

Summary of the media support project:

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The Minister of Culture set up a committee to develop potential models for the future media support in Denmark. The committee began its work on January 1st 2011 and had to complete it, no later than October the 1st 2011. The Media Support Committee consisted of a number of industry representatives and two media researchers. The Committee was led by Chairman Henning Dyremose, a former Minister of Finance.

The result of the work is now available in the form of the report: Democracy Support - tomorrow's public media support.

Chapter one and two: summary and background

The first chapter is a summary of the work and the second chapters consists of background information on the work.

Chapter three: Key parameters considered

The key parameters considered in the development of the models are discussed in the third chapter of the report. These are technology, consumer, market developments and the increased internationalization. The report examines the evolution of these parameters, pointing specifically to:

- How young media users increasingly make use of IP-based media, while the older media users - in addition to radio and television - still widely use print media
- How search engines and social media dominate the Danish use of the Internet
- How, despite growth in the use of smartphones and tablets, there has yet to be established profitable payment models for news via IP media
- How circulation and readership is declining for most print media (some niche media excluded)
- How the advertising market is under extreme pressure, especially from foreign players.

Chapter four: consequences of maintaining status quo

In the fourth chapter the consequences of leaving the current support unchanged – thereby maintaining the status quo – is discussed. The chapter basically notes that a variety of media are not covered by the support to-

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day. For instance certain IP-based media and journals are not currently eligible for subsidization, even though their content and importance for users can be argued to play a central role in an enlightened democracy. The current support schemes are platform-specific, which means that the trends towards increased convergence, multiplatform media content provisioning, etc. do not benefit from the current schemes.

Chapter five: the purpose of tomorrow's media support

A key element is introduced in the reports fifth chapter, where the purpose of tomorrow's media support is described. The Committee particularly emphasized that the public media support should contribute to:

- promote social and cultural information
- strengthen the democratic debate in society and
- ensure versatility and diversity in the Danish media.

In a small language area and democracy as the Danish, which is characterized by noticeable internationalization trends, powerful media that can support the Danish democracy and society through independent production and dissemination of news, as well as other information that can support the ability of citizens to seek information and participate actively in society and be a forum for public debate, is becoming increasingly important. Diversity of media titles and versatility of content must be supported to encourage the widest possible participation in the development of democracy through the dissemination of news and other informational content to citizens across social, age, cultural, economic and geographic boundaries.

Thus the Committee suggests that media support primarily be seen as support of democracy.

Chapter six: Fundamental factors evaluated during the development of the models

As a prelude to the description of three possible models for the future of media support, the report presents, in the sixth chapter, a discussion of the more fundamental factors that have been evaluated during the development of the models. The Committee has specifically assessed:

- That the financing of public services remains unchanged and kept separate from the media subsidies,
- That the subsidization schemes in the future primarily should be given to support the production of self-produced editorial content rather than distribution,
- That media support should help to ensure everyone's access to news and information via a plurality of channels
- The content must be relevant to the citizens who act in the Danish

democracy, but may be in other languages than Danish

- That there should be requirements for the share of editorial content in the media - including self-produced content,
- That the current content requirements should be altered to allow niche media to achieve support.
- That the option of supporting individual journalistic projects was considered and not chosen, instead it was suggested that support should be directed towards editorial environments of a certain size to ensure arms length towards the state and editorial freedom
- That there should continue to be a supplementary support scheme
- That special effort pools directed towards children and young people should not be established, but rather that this area should be considered a priority and implemented into the overall criteria of the model.
- That there should be project support in the form of innovation pools where support can be granted to new media companies, developmental and transitional projects, as well as recovery support, and
- That there should be limits to the level of support on both title and publisher level in relation to the allocation of funds.

The Committee has established respectively access criteria (criteria which have to be fulfilled in order for the title to be qualified to receive support) and measurement criteria used to calculate the allocation of funds.

The central criteria for being eligible for access to the media support are:

- Requirement for an editorial critical mass (3 or 5 editorial employees)
- Requirements for media content, as regards the editorial content, it should primarily be related to politics and society possibly by treating one or more topics such as culture, health, business or science primarily from a political and societal perspective,
- That the media must have a certain width in the target group, and that the media is required to have at least 50% editorial content and that at least a third of this has to be self-produced editorial content.
- That the media must be independent of political parties and public institutions.

The key measurement criteria are:

- Editorial work as defined by the instructions established by the committee
- A ceiling per title of 20 million kr., and
- A publisher ceiling of 20% of the total support scheme [combined level of support from both the main and supplementary scheme].
- A maximum coverage of editorial costs at 35% and
- A ceiling of 110% of the distribution support the publishers received, if any, under the current scheme.

The criteria and assessments described in the sixth chapter are repeated in

all three models.

The individual potential models for a new media support scheme are described in detail in the chapter seven to nine.

- A platform-specific model
- A partly platform-neutral model and
- A platform-neutral model.

Chapter seven: The platform-specific model

The platform specific model discussed in chapter seven is characterized by separate support schemes for the different platforms: radio / television, print media and IP media. The model operates with an adaptation of the current platform specific media support in a way that includes the IP media - but with separate support schemes.

The Committee assess that a platform-specific model can be implemented to ensure continued production of media content of high quality to the Danes, but also that there are some limitations due to the platform dependence - especially in relation to media development across platforms and in relation to future-orientation, because current platforms do not necessarily represent future platforms.

Chapter eight: The partly platform-neutral model

The partly platform-neutral model discussed in chapter eight is characterized by a combination of platform specific and platform-neutral pools and schemes. Radio and television and the ideal magazines are assumed to continue receiving support from platform-specific schemes, while print media and IP-based media are to be supported by a platform-neutral scheme.

The Committee assess that the partly platform-neutral model secures a subsidization scheme based on objective criteria. But also that the model takes into account the current development, and that the model is sufficiently flexible to support possible new developments in the media industry – including development as a result of changing consumer patterns of the Danes.

Chapter ten: The platform-neutral model

The platform-neutral model discussed in chapter nine is characterized by all media types being supported by the same mechanisms and pools of funding. The main exception being the public service institutions DR and the eight regional stations, which remain untouched, but are on the other hand not allowed to apply for funding in the new scheme. The model consists of a main support scheme divided into two separate schemes of production: one for commercial media and one for non-commercial media. All platforms - radio/TV, print media and IP-based media - can receive

support from the schemes. This entails an change of the current support for the non-commercial media for radio, television and print media to a common pool based on support of production. The innovation pools are also platform-neutral, but support through the innovation pools is, however, only targeted the commercial media.

The Committee assess that a platform-neutral model is able to support the media development in the future, but also that there is a risk that funds are spread too thinly and thereby not adequately will support sustainable media, and it seems difficult to establish uniform criteria applicable across all platforms.

Below is a general schematic overview of the models

Overview of similarities and differences in the three models

		Platform specific	Partly platform neutral	Platform neutral
Common	Public service	DR, TV 2 Regions and Radio24seven continues unchanged		
	0-vat	Unchanged, but suggestions for further studies		
	Funding	The models are based on the established economic framework and do not require additional funding in order to be implemented.		
Subsidy for the production of editorial content		Separate pools of funding for the print media and IP-based media	Common pool of funding for the printed and IP-based media	Common pool of funding for all types of media meeting the requirements.
Supplementary funding	Newspapers	Funds for distribution of particularly merited national newspapers.	Funds for distribution of particularly merited national newspapers.	None
	IP-media	Funds for IP-based media that do not have a directly or indirectly subsidised printed publication.	Funds for IP-based media that do not have a directly or indirectly subsidised printed publication.	
	Particularly affected media	Small newspaper-like publications that receive a smaller amount of subsidisation than justified by their editorial costs.	Small newspaper-like publications that receive a smaller amount of subsidisation than justified by their editorial costs.	
		Small locally based newspapers receiving less subsidization	Small locally based newspapers receiving less subsidization	
		Any excess funds will be transferred to the innovation pool.	Any excess funds will be transferred to the innovation pool.	
Innovation pool: Subsidization of Establishment of new companies, as well as development, transition and reorganization of existing companies.		A media board is created with separate pools of funding for printed and IP-based media of the different types.	A media board is created with a common pool of funding for printed and IP-based.	A media board is created with a common pool of subsidization for all types of media meeting the requirements.
Public Service-pool		Unchanged	Unchanged	In the platform neutral model the amount available for the public service-pool is transferred to the innovation pool.
Distribution of ideelle blade		Unchanged	Unchanged	In the platform neutral model the funds are transferred to a pool for non-commercial production.

