called "iPlayer loophole" be closed, in order that on-demand programming should also contribute to defraying production costs (DCMS, 2016, p. 91). The changes in reception brought about by convergence will also have an impact on income generation channels. Nowadays, consumers are adopting an anywhere, anytime, any device (AWATAD) lifestyle (Gimpel, 2015). Furthermore, around 61% of adults access the Internet via their mobile phones (triple the number than in 2009), and over 50% claim that they use the Internet to watch television and videos. Two thirds of them did so over the last week (Ofcom, 2015, pp. 85-86). These figures confirm the relentless growth of on-demand programming, whether at home or on the go. With this evolution in audio-visual consumption, maintaining a system of financing based solely on charging those who watch

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television in the traditional way is, without a doubt, completely illogical. Lastly, the Government has recommended that the BBC should explore additional sources of commercial financing, specifically mentioning subscription payments.

In addition to obtaining funding, the way in which it should be spent is also stipulated. The licence fee does not only serve to finance the BBC's services, which is why the creation of a new public service content fund has been proposed with a yearly budget in the region of £20 million. This will be used to promote less prominent genres including children's programmes, religion and ethics, education and arts, and classical music. Minority audiences, such as immigrants and regional and international communities, will also be catered for. (DCMS, 2016, p. 72).

Its critics have been quick off the mark and a number of alternative proposals have been put forward. Lord Puttnam's report on the future of public service television recommends a far-reaching licence fee reform based on a number of criteria such as income levels to make it more egalitarian. It even proposes to generate additional income with a levy on mobile phone operators and manufacturers (2016, p. 37). In point of fact, as will be mentioned further on, there has been a similar levy in Spain and France for some time now, an issue that has not been free of controversy. The licence fee has been defined as an "outdated symbol" (2016, p. 60) for, in spite of its reputation as a guarantee of independence and impartiality, recent history suggests that it has not freed the BBC from interference. It is also a notably regressive tax. Nevertheless, Puttnam is not in favour of introducing subscription fees, insofar as he believes that this would exclude those who cannot afford to pay such fees for the quality content. He recommends a system of household payments, collected via the Council Tax, and even considers financing via general taxation. At any rate, the decision process for allocating funds should be independent of the government.

Besides the debates about the change of model, we believe that the current Conservative government's surprising commitment to maintaining the budget and therefore the size and power of the BBC has been influenced by the political circumstances. To our mind, the uncertainties plaguing the Brexit referendum and its unexpected result may have had an influence. Cameron's government was aware of the importance of the decision —which has triggered an economic earthquake with as yet unforeseen consequences— and perhaps did not wish to diminish the role of public TV, which doubtless would have been

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an unpopular decision in the UK and would helped the opposition to undermine the government's public image. Whittingdale was also caught between a rock and hard place due to the controversy surrounding his relationship with a prostitute, which newspapers like Rupert Murdoch's *The Sun* had been accused of keeping under wraps[4]. The fallout caused by the Brexit victory and the subsequent formation of Theresa May's new government ultimately cost the veteran MP his job and any chance of seeing through the Royal Charter reform process that he had led.

3.2. The Spanish model

The financing of Spanish public television is grounded in a very different tradition. Since its late beginnings in 1956, the state-owned RTVE had the monopoly on TV and radio broadcasting until the restoration of democracy, but at the same time was financed by advertising which was forbidden or very restricted on the rest of the continent (Baget i Herms, 1993). Liberalisation, and with it the transition from Paleotelevision to Neotelevision (Eco, 1986), came about in Spain in the 1990s with the launching of Antena 3 and Telecinco, two private, non-encoded TV stations that began to compete directly with RTVE for a piece of the advertising pie. This led to the financial collapse of the public broadcasting corporation and a long history of accumulated debt in spite of successive injections of public funds. At the time, a price and audience war was unleashed, leading to what has been called "the leaden years of television in Spain" (Palacio, 2001, p. 171) or the "abominable decade" (Díaz, 2006: 343), with the inexorable expansion of junk TV on both private and public television channels. In spite of this deterioration in programming brought about by the quest for audience shares at any price, the accounts of RTVE are catastrophic: in 1997, the debt reached 450 billion pesetas or roughly 2.7 billion euros (Díaz, 2006).

As of 2004, the socialist government of Rodríguez Zapatero introduced a number of significant reforms in RTVE. Apart from the purported guarantees of independence and impartiality of the corporation's news programmes, reforms also involved a review of legal and administrative tools in order to streamline its management model and put an end to its long-established indebtedness by

4 https://www.byline.com/column/51/article/950 [Accessed 11/06/16]

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approving Framework Mandates and Programme Contracts—the new legislation even envisaged the dismissal of board members in the event of significant financial losses. The complete overhaul of the legal framework was combined with a radical reduction of the workforce and the conversion of the old "entity" into a corporation, debt-free at least for the time being. This process of renovation ended in 2010 with the decision to withdraw advertising, a long-standing bone of contention with the country's private television companies which consequently would immediately increase their profits. The debate revolving around whether it would be convenient or not to reintroduce advertising has dragged on since then. The National Authority for Markets and Competition (CNMC, 2016), the Spanish audio-visual watchdog, has been the last to recommend its recuperation as a source of financing for RTVE. For the RTVE board member Miguel Ángel Sacaluga, the problem was not so much the loss of advertising as a source of income, but the 48% reduction in the state's direct contribution to RTVE, when average administrative budget cuts were in the region of 20% (2016).

The fact is that during the initial period of reforms—as of 2004—there was a moment of stability in which RTVE's news programmes recuperated a certain of degree of credibility and the corporation once again had the highest viewing figures. Its prestige and audience share began to decline when the Partido Popular (PP) recovered power in 2011. The new government watered down the guarantees that ensured impartiality when appointing board members and directors, and the public television broadcaster's viewing figures dropped below those of the private channels Antena 3 and Telecinco. In 2017, motivated by the political instability, the government has amended the legislation yet again, apparently restoring the guarantees with regard to the appointment of RTVE board members, but there have been no real changes to date. Since Mariano Rajoy became president, there have been continuous cuts in state subsidies (Bustamante, 2014; 2013; Soler, 2012), leading to serious financial straits and a debt in 2012 of €112 million, compared to €29 million in 2011.

Coinciding with the suppression of advertising on RTVE, a new controversial form of funding was introduced: as a contribution to public service broadcasting, commercial television and telecommunications operators were to hand over 3% and 0.9% of their annual income, respectively, to RTVE. These levies are reminiscent of those proposed in David Puttnam's aforementioned report in the UK and which are still in force in France. The fact is that since being

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introduced they have been a source of continual problems, because both private television and telecommunications operators refuse to pay up or do so after a considerable delay. Even though this new source of funding was questioned and denounced by the European Commission, it was finally ratified in July 2013 by the EU Court of Justice which considered that it did not breach community telecommunications standards[5].

The climate of political instability, with the repetition of general elections due to a hung parliament, has meant that RTVE has been left in a kind of limbo for months. As already mentioned, the PP candidate (eventually invested as president) predicted changes in RTVE, with the idea of emulating the public service broadcaster par excellence: the BBC.

3.3. The complex regional autonomous system

The public radio and television ecosystem in Spain also includes regional autonomous broadcasters which were launched precisely during the same period of liberalisation that began in the 1980s and 1990s. A result of political decentralisation during the country's democratic transition, there are currently 12 regional television corporations in the 17 autonomous communities making up the Spanish state—an unusual model in Europe (Bustamante, 2013; Richeri, 2005; Campo Vidal, 1996). All other public television corporations in general copy RTVE's initial structure, including its shortcomings—i.e. a tendency to becoming too big, the broadcasting of commercial programmes, and the suspicion of institutional manipulation (Bustamante, 1999). Furthermore, they depend on public and private funding via advertising and state subsidies. On average, 25% of the financing comes from advertising and the rest from the regional autonomous public budget (Deloitte, 2011). Notwithstanding the demands of private television corporations that they should follow the example of RTVE by eliminating advertising, this has yet to occur.

The very autonomy of these media means that their size, budget, organisation etc., differ greatly. However, if there is one thing that they have in common, then that is their grave financial problems as of the introduction of DDT.

5 http://www.rtve.es/noticias/20130627/tribunal-justicia-ue-aprueba-tasa-telecos-francesa-para-financiar-television-publica/699504.shtml [Accessed 14/07/16]

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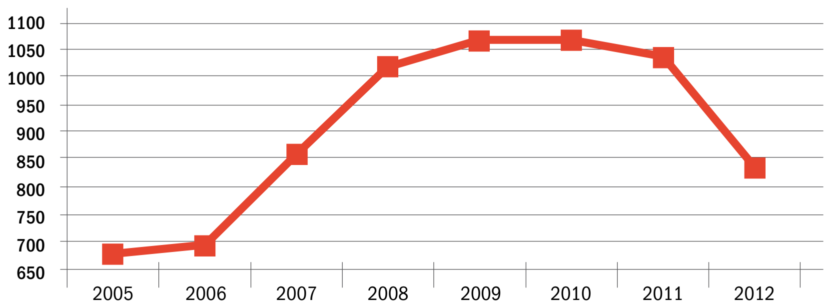
A paradigmatic example is Radiotelevisió Valenciana (RTVV) which, together with the Greek television company Ellinikí Radiofonía Tileórasi (ERT), has been the only public broadcaster to close in Europe due to this crisis (Tambini, 2016; Des Freedman, 2016). Others, such as Telemadrid, recently laid off two thirds of its workforce, and even TV3 in Catalonia —which has always been the most highly regarded regional TV broadcaster— obtained its poorest audience figures ever in July 2016, thus losing its supremacy over the private TV channels[6].

The case of RTVV is archetypical for its bad management. For example, its debt rose inexorably during the years of the PP autonomous government, reaching €39 million in 1995. Thenceforth, during the economic boom the broadcaster was financed largely by credits and loans which generated a long-term debt of over €1 billion.

GRAPH 1. RTVV's Long-Term Debt in millions of euros



RTVV'S LONG-TERM DEBT. Source: the authors, using data from the Sindicatura de Comptes (Regional Audit Office).

The turning point came in 2010, as can be seen in Graph 1, due to the influence of the widespread financial crisis. At that moment, it was harder to obtain loans and RTVV spiralled into a phase of brutal contraction that reduced its in-house production to a minimum. There are abundant examples

6 http://comunicacio21.cat/noticies-comunicacio21/117838-tv3-registra-el-pitjor-resultat-d-audiencia-de-la-seva-historia [Accessed 12/09/16]

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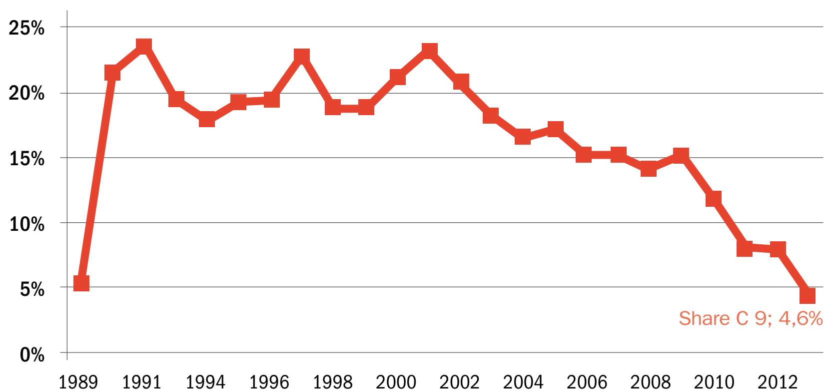
of the bad use of public money during those years: one of the most outlandish was the purchase of the sports rights for the football clubs Valencia and Villareal in 2009 for €33 million. These were then sold on to third parties for only €22.2 million (Xambó, 2013). The arithmetic is simple: €11 million were lost in an operation that only served to subsidise the region's teams, with no accountability in the Valencian Parliament (Col.lectiu Ricard Blasco, 2014, pp. 76, p. 130). The broadcasting rights for the European Formula 1 Gran Prix in Valencia, which Bernie Ecclestone pocketed, also deserve a place in this absurd but true story: ridiculous results in terms of audience figures were achieved, yet RTVV and La Sexta (a private national Spanish TV channel) paid €22 million plus tax for the non-exclusive rights for the 2010-13 seasons. In 2010 alone, over €4 million were shelled out (Sindicatura de Comptes, 2011). All these ruinous operations make one thing clear: the Valencian Regional Government (*Generalitat*) treated RTVV like a mere dominion. Those responsible probably thought it did not matter who paid, whether the radio and television entity or the government; it was all the same.

This continual expenditure coincided with an relentless drop in viewing figures. RTVV had obtained 20% of the media share until 2002/2003, before plummeting to under 5% in 2013.

GRAPH 2. Share C 9



HISTORY OF CANAL 9'S AUDIENCE SHARE. Source: the authors, using data from AIMC/EGM.

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There are many reasons for this loss of confidence, but one of them was doubtless the deterioration in the quality of the channel's news service (López Olano, 2015).

After an attempt to lay off part of the workforce was rejected by the courts, RTVV finally folded on 29 November 2013, with the loss of 1,600 jobs. After a complicated and surreal legal process instigated by the PP in order to achieve its definitive closure (López Olano, 2016), the last elections brought about a change in government. Since the summer of 2015, the socialist president, with the backing of the nationalists and the new left-wing parties, has been making an effort to reopen the radio and television corporation, although this initiative is still in the pipeline. The provisions of the new Act 6/2016, passed by the *Generalitat*, envisage strict spending controls in order to avoid a repeat performance. The new legislation also establishes that it will receive a modest contribution from the public purse of between 0.3% and 0.6% of the *Generalitat*'s overall budget. The new corporation will only be able to resort to indebtedness to fund its investments and to address temporary current-account imbalances. In keeping with the Spanish tradition, the financing is twofold: the aforementioned budgetary contribution from the regional government; and advertising income. Although the new legislation does not dare to go further, in Section 1d of Article 37 it does leave the door open to imposing a levy on commercial and pay-per-view radio and television operators proportional to their profits; to broadcasting for mobile devices or by cable via phone carriers; and to Internet platforms and repositories. The future is thus open to other formulas.

4. Conclusions

The discussion about PSM funding is indeed essential to the model's future viability. Budget sources have always varied, and still vary, greatly in the media systems analysed here, although digital convergence may bring them into line. The advantage of the Spanish system is that the state compensation for the public service is integrated into the general tax system, since it is a General State Budget allocation. In part, it is basically progressive, like Personal Income Tax (IRPF in Spanish). On the other hand, the British licence fee is a true flat-rate tax, though it has the advantage of the alleged budgetary independence it can

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afford the corporation. This is a tax that is taken very seriously in the UK: in the financial year 2013-2014, 32 people were jailed for not paying the licence fee. The issue of new means of financing associated with new forms of consumption is on the table in the UK and Spain alike. However, the decision to apply them is still pending.

Evidently, the BBC has always been an international benchmark, but lately even more so, at least for the Spanish PSM system troubled by political instability. Nonetheless, this model of independence and quality television is perhaps used at times as an unattainable and hackneyed example, often due to a profound lack of knowledge of the institution and its circumstances. Something that should not be overlooked is the size of the BBC's budget —despite the cutbacks— which has also recently been ratified: £5 billion a year, £3.7 billion of which coming directly from taxes, i.e. the licence fee. RTVE has to make do with about €1 billion. At a local level, with the example of the new *Corporació Valenciana de Mitjans Audiovisuals* (Valencian Audiovisual Media Corporation), whose name has even been borrowed from its British counterpart, as happened with RTVE and other Spanish regional public audio-visual companies, the phoenix of Valencia's public service broadcaster is again rising from the ashes of its predecessor with an estimated yearly budget of between 50 to 100 million euros. The difference is so vast as to make it difficult to compare their respective achievements. All the same, beyond the difference in size of Spain's and the UK's media systems, financial straits have too often become a permanent sword of Damocles, always on the point of severing media independence. As Tambini has stated, it is not possible to be independent while waiting for cuts to be made (2016).

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