

**RETHINKING THE ROLE OF
PUBLIC SERVICE BROADCASTING
IN TAIWAN IN THE DIGITAL AGE**

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by

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Abstract

This thesis reports a study of the role of public service broadcasting with special attention given to the impact of the advent of digital television in Taiwan. The emergence of digital television has brought significant changes in the television landscape and is seen as a challenge to public service broadcasting. This thesis focuses on how the introduction of digital television influences public service broadcasting.

Data were collected from a range of documents produced by government and public broadcasters' reports as well as articles by journalists, academic writers and a number of other sources. Further data were obtained via in-depth interviews with nine expert informants who are the key actors in public service broadcasting or digital television fields in Taiwan.

The main findings are discussed in three parts. First, the concept of public service broadcasting is dynamic, which can change over time and be interpreted in different ways in different contexts.

Second, the impact of the introduction of digital television on public service broadcasting is examined from four aspects: [1] Organisational issues; [2] Financial issues; [3] Programming issues; [4] Regulatory issues. Although it is recognised that the arrival of digital television has influenced on public service broadcasting, the impact in Taiwan is not as strong as in Western Europe. In addition, the introduction of digital television is seen as an opportunity for the reinforcement of public service broadcasting.

Third, the changes in public service broadcasting can be discussed from three aspects: [1] Institutional aspects; [2] Positions in the market; [3] Roles in society. A significant change is that the public broadcasters have expanded in terms of the increase in channels. However, the limited funding and uncertain policy present major problems for the public broadcasters. In conclusion, the government plays a vital role in the development of public service broadcasting in Taiwan.

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ACRONYMS AND ABBREVIATIONS

ATSC	Advanced Television Systems Committee
ATTN	Association of Terrestrial Television Networks
BBC	British Broadcasting Corporation
BSkyB	British Sky Broadcasting plc
CA	conditional access
CBIT	Cable Broadband Institute in Taiwan
CEPD	Council for Economic Planning and Development
CRTDF	Cable Radio and Television Development Fund
CTS	Chinese Television System
CTV	China Television Company
DCMS	Department for Culture, Media and Sport
DNH	Department of National Heritage
DPP	Democratic Progressive Party
DTI	Department of Trade and Industry
DTVC	Taiwan Digital Television Committee
DVB	Digital Video Broadcasting
EBC	Eastern Broadcasting Company
EPG	electronic programming guide
FCC	Federal Communications Commission
FTV	Formosa Television Company
GIO	Government Information Office
HDTV	high-definition television
ITC	Independent Television Commission
ITV	Independent Television
KMT	Kuomintang (Chinese Nationalist Party)
MHP	multimedia home platform
MOEA	Ministry of Economic Affairs
MOTC	Ministry of Transportation and Communications
MSO	multiple system operator
NCC	National Communications Commission
NHK	Nippo Hoso Kyokai (Japan Broadcasting Corporation)
NICI	National Information and Communications Initiative Committee
NII	national information infrastructure
OECD	Organization for Economic Cooperation and Development
OFCOM	Office of Communications

PBS	Public Broadcasting Service
PPV	pay per view
PTS	Public Television Service
PTSF	Public Television Service Foundation
SDTV	standard-definition television
SFN	single frequency networks
TITV	Taiwan Indigenous Television
TTV	Taiwan Television Enterprise
TBS	Taiwan Broadcasting System
UHF	ultra high frequency
VHF	very high frequency
VOD	video on demand

CHAPTER ONE: INTRODUCTION

1.1 Background and Research Questions

This research explores the changes in public service broadcasting in Taiwan and particularly concentrates on the changes which have been brought by the advent of digital television. Thus this research is to review the developments of public service broadcasting and digital television and investigate the impact of the introduction of digital television on public service broadcasting. Furthermore, this research tries to point out the possible roles of public service broadcasting in the future.

In the past two decades, the television environment has undergone great changes in Taiwan. There have been two important developments in television: the establishment of public service broadcasting channels and the introduction of digital television. The first public television channel was founded in 1998 and trials of digital terrestrial television began in 2002. It is interesting that a public television channel was established under the prevailing ideology of privatisation and commercialisation. How can public service broadcasting survive in this highly competitive environment? In addition, the arrival of digital television is thought to have brought more threats to public service broadcasters in Western Europe (Papathanassopoulos 2002). Will a similar situation arise in Taiwan? And will the introduction of digital television

become a threat to public service broadcasting in Taiwan? This research is trying to understand the impact of digital television on public service broadcasting in Taiwan and the possible future of public service broadcasting.

Public service broadcasting in Taiwan has developed in a particular context. In order to understand the current condition of public service broadcasting in Taiwan, it is necessary to trace back to the history of television in Taiwan.

The first television station was established in 1962, called the Taiwan Television Enterprise (TTV). Because the main funding of the TTV came from advertising revenue, the TTV was considered to be a commercial television broadcaster. However, the Taiwanese government, in fact, owned the majority of stakes in the TTV, and furthermore Taiwan was also under martial law at the time, and as a result there were strict regulations for the media. Ultimately the government controlled all the media and therefore, it is more accurate to say that the TTV was a government-controlled commercial broadcaster. A similar situation also occurred following the establishments of another two terrestrial television broadcasters in Taiwan. The China Television Company (CTV) was founded in 1969, and the Kuomintang (KMT), the ruling party at the time, owned a majority of stakes in the CTV. Two years later, the third television station was established, named the Chinese Television System (CTS).

Again, the Ministry of National Defence and the Ministry of Education were the two biggest shareholders of the CTS. The government not only had the majority of stakes, but also had the power of personnel appointments. These three broadcasters held an oligopoly position for over 30 years and they are called *the old three stations*, compared with new cable channels and new terrestrial broadcasters.

In 1987, the government lifted martial law. However, the three main television broadcasters still were controlled by the government. People wanted more choice in programmes which were different from the programmes produced by the old three broadcasters, and so some people started to watch television through cable television.

At the beginning, it was illegal to watch television via cable. Cable operators bought programmes from Japan or other East Asia countries. As more and more people watched television through cable, the demand from audiences and cable operators forced the government to make cable television legal. In 1993, the Cable Television Act was passed and the number of cable subscribers has begun to increase rapidly.

The rapid growth of cable television has become a threat to the terrestrial television broadcasters.

The advent of cable television meant the emergence of multichannel environment.

The first and significant threat was that the audience shares of each terrestrial channel

have been decreasing. Furthermore, this has affected the terrestrial broadcasters' revenue. There were many more channels competing in the advertising market, but the total advertising revenue in the television industry has increased by only a little (Liu 2005). This meant that the advertising revenue of each channel may decrease. This phenomenon was more obvious in the terrestrial television broadcasters. According to recent data, over 65 per cent of households in Taiwan watched television through cable television (NCC 2009). Cable operators provided around 100 channels and the audiences only needed to pay NT\$550 (£10) per month. The increase in the number of channels and the low subscription fee attracted many people to subscribe cable television service in Taiwan.

Later, the fourth terrestrial television broadcaster, the Formosa Television Company (FTV), was established in 1997. The main founders were members of the Democratic Progressive Party (DPP), which was the main opposition political party at that time. There were four terrestrial *commercial* television broadcasters in Taiwan; however these four broadcasters were controlled by political forces whether from the ruling party or opposition party. These four broadcasters not only compete with each other, but also compete with cable television. In addition, not only do they pursue commercial revenue, but also as servants to politics. Under these complex conditions, the first public service broadcaster was born in Taiwan.

The first public service broadcasting institution, the Public Television Service Foundation (PTS), was founded in 1998. The PTS was born in a highly competitive television environment in which there were four commercial terrestrial television broadcasters and around 100 cable channels. In addition, the process of the establishment of the PTS was full of controversy. Although the PTS was founded eventually, the establishment of the PTS did not gain the sufficient supports from the government and the public. The PTS was in a difficult position from the beginning, facing competition from other television broadcasters and struggling without sufficient support from the government and the public.

In western European countries, it is thought that public service broadcasting is an important cultural institution (Tracey 1998). It seems that public service broadcasters in Taiwan cannot play such an important role as in Western Europe because of the different development paths. The question is what roles public service broadcasters in Taiwan should play. In order to answer this question, it is necessary to probe the nature of public service broadcasting. Only through understanding the nature of public service broadcasting in a historical context, can we understand the roles of public service broadcasting at present. Thus, the first research question is developed as: what is the nature of public service broadcasting?

According to some writers, the trend of digitalisation of television is inevitable and unstoppable (Papathanassopoulos 2002; Kleinsteuber 1998). It is argued that governments wanted to introduce digital television for three reasons: (1) to revive the television manufacture industries; (2) to become a leader in the information revolution and; (3) to use radio spectrum more efficiently (Galperin 2004: 27). The UK government was keen to be a leader in the development of digital television and has commissioned several studies in relation to the development of digital television (DTI & DCMS 2000; DCMS & Radiocommunicaitons Agency 1998; DTI 1996a; DNH 1995). In addition, the UK government set the timetable for the compulsory digital switchover date (Starks 2007). This showed that the UK government considered the development of digital television to be an important public policy.

It is considered that the introduction of digital television will bring (or has already brought) influences on the television environment (Marsden & Ariño 2005; Galperin 2004). In Western Europe, public service broadcasters, who had a monopolistic or oligopolistic position, have been worried about the influences of digital television. It is thought that the advent of digital television will diminish public service broadcasters' power in the television market and further bring a threat to its justification for existence (Papathanassopoulos 2002).

Public service broadcasting in Taiwan has developed along a different path from the western European countries. With the introduction of digital television, the question is whether the public service broadcasters in Taiwan will face the same challenges from digital television as the public broadcasters in the western European countries have faced. If the public service broadcasters will face different challenges, the next question is what challenges they will face. As a result, my research is trying to explore what the impacts of the introduction of digital television on public service broadcasting are and how these impacts influence public service broadcasting, which constitute the second research question.

Public service broadcasting in Taiwan has developed in a particular context. It is therefore important to understand the concept of public service broadcasting in this country and to compare it with the traditional public service broadcasting concept originated in Western Europe. The third research question is developed in two sub-parts as: what is the role of public service broadcasting in Taiwan in the past and at present? And what has traditionally been the prevailing concept of public service broadcasting and how might this change in the future?

In addition to examining the roles of public service broadcasting in the past and at present, it is also important to try to point out the possible future of public service

broadcasting. Hence the fourth research question is: what is the future of public service broadcasting in Taiwan? And what is the possible role for public service broadcasting in Taiwan in the future?

Summing up the nature of this enquiry, it will investigate the underlying motivation and the contexts of the development of digital television and public service broadcasting in Taiwan, in relation to four main research questions:

1. What is the nature of public service broadcasting?
2. What is the impact of the introduction of digital television on public service broadcasting? How does the development of digital television affect public service broadcasting?
3. What is the role of public service broadcasting in Taiwan in the past and at present? What has traditionally been the prevailing concept of public service broadcasting and how might this change in the future?
4. What is the future of public service broadcasting in Taiwan? What is the possible role for public service broadcasting in Taiwan in the future?

1.2 Organisation of the Thesis

In this thesis, the first chapter gives the research background and research motivation and further brings out the research questions.

In Chapter Two, I will review literature relevant to public service broadcasting and digital television most of which is based on western European documents and studies.

In Chapter Three, the methodology applied to this research will be introduced. There are two kinds of data to be used in this research. The first derives from documents, which include government official reports, government office meeting minutes, broadcasters' reports, newspapers, and academic studies. The second type of data was collected from in-depth interviews. The informants were selected because they were key actors in this field. The length of individual interviews varied from 30 minutes to two hours. These two types of data were used to answer the research questions.

In Chapter Four, the focus is placed on the development of public service broadcasting in Taiwan. The development of public service broadcasting in Taiwan is divided into three phases based on the significant changes. The current condition of public service broadcasting is also to be discussed.

In Chapter Five, I examine the development of digital television in Taiwan. The review of the development of digital television is divided into three parts based on the different delivery platforms. It is concluded that the development of digital television is slow and this slow progress can be discussed from political and market dimensions.

Chapter Six is to answer the question about the impact of the introduction of digital television on public service broadcasting. The documentary data and interview data both are used in this chapter. The impact can be explored in four aspects, which are organisational, financial, programming, and regulatory aspects. This chapter reveals that the advent of digital television does not only bring negative effects on public service broadcasting but might bring positive effects on public service broadcasting.

In Chapter Seven, the emphasis is placed on the roles of public service broadcasting. The changes in the roles of public service broadcasting are examined in analytical and systematic ways. The roles of public service broadcasting are divided into three aspects in this analysis, which are intuitional aspects, positions in the market and roles in society. Moreover, this chapter also tries to point out a model for public service broadcasting in the future. It is concluded that the public service broadcasters should be sustained and focus on the quality of programming.

In the final chapter, I will discuss the main findings of this research. In addition, I will make suggestions for the government and the public service broadcasters and point out the direction of further research that can be conducted in the future.

CHAPTER TWO: PUBLIC SERVICE BROADCASTING AND DIGITAL DEVELOPMENTS

This chapter reviews studies and documents in relation to the developments of public service broadcasting and digital television and the material is mainly taken from Western Europe, particularly from the UK. This study uses the British public service broadcasting system as the main reference and example instead of the PBS in the United States or the NHK in Japan, despite the fact that they might have more structural and cultural similarities to the Taiwanese public service broadcasting system. The reason that this study takes the British public service broadcasting system as the main example is the British system is one of the most successful public service broadcasting systems in the world and this study uses this system as a normative and ideal example which can act as a guide for the development of public service broadcasting in Taiwan. Therefore, the studies and documents reviewed in this chapter are mainly from the UK.

The discussion in this chapter is divided into four sections. The first section discusses the definitions of public service broadcasting. In order to understand the concept of public service broadcasting, this research reviewed documents in relation to the definitions and principles of public service broadcasting. The discussion begins with

the Reith's notions of public service broadcasting and then reviews several official documents as well as academic studies. In this section, the aim is to try to understand the concept of public service broadcasting and the changes in the concept.

In the second section, the discussion begins with the traditional justification for public service broadcasting and the critiques of the traditional justification. In the digital age, it is thought public service broadcasting needs to justify its legitimacy by redefining its roles (Seaton 2003).

The third section points out the impacts of the introduction of digital television on public service broadcasting. It is considered that the arrival of digital television will bring a significant impact on public service broadcasting (Papathanassopoulos 2002).

This section examines the impact from four aspects including the market factor, technology factor, consumer behaviour factor and government policy factor.

In the final section, the discussion lies in the roles of public service broadcasting in the future. Facing the rapid changes of the media landscape, public service broadcasting should and has to prepare itself for these changes. In this section, the focus is placed on the strategies which public service broadcasters have adopted and will adopt, and the possible roles of public service broadcasting.

2.1 The Definitions of Public Service Broadcasting

In order to understand the roles of public service broadcasting and its future, it is necessary to understand the definitions of public service broadcasting and the changes of its definitions. Generally, it is thought that the concept of public service broadcasting originated from Western Europe (Blumler 1992a:7). The British Broadcasting Corporation (BBC) was established in 1927 and started its regular television broadcasting in 1936.¹ John Reith, the first Director-General of the BBC, thought that public service broadcasting should have four facets (McDonnell 1991: 1). First, it ought to be protected from purely commercial pressures. Second, it aims to serve the whole nation. Third, it should have a monopoly position. Finally, it aims to provide a high standard of programmes. He also brought out the purposes of the BBC, which are to inform, educate and entertain audiences. In addition, Reith also considered that only a few viewers knew what programmes they need and want, so the public service broadcasters should produce *good* programmes for the audiences and play an edifying role (Congdon 1992).

Reith developed the idea of public service broadcasting not only based on his own belief, but also on technological constraints. The scarcity of the spectrum frequencies

¹ The BBC's television service was suspended from 1939 to 1946 due to the Second World War and resumed its service in 1946.

is considered the main justification for the monopoly position (Marsden & Ariño 2005: 24; Seaton 2003: 367). As a result, Reith set the fundamental notions of public service broadcasting in the UK. Although the concept brought out by Reith's thoughts have been challenged unceasingly, his thoughts have still affected the implication of public service broadcasting in some aspects now (Hearst 1992: 65).

The early government documents mainly supported Reith's thoughts. In 1923 the Sykes Report stated that broadcasting was 'of great national importance as a medium for the performance of a valuable public service' (Sykes Report, 1923, X, 13, para. 21 cited in Seaton 2003: 364). This indicated that broadcasting in the UK was seen as a public service.

The Crawford Committee reviewed broadcasting from its organisational scale, significance, potentials, duties and status and argued that broadcasting 'should correspond with those of a public service, and the directorate should be appointed with the sole object of promoting the utmost utility and development of the enterprise' (Crawford Report, 1926, VIII, 327, para. 49 cited in Seaton 2003: 364). In addition, the Crawford Report stated that 'a public corporation acting as trustee for the national interest' (Crawford Report, 1926 cited in Seaton 2003: 367). The Crawford Report also suggested that 'the United States system of uncontrolled transmission and

reception is unsuited to Britain' (Crawford Report, 1926 cited in Hearst 1992: 63).

This was to prevent the 'chaos of airwaves' (Smith 2007: 30). The Crawford Report in fact confirmed the monopoly position of the BBC.

In 1936 the Ullswater Report stated that 'The influence of broadcasting upon the mind and speech of the nation', ... 'urgent necessity in the national interest that the broadcasting service should at all times be conducted in the best possible manner and to the best possible advantage of the people' (Ullswater Report, 1936, VII,617, para. 7 cited in Seaton 2003: 364-365). This indicated that the BBC was (and still is) seen as a national institution and should serve all people. The Ullswater Report also recommended the extension of the BBC charter and the launch of the first television service in the UK (Hearst 1992: 64-65).

In 1951 the Beveridge Report argued that 'Like the work of the universities', ... 'the work of broadcasting should be regarded as a public service for a social purpose' (Beveridge Report, 1951, IX, 1, para. 217 cited in Seaton 2003: 365). This showed that broadcasting was thought to have more educational purposes and even an elitist purpose. In addition, the Beveridge Report suggested the BBC should maintain its monopoly position (Hearst 1992: 66). Although the Beveridge Report reconfirmed the monopoly position of the BBC, the Minority Report argued that 'independent

competition will be healthy for broadcasting' (Beveridge Report, 1951, Minority Report, para. 20 cited in Franklin 2001: 8-9).

The monopoly position of the BBC was broken with the emergence of Independent Television (ITV) in 1955 (Franklin 2001: 8). ITV was to offer popular programmes different from the elitist programmes that the BBC provided. With the success of ITV, the BBC needed to adjust its programme strategy and even its notion of public service broadcasting in order to attract audiences (McDonnell 1991: 3).

ITV did not see itself as a public service broadcaster at its inception (McDonnell 1991: 3). According to the 1963 Television Act, ITV was given the public service obligations and became a commercial public service broadcaster (McDonnell 1991: 44-45). In the 1963 Television Act, it stated that ITV should provide information, education and entertainment programmes and should maintain a high general standard. It can be seen the triad of, information, education and entertainment, had been reiterated and a high standard was still thought of as a characteristic of public service broadcasting.

In 1962 the Pilkington Report argued 'The concept of broadcasting has always been a service, comprehensive in character, with the duty of a public corporation of bringing to public awareness the whole range of ... activity and expression developed in

society' (Pilkington Report, 1962, IV, 259, para. 23 cited in Seaton 2003: 365). This indicated that broadcasting was seen as a public service. In addition, the Pilkington Report criticised the programmes of ITV and recommended the establishment of the second BBC television service (Hearst 1992: 69).

Based on the Pilkington Report's recommendation, the BBC2 launched its services in 1964. The establishment of the BBC2 was not only a reflection of the dissatisfaction with ITV's trivialised programmes, but also recognition of a range of audiences' tastes.

Seaton (2003: 365) argued that the Annan Report was a turning point to challenge or even break away from the traditional concept of public service broadcasting. According to the Annan Report, broadcasting should cater for the full range of groups and interests in society, rather than seek to offer moral leadership (Seaton 2003: 365). This is the emergence of pluralism view of broadcasting.

In 1982, according to the Broadcasting Act 1981, Channel 4 was established and it was aimed to provide services for the minorities who were neglected by the BBC and ITV. Channel 4 was designed as an advertising-supported channel with strong public service remits. The success of Channel 4 showed that the commercial activities and public service remits were not incompatible (McDonnell 1991: 5). The focus of

arguments was placed on the populist and elitist (or described popular and quality) programmes with the establishments of ITV and the BBC2. With the formation of Channel 4, the argument about programmes shifted to programmes for the majority and minority. The Broadcasting Act 1981 stated that Channel 4's duty is to 'to ensure that the programmes contain a suitable proportion of matter calculated to appeal to tastes and interests not generally catered for by ITV'. In addition, Channel 4 should be 'to encourage innovation and experiment in the form and content of programmes, and generally to give the Fourth Channel a distinctive character of its own.'

Under the prevalence of the idea of neo-liberal economics in the 1980s, the Thatcher government appointed a broadcasting committee to investigate the financing of the BBC. The Peacock Report was thought to have serious influences on the financing method of the BBC (Franklin 2001; Murdock 1994; Blumler & Nossiter 1991). The Peacock Committee thought that it needed to understand the nature of public service broadcasting in order to decide the financing methods (Franklin 2001: 25). As a result, the Broadcasting Research Unit (BRU) conducted research into what public service broadcasting is.

As time and the political climate have changed, the idea of public service broadcasting has been questioned and even criticised. Especially with the arrival of

commercial television, the principles of public service broadcasting have had to be redefined. In response to this setting, the BRU addressed eight principles of public service broadcasting in 1985, which were (BRU 1985):

1. Universality of availability
2. Universality of appeal
3. Minorities, especially disadvantaged minorities, should receive particular provision
4. Broadcasters should recognise their special relationship to the sense of national identity and community
5. Broadcasting should be distanced from all vested interests, and in particular from those of the government of the day
6. Universality of payment
7. Broadcasting should be structured so as to encourage competition in good programming rather than for numbers
8. The public guidelines for broadcasting should be designed to liberate rather than restrict the programme makers

Some of these principles followed Reith's ideas, such as 'universal availability', 'good programming', and 'direct funding', apart from this, the other characteristics

were added because of the social and cultural changes. These principles, for example, brought out the concept of 'particular attention to minorities', because there was the consideration of the general and national programmes that could not satisfy the needs of minorities (Tracey 1998: 28).

The eight principles seem to be clear and complete at first glance, but there are some problems with them. The major problem is how to give the clear definitions and how to apply them to the practice. For instance, what are the 'good programmes' and 'the interests of minorities' and how do the broadcasters implement them? These principles will become perplexing issues when they work in practice. Another problem is that some of the principles are ambiguous, such as 'national identity'. The question of nationhood is not fully resolved in many countries including the UK (Raboy 1996: 7). For example, what 'British' means is still a controversial question. Do people from Scotland think of themselves as 'British'? This issue of national identity is not unique to the UK; there are similar problems in Taiwan. Even though the principles have some problems which need to be solved, they provided a reference of characteristics of public service broadcasting for further discussions and studies.

With the development of communications technologies, the environment of broadcasting has been changed. Facing these rapid changes, if public service

broadcasters want to survive, their objectives need some adjustment. In 1992 the Department of National Heritage published the White Paper *The Future of the BBC*, in which mentioned eight objectives that public service broadcasters should try to achieve (DNH 1992):

1. Focus on audiences
2. Quality
3. Diversity and choice
4. Accessibility
5. Editorial independence
6. Efficiency and value for money
7. Accountability
8. National identity

These objectives were similar to the BRU's principles but placed more emphasis on the audience perspective, which indicated that public service broadcasters would change to audience-oriented institutions instead of producer-oriented institutions.

Changes in the concept of public service broadcasting not only happened in the UK, but also in other European countries. With the development of communications technologies, freedom of markets, and the liberalisation of east European countries,

the concept of public service broadcasting has been challenged and needed to be redefined. In order to cope with these changes, in 1994, the European Union issued a statement about the objectives of public service broadcasting, which included nine missions (Raboy 1996: 15):

1. A common reference point for all members of the public
2. A forum for broad public discussion
3. Impartial news coverage
4. Pluralistic, innovative and varied programming
5. Programming which is both of wide public interest and attentive to the needs of minorities
6. Reflection of the different ideas and beliefs in pluriethnic and multicultural societies
7. A diversity of national and European cultural heritage
8. Original productions by independent producers
9. Extended viewer and listener choice by offering programmes not provided by the commercial sector

The statement emphasised the importance of 'news' and 'forum' as well as on 'plurality' and 'culture'. This statement looks complete, but it would face the similar

problems, which the BRU's principles faced. It seems how to apply these objectives would become the main problem.

In addition to the UK and EU official documents, the definitions of public service broadcasting also can be found in several Acts. As mentioned above, as early as the 1960s, the Television Act 1963 stated that ITV should provide information, education and entertainment programmes and should maintain a high general standard.

The Broadcasting Act 1981 acknowledged the public service remits of broadcasting, and had a separate section for the specific public service obligations of Channel 4.

Later, the Broadcasting Act 1990 identified the need for Channel Five and reiterated the public service obligations of ITV and Channel 4. Quality and diversity were still the main characteristics the Broadcasting Act 1990 concerned. Television services should be 'of high quality and offer a wide range of programmes calculated to appeal to a variety of tastes and interests.'

In a recent legislative statutes document, the Communications Act 2003 indicated that the public service remit for ITV and Five as 'the provision of a range of high quality and diverse programming'. The public service remit for Channel 4 was also to provide 'a broad range of high quality and diverse programming' but placed emphasis on (1) demonstrating innovation, experiment and creativity in the form and content of

programmes; (2) appealing to the tastes and interests of a culturally diverse society; (3) making a significant contribution to meeting the need for the licensed public service channels to include programmes of an educational nature and other programmes of educative value; and (4) exhibits a distinctive character.

Based on the remit, it can be seen that the goal of the establishment of Channel 4 was to offer programming different from the BBC and ITV. It can be understood that public service broadcasting was no longer to serve the majority but also the needs of minorities have been recognised and should now be equally served.

The UK Communications Act 2003 defined and regulated the public service remit of public service broadcasters other than the BBC. In respect of the BBC's public service remit, according to the Royal Charter in 2006, the public purposes of the BBC included: (1) sustaining citizenship and civil society; (2) promoting education and learning; (3) stimulating creativity and cultural excellence; (4) representing the UK, its nations, regions and communities; (5) bringing the UK to the world and the world to the UK; (6) in promoting its other purposes, helping to deliver to the public the benefit of emerging communications technologies and services and, in addition, taking a leading role in the switchover to digital television.

Compared to the previous public service principles, the most significant difference of this Charter is the emphasis on digital television. It is found that the UK government saw the development of digital television was an important policy and expected the BBC to play a significant role during the digital switchover process.

The Office of Communications (Ofcom), the regulator of communications in the UK, addressed the purposes of public service broadcasting in order to review the performance of public service broadcasting (Ofcom 2004a), which were (1) to deal with a wide range of subjects; (2) to cater for the widest possible range of audiences - across different times of day and through different types of programme and; (3) to maintain high standards of programme-making. These objectives focused on the programming aspect, although some characteristics of public service broadcasting, mentioned by Reith and the BRU, may be covered in these points. These purposes provide only a general idea of public service broadcasting, not every detailed characteristic.

Ofcom tried to set out a clearer definition of public service broadcasting to review the performance of public service broadcasters and developed four public service purposes and five public service characteristics in 2005 after a series of consultations and discussions (Ofcom 2005: 7-8). The four public service purposes were: (1)

informing our understanding of the world; (2) stimulating knowledge and learning; (3) reflecting UK cultural identity; and (4) representing diversity and alternative viewpoints. The five characteristics are (1) high quality; (2) original; (3) innovative; (4) challenging; (5) engaging; (6) widely available. The focus was placed on programming because Ofcom is using these characteristics to measure the performance of public service broadcasting. These purposes and characteristics have become the criteria for Ofcom to review the performance of public service broadcasters.

These purposes and characteristics have been slightly refined but are still key elements for Ofcom to review the performance of public service broadcasters. Ofcom used these criteria in its second public service broadcasting review in 2009 (Ofcom 2009a: 21).

In 2006 the White Paper, *A Public Service for All: the BBC in the Digital Age*, set out six public purposes for the BBC (DCMS 2006a: 9):

1. Sustaining citizenship and civil society;
2. Promoting education and learning;
3. Stimulating creativity and cultural excellence;
4. Reflecting the UK's Nations, regions and community;

5. Bringing the world to the UK and the UK to the world;
6. Building Digital Britain.

In this White Paper, it also mentioned five characteristics, which the BBC programmes, should have. They were (DCMS 2006a: 10):

1. High quality;
2. Challenging;
3. Original;
4. Innovative;
5. Engaging.

These purposes and characteristics were almost the same as those set up by Ofcom. It can be understood as that the government reconfirmed and reiterated the main principles of public service broadcasting.

Putting focus on the public service broadcasting institution, the BBC itself stated that its purposes were (1) to inform, educate and entertain; (2) to serve everyone and enrich people's lives and; (3) to be the most creative, trusted organisation in the world (BBC 2007). These purposes also focused on the programming aspect as Ofcom did. Besides these purposes, the BBC mentioned the institutional aspect. Due to the fact that the BBC did not solely discuss the ideas of public service broadcasting, but also

talked further about its institution's purposes. Part of these purposes also related to the principles brought out by the BRU, such as the universal service idea. However, the main problem is how to put these purposes in practice and how to measure the performances.

Academic views on the concept of public service broadcasting

In addition to the official documents and the statements made by public service broadcasting institutions, there are many researchers who have discussed or mentioned the concept of public service broadcasting in their studies.

Collins (1998: 53) argued that there were two approaches to defining public service broadcasting. One was an inductive approach and the other was a deductive approach.

An inductive approach was through examining the historical development and the performance of public service broadcasting to understanding what public service broadcasting 'is'. On the other hand, a deduction approach uses theoretical debates to picture what public service broadcasting 'ought' to be. According to Collins's dichotomy, the BRU's principles of public service broadcasting and the definitions of public service broadcasting in some (not all) official reports can be categorised as an inductive approach. Some researchers, especially neo-Habermasians, used a deductive approach to define public service broadcasting (Collins 1998: 54).

After examining the definitions of public service broadcasting from an inductive approach, Collins (1998: 62) argued that there were three attributes that were widely mentioned: diversity, universality and impartiality. With regard to a deductive approach, the discussion mainly lies in the democratic and cultural function of public service broadcasting. The proponents adopted Habermas's concept of the public sphere and argued that public service broadcasting is an embodiment of the public sphere (Collins 1998: 68). Although the proponents of public service broadcasting gave the definitions from different approaches, they both saw public service broadcasting and the market as in oppositional categories (Collins 1998: 73). Collins's dichotomy provides a theoretical category to examine the definitions of public service broadcasting. However, this dichotomy also has its disadvantages. Collins (1998: 54) recognised that it is difficult to understand the definitions of public service broadcasting only by one approach.

Scannell (1990: 25) argued the objective of public service broadcasting was to provide a 'mixed programming on national channels available to all.' There were two elements in his arguments: a mixed of programming and universality. He also believed that public service broadcasting had cultural and democratic missions, and argued that 'equal access for all to a wide range of common informational,

entertainment, and cultural programmes carried on channels that can be an important citizenship right in mass democratic societies.’ (Scannell 1990: 26)

When public service broadcasting faced the threat of commercial television, Blumler (1992: 30-39) pointed out seven vulnerable values of public service broadcasting, which were (1) programme quality; (2) diversity; (3) cultural identity; (4) independence of programme sources from commercial influences; (5) the integrity of civic communication; (6) welfare of children and juveniles; and (7) maintenance of standards. Blumler did not mention the universality of services but added welfare of children and juveniles as a vulnerable value. This showed that he placed his concerns on educational and cultural roles of public service broadcasting.

In recent studies, Van Dijk, Nahuis and Waagmeester (2006: 254) thought that the objectives of public service broadcasting should include pluralism and diversity, independence, quality and accessibility. Heap (2005: 116) summarised the reports of the objectives of public service broadcasting from the European Union. There were four objectives of public service broadcasting he pointed out: (1) to aid informed citizenship through impartial and independent news, information and comment; (2) to support democratic values through the encouragement of public debate that involves and respects the human rights of all groups in society; (3) to offer a wide range of

quality programmes in all genres; and (4) to promote social cohesion and vitality of national cultures.

Hujanen (2005: 58) argued that public service broadcasting had seven missions including universal accessibility, diversity of programmes, information distributions, provision of education, promotion of culture and development of democracy aspects.

Hastings (2004: 301) argued there were five principles of public service broadcasting containing (1) universality of service; (2) diversity of programming; (3) provision for minority audiences; (4) sustaining an informed electorate; and (5) cultural and educational enrichment.

Papathanassopoulos (2002: 11) considered that there were four characteristics of public service broadcasting which were (1) a universal service available to all irrespective of income or geographical location; (2) a commitment to a balanced output and to balanced scheduling across different programme genres; (3) a balanced and impartial political output; and (4) a degree of financial independence from both government and commercial bodies. Different researchers placed their emphasis on different issues so there are discrepancies in definitions of public service broadcasting. However, parts of their arguments have common themes. Most of them, for example, addressed the importance of accessibility and the diversity in programming.

After discussed above, it is apparent that there is no unitary definition of public service broadcasting. The principles of public service broadcasting are different because the institutions and researchers put their focuses on different issues from different perspectives. Moreover, the concept of public service broadcasting is dynamic since there have been changes in social, cultural, economic, technological and political conditions.

Quality of programming

Even though there is no ‘one’ definition of public service broadcasting, there are some concepts mentioned several times in some documents and studies. These include the concept of universality, independence (from both political and commercial pressures), diversity of programmes and high quality of programmes. Among these concepts, quality of programming is difficult to define and widely discussed.

It is considered that quality is an important concept in public service broadcasting (Ofcom 2005). As early as the 1920s, Reith mentioned that public service broadcasting should have four facets (McDonnell 1991: 1). One feature is to provide a high standard of programmes. The ‘high standard’ can be understood as excellence in production and high moral and cultural values. Although there was no a clear

definition about 'high standard', the high standard has become one of important concepts in public service broadcasting.

This concept was also mentioned in several official documents. In the Pilkington Report, when it argued the definition of public service broadcasting, it mentioned that 'though its standards exist and are recognisable, broadcasting is more nearly an art than an exact science. It deals in tastes and values and is not precisely definable.'

(cited in Tracey 1998: 20) Tracey further argued the concept of 'high standards' from two aspects. First, he thought that 'high standards' meant the traditional notions of culture, but those notions have been irrelevant in modern society. Second, he argued that 'high standards' is 'a commitment to quality, to preserving a sense of value and moral purpose.' (Tracey 1998: 20) It is clear that Tracey connected 'high standards' with 'quality'. These two terms sometimes become synonymous.

The 'high standards' were also documented in the Broadcasting Act 1981. It argued for the need to 'maintain a high general standard in all respects, and in particular in respect of their content and quality'. The Broadcasting Act 1981 reiterated the 'high standard' feature in broadcasting. It is thought the high standard or the high quality is an important concept in broadcasting. However, although 'high standards' and

'quality' were mentioned in several official and legislative documents, there were no clear definitions of these terms.

In a recent official document, Ofcom developed six characteristics of public service broadcasting (Ofcom 2005: 7). The first characteristic is 'high quality'. Ofcom further explained 'high quality' means that programmes are well-funded and well-produced. Although well-funded and well-produced are still a vague concept and not easy to assess, 'high quality' is widely recognised as an important characteristic of public service broadcasting.

It is thought that the term 'quality' is difficult to define (Tracey 1998: 272; Murrone & Irvine 1997: 2). However as quality is an important concept in public service broadcasting, some researchers still tried to build indices or criteria for the programme quality. The most comprehensive studies might be a series of studies which were published in *Studies of Broadcasting* during the early 1990s. The Broadcasting Culture Research Institute NHK organised a special project concerning quality assessment of broadcasting programming. This project started in 1990 and included researchers and contributors from five countries. They adopted different approaches to building criteria for quality assessments. Some researchers adopted quantitative approaches to understand the diversity of programme genres (Raboy 1993)

and the depth and breadth of programmes (Greenberg & Busselle 1994; Litman 1992).

In addition, qualitative approaches were also adopted to gather the elements and criteria for quality assessments (Leggatt 1993; Albers 1992).

This series of studies has made a significant contribution to research on the quality of programmes. However, the methods they adopted and the criteria they developed might not be suitable for every country. This is because each country has its particular economic, political and cultural contexts. Nevertheless, we still can use the studies as a theoretical foundation for further studies on the quality of programming in any given country. In addition, their elements and criteria regarding the quality of programmes are useful for relevant research.

Based on different methodologies and contexts, several categories and criteria of programme quality have been developed. In Nossiter's research, he interviewed 120 professionals in television and summarised two dimensions of programme quality based on the interviews (Leggatt 1993: 61). The first dimension was 'Technical Excellence' and the other was 'Content' (Leggatt 1993: 62; Nossiter 1991: 116-119).

In terms of 'Technical Excellence', it meant that quality programmes should have a certain technical standard in production, such as proper photography, lighting and sound recording (Nossiter 1991). Regarding 'Content' dimension, there were three

elements: 'Clarity of Objective', 'Innovation' and 'Relevance' (Nossiter 1991). It is thought that Nossiter's categories were simplistic because he only asked three questions in his interviews (Leggatt 1993: 61). However, his pioneering research on programme quality provided a foundation for further research.

Blumler further developed eight elements of programme quality based on Nossiter's research (Leggatt 1993: 62). The eight elements were: (1) Non-trivial Meateness; (2) Freshness; (3) Controversial Engagement; (4) Authenticity; (5) Anti-simplistic; (6) Social Relevance and Realism; (7) Integrity; and (8) Expressive Richness.

When comparing Blumler's and Nossiter's studies, there were several elements which related to Nossiter's categories. For example, Blumler's 'Social Relevance' related to Nossiter's 'Relevance', 'Integrity' connected with 'Clarity of Objective' and 'Freshness' corresponded to 'Innovation'. Besides, Blumler provided some elements that Nossiter did not mention, such as 'Controversial Engagement'. Reviewing Blumler's categories, it can be noted that he put emphasis on 'content' and did not mention elements of programme quality in technical aspects.

Albers (1992) conducted 16 interviews with professionals in television and developed five broad categories of programme quality. These categories were: (1) Elements of Form; (2) Content Elements; (3) Artistry; (4) The Viewer; and (5)

Business/Commercial Success. Albers's categories seemed to cover more perspectives than Nossiter's and Blumler's classification. Compared to Nossiter's and Blumler's studies, the biggest difference was that Albers added a new element to programme quality, which was 'Business/Commercial Success'. The reason that Albers added this element might be that Albers's research was conducted in the US where commercial television was prevalent. Television professionals inevitably realised the importance of commercial success in the television broadcasting environment. On the contrary, Nossiter and Blumler conducted their studies in the UK where public service television still dominated the television market at that time. In addition, television professionals might put more focuses on the content itself and the cultural purposes of broadcasting.

In addition to the 'Business/Commercial Success' elements, Albers also pointed out the importance of viewer's reaction. Unlike Nossiter and Blumler who put emphasis on content and technical elements, Albers's classification reminded us that viewers are an important feature in broadcasting. If no one watches a programme, it is meaningless no matter how good or how high quality the programme is. The quality of programming is not only decided by programme-makers but also relates to viewers' reaction.

Leggatt (1993) interviewed 30 television professionals and developed six broad categories of quality of programming, which were: (1) Craft Skills; (2) Resources; (3) Characteristics of Programmes; (4) Characteristics of Programme-makers; (5) Innovativeness, Originality, Adventurousness; and (6) Audience Reaction. Leggatt's categories seemed more comprehensive and inclusive than previous studies.

Greenberg and Busselle (1994) tested the assessment criteria which were developed in the earlier studies. They adopted 44 assessment criteria and recruited 888 university students. After the participants watched one episode of a situation comedy or an episode of an action-adventure programme, they were asked to complete a questionnaire including the 44 criteria. Greenberg and Busselle (1994) used statistical analysis including factor analysis and regression to extract and combine several significant criteria. According to their results, the criteria for action-adventure programme can be described as containing 'Originality', 'Humour' and 'Realism' (Greenberg & Busselle 1994: 46). Regarding the criteria for situation comedy, there were two more criteria added, which were 'Fairness' and 'Modernity' (Greenberg & Busselle 1994: 46). They also recognised that the assessment criteria should be refined to apply to different programme genres in different countries (Greenberg & Busselle 1994).

The validity of these criteria needs to be tested by empirical studies on individual programmes in individual countries. The criteria or elements for assessing programme quality will never be perfect and completely satisfactory. This is because that each programme, each genre, and each country need different assessment yardsticks. McQuial (1992: 11) argued that there were no universal assessment criteria and those chosen criteria by researchers were due to the time and space factors. More importantly, researchers should develop criteria which are suitable for the programmes they are trying to assess.

After reviewing the definitions and principles of public service broadcasting in western European countries, it can be concluded that the concept of public service broadcasting is dynamic and has changed as time has changed. Although the definition of public service broadcasting is dynamic, this research tries to understand what form of public service broadcasting is emerging in Taiwan and the changes in the roles of public service broadcasting caused by the challenge of digital television.

2.2 The Legitimacy of Public Service Broadcasting

In the previous section, the discussion focused on the definitions of public service broadcasting. In this section, the focus shifts to the legitimacy of public service broadcasting. In other words, the discussion lies in the justification for public service

broadcasting and why we need public service broadcasting. The discussion of the justification for public service broadcasting is important especially in the digital age; the communications technologies have brought significant changes in the media landscape and further challenged the legitimacy of public service broadcasting (Papathanassopoulos 2002; Siune & Hultén 1998). With the development of new communications technologies and the increase in the number of channels, the main rationale for public service broadcasting, the scarcity of spectrum frequencies, has weaker currency. Most new entrants are commercial channels. If commercial broadcasters can fulfil the public service remit, why do we still need public service broadcasting? Along with technological improvements, the changes in the political climates have also brought a threat to public service broadcasting. The idea of deregulation and liberalism has become political fashionable (Näränen 2005: 39). In consequence, the legitimacy of the existence of public service broadcasting has become a prominent issue of academics and policymaking. The arguments in this section discuss three aspects of public service broadcasting, the economic, democratic and socio-cultural aspects, in order to understand the changes in the justification for public service broadcasting.

2.2.1 Economic aspects

Following the introduction of cable and satellite television, the rationale for public service broadcasting, the scarcity of spectrum frequencies, has been severely challenged (DNH 1992: 15). In addition, the arrival of digital television has brought even more channels. The conventional justification for public service broadcasting has been questioned (DTI & DCMS 2000). It is considered that the emergence of multichannel environment will bring more choices and better services to viewers (Papathanassopoulos 2002: 65). However, the opponents argued that the more channels does not equate to more choice. First, television industry is a natural monopoly, which has high fixed costs and low marginal costs (Graham & Davies 1997: 11). This characteristic leads to the concentration of ownership. This phenomenon is not only a theory but it has already happened (Hoynes 1994: 29). This further causes the similarity of programmes. It seems that viewers have more choice in the multichannel environment but actually it is more of the same (Seaton 2003: 375). The development of the communications technologies solved the problem of spectrum scarcity but did not make the television market become a perfectly competitive market. There are, thus, some arguments that support the policy intervention and consider public service broadcasting is a solution for the failed market (DTI & DCMS 2000).

Another argument is based on the characteristic of public goods. Public service broadcasting is seen as a public good in terms of economic aspects (Collins 2002: 100). The characteristic of public goods is that when a person consumes a commodity, it will not influence the consumption of others. For television, when one watches a programme, it will not affect others to watch the same programme at the same time. It also means that the cost of the increase of audiences is zero or near zero (Collins 2002: 100; Curran 2002: 205). According to this characteristic, it is argued that television should be funded by a licence fee or advertising, but not subscription (Collins 2002). It is considered that the public welfare can be maximised if every audience pays a small amount of money through a licence fee or advertising (DTI & DCMS 2000). However, subscription television sets a threshold for audiences to have access to its programmes. This argument is against the subscription television but is not against advertising-financed television.

2.2.2 Democratic aspects

The relationship between the media and democracy has been a significant research area in media studies. It is thought that the improvement of democracy is one of the media's functions (Garnham 1990: 104). The issue in the digital age is why public service broadcasting is still important if other media can also perform the democratic

function. The arguments begin with a key element in democracy, the flow of information.

Information is a key element in a democratic society. It is considered that democracy is built on the free exchange of information (Curran 2005: 129). People can express their ideas, listen to others' ideas, and discuss and argue in a debate. As a result, people can reach a (compromised) solution to issues or problems. Therefore, clear, genuine and undistorted information is essential to a democratic society. On the other hand, the media are the main information provider in a modern complex society. Research showed that public service television provides more informative programmes than commercial television does (Curran, Iyengar, Lund, & Salovaara-Moring 2009: 22). Public service broadcasting provides more balanced information in contrast to the more tabloidization of information provided by the commercial broadcasters (Curran 2002: 206). It is, therefore, thought that public service broadcasters are better information providers than commercial broadcasters (Curran 2005).

Another argument of the justification for public service broadcasting is related to the characteristic of impartiality. It is considered that public service broadcasters should provide news impartially (Curran 2003: 402). It is argued that public service

broadcasters are owned by the public while private broadcasters are owned by few individuals (Curran 2005). When a news event is in contradiction to private broadcasters' interests, private broadcasters may report this news event with some distortions or choose not to report it. Public broadcasters owned by the public should play a better role in providing news impartially. Besides, public service broadcasting provides a diversity of views from different groups, which can help promote the participation of democracy.

There is another argument to support the democratic role of public service broadcasting – public sphere. The concept of the public sphere brought out by Habermas in 1962, translated into English in 1989, and has been widely discussed in many academic fields (Calhoun 1992). In respect of media studies, Habermas's work inspires the rethinking of the relationship between the media and democracy (Dahlgren 1995). In addition, the concept of the public sphere provides a theoretical framework for those who support the idea of public service broadcasting to defend their arguments (Garnham 1992). This section will first address the definition of the public sphere and some criticism of the public sphere. Second, it will examine the relationship between the public sphere and the media. Finally, the focus will be placed on the relationship between the public sphere and public service broadcasting.

Definitions of the public sphere

The term 'public sphere' is widely understood as a concept brought out by Habermas's major work, *Strukturwandel der Öffentlichkeit*, translated as *The Structural Transformation of the Public Sphere* (Outhwaite 2009). The public sphere is a complex concept and has no a clear-cut definition (Dahlgren 1991). Many scholars interpreted the concept of the public sphere from different perspectives (Calhoun 1992). There are some, not all, definitions of the public sphere, which provides a basis for the understanding of the public sphere.

Habermas described the public sphere as: '[A] realm of our social life in which something approaching public opinion can be formed. Access is guaranteed to all citizens. A portion of the public sphere comes into being in every conversation in which private individuals assemble to form a public body.' (cited in Livingstone & Lunt 1994: 15)

Based on Habermas's description, Dahlgren (1995: 7) stated that the public sphere is 'a realm of social life where exchange of information and views on questions of common concern can take place so that public opinion can be formed.' According to Habermas's original thought, 'the public sphere ... is a zone in which there is sufficient access to information so that rational discourse and the pursuit of beneficial

general norms is made more likely.’ (Price 1995: 24) Furthermore, Price (1995: 24) provided his own explanation of the public sphere, which is ‘a zone for discourse which serves as a locus for the exploration of idea and the crystallization of a public view.’ Corner (1995: 42) addressed the public sphere as ‘the space within a society, independent both of state power and of private, corporate influence, within which information can freely flow and debate on matters of public, civic concern can openly proceed.’

According to the definitions of the public sphere, it can be understood that the concept includes four characteristics, which are the quality discourses, the participation, the place and the independence (Calhoun 1992). The characteristic of quality discourses means the discourse in the public sphere is critical and rational (Calhoun 1992: 29). However, how to define a discourse is critical, rational and of good quality is not an easy task. The questions are who leads the discourse and who involves in the debate and who judges the quality. This relates to the second characteristic, the participation of citizens.

In the bourgeois public sphere, the participants were mostly educated and wealthy males (Dahlgren 1991: 6). It is thought that developments in history have led to the constraint of participation (Dahlgren 1991). In the modern society, the situation has

changed. With the prevalence of education, illiteracy is no longer a major barrier to enter the public debate (in some countries, it is still a big issue). The questions now shift to the definition of citizenship and the citizens' willingness to participate in the public sphere. In addition, are there other factors which might hinder the participation in debates on public issues?

In respect of the characteristic of the place, the bourgeois public sphere is confined to certain areas, for example, coffee houses in Britain (Dahlgren 1995: 8). In the modern complex society, the forms of participation are varied. In a broad definition, campaigns, protests and debates of public issues all can be seen as a form of participation in the public sphere. The location of the public sphere is not limited to the coffee house, because the location of the public sphere is not restricted to any physical place. On the contrary, the place is dynamic and only when citizens gather to talk and debate public issues, is the public sphere formed.

The most important characteristic, perhaps, is independence. According to Habermas, the public sphere is a place which is free from the state and economy (Price 1995: 24). Independence is a prerequisite and also an ideal of the public sphere. However, the boundaries between the public sphere and the state, and the public sphere and the economy are sometimes unclear or blurred (Price 1995: 26). Furthermore, they are

sometimes connected with each other. Therefore, the concept of the independence of the public sphere does not mean that the public sphere is disconnected from the state and the economy. It means that the formation of discourse and debate in the public sphere should be free from the influences of the state and the economy.

Calhoun (1992: 4) thought there are two elements of the public sphere: one is the quality of discourse and the other is the quantity of participation. Many criticisms of the public sphere are based on these two elements. For example, Habermas's ideal public sphere is constituted by a well-educated male bourgeoisie (Dahlgren 1995: 8). This exclusive characteristic has been criticised by some feminists (Fraser 1992). In addition, Habermas argued that the public sphere is based on rational-critical debate and believed that face-to-face communication and print media were better than the electronic mass media (Calhoun 1992). Habermas contended that the expansion of electronic media will degenerate the quality of discourse (Price 1995). However, that the quality of print media in the seventeenth and eighteenth centuries is better than the quality of mass media in modern society is questionable (Schudson 1992).

Although the concept of the public sphere has been criticised for years, it is still useful for the theoretical arguments in politics, sociology, media studies and other relevant studies. This is because the concept of the public sphere relates to the value of

democracy, which is also the foundation of the (Western) democratic countries. Dahlgren (1995) thought the health of democracy is linked to the health of systems of communication. Habermas also developed the concept of the ideal speech situation, which is constituted by four characteristics: comprehensibility, truth, appropriateness and sincerity (Price 1995: 25). It is not easy to have these four characteristics at the same time in the debate, argument or speech situation. Again, the ideal speech situation, like the ideal bourgeois public sphere, is an ideal. However, the concept of the ideal speech situation also provides a framework for further research.

The relationship between the public sphere and the media

The democratic functions of mass media are always a key research area in media studies (Curran 1991). In the liberal theory it is thought that mass media have three democratic functions, which are to act as a watchdog, a provider of information and debate, and a voice of the people (Curran 2005). In the watchdog role, it is thought that all the activities of states should be under the surveillance of the media in order to avoid abuses of authority (Curran 2002). In terms of an agency of information and debate, the media provide information so that voters can make their decision, provide a channel for government and people to communicate, and provide a forum of debate where people can discuss and even reach a consensus (Curran 2005).

The third role is representing the people to authority. After public debate, the media reflect the public's consensus, which forms a basis for the government to formulate public policy. In the liberal theory, it is assumed that the media should be independent from the government (Curran 2005). However, this neglects the influence of commercial pressures. Especially in modern societies, the commercial media have become a behemoth through merger or acquisition in order to maximise their profits. On the one hand, it is dangerous if there are only one or few media corporations providing only one or few voices or viewpoints. This might undermine the democratic functions of the media.

On the other hand, the stronger commercial media corporation does not mean the media are more independent from the government. By contrast, the relationships between the media and the government might be closer. This situation fundamentally overrules the basic assumption of the democratic functions of the media of the liberal theory. The liberal theory neglects the influence of commercial pressures and the relationship between the state and the economy. The political economy puts focus on the relationship between the state and the economy and the consequences of this interaction. The scholars of the political economy think the media should be independent from the government and the commercial pressures (Curran 2005). Only by being an independent institution, can the media achieve the goal of public service.

The concept of the public sphere also provides the similar argument, that which the public sphere should be free from the influence of the state and the economy (Price 1995: 24). The public sphere, therefore, has become a key theoretical framework for the defence of public service broadcasting.

Broadly speaking, the concept of the public sphere includes these three democratic functions from the traditional liberal theory. The public sphere is a space where people discuss and debate public issues including the behaviour of the government, which in turn puts the pressures on the government. The discussion itself is a kind of surveillance which relates to the watchdog role of the media in the liberal theory. The function of information and debate is more obviously related to the public sphere because the public sphere is a place in which people can exchange their information and opinions. The function of the voice of the people is also related to the concept of the public sphere. Debate in the public sphere forms a consensus, which presents a critical opinion of citizens to the government (Price 1995: 25).

It is thought that the direct democracy is difficult to be implemented in modern complex societies (Goode 2005). The representative democracy, therefore, has become a major form of the embodiment of democracy. Members of Parliament and Congressmen on behalf of citizens discuss public issues in Parliaments or Congress.

However, sometimes the relationship between the government and Parliament becomes too close. A third party is needed to watch their behaviour. The media, therefore, become a watchdog to monitor the behaviour of the government and parliament. In addition to the watchdog role, the media also have become a source of information for people. Information is a basic element for the public sphere. Without information, it is impossible to form a discourse for debate. The information providers, hence, have a crucial role in the public sphere. The media are not only an information provider, but also provide a forum for debate. The media produce some programmes which involve the discussion of public issues and the participation of people, for example, Question Time on the BBC. Furthermore, sometimes the media reflect people's voices to the government. The media are not only a neutral information provider, but also play a more positive role as the embodiment of the public sphere.

According to the liberal theory, it can be seen that the flow of information is one of the fundamental elements in democratic societies. In the concept of the public sphere, information (or discourse) also has a key role. Habermas's theory emphasises face-to-face communication, but in modern societies, it should be recognised that 'the mass media have become the major institutions of the public sphere since the scale of modern society does not allow more than relatively small numbers of citizens to be physically co-present.' (Dahlgren 1995: 7-8)

In a modern complex society, it is difficult to rely on face-to-face communication to gain and exchange information and ideas. The flow of information mainly relies on mass media at present, especially on television (Ofcom 2005b). Mass media have become the main source of information for people. Price (1995: 27) noted that 'if a public sphere is essential to a democracy, and the electronic media control the quality of the public sphere, the architecture of the media is of utmost importance.' Price pointed out the importance of the role of mass media in democratic societies. The most important aspect is what information the media provide and how the media provide information, and to whom.

In Habermas's ideal speech situation, the ideal information should contain four characteristics: comprehensibility, truth, appropriateness and sincerity (Price 1995: 25). However it is not an easy task to reach this ideal speech situation. From a pessimistic view, Habermas thought the flourish of mass media would bring about the decline of the public sphere (Dahlgren 1991: 2). Livingstone and Lunt (1994: 10) argued that 'Habermas sees the media as creating a society of private and fragmented individuals for whom it is difficult to form the public rational-critical opinion which could oppose established power.'

The public sphere has changed from a bourgeois public sphere to a refeudalised public sphere (Dahlgren 1995: 8). The role of the public has gradually been replaced by institutions and interest groups (Dahlgren 1991). Also, the mass media erodes the critical functions of the public due to the change in ways and channels of communications (Price 1995). Although Habermas condemned the effect of the mass media on the public sphere, he also recognised that it is impossible to go back to the era of the bourgeois public sphere (Calhoun 1992: 3). Henceforth, the question lies in whether the mass media can play a proper public sphere provider.

The contention that the media is an obstacle to the development of democracy is based on three arguments (Corner 1995: 43-44). The first one is that the media control the access to information. The media become a form of knowledge management, which decides what information in which form is available to whom. However, potentially this could limit people's access to the information they need. The second argument is that the media focus on the personalities of public figures but not public issues in order to gain more audience shares. Serious public debate is not a favourable programme genre in the commercial logic. The third argument is that the media can easily form an ideology using the visual and audio techniques. People believe the illusion on the media, especially on television. As a result, a critical engagement will decrease.

In contrast, there are some arguments to support the idea that the media benefit the development of democracy (Corner 1995: 45). The first argument is that the media can provide information for a huge amount of people. Unlike print media or face-to-face communication, mass media, especially broadcasting, provide information to all (ideally) people. This is related to one of the public service broadcasting principles: universality.

The second argument is that electronic journalism puts pressures on politicians. Politicians have realised the influence of mass media. Under the scrutiny from the electronic journalism, politicians should not (hopefully) work against the public interest.

The third argument is based on the process of globalisation and the improvement of communication technologies. As a result of the development of these two factors, it is difficult for governments to regulate and manage the media. The convergence of the broadcasting, telecommunications and computing industries has blurred the boundaries between these sectors and the rapid growth of transnational media companies has caused difficulties for regulators (Østergaard 1998). According to this argument, the media is more independent from the influence of the government. Scannell thought that broadcasting is an aid to the development of democracy and

argues that 'broadcasting in its present form as a public good that has unobtrusively contributed to the democratization of everyday life, in public and private contexts, from its beginning through to today.' (cited in Corner 1995: 47)

Although the arguments over the effects of the media on the health of democracy are controversial, it is undeniable that there is an impact of the media on democracy. It is thought that the public service broadcasting system is a means of minimising the negative effect and maximising the positive effect of the media on the healthy democracy (Dahlgren 1995).

The relationship between the public sphere and public service broadcasting

It is considered that public service broadcasting is a means of the realisation of the public sphere (Dahlgren 1995: 13). The basic notion of the public sphere is a place where is free from the state and economy. The principle of public service broadcasting is to be independent from the government and commercial influence. It is not difficult to find their common concept. The idea of the public sphere and public service broadcasting both intend to form a 'public' area where is independent from the influence of the state and economy and serve the public interest.

Garnham (1992: 361-362) thought that the concept of the public sphere provides three virtues for rethinking the relationship between the media and democracy: 'Its first

virtue is to focus upon the indissoluble link between the institutions and practices of mass communication and the institutions and practices of democratic politics. ... The second virtue of Habermas's approach is to focus on the necessary material resource base for any public sphere ... Its third virtue is to escape from the simple dichotomy of free market versus state control that dominates so much thinking about media policy.'

With the growing prevalence of the political climate of liberalisation in the 1980s and 1990s (Dahlgren 1995: 13), the concept of the public sphere provided a vital argument for the justification of public service broadcasting. When the idea of liberalisation and privatisation is a favourite fashion, public service broadcasting needs to find arguments to justify its role in society.

Although the media industry has some commonalities with other industries, it still has its own distinct character which the goods of the media 'play a pivotal role in organising the images and discourse through which people make sense of the world.' (Murdock & Golding 2005: 60) According to the argument of Murdock and Golding, people understand the world through the media. This understanding includes political, economic and cultural areas. Although it seems that the discussion of the public sphere focuses more often on politics and democracy, the public sphere is not only a

political public sphere. According to Habermas, the literacy was a main topic in the public sphere when the bourgeois public sphere emerged (Goode 2005: 7). The debate in the public sphere is not confined to one area but discursive. Therefore, the public sphere is not only a place for political debate but also a place for the formation of cultural identity. Through discussion and debate, people will reach the (compromised) consensus and further to form communities.

Public service broadcasting also has its cultural objective. Can public service broadcasting become an embodiment of the public sphere? It is thought that several factors will influence the practice of the public sphere in public service broadcasting (Price 1995: 32-36). The first one is whether public service broadcasting can be independent from the state influences. The independence is a key element for the public sphere and for public service broadcasting. It is impossible to eliminate all government influences on public service broadcasting. The government still controls (at certain levels) the allocation of the broadcasting spectrum, approval of funding and appointment of personnel. How to minimise these influences from the government has been an important issue of policymaking and academic research.

The second factor is how the governments see public service broadcasting and how public service broadcasting sees itself. It is widely thought that public service

broadcasting is seen as a cultural institution (Tracey 1998). Is it possible that public service broadcasting becomes an embodiment of a cultural public sphere? Will public service broadcasting be too paternalistic to present a diversity of voices? However, commercial broadcasters also face the similar criticism. It is argued that in the commercial logic, commercial broadcasters intend to provide the programmes with 'broad appeal' and 'the avoidance of serious controversy' (Dahlgren 1995: 29). Therefore, commercial broadcasters are more likely to provide popular programming but not a diversity of programming. Compared to commercial broadcasters, European public service broadcasters seem to provide a diversity of programmes (Price 1995: 35).

In short, since Habermas brought out the idea of the public sphere, the arguments and criticism have not been ceased (Calhoun 1992). Despite the criticism, the concept of the public sphere offers a theoretical framework for arguments concerning the media and democracy (Dahlgren 1995). It is thought that mass media have become the most important public sphere provider in current times. The issue remains as to whether mass media can control the quality of the public sphere (Price 1995: 27). According to recent research, the evidence shows that public service broadcasters perform better in the democratic role than commercial-driven broadcasters (Curran, Iyengar, Lund, and Salovaara-Moring 2009; Curran 2005: 128).

2.2.3 Socio-cultural aspects

It is a tradition that public service broadcasting is seen as a cultural institution (Raboy 1997: 4). This tradition still exists even though our culture and society has changed.

The argument here is whether public service broadcasting still plays an important role as a cultural institution in the multichannel environment. The first argument to

support the justification for public service broadcasting is universality. Public service

broadcasting is designed for all people. It provides programmes and services for all

people disregarding age, sex, race, wealth and living area. By contrast, commercial

television aims for the maximum profit and may neglect the needs of minorities.

Because public service broadcasting provides programmes and services for all people,

the collective identity can be formed (Blumler 1992a: 11). In the digital age, the

collective identity may not be easily reached. However, public service broadcasting

not only provides programmes for the majority but also for minorities (Scannell 1996:

35). Community identity can be formed which helps people to understand each other.

It further promotes the social cohesion and belongings as well as understanding and

tolerance (Blumler & Hoffmann-Riem 1992: 215).

Furthermore, mass media is one of socialisation agents. This means that mass media

are an agent helping people to understand the world and to act properly (Schaefer &

Lamm 1995). In short, it helps people to fit in with others in society. In media studies, the cultivation theory argues that mass media can influence people's attitudes (Shanahan & Morgan 1999). Hence, through mass media, people know the world and formulate their attitudes towards events, issues and other people. It is crucial that mass media provide unbiased and unprejudiced information for people. It is considered that public service broadcasters provide programmes or images which are more close to the real world (Curran 2002: 207).

'It works' argument

In addition to the three aspects discussed above, there is another justification for public service broadcasting in the future. Graham and Davies (1997: 35) argued that the success of the British broadcasting industry can be attributed to the BBC. The BBC should play an important role and use its advantages, such as experience, expertise and economies of scale to help the development of the broadcasting industry in the digital age. A similar argument can be found in the White Paper, *A New Future For Communications*, which indicates that 'we will continue to rely on public service broadcasting for one clear reason – it works.' (DTI & DCMS 2000)

The BBC has a long history and has a good reputation in the UK and around the world. This causes some people to believe that the BBC will and should play a vital

role in the future. However, this argument cannot be applied to all other countries. This is because that not every country has such a strong public service broadcasting institution, which has a good reputation for helping the development of the broadcasting industry. An example of this is the first public service broadcasting institution in Taiwan was established in 1998. It does not have a long history and does not play a significant role in the broadcasting market. It is difficult to convince the government that it can have a great effort on the development of the whole broadcasting industry. Therefore, this argument cannot justify the existence of public service broadcasting in Taiwan in the future.

2.3 The Impacts of the Advent of Digital Television on Public Service Broadcasting

It was thought that the arrival of digital television would affect public service broadcasting in many aspects and Marsden and Ariño (2005: 27-30) examined these effects from four factors, which are the market factor, the technology factor, the consumer behaviour factor, and the government policy factor.

2.3.1 Market factors

In terms of market factors, public service broadcasters have been challenged in a highly competitive multichannel environment since the arrival of cable and satellite

television operators. With the development of digital television, the competition for audiences has become more intense. In the analogue era, there were only five terrestrial television channels in the UK. Now there are more than 40 digital terrestrial television channels in the UK (Freeview 2007), which is still only in a transitional period. When public service broadcasters faced the challenge from cable and satellite operators, their audience shares have been noticeably decreasing (Hujanen 2005: 60).

It can be imagined that when traditional public service broadcasters face the impact of digital television, their audience share may decline again. On the other hand, the advent of digital television could be an opportunity for public service broadcasting. As a result of the improvements to communications technologies, each terrestrial broadcaster has the capacity for four to six digital channels, and public service broadcasters can use these channels to provide more services (Starks 2007: 6). An example of this could be the opportunity to provide service for minorities who have not gained enough attention before, and develop the niche channels. This kind of service is fit for the principles of public service broadcasting. Hence the digital switchover might assist public service broadcasters in elaborating their function of reflecting different ideas or thoughts.

2.3.2 Technology factors

Technological improvements would be the first and most important element to facilitate the development of digital television. Without these technological developments, there will be no digital television. However, the evolution of technology brings some side effect for public service broadcasting. Public service broadcasters need to spend a huge amount of money on replacing their equipments and facilities. Even if their private rivals also need to spend money on the digital switchover, public service broadcasters still are in a more difficult situation than private broadcasters are. This is because of the flexibility of the use of their funding. Compared to public service broadcasters, commercial broadcasters can use their money more flexible (Papathanassopoulos 2002: 80).

The use of funding of public service broadcasters has to follow certain regulations and is under strict scrutiny (Ward 2003). This may slow the speed of the digital transition and, in addition, cause the loss of the market position. Moreover, this could lead to a decline in audience shares. The improvement of technology not only brings the bad news, but also affects public service broadcasting in a positive way. The increase in channels helps public service broadcasters to provide more services, as was mentioned above in the market factor section. Western European countries see the

digital terrestrial television as a means of the development of the Information Society (House of Commons, Culture, Media and Sport Committee 2006; Hujanen 2005). Therefore, they not only put emphasis on the traditional broadcasting functions, but also focus on how digital television promotes the building of the Information Society. The government's focus is on the interactive function, which could provide public services, such as taxation, health care and communication with the government. Public service broadcasters would not be just broadcasters in the future, and they would become public service providers in a wide range of fields.

2.3.3 Consumer behaviour factors

Marsden and Ariño (2005) argued that consumer behaviour is one of the most important factors that has influenced the development of digital television. Consumer behaviour plays a very important role in the digital switchover because the success of the switchover depends on the availability and affordability (House of Commons, Culture, Media and Sport Committee 2006). This is because even if broadcasters have very good hardware and software but with only a few people having access to the programmes or services, it is meaningless for the development of digital television. How to induce users to buy new equipments, such as a set-top box, to receive the digital signal is a hard task for the government and television industries, and how to

provide good programmes or services to attract users to switch from analogue to digital is a difficult task for broadcasters.

In the UK, the government has commissioned several studies to understand consumers' attitude. It tried to understand consumers' attitude to adoption of digital television and divided consumers into four categories: 'adopter', 'likely', 'could be's' and 'won't be's' (DTI 2004a). The task was to persuade 'could be's' and 'won't be's' to adopt digital television. After providing correct information for those disinterested, the research showed that the intention towards adoption will increase (ITC 2003). In addition, once the switchover date was set, the intention towards adoption will also increase (DTI 2004b). However, a study also showed that 5 per cent of households will never switch to digital television (DTI 2004b).

In short, it is considered the switchover will never be a popular policy (Starks 2007). The success of the digital switchover relies on the communication between the government, broadcasters and consumers. However it would be good news for public service broadcasting, because public service broadcasters could ally with the government and provide public services on the digital terrestrial platform.

2.3.4 Government policy factors

The fourth set of factors is the government policy. With the deregulation and the liberalisation of media markets, it seems that the government policy favours commercial broadcasters (van Cuilenburg & McQuail 2003; Papathanassopoulos 2002). However, the policies still support the existence of public service broadcasting, whether it is at the EU level or the member states level (Goodwin 2005; Näränen 2005). This policy has been questioned because of the decrease in the audience shares of public service broadcasting. One of the purposes of public service broadcasting is to provide services for all people in a country, the so-called universality principle (BRU 1985).

With the increase of the channels and the decrease of the audience shares of public service broadcasting, some people have started to question the necessity of public service broadcasting and, in particular, the justification of the licence fee (Graham & Davies 1997: 60). If the audience shares reduce to a very low level, people may doubt why they have to pay the licence fee to public service broadcasting which provides services for only a few people. Despite this critique of the licence fee, public service broadcasters might ask for more financial support to cover digital transition costs and to develop more channels. Any such move might trigger more harsh criticism from

audiences and private broadcasters. Not only does the government need to face these critiques, but also public service broadcasters need to think about why their audience share will decline and how to increase or maintain their audience share. Besides the critiques, the government policy is one of the decisive influences on the development of digital television. The British government puts the BBC in a significant place during the switchover period and expects the BBC will still play a vital role in the new media landscape (Ofcom 2006a).

Based on the discussion above, it is found that these four factors are not separate, but are connected to each other. The advent of digital television has had a wide range of influences on public service broadcasting. Reviewing the impact from these four factors above, it is found that the introduction of digital television only brought negative effects but also brought some positive effects to public service broadcasting. The question now is how public service broadcasting copes with the changes in the media landscape.

2.4 The Roles of Public Service Broadcasting in the Future

In this section, the focus is placed on the roles of public service broadcasting in the future. Many studies and documents examined the roles of public service broadcasting from different aspects. This research tries to combine those discussions and

investigate the future of public service broadcasting from four aspects, which are market positions, programming, socio-cultural characters and organisational aspects.

2.4.1 Market positions

First, the discussion of the future of public service broadcasting lies in its market positions. In the UK public service broadcasting was once a monopoly. The broadcasting system became a duopoly when commercial television was introduced.

When public service broadcasting faced challenges from other television platforms, such as broadband, cable and satellite television, competition for viewers became intense. With the arrival of digital television, that competition will grow still further.

What is the role of public service broadcasting in this competitive market?

Blumler and Hoffmann-Riem (1992: 206-207) argued that public service broadcasters should not only compete with their commercial rivals but also have a complementary role. They acknowledged that the competition is inevitable. However, they thought that public service broadcasting should not compete with commercial broadcasters in terms only of audience shares. Public service broadcasting should provide a mix of programmes for all audiences, which means all kinds of programmes for all kinds of audiences. Public service broadcasters are different from commercial broadcasters in terms of purposes. Commercial broadcasters are profit-driven organisations, which

may neglect programmes which cannot make profits or may even lose money. Public service broadcasting has social, cultural and other public service purposes; for this reason, public service broadcasters should provide programmes, which commercial broadcasters are unlikely to provide. Thus public service broadcasting is a competitor but also has a complementary role to commercial broadcasters.

Hujanen (2005: 78) thought that the position of public service broadcasting is related to its universal service obligation. Universal service obligation, also called universality, embodies the founding principles of public service broadcasting. It means that public service broadcasting should provide programmes (or services) for all audiences. When public service broadcasting has faced the challenges of cable and satellite television and the advancement of communications technologies, public service broadcasting has had to adopt some strategies to cope with these changes. There are two hypotheses which are mentioned, the convergence hypothesis and the divergence hypothesis (Papathanassopoulos 2002: 83). Some people describe these two hypotheses in other words, the comprehensive and the complementary strategy (Bardoel & d'Haenens 2008: 340).

With regard to the convergence hypothesis or comprehensive strategy, the advantage is that public service broadcasters might increase their audience shares. The

disadvantage is that public service broadcasters and commercial broadcasters might become more alike. This will undermine the legitimacy of public service broadcasting (Papathanassopoulos 2002: 83).

In contrast, public service broadcasters might focus on the programmes that commercial television does not provide through the adoption of the divergence hypothesis or the complementary strategy. The advantage is that public service broadcasting can remain its programme standards and offer programmes for minorities. The disadvantage is that public service broadcasting might become more remote from the public and be marginalised in the broadcasting market. Moreover, it might lose public support and undermine its purpose as a 'public' service broadcaster.

Bardoel and d'Haenens (2008: 340) used the term 'compensation strategy' to describe the adaptation of public service broadcasters. Most public service broadcasters have adopted the compensation strategy to deal with the challenges of commercial television and the changes of digital technologies (Bardoel & d'Haenens 2008: 344).

As audiences become more fragmented, public service broadcasting needs to find a new way to cater for all audiences. The concept of a portfolio of service has been brought up (Dyke 2000). With the introduction of digital television, traditional terrestrial broadcasters will (or have already) become a multichannel provider. The

advantage of the portfolio approach is that public service broadcasters can provide all kinds of programmes in their incremental channels and can give more attention on the needs of minorities, which might have been neglected before. The problem with this approach is that public service television channels may become more specialised with each channel catering for its own specific audiences. If people only watch a few (or just one) specialty channel(s), they might have very few opportunities to understand other different groups. It might undermine the cohesion of society and even worse, might lead to conflicts between different groups due to misunderstanding.

In the UK, the BBC will still play a significant role in the broadcasting market after digital switchover (DCMS 2006a: 9). However, the BBC may not have the dominant power that it had before. It seems that public service broadcasting will still exist in the digital age but it need to adapt its roles and legitimise its purposes of existence.

As discussed, it can be said that public service television broadcasters will not adopt the 'convergence path' to become commercial broadcasters alike. However, although public service broadcasters have lost their monopoly position, public service broadcasters in the UK will not be marginalised (at least in the near future) because of the support of the government (Smith & Steemers 2007: 52; DCMS 2006a).

2.4.2 Programming

The question of choosing between quality programmes and popular programmes is always an important issue in public service broadcasting. This issue become more and more important in the digital age (Bardoel & d'Haenens 2008: 351). It might be a fallacy that we can only choose one of them because the quality character and popularity character are not mutually exclusive. As Tracey (1998: 21) mentioned 'the essence of public service broadcasting is to make popular programmes good and good programmes popular.' The reason why people think that the choice between quality and popular character is a dilemma is that people think quality programmes are confined in a few genres, such as documentary, current affairs and arts programmes. Programme quality and programme genre are two different concepts, (even though they are sometimes interconnected and misunderstood) and these two concepts should be discussed separately.

With regard to programme genre, some people thought that public service broadcasting should focus on a few particular genres in the highly competitive broadcasting market (House of Lords, Select Committee on Communications 2009 para. 13). Based on this idea, public television channels might become so-called specialty channels. Others thought that public service broadcasting still has to provide

a mix of programmes in order to fulfil its public service purposes (DTI & DCMS 2000), which public service television channels still remain as generalist channels.

These two arguments have their own advantages and disadvantages. As discussed in the previous section, focusing on particular programme genre might cause the marginalisation of public service broadcasting. In contrast, competing with commercial television in audience shares might undermine the standards of programmes. With the introduction of digital television, public service television broadcasters have adopted the 'compensation strategy' and the 'portfolio approach' to deal with the challenges of their commercial rivals and the condition of fragmented audiences (Bardoel & d'Haenens 2008; Dyke 2000).

With the advent of digital television, public service broadcasters are trying to provide a mix of channels (Dyke 2000). The question remains whether or not audiences will only watch one particular channel? This may result in audiences only being exposed to part of information and culture which these channels provide. There is another argument concerning the portfolio approach. It is argued that people watch the programmes they like, but do not watch all programmes in the past and at present. The problem of the portfolio approach is not a new problem. It is uncertain whether the portfolio approach will make this problem more serious.

Blumler and Hoffmann-Riem (1992: 208) believed that when we discuss the programme priority, we should focus on programme quality rather than programme genres. It is thought that quality is one of the prime characteristics of public service broadcasting (Tracey 1998), and it is thought that the profit-driven commercial television might undermine this characteristic (Scannell 1996: 33). It is widely accepted that public service broadcasters should still provide programmes of a certain level of quality (Ofcom 2005a). The problem is that quality is difficult to measure. Therefore, it is not easy to make a policy related to programme quality for broadcasters to follow. The programme quality is attributed to programme makers' abilities; thus recruitment and training thus become important factors in the maintaining and nurturing of programme makers' abilities.

2.4.3 Socio-cultural characters

This third aspect is related to the roles of public service broadcasting in society. Its roles can be divided into three dimensions, the cultural, social, and political dimensions.

In respect of the cultural dimension, it is a tradition that public service broadcasting is a representative of national identity (Scannell 1996). The challenge is that it is difficult to have a unitary culture in a pluralistic society. Since the 1970s, the needs

and interests of minorities have been given more attention. Public service broadcasters cannot provide only one culture or value for diverse audiences. In the digital age, public service broadcasting should play a role in reflecting not only mainstream culture but also sub-cultures.

With regard to the social dimension, traditionally, public service broadcasting is thought of as a binding force in society (Blumler 1992a: 11). It documents important events, reflects social values and builds common memories of a society. As the audiences and society have become more fragmented, the social cohesion function of public service broadcasting has become more unrealistic. Thus, the purpose of social cohesion is not to unify a society. On the contrary, public service broadcasting should play a role in reflecting the diversity of cultures and help audiences to understand their society.

As to the political dimension, public service broadcasting is one of the most important institutions for providing information for people. From political and cultural perspectives, public service broadcasting is seen as a public sphere provider (Hoynes 1994: 26). One of public service broadcasting's purposes set up by Ofcom is 'informing our understanding of the world' (Ofcom 2008a: 3). This indicates that public service broadcasting could still play its role as a public sphere in the digital era.

The problem is that how to implement this purpose in the digital age. The number of channels is increasing and the platforms through which people can have access to information, such as the Internet, are also increasing. At the same time, the audiences have become more fragmented. The challenge is how to provide information for the fragmented audiences and how to offer a forum to discuss public issues.

2.4.4 Organisational aspects

With the rapidly changing media landscape, reorganisation of public service broadcasting institutions has become a significant issue. Facing the emergence of the digital age, the BBC positions itself as a content provider (Smith & Steemers 2007: 52). Public service broadcasters will not only rely on conventional television services to broadcast their content and services in the digital era. There are myriad platforms public service broadcasters can use in order to provide their content and services. In the BBC's strategy, particularly, the Internet has become a focal point. The BBC has emphasised the development of the Internet service since 1996 (Smith & Steemers 2007: 49). In the future, content and programmes will not just be available through the television but will also be available on other platforms.

Public service broadcasters will become a cross-platform or multi-platform content provider. In order to cope with this change, the BBC has begun to restructure its

organisational framework. Three cross-media content groups, therefore, have been established (Smith & Steemers 2007: 51). This is not only a strategy to cope with the changes in the media landscape, but also an implication of the changes in the roles of the BBC. The BBC has been changing from a broadcaster to a multi-platform content provider. This means that in the future the BBC will not only focus on the traditional broadcasting functions and content, for example, radio and television services, but also focus on the new communications platforms and innovative content, such as the Internet. Therefore, the discussion of public service broadcasting should not only focus on 'broadcasting', but also focus on how public service broadcasting provides its services via different delivery platforms.

After reviewing the relevant studies in relation to the definition of public service broadcasting, the legitimacy of public service broadcasting, the impact of digital television on public service broadcasting and the changes in public service broadcasting, the focus of the next chapter is placed on the methods and approaches this research is going to adopt to investigate the impact of digital television on public service broadcasting and the changes in public service broadcasting in Taiwan.

CHAPTER THREE: METHODOLOGY

This research examined the impact of the introduction of digital television on public service broadcasting and the changes of the role of public service broadcasting in Taiwan and developed four research questions:

1. What is the nature of public service broadcasting?
2. What is the impact of the introduction of digital television on public service broadcasting? How does the development of digital television affect public service broadcasting?
3. What is the role of public service broadcasting in Taiwan in the past and at present? What has traditionally been the prevailing concept of public service broadcasting and how might this change in the future?
4. What is the future of public service broadcasting in Taiwan? What is the possible role for public service broadcasting in Taiwan in the future?

Before beginning my research, I reviewed studies relevant to public service broadcasting issues.² Syversten (1992) compared the developments of public service broadcasting in the UK and Norway. She reviewed a wide range of documentary data relevant to her research topic. Tracey (1998) examined the challenge to public service

² The studies mentioned here are not all studies I reviewed.

broadcasting via document analysis and his experience with working with broadcasters. Seaton (2003) probed the history of broadcasting in the UK, mostly in relation to the BBC, via reviewing relevant documents.

Many other researchers probed the issues concerning public service broadcasting via document analysis. Blumler (1992) identified the public service broadcasting values under attack and he and Hoffmann-Riem (1992) highlighted the possible roles for public service broadcasting in the future. Scannell (1996) pointed out the changes in public service broadcasting in the UK from a cultural perspective. Graham and Davies (1997) argued the justification for the existence of public service broadcasting in the multichannel environment. Siune and Hultén (1998) probed the influence of commercialisation and digitalisation on public service broadcasting. Papathanassopoulos (2002) examined the effect of deregulation and digitalisation on public service broadcasting. Hujanen (2005) investigated the impact of the introduction of digital television on public service broadcasting. After reviewing relevant studies, it can be understood that there are many studies in relation to public service broadcasting issues conducted by analysing relevant documentary material.

Although there are many studies that have adopted a document analysis approach to probing public service broadcasting issues, there are a few studies adopting different

methods to examine these issues. For example, Born (2004) adopted an anthropological approach to investigating the changes in the BBC. She placed herself in the organisation and observed the behaviour of the members of staff. This participant observation method can produce enormously rich information. However, conducting this method needs a lot of time. Because of limitations of time and space, I chose not to adopt this method.

Collins (1998) adopted two methods, document analysis and interviews, to probe the development of public satellite television in Europe. Hoynes (1994) also adopted document analysis and interviews to investigate the development of public television in the United States. It seems that the interviews can be a complementary method to help researchers to gain more information relevant to their studies.

After reviewing these studies, it is found that document analysis is widely used in studies probing public service broadcasting issues. It is thus appropriate to adopt document analysis as the main approach to investigating the development of public service broadcasting in Taiwan.

3.1 Communication Policy Analysis Approach

My research was designed to investigate the impact of the advent of digital television on public service broadcasting and the changes in public service broadcasting from a

macro-perspective. In other words, this research probed the impact and these changes via reviewing relevant policies. Thus this research adopted a communication policy analysis approach to understanding the impact and changes. Communication policy analysis has been adopted in several studies exploring media policy and public service broadcasting issues (Negrine 1998; Syvertsen 1992; Collins 1990).

Communication policy analysis examines how policies are developed and implemented and what the impacts of the policies are on communication actors and the media environment (Negrine 1998; Syvertsen 1992). It is considered that communication policy analysis can be divided into two approaches (Syvertsen 1992). The first approach focuses on 'politics'. In other words, it mainly analyses the relationship between the government and the parliaments, and the media. The second approach integrates all agencies or forces, such as political force, economic force, social structures, and effects of culture, related to communication policies into one analysis framework. This approach analyses communication policies from a macro-perspective. Nevertheless, these two approaches have their own problems (Collins 1990).

The first approach, the narrow approach, only puts emphasis on the political aspect, but it is thought that the communication policies are not solely affected by the

government and the parliaments (Syvertsen 1992). On the contrary, communication policies are influenced by other external factors. The second approach also has its problem. It might deal with too many aspects at the same time, and might lose its focus. However, the real task for researchers is not how to choose one of these approaches, but how to define their research scope into a reasonable range.

Besides, communication policy analysis has been criticised because it focuses on the issue in a specific time frame and omits the influence of historical context (Syvertsen 1992). Most of the communication policy analysis studies consider that the history is part of background of the studies. According to the discussion above, however, it is thought that public service broadcasting in Taiwan develops in a particular economic and political context. It is necessary to understand the history of the development of television in Taiwan in order to analyse the role of public service broadcasting at present and in the future. Thus, this research not only examines the impact of digital television on public service broadcasting but also probes the history of television and the development of public service broadcasting in Taiwan. As a result, it should understand the role of public service broadcasting in Taiwan comprehensively.

3.2 Document Analysis

The main means of analysing communication policies was through examining relevant documents including government papers, committee reports and other official documents (Negrine 1998). This research tried to answer part of the research questions through reviewing the relevant documents. Hence, this research investigated the changes in the concepts of public service broadcasting and the development of digital television in the UK and Taiwan through a document-based analysis. By comparing with the conditions of these two countries, it is a means of pointing out the implication of public service broadcasting and investigating the impact of the development of digital television on public service broadcasting.

The documentary data I collected included primary and secondary data. All these documents are either relevant to public service broadcasting issues or digital television policies. The primary data included government official reports, government offices' meeting minutes, public service broadcasters' reports, and newspaper articles. The official reports included reports from the DCMS, the DTI, the Ofcom and other government offices or independent regulators in the UK. The official reports in Taiwan were taken from the Government Information Office (GIO), the Ministry of Transportation and Communications (MOTC), the National

Communications Commission (NCC) and other government offices. With regard to public service broadcasters' reports, the reports in the UK came from the BBC and in Taiwan the reports were from five public service channels (see the list of documentary material in Appendix 1).

The secondary data included academic journal papers, doctoral theses, master's dissertations and studies commissioned by the government offices and other non-governmental organisations.

It is important to identify the reliability and validity of the documentary material after collecting them. Hammersley and Atkinson pointed out that 'all documentary sources need to be viewed as social products, which have been created under specific circumstances, in specific contexts and by specific people,' (cited in Syvertsen 1992: 54) It is important with this approach to check the accuracy and authenticity of source materials (Berger 2000; Syvertsen 1992). This means reading and interpreting documents with critical eyes. In order to avoid being misled by the inaccurate documents, I also cross checked those documents. For example, I reviewed the same issue documented in the official reports, newspapers and academic studies to understand the issue as accurately as possible. Such critical interpretation and crosschecking was designed to minimise the error of the documentary material.

3.3 In-depth Interviews

As discussed above, some studies in relation to communications policy also adopted in-depth interviews as a research method to obtain more and detailed information. Although it is possible to obtain enormous amounts of data through examining the documents, in-depth interviews were also used to obtain the latest information and different opinions about public service broadcasting changes and issues. In addition, the available documentary material in Taiwan was not as rich or easy to access as equivalent material in the UK. With the lack of relevant documents, therefore, the in-depth interviews can help me to gain more information about the development of public service broadcasting and digital television.

Interviews are widely used in social science research (Jensen 2002; Berger 2000). It is thought that in-depth interviews have several advantages (Wimmer & Dominick 2006; Stokes 2003; Jensen 2002; Berger 2000). The main advantage of in-depth interviews is to get fresh information in detail (Wimmer & Dominick 2006: 135). In addition, in-depth interviews can be used to obtain information of serious issues and might provide more accurate responses on sensitive issues (Wimmer & Dominick 2006: 135; Jensen 2002: 242). Another advantage is that in-depth interviews can obtain informants' ideas, thoughts, opinions and attitudes on specific issues (Stokes 2003:

114; Berger 2000: 113). The last advantage is that in-depth interviews can be recorded and can be analysed in detail (Berger 2000: 113).

However, in-depth interviews also have some disadvantages. First, it is thought that 'generalizability' is a problem of in-depth interviews (Wimmer & Dominick 2006: 136). Secondly, interviewer's bias is another problem which in-depth interviews need to face (Wimmer & Dominick 2006: 136). It is noted that researchers should be careful of the reliability of the information that informants provide because informants do not always tell the truth and not always say what they think, or mean what they say (Jensen 2002: 240; Berger 2000: 124-125). Thirdly, data interpretation presents another problem in this method as different researchers might have different interpretations from the same interview data (Wimmer & Dominick 2006: 136).

In order to obtain information in relation to the development of public service broadcasting and the impact of the introduction of digital television on public service broadcasting. This research identified the key actors involved in the area of public service broadcasting and digital television from the government and the public broadcasters. With regard to the government, the GIO and the NCC are the main regulators of communications affairs and the Legislative Yuan is the key organisation of lawmaking. In respect of the public broadcasters, the Public Television Service

Foundation (PTS) is the first public television station in Taiwan and the Taiwan Broadcasting System (TBS) is a newly-formed public service broadcasting group which includes five public channels. Therefore, the original aim was to interview twelve informants including two governors of the PTS, four managers of the TBS, two scholars in media studies field, two government officials, and two Legislators.³

The selection of individual informants is based on their occupation and knowledge about the developments of public service broadcasting and digital television. The reasons why these potential informants were selected are explained as below.

By interviewing the governors of the PTS, this research collected the information regarding how the introduction of digital television has influenced (or will influence) public service broadcasting, and how public service broadcasting in Taiwan has coped with the impact of the development of digital television on public service broadcasting and the changes it has brought to the television environment. Through interviewing the managers of each channel in the TSB, this research tries to understand how each public channel deals with the digital impact and what specific strategies they will develop. Moreover, the theoretical and systematic information concerning the development of public service broadcasting and digital television can be gained by interviewing the scholars. In addition, interviewing government officials

³ The Legislators in Taiwan correspond to the Members of Parliament in the UK.

and Legislators is a useful way to gain insights into communication policies and the future direction of lawmaking. Hence, several different semi-structured questions were developed and used in the interviews. The length of each interview was planned to be around one hour.

The data collected from the interviews and the documentary data were used to answer the second, third and fourth research questions.

RQ2: What is the impact of the introduction of digital television on public service broadcasting? How does the development of digital television affect public service broadcasting?

RQ3: What is the role of public service broadcasting in Taiwan in the past and at present? What has traditionally been the prevailing concept of public service broadcasting and how might this change in the future?

RQ4: What is the future of public service broadcasting in Taiwan? What is the possible role for public service broadcasting in Taiwan in the future?

The information about what factors would influence the development of digital television, and further, affect the role of public service broadcasting in Taiwan should be gained through interviewing these key actors.

Originally I planned to interview twelve people who were key actors in this area. I tried to contact these people via emails and asked for their agreement to participate in my research in June 2007. However, some of my potential informants rejected the idea of taking part in this research. Thus, I had to change my original plan and select other potential interviewees. Before I went back to Taiwan, there were five potential interviewees who informally agreed to participate in my research. After I went returned to Taiwan, I contacted my potential participants via emails and telephones to confirm their agreements. At the same time, I also tried to contact other potential informants to fill the gap caused by the former rejection. Finally, I had ten people who agreed to be interviewees in my research. However, one of them changed his mind just before I planned to conduct an interview with him. Some informants suggested that I should conduct interviews with other people, for example, people in the news department of the PTS and of the CTS and governors of the PTS. However, these people refused to take part of this study because they thought some issues were too sensitive and they did not want their words to be documented. As a result, nine in-depth interviews were finally conducted. These interviewees consisted of two government officials, two governors of the PTS, two Legislators, and three managers of public service broadcasting institutions (see the full list in Appendix 2).

The backgrounds of the informants are introduced as below. With regard to the government officials, Liu Yu-Li is professor of the Department of Radio and Television at the National Chengchi University. Her research interests are telecommunications, new media and media management and policy, and she has published a number of journal papers and books relevant to telecommunications, new media and media management and policy issues. She was a Commissioner of the NCC from February 2006 to February 2008. Yao Wen-Chih is a member of the DPP and was Minister of the GIO from March 2005 to January 2006. At that time he was the Minister, it was a key moment of the formation of the policy on the transformation of broadcasting in Taiwan.

In respect of the managers of the public service broadcasters, Swen Ching is a senior fellow of the Strategy Research Development Department of the PTS. She has been working on several projects relating to the digital switchover. Su Fang-Yu is Supervisor of the Engineering Department at the Engineering Technical Centre of the CTS. He has been working on the digital switchover project and has also witnessed the integration of the PTS and CTS. Hsu Ching-Yun is the director of Hakka TV. She has knowledge about the development of Hakka TV and the digital development plan for Hakka TV.

Hung Hsui-Chu is a KMT Legislator. She is concerned with education and media issues. Kuan Bi-Ling is a DPP Legislator and is also concerned with education and media issues. They both have knowledge regarding the formulation of policies on public service broadcasting and digital television, and can provide detailed information about the relationship between the Executive Yuan and the Legislative Yuan.⁴

Lu Feii is a member of the board of governors of the PTS and also is deputy-Dean of Communication College and associate professor of the Department of Radio and television at the National Chengchi University. He has been involved in the development of public service broadcasting for a long time. Lu Feii provided information about the history of public service broadcasting in Taiwan and also about recent changes to public service broadcasting. Hamilton Cheng is a member of the board of governors of the PTS and also a research fellow of the PTS. He has also been involved in the development of public service broadcasting for a long time. Each of these interviewees has provided information about the prospect of public service broadcasting from governors' points of view.

⁴ The Executive Yuan is the highest administrative body in Taiwan. The Legislative Yuan is the Parliament in Taiwan.

The actual lengths of the interviews varied between 30 minutes and two hours. It depended on the available time each interviewee had. Some of my informants were busy and it was not easy to make an appointment with them. For example, I stayed in one of my interviewees' office and waited for four hours, but only conducted a 30-minute interview.

I prepared a semi-structured questionnaire for my interviews. According to the research objectives and questions, I developed a set of core questions in relation to the roles of public service broadcasting, the funding for public service broadcasters, the content of programmes, the impact of digital television, the changes in public service broadcasting and the future of public service broadcasting (see the list of interview questions in Appendix 3).

The direction of the interview sometimes changed according to the interviewees' answers and their professions. For example, the focus of the interviews with the government officials concentrated on the policymaking process, whereas the managers of the public service broadcasters had more concerns regarding how to cope with the challenges of digital television. Based on their answers and reactions, different questions were raised and each interview developed in different directions. Thus, questions for each interviewee were not always exactly the same.

The interviews took place at each interviewee's office. All interviews were audio taped, and during the interviews I also took notes using pen and papers. This technique let me remember the important arguments which informants made and reminded me the scenario when I transcribed the interviews. Because all interviews were conducted in Chinese Mandarin, I transcribed all interviews in Chinese Mandarin and then translated the transcripts into English.

As with the documentary material, there was a problem of reliability and validity of the interview data that needed to be addressed. During an interview, it is thought that people are not always telling the truth (Berger 2000). Therefore, the similar techniques applied in interpretation of the documentary material were also used in the interview data. I examined the interview data critically and verified the information that informants provided via checking relevant documents. Through critical interpretation and checking informants' words with relevant documents, I tried to interpret the interview data carefully.

The data collected from the interviews will be analysed along with the documentary data. This will give a more comprehensive overview of the development of public service broadcasting and digital television in Taiwan and help me to answer the research questions.

In the next chapter, the focus is placed on the development of public service broadcasting in Taiwan and the data applied in that chapter are mainly documentary data. In Chapter Five, I will review the development of digital television in Taiwan. The majority of data used in that chapter are documentary data and some interview data are also used. In Chapter Six, the discussion covers the impact of the introduction of digital television on public service broadcasting. The documentary and interview data are both used in that chapter to explore the impact. In Chapter Seven, I put emphasis on the changes in the roles of public service broadcasting and integrate the documentary and interview data to investigate these changes.

CHAPTER FOUR: THE DEVELOPMENT OF PUBLIC SERVICE BROADCASTING IN TAIWAN

In this chapter, the focus is placed on the development of public service broadcasting in Taiwan and this development can be divided into three phases based on the important changes. The first public service broadcasting institution, the PTS, was established in 1998 and a public service broadcasting group, the TBS, was formed in 2006. The timing of these two events is crucial to the development of public service broadcasting. Thus, this chapter adopts these two events as boundaries in the development of public service broadcasting.

The first phase is before the establishment of any public television station, called the pre-establishment period, from 1962 to 1998. At that time, the idea of public service broadcasting was only discussed by a few academics and there was no genuine public service programme in that period.

The second phase began with the establishment of the Public Television Service Foundation (PTS), which was the first public service broadcasting institution in Taiwan, and this phase is called the PTS period, between 1998 and 2006. It is argued that the PTS could not fulfil its public service remits because of financial limitations

and content constraints. In addition, the political force was also a significant factor influencing the performance of the PTS.

The third phase started with the establishment of the Taiwan Broadcasting System (TBS), which included five public television stations, and this phase is called the TBS period, from 2006 until now. The establishment of the TBS seems to be an expansion of public service broadcasting in Taiwan. However, the integration of five television stations has raised new problems that the TBS has to face. Furthermore, the TBS also faces intense competition from commercial television. The TBS is still seeking its position in the media landscape.

4.1 The Pre-establishment Period

In the early stage of the development of television in Taiwan, the concept of public service broadcasting was discussed by several academics in Taiwan.⁵ During the 1970s Lee argued, from a moral and normative view, that commercial television in Taiwan was controlled by the government, which could restrict the development of television technologies, and commercial television could undermine social norms (Feng 2006: 51-52). Lee asked the government to establish a public service

⁵ The most famous academics includes Tseng Hsu-Pai, founder of the Department of Journalism at National Chengchi University; Wang Hung-Chun, chair of the Department of Journalism at National Chengchi University; and Lee Chan, professor in the Department of Journalism at National Chengchi University.

broadcasting institution, which did not have advertising but used a licence fee as its main financial source. Lee's proposition did not gain the support from the government and did not have much response from the society (Feng 2006: 52).

On 6 February 1980, Sun Yun-Suan, who was Premier at that time, announced that in addition to the three television stations, there should be a public television station, which produced social educational programmes without advertisements (Chien 2004: 39). He said that 'In addition to the existing three commercial television companies, we should establish a public television station which shall operate without advertisements and be responsible for providing social and educational programmes in order to fulfil the needs of national education and government policy.' (cited in Rawnsley & Rawnsley 2005: 30)

Sun Yun-Suan argued that 'If we don't do it today, we will regret tomorrow.' (PTSF 2007) Even though Sun made such a strong declaration, a public service broadcaster was not founded at that time. This is because of three main reasons. First, in terms of the political reason, the government was worried that public service broadcasting would be a force working against the government. The government had full control over the media at the time and it wanted to keep this power.

Second, the government did not have enough financial resources to support the establishment of another television station. Taiwan was still struggling with the development of its economy. The government preferred to invest in boosting the economy rather than the public sector.

Third, the military did not release the frequencies for the public service broadcasting use. The frequencies were controlled strictly by the military under the martial law. However, a few political and academic elites still asked the government to build a public service broadcasting system. Therefore, those elites and the government reached a compromise. On 20 May 1984, under the supervision of the GIO, the first public service broadcasting programme, *Let Us Read the Trimetrical Classic Together*, was produced and transmitted on the TTV (Rawnsley & Rawnsley 2005: 30). The government asked commercial television broadcasters to give 30 minutes a day for transmitting so-called public service broadcasting programmes. But during that period, there was only a public service broadcasting production team, but no public service broadcasting stations or channels.

In 1986, the responsibility for producing public service programmes transferred to the Broadcasting Development Fund (BDF). It seemed to be a private organisation but in fact most of the managers were from the government or the KMT. In addition, 50 per

cent of the BDF financial resources were from the GIO and the other 50 per cent were from the revenue of the old three television stations. In short, the government still controlled the direction of public service programming.

In 1989, the GIO proposed the draft for a project to establish a public television station. Following this proposal the Public Television Organising Committee (PTOC) was formed in June 1991. The PTOC's main mission was to draft the Public Television Act. There were 22 members of the PTOC and 11 were university academics. In November 1991, however, more than half the members of the PTOC planned to resign. This was because that they thought the committee could not operate independently and their advice would be disregarded (Feng 2006: 52).

In 1992, the draft of the Public Television Act was sent to the Legislative Yuan. At the same time, a number of academics sent an open letter to the press, in which there were three claims (Feng 2006: 53). First, they argued that the governors of the public television station should be nominated by the Executive Yuan, approved by the Legislative Yuan, and appointed by the President. Second, the financial resources should be mainly from the revenue of the old three television stations and cable operators. Third, there should not be a regulatory agency involved in governance of

public channels. In particular, the GIO's role as the spokesman of the government should disqualify it from becoming the regulatory agency of the PTS Foundation.

After the announcement of the open letter, some academics and students began to lobby continuously. On 12 July 1993 the first claim was responded by the Legislative Yuan. However, the design of selection procedure was very complex⁶ because the opposition party Legislators and academics did not trust the ruling party.

Later, on 8 November 1993, in the draft of the Public Television Act, it was suggested that the financial sources for the PTS shall come from the 10 per cent of the turnover from the old three television stations and one per cent of the turnover from cable operators (China Times 1993.11.9:5 cited in Feng 2006: 54). This Article, however, was removed on 13 December 1996. Then, on 17 April 1997, the ruling party announced that the plan for the establishment of the PTS would be abandoned. This caused widespread criticism from academia, the press and civic organisations. The

⁶ According to the Public Television Act, the procedure for selection of governors as:
The PTS Foundation shall set up a board of directors, consisting of 11 to 15 people. The procedures for selection are as follows:

The Legislative Yuan shall recommend 11 to 13 just and fair people from society to form the PTS Directors and Supervisors Review Committee (referred to hereinafter as the "Review Committee"). Candidates for PTS directors and supervisors shall be nominated by the Executive Yuan and then submitted to the Premier for appointment with the consent of more than three-fourths of the members of the Review Committee.

The selection of PTS directors shall consider gender and ethnic representation and a balanced representation from education, arts, literature, academics, communications, and other professional fields.

Not more than a quarter of PTS directors shall be of the same political party affiliation. Directors may not participate in political activities during their tenures.

politicians faced the pressures from these groups and realised that the power of support for the establishment of public service broadcasting was strong.

On 31 May 1997 the Public Television Act was passed and public service broadcasting in Taiwan stepped into another era. The scale of the PTS was smaller than the original plan and there was a condition with the passage of the Public Television Act that the PTS should not produce daily news programme in the first four year. According to the principles of public service broadcasting in western European countries, public service broadcasters should provide information for audiences (BRU 1986). This condition showed that the distrust between political parties. The ruling party was afraid that the PTS would criticise its policies and the opposition party was afraid that the PTS would become a mouthpiece of the government. In consequence, the limited financial support and the constraints of content have influences on the development of the PTS.

4.2 The PTS Period

After the passage of the Public Television Act, the Public Television Service Foundation was established on 1 July 1998 and began its television broadcasting services on the same day. This section reviews the development of the PTS during this period from two aspects, which are the financial issues and programming.

Financial issues

After reviewing relevant documents, it was found that there were three major forms of financial sources for the PTS during 1998 to 2006. These three forms were the state subsidy, the Cable Radio and Television Development Fund (CRTDF) donations and the fund raised by the PTS itself (PTSF 2009a).

Based on the design of the public service television system in Taiwan, the main financial source was the state subsidy. According to the Public Television Act, the state subsidy to the PTS was NT\$1.2 billion (£21.8 million) in the first year, but the subsidies would decrease 10 per cent each year. After the sixth year, the state subsidy would remain at NT\$600 million (£10.9 million) each year and the rest of the funds would have to be raised by the PTS itself. Ironically, the original design of the public service television system was to build a public television station with NT\$6 billion (£109 million) budgets each year (Feng 2006). It is impossible for the PTS to raise NT\$5 billion (£90.9 million) funds a year. Wu Feng-Shan, chairman of the PTS at that time, described that the financial limitation put the PTS into a vegetative state, which means the PTS would live but had no strength (Chien 2004: 42).

The PTS asked for an amendment the Public Television Act in relation to the state subsidy. On 4 October 2001 the Legislative Yuan passed an amendment to the Public

Television Act, which the state subsidy would remain at NT\$900 million (£16.4 million) each year and would not be decreased. Although the PTS could have NT\$900 million (£16.4 million) from the state subsidy, it is still thought that the government subsidy could not maintain the operation of the PTS. Li Yong-De, Director-General of the PTS, thought that the PTS would need NT\$2 billion (£36.4 million) a year to maintain its operation and advance the development of digital television (PTSF 2002: 10). This meant that the PTS still needed to find other financial sources.

Fortunately, the PTS received another subsidy from the Cable Radio and Television Development Fund (CRTDF) from 2001 because of an amendment to the Cable Radio and Television Act. In 2001, the PTS gained around NT\$20 million (£364,000) subsidies from the CRTDF. This subsidy has risen since 2003 because of further amendment. In 2003, the amount of the subsidy was around NT\$98 million (£1.78 million). Although the amount of this subsidy is not huge, it still provides some helps for the PTS's financial difficulty.

The third financial source of the PTS was to raise funds by itself. This method included donations from private enterprises and individuals, revenue from selling programmes and rights, the rental and other revenue, such as revenue from events and interests (PTSF 2007: 42). This was an unstable financial source compared to the

other two sources. The funds raised by the PTS itself had increased from 1999 to 2003.

However the funds had declined during 2003/04 and 2005/06.

Table 4.1 The Amount and Percentage of Incomes of the PTS 1999-2006

Year	Government Subsidy	CRTDF Donations	Self-raised Funds	Total
1999	1200 (84.38)		222 (15.61)	1422
2000	1040 (80.87)		246 (19.13)	1286
2001	900 (73.65)	20 (1.64)	302 (24.71)	1222
2002	900 (68.81)	69 (5.28)	339 (25.92)	1308
2003	900 (61.90)	98 (7.49)	456 (31.36)	1454
2004	900 (64.01)	86 (6.12)	420 (29.87)	1406
2005	900 (58.52)	90 (5.85)	548 (35.63)	1538
2006	900 (60.20)	95 (6.35)	501 (33.51)	1495

Unit: million NT dollars

Sources: PTSF (2000-2007)

The annual income of the PTS had been between NT\$1.2 billion (£21.8 million) and NT\$1.5 billion (£27.3 million) a year. This amount does not match the amount in Li's estimate, which was NT\$2 billion (£36.4 million) a year. Although the PTS has not fallen into deficit, its profits each year have been limited. It seems that the PTS spends almost all its incomes in maintaining its operation and it is difficult to have extra money to invest in training, innovation and the development of new communications technologies. In short, the financial condition of the PTS during 1998 to 2006 was like Wu's description, 'in a vegetative state'.

Programming

In 1999 the board of governors of the PTS set four missions for the PTS based on the Public Television Act and the ideas of public service broadcasting (PTSF 2002: 14).

These missions were: (1) producing a diversity of quality programmes; (2) promoting the development of civil society; (3) rooting domestic culture; and (4) expanding the exchange of international culture.

‘Producing a diversity of quality programmes’ was inserted into the first mission. It can be understood that the supply of quality programmes is considered to be an important function of the PTS. There are two main concepts in this mission: diversity and quality. Due to the limited financial resources, the PTS cannot provide the kind of programmes, which the BBC can provide, whether in terms of quality or quantity. Therefore, the PTS decided to focus on educational programmes, especially in children’s programmes. The educational programmes have remained a major programme genre of the PTS (see Table 4.2) and children’s programmes have become one of the most famous PTS programmes.

With regard to the programme performance, it is thought that there is no singular means to assessing the performance of programmes (McQuail 1992). It is difficult to judge which programme is good only by one method or indicator. There are several

ways to measure whether a programme is successful or not. First, quantitative methods are used to measure the performance of programmes. For example, ratings, audience shares and audience reach are widely employed by broadcasters and advertisers. Second, qualitative methods are also used to measure the performance of programmes, such as the appreciation index and quality criteria developed by researchers and broadcasters (Towler 1997: 23; Leggatt 1993). This is connected to the debate on ‘programme quality’. These methods are considered a means of measuring the quality of programmes (Murrioni & Irvine 1997). In addition, awards competitions are also thought of as a ‘tolerably objective’ means of assessing the performance of programmes (Alber 1992: 15). Since 2000, the PTS has become the biggest winner in the Golden Bell Awards.⁷ In addition, people in Taiwan also think that the PTS programmes are of a high quality (Chung 2009).

Table 4.2 Programmes Genres of the PTS 1999-2006 (%)

Year	Education	News & Current Affairs	Culture, Arts & Documentary	Drama	Special Services
1999	36	14	26	24	
2000	38	20	30		12
2001	41	19	26		14
2002	44	16	27		13
2004	37	15	37		11
2005	32	17	41		10
2006	33	14	20	28	5

Sources: PTSF (2000-2007)

⁷ The Golden Bell Awards is similar to the Bafta TV Awards in Britain.

Although audiences think PTS programmes are of a high quality, they still do not watch these programmes. The ratings and audience shares of the PTS broadcasts are low. The ratings have never higher than 0.15 per cent and the audience shares have never higher than 1 per cent (PTSF 2008a: 29). These low figures can be attributed to three reasons. First, although the PTS is a terrestrial television, audiences need to use a UHF aerial to receive the signals. However, most households in Taiwan use a VHF aerial to receive the signal. This means audiences need to buy another aerial to watch PTS programmes. This results in that the penetration of the PTS was not as high as the other terrestrial television broadcasters.

Second, for cable television audiences, channel 20 to 50 is the most-watched channel sector, but the PTS was allocated in channel 53 at the beginning. In 2004, the PTS was moved to channel 13, but it was still not in the hot spot. This caused that audiences were not familiar with the PTS and the PTS did not have many opportunities to be watched. The third and most important reason is related to the programme characteristic. Cheng, former chairwoman of the CTV, said that television channels produce some sensational programmes in order to attract audiences and get high ratings (Feng 2006). Audiences in Taiwan have been accustomed to the sensational taste. The PTS programmes are too 'bland' for audiences in Taiwan. In

addition, it is believed that the high quality programmes do not easily attract huge amounts of viewers.

4.3 The TBS Period

After the barely satisfactory performance from the PTS, some people thought that one public service television channel was not enough and began to consider the concept of establishing a public service broadcasting group (Kuan 2009: 297). In the third phase, the Taiwan Broadcasting System (TBS) was established on 1 July 2006. The TBS is a public service broadcasting group including the PTS, the CTS, Hakka TV, Taiwan Indigenous TV (TITV) and Taiwan Macroview TV. Hakka TV and TITV aim to provide services for ethnic minorities in Taiwan. Around 11 per cent of the population are Hakka and one per cent of the population are aborigines in Taiwan (DGBAS 2010). The purpose of Macroview TV is to provide programmes and services for overseas Taiwanese.

Hakka TV and Taiwan Indigenous TV were established because the government took more political considerations than professional considerations. Hakka TV gains a state subsidy of around NT\$440 million (£8 million) and Taiwan Indigenous TV gains around NT\$350 million (£6.4 million) each year (TBS 2007). Because the establishment of these channels was rushed and no sufficient financial support from

the government was provided, they did not have their own equipments and facilities. They needed to share production facilities, such as studio, cameras and editing rooms, with other broadcasters. For example, Hakka TV used the facilities provided by the TTV, and Taiwan Indigenous TV shared equipment with the PTS at the beginning.

The establishment of the TBS had two goals. One was to achieve media reform, and the other was to integrate the resources from each public broadcaster. In 2000 Chen Shui-Bian, president candidate of the DPP, unveiled his White Paper on media reform during the presidential election. The main purpose of this reform was to remove the hands of the government, the political party (the KMT) and the military from the three old television stations. After Chen won the election, he tried to set the media reform plan into action. A new problem emerged: what was the future of the old broadcasters?

Some people from academia and the government think-tank thought that these broadcasters should become public service broadcasters, and the others suggested that they should become *purely* commercial broadcasters (Chen 2009: 58). After a series of debates and negotiations, in 2005 the government decided that the TTV would transform into a purely commercial broadcaster and the CTS would become a public service broadcaster. With regard to the CTV, after the KMT lost its power, the KMT started to change the role of the CTV to a purely commercial broadcaster. Although the CTV has become a listed company, the influence of the KMT is still on the CTV.

The other goal of the establishment of the TBS was to integrate the resources. It is important to observe whether the resources are allocated reasonably and fairly. If there are not enough resources for these public service channels, they might vie with each other for the resources. Hence the challenges for the TBS are from both inside and outside. The TBS not only faces the competition from other broadcasters, but also faces the challenge of allocation of internal resources.

In the remainder of this section, the developments of individual TBS channels will be discussed except the PTS because the development of the PTS has been discussed through this chapter. Understanding the development of individual TBS channels will give a clearer picture of the TBS.

The development of the CTS

Background

The CTS was founded on 31 October 1971 and was the third terrestrial television station in Taiwan (CTS 2009a). As discussed above, the CTS was controlled by the KMT government under the authoritarian regime. The biggest shareholder of the CTS was the military (Lin 2006: 97). In reviewing the backgrounds of chairmen and directors-general of the CTS, before the CTS joined the TBS, it is evident that five out of seven former chairmen had military backgrounds and seven of ten former

directors-general were connected with the military (CTS 2009b; CTS 2009c). This indicated that the military had a certain level of influence on the policy and direction of the CTS.

In relation to the finance of the CTS, the main income of the CTS was (and still is) from the advertising revenue. In the old three television stations' oligopolistic era, the CTS enjoyed great profits from the advertising revenue (Lin 2006: 98). When cable television has grown rapidly, the CTS has faced the decline of its advertising revenue (Yeh 2007).

With regard to the programming of the CTS, it had been criticised that the CTS only focused on the profit-making and ignored the social obligations of television (Lin 2006: 98). The CTS adopted an outsourcing strategy to reduce its production cost. This strategy succeeded in cost reduction but also caused a low quality of programming (Lin 2006: 98). Despite the criticism of the low quality of programming, the CTS did provide some educational programmes. This is because the Ministry of Education was also a big shareholder in the CTS (Wang 1993). From the viewpoints of some officials in the Ministry of Education, television had a great ability in educational functions (Lin 2006: 95). The CTS provided a wide range of educational programmes, from high school level, university level to vocational training

programmes (CTS 2007: 7-9). Therefore, the CTS has been famous for its educational programmes.

With the lift of martial law, the movement for media reform has been developed (Kuan & Chang 2005; Lin 2005). One of the main focuses of the media reform lay in the freedom of terrestrial television from the government control (Wang 1993). In the particular historical contexts, the old three stations had developed as government-controlled commercial broadcasters. The reform of freedom of terrestrial television had developed in two approaches (CMLT 2002). One approach supported the privatisation of the old three stations. The advocates of this approach thought that terrestrial television could be independent of the government of the day through the privatisation (Cheng 2005).

The privatisation approach believed the free market was the solution for terrestrial television but it did not consider the possible commercial influence on terrestrial television. The other approach proposed that the old three stations should transform into public service broadcasters. The exponents of this approach argued that terrestrial television should not only be independent of the government but also be free of commercial pressures (Lin 2005: 183).

These two approaches both had their own supporters. After the DPP won the presidential election in 2000, the DPP government planned to remove the KMT's control over the old three stations. Su Cheng-Ping, Minister of the GIO at the time, announced that the TTV and the CTS would transform into public television in 2001 (Lin, S.L. 2001). Su's announcement triggered the arguments about the privatisation and publicisation⁸ approach to the media reform (Kuo 2001). In addition, the pan-blue parties⁹ also were worried about the difficulties with finance and the possible influence of the government on public television (Lin, C.C. 2001).

After a series of debates, the DPP government brought out an idea in 2002, which was that one should become a public broadcaster and the other a private broadcaster (Chien 2004: 8). In 2005, the GIO confirmed that the TTV would transform into a private television broadcaster and the CTS would transform into a public television broadcaster (GIO 2005c). The DPP government sent the draft of the Regulation of the Government-owned Shares of Terrestrial Television Enterprises as a legal regulation for the privatisation and publicisation of the old three stations to the Legislative Yuan

⁸ The media reform campaign was to transform the state-private television broadcasters into public service broadcasters. This is not a 'nationalisation' process. In my point of view, 'publicisation' would be the better term to describe this process.

⁹ Pan-blue parties include the KMT, the People First Party (PFP), the New Party (NP). The founders of the PFP and the NP were both members of the KMT before. They set up those new parties because of some different ideas about policies. Although they have different views of some policies, they still share some common political perspectives in general. Thus those parties are widely known as pan-blue parties.

and the Regulation of the Government-owned Shares of Terrestrial Television Enterprises was passed in 2006.

According to the Regulation of the Government-owned Shares of Terrestrial Television Enterprises, the CTS joined the TBS on 1 July 2006. The CTS has begun to transform from a government-controlled commercial broadcaster to an advertising-supported public broadcaster.

Current conditions

In respect of the organisational issues, after the CTS joined the TBS, the CTS still keeps its own board of governors. However, most governors came from the PTS or had connections with the PTS and the chairman of the PTS has also become the chairman of the CTS (CTS 2007: 1). In relation to the department integration, the PTS and the CTS tried to combine some of their departments in order to reach the goal of resource integration (CTS 2007: 1-2). The news departments of these two stations were combined as the first step of collaboration between these two stations (CTS 2007: 1). This integration was not successful because of the differences in direction of

news production and the differences in company culture.¹⁰ The integration and collaboration of these two stations have become a significant task for both stations.

With regard to the financial issues, according to the Regulation of the Government-owned Shares of Terrestrial Television Enterprises, the CTS gave the government-owned shares, which was 71.16 per cent of total shares, to the PTSF in 2006 (CTS 2007: 1). Therefore, the PTS has become the biggest shareholder of the CTS. This was a 'conditional gift' in legislative terms. In return for this conditional gift, the CTS asked for the state subsidy to cover its loss. After joining the TBS, there are stricter regulations on advertising for the CTS (CTS 2007: 2). For example, the CTS cannot have advertisements in children's programmes, cannot have political parties' advertisements, and cannot have religious programmes or advertisements. This change would strongly affect the advertising revenue of the CTS. According to a senior member of staff at the CTS, each commercial terrestrial television station had around NT\$80 to 90 million (£1.45 to 1.64 million) in advertising revenue during the presidential election in 2008 but the CTS had nothing.¹¹ Before the CTS joined the TBS, the CTS's financial balance had been in a deficit (CTS 2007: 6). With the stricter regulations on the advertising, it seems that the CTS faces an even more

¹⁰ There are more discussions on the conflicts of the integration of two news departments in Chapter Six.

¹¹ The amount of the advertising revenue is based on Su Fang-Yu's interview.

difficult situation as an advertising-supported broadcaster. The CTS has to find the way to balance its finance.

In respect of the programming of the CTS, the income of the CTS had always come from the advertising revenue. This caused the CTS to produce popular programme to attract a huge number of viewers in order to gain enough advertising revenue to maintain its operation. The CTS realises that its advertising-supported characteristic in its programmes would still need to focus on popular programmes, such as drama and entertainment programmes, after joining the TBS (CTS 2007: 2). This also distinguished the difference in the strategy of programming between the CTS from the PTS. Under the banner of the TBS, the PTS aims to provide public service-oriented programmes whereas the CTS aims to provide populist programmes (CTS 2007: 2).

With the introduction of digital television, the CTS was assigned a 6MHz frequency for digital television use, which can offer three standard digital television channels. These three channels are the CTS main channel, CTS IQ (educational and cultural channel), and CTS EQ (leisure channel) (CTS 2007: 6). The main channel provides the same programmes as its analogue terrestrial channel does, and is a generalist channel. As discussed above, the CTS has also provided educational programmes for many years. The new digital television platform offers more spaces for the CTS's

educational programmes. With regard to the leisure channel, most programmes of this channel are life style programmes, which aim to provide leisure activity information.

Challenges

The first challenge the CTS faced is relevant to the regulatory issues. As the PTSF has become the biggest shareholder of the CTS and controlled the board of governors of the CTS, the PTSF seems to become the CTS's boss. However, there are some regulatory problems needed to be solved. First, the programme practice of the PTS needs to follow the Public Television Act but the CTS's programmes need to follow the Radio and Television Act. These two television stations have different programme practice directions, which potentially could cause the conflicts between these two stations. Second, the PTS cannot have advertising according to the Public Television Act but the income of the CTS is mainly from the advertising revenue. The commercial activities of channels under the banner of the TBS need to be carefully reviewed.

The second challenge relates to the financial issues. The advertising revenue of the CTS has declined since the introduction of cable television (Yeh 2007). The financial condition of the CTS is facing a more serious challenge nowadays. There are two reasons for this. First, the CTS has to follow the stricter regulation on advertising

activities. This has caused a decrease in advertising revenue. Second, the CTS had one channel to operate in the analogue age and now has three channels in the digital age. The operational costs are rising, but income has not increased. With the increase in costs and the decrease in income, the CTS is facing more serious financial conditions.

The third challenge is connected with the restructuring of the TBS. In theory the formation of the TBS should have resulted in an integration and sharing of resources. There are some problems needed to be solved in practice. The most obvious example is the conflicts in the integration of the news departments. The CTS was one of the biggest television stations in Taiwan and has over a 30-year history. It has developed its own culture. Although the PTS does not have a long history, it also has its own culture. There might be some conflicts with the integration of these two television stations. There was no model for the process of transforming from a government-controlled commercial broadcaster to a public service broadcaster. The CTS needs to find its own way to complete the transformation.

The development of Hakka TV

Background

According to the official data, the total population in Taiwan was at this time around 23 million and the population of Hakka people was around 4.3 million (18.6 per cent)

(CHA 2008). According to the research conducted by the Mackay Memorial Hospital, it is believed that there are four constituent ethnic groups in Taiwan, which are Hoklo, Hakka, Mainlanders¹² and Taiwanese Aborigines. The proportion of Hoklo is 73.3 per cent, Hakka is 17.5 per cent, Mainlanders is 7.5 per cent and Taiwanese Aborigines is 1.5 per cent (Tseng 2008: 2). Although Hakka is the second biggest ethnic group in terms of population, they still have faced the problem of the loss of their culture and language. It is thought that Hakka culture has not gained attention in the past and has not been preserved properly because the KMT government suppressed the local Taiwanese culture including Hoklo, Hakka and aboriginal culture under its authoritarian regime (Tseng 2008: 21).

After the lift of martial law in 1987, Taiwan has changed from a dictatorial regime to a democratic society. Alongside this change, the awareness of local communities and culture has been raised. During the presidential election in 2000, Chen Shui-Bian announced the idea of the establishment of Hakka TV (NBCCC 2000). Chen Shui-Bian won the 2000 presidential election and Hakka TV was founded in 2003.

When Hakka TV was established, the disputes and questions have also been raised. First of all, it was thought that the establishment of Hakka TV was more a political consideration than a cultural consideration (Chen 2003). There were only 45 days

¹² Mainlanders are referred to the people from mainland China after Chinese civil war.

from its preparation to its establishment (Hakka TV 2008). The rush in the establishment of Hakka TV can be attributed to the fact that Chen Shui-Bian asked that the establishment of Hakka TV had to be done before the 2004 presidential election that Chen was seeking for his second presidency. The establishment of Hakka TV could have been one of his political achievements.¹³ In addition, it was thought that the majority of Hakka voters were in favour of the KMT, and that the establishment of Hakka TV might change their voting behaviour (Chao & Chen 2004). This rush for the establishment of Hakka TV was criticised as a ‘cultural bribe’ (Feng 1993).

The other evidence showing that the establishment of Hakka TV was more political considerations than cultural considerations is that Hakka TV was not a television station but a ‘bid’. Hakka TV was designed to be commissioned to be operated by other broadcasters. This design had two problems. First, members of staff at Hakka TV felt unstable about the job and uncertain about the future. This in turn caused difficulties in attracting talented staff and of providing training courses (Tseng 2008:7). Second, it was difficult to have a long-term plan for programming (Tseng 2008:7). These problems seemed to be partly solved when Hakka TV joined the TBS.

¹³ Chen Shui-Bian took the establishment of Hakka TV to be one of his political achievements during the presidential election campaign.

According to the Regulation of the Government-owned Shares of Terrestrial Television Enterprises, Hakka TV has been entrusted to the PTS since 2007. Hakka TV personnel now have a more stable working environment and there can have long-term plans for programming. In the following part, we review the current conditions of Hakka TV from three aspects, which are the organisational, financial and programming aspects.

Current conditions

With regards to the organisational aspects, Hakka TV was designed to be entrusted to other broadcasters when it was established. During 2003 to 2005, Hakka TV was entrusted to the TTV, and in 2006 it was entrusted to the Eastern Broadcasting Company (EBC). From 1 January 2007, Hakka TV was entrusted to the PTS. It can be understood that Hakka TV existed in an unstable working environment. As discussed above, the TTV was a government-controlled commercial broadcaster. The EBC is one of the biggest cable operators and content providers. The incomes of the TTV and the EBC are both mainly from advertising revenue. In other words, they are profit-driven broadcasters. Under these circumstances, Hakka TV had difficulty in fulfilling its public service remits when it was entrusted to the TTV and EBC. In addition to the unstable working environment, commercial-orientated programming

also hindered the performances of Hakka TV in terms of dissemination of Hakka culture and language.

After joining the TBS, Hakka TV seems to have a stable working environment. More importantly, the TBS aims to provide public services for audiences and this idea is akin to the public service ideas behind Hakka TV.

During the time that it was entrusted to the TTV, Hakka TV could be watched via cable and digital terrestrial television platform. This is because that the TTV had been assigned a frequency for digital terrestrial television experimental use in 2004. When Hakka TV was entrusted to the EBC, the EBC provided cable television and overseas satellite television platform¹⁴ for viewers to watch Hakka TV. Hakka TV recognised the importance of digital terrestrial television and asked the PTS to provide a space for Hakka TV. Therefore, Hakka TV still could be watched via digital terrestrial television under the EBC.

In respect of the financial aspects, when Hakka TV was entrusted to the TTV and the EBC, the TTV and the EBC had to be solely responsible for its profits and losses.

During that period, Hakka TV also depended on advertising revenue as its main financial source. After joining the TBS, Hakka TV gains a NT\$440 million (£8

¹⁴ The EBC provides satellite television services for overseas Taiwanese viewers, including North America, Europe and south-east Asia.

million) state subsidy each year (PTSF 2008b). The state subsidy has become the main financial source of Hakka TV. However compared to other television broadcasters, the scale of the financial resource of Hakka TV is small.

With regard to the programming aspects, because of the 'bid' characteristic and the small audience market, the TTV and the EBC would not invest a huge amount of money in Hakka TV programmes. After Hakka TV had been entrusted to the PTS, the situation seems to be improved. The director of Hakka TV thought that after joining the TBS, there could be long-term plans for programming. In respect of the language use in Hakka TV, it is the only television channel which has subtitles in every programme, including the news. The purpose of using subtitles is to allow people who do not understand the Hakka language to understand the content of the programmes and also to help viewers to learn the Hakka language. After the digital switchover, Hakka TV might adopt hidden subtitle technology so that viewers who understand the Hakka language can watch programmes without subtitles and viewers who do not understand the Hakka language can watch programmes with subtitles.

With regard to programme genres, Hakka TV focuses on drama and life style programmes. The proportion of these two genres of programmes reached 44.7 per cent of total programmes (PTSF 2008b: 28). Hakka TV also puts emphasis on 'public

access' programmes. Hakka TV encourages people to participate in programme productions. On the one hand, it can promote its programmes and let more people know about Hakka TV. On the other hand, public access programmes are seen as a part of media literacy. Through this kind of programming, people can understand the process of the production of television programmes and become (hopefully) a smart audience.

Challenges

It seems that Hakka TV found the solution to the bid characteristic after joining the TBS. There are, however, some problems remaining and some new problems that have emerged. The discussion of these challenges is divided into three aspects, which are the regulatory, financial, and organisational aspects.

The first challenge is relevant to the regulatory issues. According to the Regulation of the Government-owned Shares of Terrestrial Television Enterprises, Hakka TV is entrusted to the PTS. It seems that the PTS has become Hakka TV's boss. However, Hakka TV still has to submit its annual report to the Council for Hakka Affairs every year. In addition, the state subsidy to Hakka TV comes from the Council for Hakka Affairs. Ultimately Hakka TV has two bosses. If these two bosses have conflicts of interests, Hakka TV is put in an embarrassing position.

The activities of the PTS including programme production and financial activities are regulated by the Public Television Act. When Hakka TV has been entrusted to the PTS, should Hakka TV also follow the Public Television Act? The answer to this question is still ambiguous. It seems that Hakka TV should not be regulated by the Public Television Act because the subject of this Act only refers to the PTS. The further question is what law should apply to Hakka TV. Hakka TV can be watched via digital terrestrial television and cable television platforms. There is no law to regulate digital terrestrial television in Taiwan now. The Cable Radio and Television Act embodies the legislative regulations that Hakka TV should follow for now. This indicates the ambiguity of regulatory issues. The amendment of relevant Acts and a clear-cut regulatory body are the main tasks policymakers should face.

The second challenge is connected to the financial issues. After joining the TBS, the main income of Hakka TV was from the state subsidy, which is around 99 per cent of the total income. The income of Hakka TV is not much in terms of a television broadcaster. Hakka TV is allowed to have advertising because its commercial activities are not constrained by the Public Television Act. However Hakka TV has not had advertising since it joined the TBS. This is because of two reasons. First, Hakka TV realised that it is difficult to use advertising revenue as its main financial source because of the small audience market. Although the total population of Hakka

people is around 4 million, those that can speak the Hakka language are less than 2 million (Tseng 2008). The number of people watching Hakka TV is much less. According to the ratings, the average ratings of Hakka TV were 0.03 per cent (PTSF 2008b: 31). These low ratings mean that it is not easy to attract advertisers to buy advertising time. Second, Hakka TV sees itself as a public service broadcaster and hopes that its programming can be free from commercial pressures. Thus Hakka TV decided not to have any advertising.

With the introduction of digital television, Hakka TV recognised it does not have enough financial resources to cope with the changes. Therefore, among the TBS, the major responsibility for digital switchover lies in the PTS and the CTS. This is because the PTS and the CTS have more resources than other TBS channels. With the limited resources, Hakka TV does not have its own project for the development of digital television.

The third problem Hakka TV faces, after joining the TBS, is that of restructuring. One purpose of the formation of the TBS is to integrate resources from each channel. For example, the PTS and the CTS can provide the hardware facilities and there can be exchanges of programmes among different channels. In the hardware aspect, Hakka TV moved into the PTS's building and uses the PTS's production facilities. Hakka

TV staff needs to follow the regulation that the PTS have made. In the managerial aspect, the highest managerial level in the PTS is the board of governors which is responsible for the policymaking of the PTS. The director-general of the PTS is responsible for daily operation and implement the policy the board of governors have set up. Hakka TV also has its own director. According to the PTS's organisational structure, the director of Hakka TV is under the board of governors and the director-general of the PTS. Will this hierarchical structure influence the autonomy of Hakka TV? This situation needs to be carefully examined.

At the departmental level, the issue is about the integration of departments from different channels. For example, the PTS and Hakka TV both have a programme department. Should these two departments integrate into one department to be more efficient? It is thought that Hakka TV programmes have particular characteristics, and therefore should be produced independently (Tseng 2008). This might be a better way to express Hakka culture and language.

In addition to the problems discussed above, there is a core debate concerning Hakka TV. It focuses on the justification for the existence of Hakka TV. The opponents of the existence of Hakka TV argued that the ratings of Hakka TV were very low, which means there were only a few people watching Hakka TV, even within the Hakka

communities (PTSF 2008b: 33). The argument concerns whether there should be a Hakka channel or just some Hakka programmes put on other channels, and the disproportionate amount of government spending on Hakka TV (Chen 2003). On the contrary, the exponents of the existence of Hakka TV argued that Hakka TV is an important institution which protects Hakka culture and language from extinction. Furthermore, the communications rights of Hakka people will be undermined if there is no a specific Hakka TV channel (Tseng 2008).

The development of Taiwan Indigenous Television

Background

The population of Taiwanese Aborigines is around 500,000 and made up around 2.2 per cent of total population in 2009 (DGBAS 2010). It is thought that Taiwanese Aborigines are the earliest habitant in Taiwan (TITV 2010). However Taiwanese Aborigines have been gradually losing their culture and languages since Han Chinese¹⁵ have come to Taiwan in the 16th century (TITV 2010).

Under the KMT authoritarian regime, only few television programmes were allowed to use non-Chinese Mandarin languages. It is considered that the aboriginal culture

¹⁵ Over 90 per cent population in China is Han Chinese. There are four main ethnic groups in Taiwan: Hoklo, Hakka, mainlanders and aborigines. Among them, Hoklo, Hakka and mainlanders are all Han Chinese.

and languages have been neglected for many years (Chen 2007). In 1985, the first aboriginal television programme was produced by the Broadcasting Development Foundation (PTSF 2009b: 50). According to the Public Television Act, an aboriginal production team was formed in the PTS and is responsible for aboriginal programme planning and production (PTSF 2009b: 50).

After the efforts of the aboriginal elites and supports from the government, the aboriginal television service, named Taiwan Indigenous Television (TITV), was founded on 1 December 2004 (TITV 2010). After around half a year of preparation, TITV began to transmit its programmes on 1 July 2005. However it was not a television station, but a television channel under the TTV. The condition was similar to Hakka TV. TITV is a bid, which has to be entrusted to another television station. From 1 December 2004 to 22 August 2005, TITV was entrusted to the TTV. From 23 August 2005 to 31 December 2006, TITV was entrusted to the EBC (Chen 2007: 4).

Since 1 January 2007 TITV has been part of the TBS according to the Regulation of the Government-owned Shares of Terrestrial Television Enterprises.

Since TITV was established in 2004, there have been several arguments about its programme performances. First, in 2005, Premier Hsieh visited aboriginal tribes and gave LCD TV to aborigines. TITV broadcast the whole visit and then edited it into a

one-hour special programme and broadcasted it repeatedly. Second, TITV broadcast two election campaign events in 2005 for the DPP, the ruling party at that time. Therefore, TITV was criticised as a propaganda tool for the government of the day (Chen 2007: 7).

TITV programmes also were criticised for comprising too few of original productions (Chen 2007: 9). Most programmes were bought from other content providers but not produced by TITV itself. This condition was attributed to the 'bid' characteristic. The TTV and EBC were both commercial broadcasters. Their aim is to make profits. They preferred buying programmes from others to producing programmes by themselves in order to save more money.

Current Conditions

With regard to the organisational aspects, after joining the TBS, it seems that TITV has benefited from this integration in terms of the hardware dimension. TITV has had its own office and can use the PTS's production facilities. However, the argument about whether TITV should join the TBS has not been ceased even after the integration (TITV 2009). The biggest conflict between the PTS and TITV was the appointment of the director of TITV in 2006. The Regulation of the Government-owned Shares of Terrestrial Television Enterprises was passed and came

into effect in 2006. TITV began to be entrusted to the PTS from 2007 according to the Article 14 of the Regulation of the Government-owned Shares of Terrestrial Television Enterprises. The PTS began the process of selection of the director of TITV in 2006. The PTS chose a Han Chinese as a new director instead of an aborigine. Not surprisingly objections were raised among aboriginal communities (Chen 2007: 8). In order to cease the argument, the director supported by the PTS decided to resign. This conflict was resolved eventually after an aborigine was selected as a new director of TITV. Although this conflict ended, it indicated that there was tension between the PTS and TITV.

In respect to the financial issues, the main financial source of TITV comes from the state subsidy. The amount of the state subsidy is around NT\$330 million (£6 million) each year (PTSF 2009b: 88).

When discussing the programming of TITV, TITV was criticised that the proportion of original programmes was too low when it was entrusted to the TTV and the EBC (Chen 2007). This situation seems to be improved after joining the TBS. The proportion of self-produced (including commissioned) programmes was 76 per cent in 2008 (PTSF 2009b: 70). In terms of programme genres, there are five major programme genres, which are news, documentary programme, entertainment

programme, educational programme and talk shows (PTSF 2009b: 64). The proportion of news programmes (including news, news magazine and current affairs programmes) reached 56 per cent (PTSF 2009b: 70). This proportion is much higher than other channels (Hakka TV 22.7 per cent; the PTS 25 per cent). The reason for this is that different aboriginal tribes have different languages. TITV broadcasts news in different languages so the air-time of news is more than other channels.

Challenges

TITV and Hakka TV have the similar goals; they both aim to provide services for particular minority groups and try to preserve and disseminate their culture and languages. In addition, they have similar organisational characteristic. They were both created as a form of 'bid' and were entrusted to commercial broadcasters before they joined the TBS. Because of these similarities, they have faced similar challenges and problems. Like Hakka TV, the challenges TITV is facing can be discussed from three aspects, which are the regulatory, financial and organisational aspects.

In respect of the regulatory aspects, similar to Hakka TV, the PTS seems to have become TITV's boss after TITV joined the TBS. However, the main financial support of TITV comes from the Council of Indigenous Peoples and TITV needs to submit its annual report to the Council of Indigenous Peoples for reviewing its performances.

This dual-governing model might encounter problems if these two governing bodies have conflicts.

With regard to the financial issues, the financial resources of TITV are small compared to other television channels. However, there have been arguments about the state subsidy. Some think that the state subsidy is too much in terms of the proportion of the population.¹⁶ The proportion of aborigines is 2.2 per cent but the ratio of the subsidy for TITV to the PTS is 1 to 3.¹⁷ The proportion of Hakka people is 17.5 per cent and the ratio of the subsidy for TITV to Hakka TV is 1 to 1.3.¹⁸

In respect of the organisational aspects, since TITV has joined the TBS, there have been problems with the organisational integration. The appointment of the director of TITV and the recruitment of members of staff in TITV have both highlighted this problem. There are also still arguments about whether TITV should leave the TBS (TITV 2009). How to resolve the conflicts between the PTS and TITV has become an important task for both channels.

¹⁶ Professor Feng Chien-San made an argument about the proportion of state subsidy to TITV in the forum for the Development of Indigenous Communications Policy and Television.

¹⁷ According to the PTS Annual Report 2008 and TITV Annual Report 2008, the state subsidy for the PTS is NT\$900 million and for TITV is NT\$330 million.

¹⁸ According to the Hakka TV Annual Report 2008 and TITV Annual Report 2008, the state subsidy for the Hakka TV is NT\$440 million and for TITV is NT\$330 million.

The development of Taiwan Macroview TV

Taiwan Macroview TV (Macroview TV) was founded in 2000 and aims to provide programmes and services for overseas Taiwanese (Macroview 2009; PTSF 2009a: 35; Chien 2004: 54). In addition, Macroview TV is also considered to be a representative of Taiwan to the world and a platform for other countries to know more about Taiwan (Macroview 2009; PTSF 2009a: 35). Macroview TV uses eight satellites to transmit its programmes and most countries can receive its signals except some parts of Africa (PTSF 2007: 35). In order to receive Macroview TV, viewers have to have a satellite dish. Installing satellite might be a technological obstacle for some potential viewers. Furthermore, this might affect their willingness to watch Macroview TV.

Similar to Hakka TV and TITV, Macroview TV was entrusted to other broadcasters before it joined the TBS (PTSF 2009a: 35). The old three stations had all been Macroview TV's trustee respectively from 2000 to 2006 (Macroview TV 2009). According to the Regulation of the Government-owned Shares of Terrestrial Television Enterprises, Macroview TV joined the TBS on 1 January 2007.

The income of Macroview TV comes mainly from the state subsidy. The Overseas Compatriot Affairs Commission (OCAC) is the government agency in charge of the

budget for Macroview TV. The amount of the state subsidy was around NT\$145 million (£2.6 million) per year (TBS 2007).

The programme genres of Macroview TV include news, current affairs, entertainment programmes and drama (PTSF 2009a: 35). The news and current affairs programmes were the major genre on Macroview TV and these two types of programmes accounted for 37.2 per cent of programmes (PTSF 2009a: 35). And 22.3 per cent of programmes were drama (PTSF 2009a: 35).

In terms of sources of programmes, 74 per cent of programmes were bought from other content providers and 26 per cent of programmes were produced by Macroview TV (PTSF 2009a: 35). This shows that Macroview TV does not focus on programme production but put more emphasis on the scheduling.

In respect of language use, Macroview TV provides daily news in five languages including Chinese Mandarin, Taiwanese, Hakka, Cantonese and English (Macroview TV 2009). This indicates that Macroview TV does not only provide programmes for Taiwanese but also provides programmes for Chinese and other people from different countries who want to know about Taiwan.

With the rapid development of digital technologies, Macroview TV has also exploited the digital technologies to provide more services and try to reach more audiences.

Macroview TV has used IPTV (Internet Protocol Television) to provide programmes and provide video on demand (VOD) services (Macroview TV 2009). In addition, Macroview TV also set up its own channel on Youtube providing another way to watch its programmes (PTSF 2009a: 35). It seems that using the Internet to watch television may be more convenient than using a satellite dish. As mentioned above, installing a satellite dish might be a troublesome task for some people. The Internet may provide an easier way to watch Macroview TV.

In this chapter, I reviewed the development of public service broadcasting in Taiwan. After reviewing this development, it can be concluded that although the public service broadcasting institution has expanded, the public service broadcasters are still in the marginal position in the television market. In the following chapter, the focus shifts to the development of digital television in Taiwan. After understanding the development of public service broadcasting and digital television, it is possible to further explore the impact of the introduction of digital television on public service broadcasting.

CHAPTER FIVE: THE DEVELOPMENT OF DIGITAL TELEVISION IN TAIWAN

In the previous chapter, the development of public service broadcasting in Taiwan was reviewed. In this chapter, the focus is placed on the development of digital television in Taiwan. The discussion in this chapter is divided into three sections based on the different delivery platforms of digital television. First, the focus is placed on digital terrestrial television. It is thought that the introduction of digital television has had a great influence on terrestrial television and most digital television policies also concentrate on terrestrial television (Chang 2006).

In the second section, the focus shifts to digital cable television because cable television is the major platform for viewers to watch television in Taiwan (Chuang 2008). The development of cable television in Taiwan will be reviewed first. Although this development was already discussed in the previous chapter, in this chapter, the discussion will be more detailed. Then I will explore the development of digital cable television and point out the challenges it faces.

In the third section, the other delivery platforms of digital television will be examined. The focus in this section will be on the development of MOD (Multimedia On Demand), which is provided by the biggest telecommunications company in Taiwan.

At the end of this chapter, the discussion will put the different platforms together and the characteristics of the development of digital television in Taiwan will be pointed out.

5.1 Digital Terrestrial Television

The first policy on digital television in Taiwan can be traced back to 1991. The government announced the 'High Definition Video Industry Development Initiative' in 1991 and formed the 'High Definition Video Industry Development Task Force' in October 1992 (Lee 2007: 26; Tu 2005: 104; GIO 2004a). This policy aimed to facilitate the development of digital and high definition television and there were six committees set up under the task force. They were in charge of industries collaboration, transmission regulations and standards, broadcasting system, research development, personnel training and multimedia programmes development (Lee 2007: 26; Tu 2005: 104). It is found that at the beginning the digital television policy in Taiwan focused on the development of 'high definition television' (Tu 2005: 105).

After five-year's development of high-definition television but without significant progress, another policy on digital television in Taiwan was formulated in 1997, which focused on digital terrestrial television (Chang 2006: 52). The policy objectives were to (1) accelerate the development of television industries; (2) build a digital

television environment; and (3) improve the competitiveness of industries. In November 1997 the National Information Infrastructure Task Force (NII Task Force)¹⁹ set a timetable for the development of digital terrestrial television (GIO 2004b). According to this timetable, the digital terrestrial television trial would start in 1999 and nationwide trials would start in 2001. In addition, analogue signals would be switched off in 2006 with the condition that the penetration of digital terrestrial television should have reached 85 per cent (GIO 2004b; ATTN 2000).

The implementation of the development of digital terrestrial television began shortly after the announcement of the policy. Each terrestrial broadcaster gained a 6MHz frequency for the digital television trial. This frequency was known as the first single frequency networks (SFN). With regard to the adoption of transmission standards, on 8 May 1998, the MOTC announced that Taiwan digital terrestrial television would adopt the US standard, known as the ATSC (Advanced Television Systems Committee) standard. The terrestrial television stations had begun their preparation for the digital terrestrial television trial. However, on 23 June 2000, the Taiwan Digital Television Committee (DTVC)²⁰ suggested that the MOTC should re-evaluate the transmission standards. Nevertheless, a few days later, the digital

¹⁹ NII Task force was set up by the government in order to build the national information infrastructure and promote the information industry development.

²⁰ DTVC (Taiwan Digital Television Committee) was established on 12 August 1998 and its mission is to promote the development of digital terrestrial television. The members of the DTVC includes terrestrial television broadcasters, television set industries, computing industries and government-related research departments.

television trial was started, which still adopted the US standard, on 27 June 2000. However, the digital terrestrial television trial faced some technical difficulties. After one year, the MOTC announced to adopt a technological neutrality policy in 2001 (Tu 2005: 106). Since then, the digital terrestrial television standard has changed to adopt the European standard, known as the DVB-T standard (Tu 2005: 109).

In respect of constructing digital terrestrial television infrastructure, in November 2000 the Association of Terrestrial Television Networks (ATTN)²¹ proposed a project to the government which was approved by the government (ATTN 2000). The five terrestrial television stations have collaborated in the development of digital terrestrial television and begun to build the digital television infrastructure, such as digital transmission towers. Each of the five terrestrial television broadcasters has been responsible for some specific tasks. For example, the TTV was responsible for the construction of the transmitter in southern Taiwan. The building of the central transmitter was the CTV's responsibility. The CTS was in charge of the construction of the transmitter in Sanyi (northern Taiwan). The FTV was responsible for EPG/CA/Data broadcasting. The PTS was in charge of programming and EPG/CA/Data broadcasting (collaborating with the FTV) in this project. This project

²¹ ATTN (Association of Terrestrial Television Networks) was established in 16 March 1970 and its missions are to conduct academic research, train television staff, improve television technology and develop the television industry. Its members include staff of five terrestrial television stations in Taiwan.

also mentioned the formation of a common transmission company, which was to be established after the completion of the infrastructure construction (ATTN 2000). This was the first document mentioning a common transmission company.

According to the government's policy objectives, the digital television trial should have begun in 1999 and launched nationwide services in 2001. However, the first digital television signals were transmitted in 2002 and only part of western Taiwan could receive them (Tu 2005: 110). By on 1 July 2004 all the five terrestrial television stations have transmitted digital signals and provided multichannel services all around Taiwan (Tu 2005: 110).

In 2001, the construction of the national information infrastructure had come to an end and the government planned to promote the applications of information technology. The NII task force and other task forces under the Executive Yuan have combined and formed a new task force named the National Information and Communication Initiative Committee (NICI Committee), which aimed to facilitate the development of information industries including digital television (Tu 2005:106). Therefore, the NICI has become the government agency, which is responsible for the development of digital television.

In 2002 another government agency, the Council for Economic Planning and Development (CEPD), announced a five-year project of national developments, in which the development of digital television would be a sub-project (CEPD 2002). This project included the establishment of digital terrestrial television platform and the development of the television industries. According to this project, the government would draw up a budget for the building of transmission equipment. The total amount of the budget for the development of digital television was around NT\$2.4 billion (£44 million) (CEPD 2005).

As the date for digital switchover was approaching, the government realised that the goal of the completion of digital switchover in 2006 was impossible. In September 2005 the government set a new timetable for the digital switchover, which planned to switch off analogue signals region by region from 2008 to 2010 (NICI 2005). In addition, this plan also set the visions of the development of digital television, which were (1) popularising digital television; (2) diversifying digital channels; (3) providing quality digital content; and (4) minimising digital divide (GIO 2004b). This plan was not documented in government white papers or any policy documents. It can only be found in the government office minutes and government news release (GIO 2005b; NICI 2005).

In order to promote the development of digital terrestrial television, the government drew the draft of the Regulation of the Promotion of Digital Terrestrial Television in 2005 (GIO 2005b). It did not only set the timetable for digital switchover, but also mentioned the subsidy to digital television sets in order to accelerate the take-up rate of digital television (GIO 2005b). However, this Regulation has not been passed in the Legislative Yuan. Therefore, there are still no Acts or Regulations on the development of digital television.

In 2006 the government approved the ‘Two-Year Project of Public Broadcasting, Cultural Creation and Digital Television Development’ and the PTS gained a NT\$440 million (£8 million) budget (GIO 2005a). This project was divided into four sub-projects, which were (1) the establishment of HDTV; (2) the establishment of DVB-H (mobile television); (3) the establishment of the second single frequency networks; and (4) the establishment of digital database.

In respect of the development of HDTV, the PTS began their experimental broadcast in May 2008 (PTSF 2009a). Only in Taipei and Kaohsiung (the two biggest cities), can the HDTV signals be received now (DTVC 2010b). Although the development of HDTV in Taiwan is still in the fledgling stage, it is thought that the development of HDTV is the trend in digital television (DTVC 2010b). The terrestrial broadcasters

also have noticed this trend and put more emphasis on the development of HDTV (Yeh 2007).

Current conditions and challenges

The terrestrial broadcasters provide 15 digital channels including six public service channels (see Table 5.1). The coverage of digital terrestrial television was 71.8 per cent in 2008 (CEPD 2008: 11). The penetration, however, was only 6.8 per cent (Chuang 2008). Digital terrestrial television has developed over ten years but its penetration is still low. This can be attributed to three reasons, which are the uncertainty of policies, financial limits and viewers' attitudes.

Table 5.1 Digital Terrestrial Television Channels

	Broadcasters	Channels
Commercial Broadcasters	TTV	TTV Main
		TTV Health & Leisure
		TTV Financial
	CTV	CTV Main
		CTV Entertainment
		CTV News
	FTV	FTV Main
		FTV Transportation
		FTV News
Public Service Broadcasters	PTS	PTS Main
		Dimo TV
		Hakka TV
	CTS	CTS Main
		CTS IQ
		CTS EQ

Source: DTVC 2010a

The uncertainty of policies

The first reason for the low penetration and the slow take-up rate is related to the uncertain policy. The government announced digital television would adopt the ATSC standard in May 1998. This decision was made without a wide range of discussion and careful considerations. After the trial in 2000, the broadcasters found that the ATSC standard was not fit for Taiwan's environment (Tu 2005: 106-108). Therefore, the terrestrial television broadcasters recommended that the government should rethink the digital television standards (Tu 2005: 106). In May 2001, the government announced to adopt the technological neutrality policy. One month later, the terrestrial television broadcasters decided to adopt the DVB-T standard in June 2001. The terrestrial broadcasters spent three years on an unsuitable transmission standard. Hence, the change in transmission standards caused a delay in the development of digital terrestrial television.

The uncertainty of licensing methods also was (and still is) a problem in the development of digital terrestrial television. Due to the particular development of television in Taiwan, the incumbent terrestrial television broadcasters gained their licences without any charge and just with little responsibility for public service remits. They also gained the experimental digital television frequencies without any charges.

After the National Communications Commission (NCC) was established, the NCC tried to find a method to regulate the license the multiplex licences. When the NCC brought out the ‘merit-assessment plus auction’ measures for licensing digital television licences, the incumbent terrestrial television broadcasters expressed their opposition (Yu 2007a). The result was that the incumbent terrestrial television broadcasters gained their digital television licences via amending their operation proposals which were originally submitted for their analogue licences (GIO 2009). Inside the government, there were also arguments about the licensing method and how many licences are to be released (NICI 2007). After discussion in the government offices, the MOTC announced that the government will release seven multiplex licences, known as the second SFN, in 2010 (Liu 2009). The auction method may be adopted for licensing but the details are still under discussion (Liu 2009).

In short, the first SFN multiplex licences were assigned to the five incumbent terrestrial broadcasters without charges. The merit-assessment plus auction or purely auction method might be adopted to licence the second SFN multiplex licences. The arguments between the government and the incumbent terrestrial television broadcasters and arguments between different government offices both caused the

uncertainty in the licensing methods. This condition further caused the slow progress of the development of digital television.

The change of timetables for digital switchover is also considered to be one of the uncertainties in the overall policies. The change of timetable was not entirely the fault of the government. The low penetration and the slow take-up of digital television made the government had to change the timetable. But who is responsible for the slow progress of the development of digital terrestrial television? The government still need to take the majority of the responsibility. It is argued that the governments play a vital role in promoting digital television in most countries (Starks 2007; Chang 2006: 50; Tu 2005: 104). The effort of the Taiwanese government in the promotion of digital television seems not to have been enough. A senior member of staff of the CTS said that:

The government doesn't promote digital television strongly. The development of digital television has been 7, 8 years. However, not many people really know what digital television is. Not many people know how to receive digital television signals. I think this is the government's responsibility. Business is business. If the government does not strongly promote digital television, the commercial television would not invest too much. (Su)

In reviewing the development of digital terrestrial television in Taiwan, it can be observed that several government offices were involved in the process of policymaking. We can see the NII Task Force, the NICI Committee, the GIO, the MOTC, the Ministry of Economic Affairs (MOEA) and the NCC were all involved in this process. It is undeniable that the policy on digital television is not solely related to broadcasting affairs, but also is related to a wide range of issues regarding the convergence of broadcasting, telecommunications and computer technologies, and even the growth of the economy. The collaboration among different government offices is inevitable. However, the condition of having multi-headed regulators also has brought some problems. First, the decision-making is inefficient. According to the minutes of the NICI Committee, it is noticeable that some issues have to be taken back to other government offices for further discussion (NICI 2007; NICI 2005). The decision-making is, thus, becoming a long and slow process. Second, there are some arguments among different government offices. For example, there are different ideas about the licensing methods of digital television licences from different government offices (Yu 2007b). The dispute between different government offices also leads to the slow process of decision-making.

As a result, the government has faced the question whether Taiwan needs a new regulatory agency responsible for the digital television policy and the implementation

of the digital switchover, or whether to let the NICI Committee or the NCC act as the regulatory agency responsible for the digital television policy. No matter which agency will take on the responsibility for the digital television policy, it should also be capable of solving the dispute between different government offices. These questions should be contemplated by the government.

Financial limitations

It is widely recognised that the investment in digital television is a huge amount of money (Starks 2007). It is impossible for commercial broadcasters to develop digital television without public policy support (Starks 2007). It takes around NT\$30 million (£545,000) for the upgrading of one transmission tower (ATTN 2000). This expense is paid for by the terrestrial television broadcasters themselves. This is one example and there are more expenses in the development of digital television.

With the introduction of cable television, the terrestrial television has no longer had a monopoly position in the television market. As cable television has attracted a large number of viewers, the audience shares and advertising revenue of terrestrial television have both declined prominently (Yeh 2007: 128-130). The terrestrial television has become an unprofitable industry, and some terrestrial broadcasters have faced some financial difficulties (Yeh 2007: 130). Under this circumstance, it is

difficult for the terrestrial broadcasters to invest a huge amount of money in digital television without any extra incomes. This has caused a reluctant attitude on the part of the terrestrial broadcasters towards the investment in digital terrestrial television.

Although the government has drawn some budgets for the development of digital television, these budgets were mainly placed on the hardware constructions. After the completion of the construction work, the terrestrial television broadcasters still need to spend money on the maintenance and operation. This is another expense that the terrestrial television broadcasters need to consider. Furthermore, with the uncertainty of the timetable for digital switchover, it is difficult for the terrestrial television broadcasters to make a prediction about any return in their investment.

In addition, the business model of digital terrestrial television is still uncertain. Some people think that digital terrestrial television should adopt the pay TV model (Liu 2009). The reason for this is that there will be around 40 digital terrestrial channels after the release of the frequency of the second SFN and this multichannel service may attract the viewers who have negative attitudes towards cable television (Liu 2009).

In the UK, there was a similar result from a survey supporting the argument that digital terrestrial television could be a competitor in the pay TV market (BBC 2003).

Kleinstauber (1998: 73) thought that digital terrestrial television is fit for the establishment of a pay TV system. He argued that the advertising market is saturated and television needs to find another source of income (Kleinstauber 1998). In addition, he also argued that a set-top box is the solution for interactive services. Based on these two reasons, Kleinstauber (1998) considered that digital television will become synonymous with pay TV. There is a similar argument made in Taiwan which supports the idea that digital terrestrial television should become pay TV according to the advertising saturation problem (Liu 2009).

Combining the thoughts of Kleinstauber and the proponents of the pay TV model in Taiwan, there are three reasons for the support of the pay TV model (Liu 2009; Kleinstauber 1998: 73). First, digital terrestrial television should seek for a new source of income due to the limits of advertising revenue. Second, digital terrestrial television can attract non-subscribers to cable television to become subscribers of digital terrestrial television. Third, a set-top box is an ideal tool for interactive services including pay-per-view, shopping and banking services.

Nevertheless, the pay TV model of digital terrestrial television has been proven failed in the UK after the collapse of ITV Digital (Starks 2007; Goodwin 2005). There were several reasons for the collapse of ITV Digital. Goodwin (2005: 164-168) pointed out

six reasons for the failure of ITV Digital, which included technology problem, pricing competition with BSkyB, piracy problem, restrictions on cross-promotion, the overpriced Football League deal, and the recession in the advertising market. The example of ITV Digital cannot completely be applied to other countries; however, it provides an example of the practical implementation of the development of digital terrestrial television and gives us new thoughts about the business model of digital terrestrial television.

There are some arguments that support the idea that digital terrestrial television should be a free-to-view television. The first argument is that viewers in Taiwan are used to watching free television (not direct charge from subscription or licence fee) via the terrestrial platform. If terrestrial television became a pay TV, it is uncertain that viewers would accept this change. Second, the proponents of the pay TV model have said that digital terrestrial television can provide multichannel services to compete with cable television (Liu 2009). There are only 15 digital terrestrial channels in Taiwan now and may increase to 40 channels in the near future (Liu 2009). However, the number of channels of digital terrestrial television is still far fewer than cable television which provides around 100 channels. Unless digital terrestrial television can provide so-called premium content, it is difficult to persuade

cable subscribers to switch to digital terrestrial television and also difficult to persuade analogue terrestrial television viewers to pay for digital terrestrial television.

In addition, if digital terrestrial television adopts a pay TV model, there are some further questions relevant to public service broadcasting. The first and most fundamental question is whether public service broadcasting should become pay TV. This is a disputable issue. Even though the idea of subscription as a source of income for public service broadcasting was brought out two decades ago, the subscription model for public service broadcasting has not been widely accepted now (Peacock 2004; Franklin 2001). If public service broadcasters become a pay TV, will some viewers be excluded from watching public service television? This challenges one of the basic principles of public service broadcasting which is universality. If public service broadcasters provide a free-to-view service, but commercial terrestrial television broadcasters provide pay TV services, will public service broadcasters be marginalised? Will most viewers buy a pay TV capable set-top box and only a few viewers buy a free-to-view set-top box? Or a set-top box is compatible for both pay TV and free-to-view model. Will the commercial broadcasters agree to this collaborative model? All these questions need to be considered when the government and broadcasters choose the business model for digital terrestrial television.

In short, with a large amount of investment in digitalisation, the stagnant incomes of the terrestrial broadcasters, and the uncertain business model for digital terrestrial television, terrestrial television broadcasters are cautious about their plan for the development of digital terrestrial television.

Attitudes of consumers

How to persuade viewers to switch to digital television is the core challenge in digital television policy (Starks 2007: 135). It is understood that if viewers want to watch television after the digital switchover, they will have to switch to digital television. It is a kind of compulsory policy for viewers to switch to digital television. If there is no incentive for viewers to switch to digital television, viewers may be reluctant to do this or even worse it may raise the hostile attitudes towards the digital television policy. The incentive might be the better picture quality, more programmes, more services or all of these factors (Starks 2007: 16).

The UK government commissioned several studies on the viewers' attitude toward the adoption of digital television (DTI 2004a; DTI 2004b; DTI 2003; ITC 2003). One report showed that with clear information about the benefit of the adoption of digital television, the intention of adoption will increase (ITC 2003). Another report identified the difficulties that viewers may face when they switch to digital television

(DTI 2003). The UK government further set up a support scheme to help those who have difficulties with the switch over to digital television (DCMS 2006b; Ofcom 2004b). According to the UK experience, the Taiwanese government should also conduct similar research to understand viewers' attitudes toward digital television and identify viewers' needs and difficulties. Then the government can develop proper policies concerning the digital switchover and implement the whole digital switchover smoothly.

In respect of digital terrestrial television in Taiwan, there are 15 channels but most programmes are repeats from their main channels (Lee & Huang 2009). In addition, digital terrestrial television does not provide more services than analogue terrestrial television can provide. There is not much difference between watching analogue terrestrial television and digital terrestrial television. The lack of new programmes and services is one reason that viewers are unwilling to switch to digital terrestrial television.

In addition, it is argued that there is not enough promotion of digital television and there are not many viewers who have known or heard about digital television in Taiwan (Chang 2006). If viewers do not know what digital television is, how do the government and broadcasters persuade viewers to switch to digital television? The

unfamiliarity of digital television is also one reason causing the reluctant attitudes of viewers. It is considered that the government is a vital role in digital television policy, but the digital switchover policy, however, cannot be done without the market support (Starks 2007: 17). As a result, the government and broadcasters both have responsibilities and should collaborate in promoting digital television.

As discussed above, there are several reasons for the slow progress of the development of digital terrestrial television, which include the uncertainty of policy, the financial constraints of broadcasters and the reluctant attitudes of viewers. With these obstacles to the development of digital terrestrial television, it is unlikely that the objective of digital switchover can be reached on time in 2010 (Lee & Huang 2009: 66).

5.2 Digital Cable Television

Cable television is the most widely used platform for people watching television in Taiwan. According to the official data, the share of households of cable television was 63.8 per cent by the end of 2009 (NCC 2010). In non-official surveys, the figure was higher and some surveys indicated that there are more than 80 per cent of households watching television via cable television in Taiwan (Lee 2007: 30; Chang 2006: 53). The differences in the subscription number can be attributed to two reasons (Chuang

2008). First, the number from the NCC data was provided by the cable operators. It is thought that the cable operators might submit incorrect number (fewer than the actual number) to reduce their donation to the Cable Radio and Television Development Fund. This is because that the amount of donation depends on the number of subscribers. Second, there are some pirate subscribers who connect the cable operator's cable into their TV set illegally. These two reasons caused the differences between the official number and the number from other surveys.

Despite the different figures from the NCC and other surveys, it is indisputable that cable television is the dominant platform for watching television. As a dominant platform in the television market, it is desirable to understand the development of cable television and its process of digitalisation, and how the cable television industry and digital television policies influence each other. In doing so, we can further examine the influences of the introduction of digital television on public service broadcasting. In this section, a brief history of cable television in Taiwan will be introduced at first. The focus will then be shifted to the development of digital cable television. At the end of this section, the current condition of digital cable television and the challenges it has faced will be discussed.

5.2.1 Brief history of cable television

The development of cable television in Taiwan can be divided into several phases. Chang (2003) explored the development of cable television in Taiwan from three phases. Chiu (2006) divided the development of cable television into three phases. In Lee's research, she discussed the development of cable television from five phases (Lee 2007). Here I combine the categories from these studies and other relevant data, and discuss the development of cable television from four phases, which are the early development, the fourth and democratic channel, the legalisation of cable television and the introduction of digital cable television.

The early development: 1969 to 1980

The history of cable television in Taiwan can be traced back to the 1960s. More than 70 per cent of the land in Taiwan is so-called mountainous areas, which causes problems for terrestrial television coverage. In order to improve the terrestrial television reception, the first community common antenna was set up in Hualien in 1969 (Lee 2007: 19; Chang 2003: 18). This was followed with Miaoli and Keelung, in which the community common antennas were built during the 1970s. Those community common antennas television services could be seen as the pioneer of cable television in Taiwan. Although the first community common antennas television

service was launched in 1969, the regulation came ten years later. The Rule of the Establishment of Community Common Antenna Television was passed in 1979. In this phase, cable television (community common antenna television to be precise) was a means of improving terrestrial television signals and only as a carrier of transmission of terrestrial television signals.

The 'fourth' and 'democratic' channel: 1980 to 1993

In the 1980s, the original community common antenna television began to provide not only the terrestrial television programmes but also imported programmes (mostly from Japan) by videotapes. As viewers only could watch television from the old three television stations at that time, cable television was widely called 'the fourth channel' (Chang 2003: 18). With more choice of programmes, cable television immediately attracted viewers to subscribe to cable television services. Moreover, the democratic movements also emerged in the 1980s. The advocate of anti-KMT used cable television as a medium to disseminate their political ideals (Lee 2000: 132). Thus some cable operators called themselves the 'democratic' channel (Lee 2000: 132). The KMT government thought that the development cable television might affect the legitimacy of its sovereignty and decided to crackdown on cable operators. However, the crackdown operation was not successful. This is because that the transmission

equipment that cable operators used was cheap and easy-to-move. The cable operators could easily restart their business after the crackdown operation. (Lee 2000: 132). The other reason is that some cable operators had 'special relationship' with the local politicians and criminal organisations. This 'special relationship' also diminished the effect of the crackdown operation.

Although cable television was still not legal at that time, the number of subscription and the number of cable operators had been increasing rapidly. From 1989 to 1993, the number of cable operators had increased from 125 to 501 (Lee 2007). The rapid growth had drawn the attention of some local criminal organisations. They started to invest in or even take control of the cable operators (Lee 2007: 19). This led to some negative attitudes from viewers towards the cable operators (Lee 2007: 19). As cable television had gradually become the main platform for viewers to watch television, the government had to reconsider the regulation and legislation on cable television. In addition, the government also faced the pressure from the United States, which asked Taiwan to open the audio-visual market (Lee 2000: 132). With the rapid increase in the number of subscription and the pressure from the United States, the government decided to legalise cable television services via the passage of the Cable Television Act in 1993.

The legalisation of cable television: 1993 to the present

After the passage of the Cable Television Act, the government divided Taiwan into 51 operating areas and allowed a maximum of five cable operators in each area, which was known as the ‘one area, multiple operators’ policy. More than 200 cable operators applied for the licence to operate cable television services. In 1996, there were 156 cable operators licensed (Lee 2007: 20). Cable television has transformed from an underground medium to a legal television platform.

However, the ‘one area, multiple operators’ policy has faced some challenges due to the nature of cable television. It is argued that cable television has the characteristic of natural monopoly and needs a great financial support (Chung 1993: 417-418). It is inevitable that the economies of scale and economies of scope have emerged in the cable television market. It was argued that there might be too many operators in a small country (Lee 2000: 132). Thus mergers and acquisitions among cable operators have begun and the multiple system operator (MSO) has been formed. After several years of mergers and acquisitions, there are five big MSOs in Taiwan and the total number of cable operators decreased to 63 (NCC 2010). Among the 63 cable operators, more than 75 per cent are part of the five MSOs and only 25 per cent are independent operators (CBIT 2010b).

In addition, the mergers did not only happen within Taiwanese companies, but some international companies were also interested in the cable television industry in Taiwan.

In 2002, an amendment to the Cable Radio and Television Act allowed the cable operators to provide telephony and the broadband services. This attracted international investors. However, foreign companies cannot operate cable operators on their own because of the ownership regulation of the Cable Radio and Television Act.²² Thus these international companies collaborated with Taiwanese companies.

The three biggest MSOs all have a huge amount of investment from the international companies. In recent years, it can be seen that the cable operators have grown from small and local companies to big and international conglomerates.

The introduction of digital cable television: 2002 to the present

Compared to the introduction of digital terrestrial television, the introduction of digital cable television came relatively late. It is believed that the development of digital cable television began with the establishment of the Cable Broadband Institute in Taiwan (CBIT) in September 2002 (Lee 2007: 27; Chiu 2006: 15; Tu 2005: 112).

The founders of the CBIT are cable operators and the aim is to promote digital cable

²² The Cable Radio and Television Act covers regulations on the foreign ownership of cable operators. The Article relevant to the regulation on foreign ownership states that 'total direct and indirect foreign investment in a company operating a cable radio and/or television system shall be less than 60 percent of the total shares issued by the company.'

television (CBIT 2010a). In respect of the technical issue, the members of the CBIT agreed to adopt DVB-C (European standard) as their transmission standard.

In recent years, the platform share of digital cable television has increased gradually. The number of digital cable television subscribers was 190,317 by the end of 2007 and the penetration of digital cable television was 4.06 per cent within cable television (NCC 2008). In 2008 the number of digital cable television subscribers had increased to 198,583 and the penetration remained 4.06 per cent (NCC 2009). At the end of 2009, the subscription number had reached 256,727 and the penetration was 5.15 per cent (NCC 2010).

In order to attract viewers to subscribe to digital cable television services, the cable operators have provided more channels (mostly of which are imported channels). However, it is difficult to attract analogue cable television viewers to switch to digital cable television because of the so-called premium content available on the analogue cable television, such as HBO, Discovery Channel and popular Taiwanese cable channels. The analogue cable subscribers can watch these channels with only a NT\$550 (£10) subscription fee. Without 'something extra' for viewers, it is difficult to persuade viewers to switch to digital cable television (Starks 2007: 16). In addition to television services, the cable operators have also provided broadband services for

users. Even though the cable operators have provided broadband services, there is still a lack of interactive services on cable television.

The promotion of digital cable television take-up was not successful at the beginning. Subscribers had to pay extra fee for digital cable television service in addition to the original monthly subscription fee. Furthermore, the price of the digital set-top box, which was NT\$3,500 to 5,000 (£64 to 90), did not be accepted by most consumers (Chiu 2006: 15). There was however an alternative choice that subscribers could rent a set-top box from their cable operators for NT\$100 (£1.8) per month (Chiu 2006: 15). The rental price seemed to be acceptable. However, subscribers were used to the 'cheap and abundant' services which allowed subscribers to only have to pay around NT\$550 (£10) and be able to watch around 100 channels (Chiu 2006:15). If there is not enough attractive content on digital cable television, it is not easy to persuade subscribers to switch to digital cable television. Therefore, nearly two year after the introduction of digital cable television, the penetration of digital cable television was only 3.25 per cent in 2003 (Chiu 2006: 15).

5.2.2 Current conditions and challenges

According to recent data, the number of digital cable television subscribers has reached 283,736 and the penetration was 5.66 per cent in March 2010 (NCC 2010). In

terms of the platform share of digital cable television within all television platforms, a survey showed that the platform share was 7.9 per cent in 2008 (Chuang 2008). Since 2002, the introduction of digital cable television has taken nearly eight years. Although the number of digital cable television subscribers has increased gradually, the digital take-up rate is still slow. This can be attributed to three reasons, which are the unfavourable and uncertain policies, financial limitations and viewers' attitudes.

Unfavourable and uncertain policies

The first reason for the slow progress of the development of digital cable television is the unfavourable and uncertain policy. It is argued that the government's digital television policy is in favour of terrestrial television (Lee 2007: 28; Chang 2006: 54). Not only do the most digital television policies place emphasis on digital terrestrial television, but also the state subsidy goes to the development of digital terrestrial television. In addition, the digital cable television transmission standard was chosen by operators themselves. The government seemed not to provide assistance in deciding the technological standard. Furthermore, the changes of the timetable for digital switchover also caused the uncertainty of the development of digital television. Hence, the cable operators were not willing to invest in digitalisation when it seemed to have an uncertain future. It is thought that the government concentrated on digital

terrestrial television and let cable operators and the cable television market decide the development of digital cable television (Lee 2007: 28).

Although the regulation of cable television is a light-touch regulatory framework, the policy on digital television is not only confined in conventional individual television platforms (terrestrial, cable and satellite). Digital television policy should consider the whole television industry or even all the audio-visual industry. The cable operators have argued that it is difficult for them to promote digital cable television without a certain timetable for digital switchover (Lee 2007: 29). Thus these unfavourable and uncertain policies have caused the slow development of digital cable television.

Financial limitations

The second reason is the financial constraints. The digital switchover is a huge investment with uncertain returns. The cable operators, even the big conglomerates, were very careful about this investment. Besides, the income of the cable operators comes mainly from subscription and advertising revenue. However, both the number of subscribers and the amount of advertising revenue have not shown any significant increase in recent years (Chang 2006: 54). From 2006 to 2009, the number of cable television subscribers ranged from 4,558,234 to 4,980,251 (NCC 2010; NCC 2007).

With the stagnation of income, cable operators are not likely to be willing to invest a

huge amount of money on the digitalisation. In addition to the uncertainty in policies, it is difficult for cable operators to calculate the revenue which digital cable television will generate. Therefore, the cable operators' intention of the investment in digitalisation would be influenced by the financial constraint. The economic constraints and the uncertainty of the government policy have both impeded the development of digital cable television in Taiwan.

Attitudes of viewers

The lack of interest from consumers is the third reason for the slow development of digital cable television. It is considered that digital cable television can be a genuine platform to provide pay-per-view, video on demand and other interactive services (Starks 2007: 8). Digital cable television subscribers, in theory, can choose channels, programmes and services by themselves. It should be benefit to both consumers and providers. The viewers can choose channels and programmes they like and will not be constrained by pre-packaged services. On the other hand, the cable operators will benefit from the increase in ARPU.²³ However, viewers in Taiwan are accustomed to having a package of cable television channels. It is thought that the change of viewers' behaviour is not an easy task (Chang 2006: 55). If viewers have to pay more

²³ Average revenue per user (ARPU) is a method to measure an individual user's contribution to the total revenue.

than the traditional monthly fee but receive fewer channels, viewers are not willing to switch to digital cable television.

Another factor which influences the intention of viewers to switch to digital cable television is content. It is argued that content will be the main factor that decides the success of digital television (Lee & Huang 2009). The lack of attractive content has been one reason for the slow take-up of digital cable television in Taiwan (Lee 2007: 31; Chang 2006: 54-55). Cable operators also recognised this, and as a result, they have tried to produce and buy premium content (Tu 2005). Cable operators aim to boost the digital cable television take-up by providing attractive content.

There are other issues in relation to the interface of digital television. The use of digital television will be different from the traditional analogue television. For example, the introduction of Electronic Programmes Guide (EPG) is a change in the way that televisions are used (Jensen 2005: 115-116). There are other interactive services which may influence the use of television, and whether these new services are easy to use is another factor which might affect the intention of adoption of digital television.

In addition, the cost of switching to digital cable television for viewers is another important issue. Viewers may need to spend extra money on the purchase new digital

ready television equipment, such as a digital ready TV set or set-top box. Moreover, the new digital cable subscription fees may also increase. These may also influence the intention of the digital cable take-up.

5.3 Other Delivery Platforms of Digital Television

In addition to digital terrestrial and cable television, there are other platforms which can deliver digital television services. For example, digital satellite television is one of the major digital television platforms in the UK (Ofcom 2009b). As a result of the rapid growth in the use of the Internet, watching television over the Internet has also become another way to receive digital television services, the most widely known is Internet Protocol Television (IPTV). There is another platform for watching digital television in Taiwan, which is called Multimedia On Demand (MOD) provided by the biggest telecommunications company. In respect of other platforms of digital television, according to the data, the share of digital satellite television in all television platforms was 0.3 per cent (Chuang 2008). The share of IPTV might be lower. In addition, the studies in relation to digital satellite television and IPTV are rare. It is difficult to probe the development of digital satellite television and IPTV without sufficient literature. Because there is a lack of data and literature on the development of satellite television and IPTV and satellite television and IPTV are not

major platforms for television viewing, the discussion in this section will focus on the development of MOD.

Chunghwa Telecom, the biggest telephony company in Taiwan, proposed its television services in 2001 (Tu 2005: 115; Chen 2002: 72). Because of the restrictions on the services the telecommunications companies could provide, Chunghwa Telecom could only provide telephony services. After an amendment to the Cable Radio and Television Act in 2002, telecommunications companies are allowed to offer television services. In 2003, the GIO approved its application for television services and Chunghwa Telecom launched its MOD services in March 2004 (Chiu 2006: 18; Tu 2005: 115).

MOD uses the landline to transmit its content and services. In terms of technologies, MOD adopts the ADSL (Asymmetric Digital Subscriber Line) technology to transmit its content. A set-top box is needed for subscribers to receive MOD services. As the biggest telecommunications company, Chunghwa Telecom has already had more than 13 million landline households and 3 million ADSL broadband users (Chiu 2006: 19). This means that most households only need the easy instalment of a set-top box in order to have access to MOD services.

MOD provides conventional television channel services, per-per-view services and other interactive services (MOD 2010). With regard to the television content, MOD provides five terrestrial television channels, drama, movie, sports and news channels and also provides per-per-view services for the premium content (mostly feature movies). In respect of public television channels, viewers can watch the PTS, the CTS, Hakka TV TITV and Dima on MOD but the CTS IQ and CTS EQ channels are not on MOD (MOD 2010). There is a controversial condition that MOD does not carry some cable television channels. This is because that the cable operators asked cable content providers not to provide programmes for MOD. A former Minister of the GIO also mentioned this during the interview.

The problem of the slow development [of the Internet TV and MOD] is the monopoly of the cable operators. They threaten Sanlih, GTV, these content providers not to provide programmes for MOD. So Chunghwa Telecom cannot develop [its MOD services] properly. This is because of a lack of content. If a cable television channel is on MOD, the cable operators will remove this channel. ... [Cable content providers] do not dare to provide content for MOD. (Yao)

This controversial condition should be resolved by the government. It is thought that in order to keep the fair competition, the content providers should provide content for different delivery platforms with no discrimination (Cowie & Marsden 1998).

With regard to the number of subscribers, MOD attracted around 22 thousand subscribers at the beginning of its launch (Chiu 2006: 19). In 2009, the number of subscribers had reached 690 thousand (Yeh 2009a). Among the television platforms, the share of MOD was 1.9 per cent and was the third most popular digital television platform (Chuang 2008).

In respect of the subscription fee, unlike cable television in Taiwan, the subscription fee for MOD is varied. The basic package is NT\$199 (£3.6) per month (MOD 2010). With adding channels or watching pay-per-view programmes, the subscription fee will increase.

The introduction of MOD has raised some arguments about the regulatory issues (Tu 2005: 115). The emergence of MOD is considered to be a threat to cable television (Chen 2002: 72-73). Before the convergence of broadcasting, telecommunications and computer technologies, the GIO was responsible for the regulation of broadcasting services and the regulation of telecommunications was the MOTC's responsibility. In the past, Chunghwa Telecom only provided telephony services and its regulator was

the MOTC. When Chunghwa Telecom proposed to provide multimedia services including television services, the regulatory problems has emerged. The first argument concerned the regulator of MOD. It further raised the question as to whether the services provided by MOD are telecommunications services or television services. Should MOD come under the jurisdiction of the Telecommunication Act or Cable Radio and Television Act? After a series of debates, the government decided that MOD was temporarily under the GIO's supervision and planned that the NCC should take the responsibility for the regulation of MOD after the establishment of the NCC (GIO 2004, cited in Chiu 2006: 115). The dispute over the regulatory issues has been resolved temporarily.

The other argument is related to the competition between cable television and MOD. With the limitation of the operating areas of the cable operators and no limits for MOD, it is argued that this situation has resulted in unfair competition (Liu 2005: 113). According to the Cable Radio and Television Act, each MSO cannot operate its services over one-thirds operating areas. However, MOD can provide its service all over Taiwan. The cable operators argued that this unfair competition would be a threat to the cable operators (Chiu 2006: 19). In addition, the cable operators argued that Chunghwa Telecom is one of the biggest companies in Taiwan and MOD has a great financial support from Chunghwa Telecom. The cable operators were worried

that Chunghwa Telecom would adopt a low-price strategy to boost the MOD subscription (Chiu 2006: 121). By using this advantage, MOD could adopt low-price strategies to attract viewers. Third, the cable operators argued that Chunghwa Telecom has many existing users (through landline and the broadband services) and does not need to invest a huge amount of money in the infrastructure (Chiu 2006: 19). These factors all may lead to an unfair competition.

It is thought that the government wanted to break the dominant position of cable television in the television market by allowing MOD to enter the television market (Chiu 2006: 112). Although there are regulations concerning the operating area which encourage that there should be two or more cable operators in each operating area to ensure healthy competition and further benefit to viewers, in fact most operating areas only have one operator and only a few operating areas have two or more operators. However, in those areas which have two or more operators in one operating area, the cable operators are confined to their own sub-area. As a result, it has become 'one area one operator' condition. Viewers have no opportunity to choose their cable operator. There is only one cable operator for a viewer to choose. The introduction of MOD is thought to be an opportunity to break the monopoly of cable operators (Chiu 2006: 112). The government and the cable operators both argued that the fair competition should be encouraged but they argued from different perspectives. Under

this particular circumstance of which the cable operators have dominant power, it seems that the introduction of MOD is a means of encouraging competition in the television market.

In addition to enhancing the competitiveness of programmes through buying premium content, MOD has also been trying to promote the HD content. MOD and the cable television operators have similar opinions on the HD content. They both think that the HD content is one of the key factors that attract viewers to subscribe to digital television services (Yeh 2009a).

Challenges to the Development of Digital Television

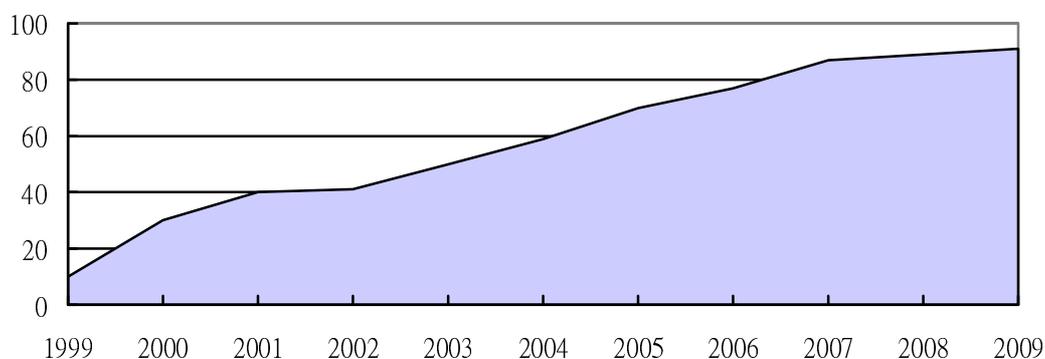
After more than 10 years development, it is thought that the progress of the development of digital television in Taiwan has been slow and the digital penetration is still low (Lee & Huang 2009: 66). A recent research showed that the total digital television penetration was 16.9 per cent in 2008 (Chuang 2008). In terms of the penetration of individual digital platforms, digital cable was 7.9 per cent, digital terrestrial was 6.8 per cent, MOD was 1.9 per cent and digital satellite was 0.3 per cent (Chuang 2008). Another research also pointed out that analogue television is still the major platform for television viewing, and around 84 per cent of viewers still watch television via analogue television (Mo 2008). A pessimistic prediction suggests

that the digital television penetration will be over 11 per cent in 2013 and reach 25 per cent in 2018 (Yeh 2009b). The implication of these numbers is that the government's goal to switch off analogue signals in 2010 is impossible.

According to the diffusion of innovations theory, the adoption rate is an S-shaped curve model (Rogers 2003: 281). It is argued that after the 'critical mass' adopts a new technology, the adoption rate will become self-sustaining (Rogers 2003: 343). It also indicated that the adoption rate will increase once over the critical mass. Although the amount of the critical mass is varied from different innovations, it is thought that the amount is between five per cent and 20 per cent of cumulative adoption (Rogers 2003: 360). Based on this model, the digital television take-up in Taiwan will grow quickly after 2013 and may have even higher growth rate after 2018. In the UK, the launch of digital television began in October 1998, the digital take-up was over 10 per cent by the end of 1999 (Goodwin 2005: 163). From 1998 to 2001, the take-up rate has been increasing rapidly attributed to the platform war providing incentive for viewers to adopt digital television. The growth rate has been stagnant from 2001 to 2002 due to the risk of ITV Digital. From 2003 to 2007, the take-up rate has grown steadily. The growth rate has slowed down since 2007 (see Figure 5.1).

According to the diffusion of innovations model, the rapid growth stage should be placed on 10 per cent to 50 per cent (Rogers 2003: 281). However, the digital television take-up in the UK seemed not to follow this pattern. It is understood that the adoption of digital television may be influenced by other factors, such as government policies and the promotion of broadcasters.

Figure 5.1 Digital Television Take-up 1999 to 2009



Sources: Goodwin 2005; ITC 2001; ITC 2002; Ofcom 2004c; Ofcom 2005c; Ofcom 2006; Ofcom 2007b; Ofcom 2008b; Ofcom 2009c; Ofcom 2010.

Although some people thought the take-up of digital television would follow the model of diffusion of innovation (Papathanassopoulos 2002: 61), others argued that the digital television take-up would not necessarily develop in accordance with the diffusion of innovations model (Picard 2005: 145). The diffusion of innovations model can be seen as a prediction model for the adoption of new technologies. However, the adoption of digital television will be influenced by other factors and it is difficult to use this method to predict the digital take-up.

The slow progress of the development of digital television can be attributed to several reasons. After examining the development of digital television, I put these reasons into two categories, the political and market dimension. In the political dimension, the reasons for the slow progress of the development of digital television include the uncertain policy, the problematic relationship between the Executive Yuan and the Legislative Yuan, and a lack of communications between the Executive Yuan and the NCC. In the market dimension, the reasons causing the slow progress of the development of digital television are a lack of investment from the industry and the viewers' behaviour.

Political Dimension

Uncertain policies

The first and the most important problem which has caused the slow progress of the development of digital television is the uncertain and unclear policy. This problem can be discussed from four aspects, technology, timetable, allocation of spectrum and promotion. First, the adoption of technology is uncertain. The government announced that Taiwan would adopt the American standard at the beginning. Due to the opposition from the industry, the government later announced to adopt the technological neutrality policy. The television broadcasting industry therefore adopted

the European standard. The technology standard change wasted some time and investment in the development of digital television.

Second, the timetable for digital switchover is uncertain. The first timetable for digital switchover was announced in 1997 which intended to switch off analogue signals in 2006. The second timetable was announced in 2005 and set the timeline for digital switchover from 2008 to 2010. According to the low penetration of digital television, the goal of digital switchover by 2010 is questionable perhaps even impossible. The uncertainty in the timetable for digital switchover shows that the government does not understand the digital television market adequately. In addition, this uncertainty hinders the industry investment in the infrastructure of digital television and other hardware and software.

Third, the method of the allocation of spectrum frequencies is uncertain. The first SFN (five multiplex licences) were assigned to the five incumbent terrestrial television broadcasters without any regulations. The method for licensing the second SFN is still uncertain. It may adopt a 'merit-assessment plus auction' method. This method may put public service broadcasters in a disadvantageous position.

Fourth, it is thought that the promotion of digital television is not enough (Chang 2006). Most people in Taiwan do not know what digital television is. It is considered

that the government should inform people about what digital television is, what benefits it will bring to people and when the digital switchover will take place (Chang 2006). Without the support of viewers, the digital switchover will not complete.

Arguments between government offices

The second reason causing the slow progress of the development of digital television in the political dimension is the opposition from the Legislative Yuan. During 2000 to 2008, the DPP was the ruling party but the KMT had the majority of seats in the Legislative Yuan. The DPP government drew a budget for the development of digital television but the Legislative cut more than half the amount of the budget. This also mirrors the attitude towards the expansion of public service broadcasting. The DPP government intended to expand the public service broadcasting institution in Taiwan (although the reasons are varied). The KMT was afraid that the DPP would control the public television after the expansion of public television institution. The budget for the development of digital television was mainly given to the PTS. The KMT did not want the DPP using the digitalisation as a ‘cultural bribe’. Therefore, the KMT-led Legislative Yuan cut the half the budget. The inadequate financial support from the government is also a reason causing the slow progress of the development of digital television.

Another reason causing the slow progress of the development of digital television is a lack of communications between the Executive Yuan and the NCC. The NCC, as a communications regulator, is responsible for communications policymaking. However, the Executive Yuan is responsible for policies relevant to 'national resources planning'. Therefore, there should be communication and negotiation between these two regulatory bodies in order to make communications policies. However, as the DPP was the ruling party, there was little communication between the Executive Yuan and the NCC. This was because the DPP government thought that most of NCC Commissioners were KMT-inclined. The political opposition further delayed the process of the making of digital television policy.

Market Dimension

Financial limitations

In the market dimension, the first reason for the slowing in the development of digital television has been a lack of investment from the industry. The digital switchover involves a huge amount of investment. Due to the shrinkage of the television advertising market, the financial condition of the terrestrial television broadcasters has deteriorated. In addition, the uncertainty of the government policy is another obstacle to the industry investment. It is difficult for the terrestrial television broadcasters to

spend a large amount of money on an uncertain investment. Cable operators also face similar situation and they too are unwilling to make a large investment in the development of digital television without clear public policies.

Attitudes of viewers

Another reason that has slowed the progress of the development of digital television is connected to viewers' behaviour. Most of people watch television via cable television and they can watch around 100 channels with a small amount of money (around £10 per month). Digital terrestrial television offers 15 channels (with more still in the future) and seven of them can also be watched via cable television. It is thought that people would not switch from cable television to digital terrestrial television in terms of quantity (15 channels versus 100 channels) and quality. In terms of quantity, digital terrestrial television is still not compatible with cable television or satellite television (Papathanassopoulos 2002). In terms of quality, it is argued that if there is not 'something extra', viewers are reluctant to switch to digital television (Starks 2007).

In respect of digital cable television, cable television operators face the change of business model. With the advent of digital cable television, the cable television can provide more services, such as VOD, PPV and other interactive application services. Most importantly, the arrival of digital cable television may give viewers more

freedom to choose their channels, programmes and services. Now the cable television only provides one bundle service, which is 'pay monthly and watch all channels'. In the digital age, cable television operators can provide different package services for viewers, such as basic package, premium package, film package, sports package and so forth. People may pay a basic monthly subscription fee and have a basic package of channels. If they want to watch more channels, they will need to pay more to get another package. In addition, viewers may only pay for the channels (or even programmes) they watch. The business model of digital cable television is unclear. It is uncertain whether the package choice will be accepted by viewers because cable television viewers in Taiwan are used to watching many channels at a low price. Although the adoption of package choice and VOD might encourage high individual contributions from subscribers, the cable television operators still do not want to take the risk. As a result cable television operators are unwilling to invest in digital cable television. The strategy that they have adopted is 'wait and see'.

In short, the main character of the development of digital television in Taiwan is of the slow progress. Therefore the goal of digital switchover in 2010 is unlikely to be achieved. It is thought that the development of digital television needs the collaboration between the government and the market (Starks 2007). The government

should reconsider the objectives of the digital television policy and develop proper and workable strategies for the development of digital television.

In this chapter, I examined the development of digital television including different delivery platforms and found that the common issue among different platforms is the slow progress of the development of digital television. In addition, the reasons for the slow progress of the development of digital television have been pointed out, which are political and market reasons. This also corresponds to the argument of Starks (2007). He thought that the success of the development of digital television cannot only rely on one force but needs the collaboration of the political and market force (Starks 2007). The future of digital television in Taiwan lies in this collaborative relationship. After examining the development of digital television, we have basic understandings of the condition of digital television and of the relevant policies. In the next chapter, the focus will shift to the impact of the introduction of digital television on public service broadcasting in Taiwan.

CHAPTER SIX: THE IMPACT OF DIGITAL TELEVISION ON PUBLIC SERVICE BROADCASTING

As discussed in Chapter Two, the advent of digital television introduced significant new challenges for public service broadcasting. In this chapter, the focus is placed on these challenges in Taiwan. This chapter examines the impact of the introduction of digital television on public service broadcasting in Taiwan and that evidence from government official reports, broadcasters' reports and other relevant documents will be utilised along with statements made by senior industry professionals, such as governors and managers of the public broadcasters, government officials and Legislators. This impact can be discussed from four aspects, which are the organisational, financial, programming and regulatory aspects.

6.1 Organisational Aspects

With the introduction of digital television, the first and most significant influence is that television broadcasters can transmit more channels via the digital compression technology. Traditionally, one terrestrial television broadcaster provides one television channel service. In the digital age, it is considered that terrestrial television broadcasters can become multichannel providers (Hujanen 2005).

The situation in Taiwan is more complex because with the introduction of digital television, a public service television broadcasting group, Taiwan Broadcasting System (TBS), was founded in 2006. Public service broadcasting in Taiwan has developed from one television station offering one channel to five television stations offering nine channels. There are two analogue terrestrial television channels, seven digital terrestrial television channels, in which five channels can be watched via cable television and one satellite channel under the TBS (see Table 6.1).

Table 6.1 Delivery Platforms of TBS Channels

	Analogue Terrestrial TV	Digital Terrestrial TV	Analogue Cable TV	Satellite TV
PTS	✓	✓	✓	
CTS	✓	✓	✓	
Hakka TV		✓	✓	
TITV			✓	
Macroview TV				✓
Dimo TV		✓		
CTS IQ		✓	✓	
CTS EQ		✓		
HiHD		✓		

Sources: Websites of each television station

In respect of digital television, among the TBS, the PTS and the CTS have a multiplex licence (6MHz frequency) for digital television use respectively. The PTS uses its frequency to transmit three standard digital channels including its main channel, Dimo TV and Hakka TV, and the CTS also transmits three standard digital television

channels, which are its main channel, IQ channel and EQ channel. In addition, the PTS has one more frequency for HDTV trial and its HDTV channel named HiHD.

Interestingly, TITV is not included in the TBS digital channels. TITV can only be watched via cable television, MOD, or satellite television (very few people use this).

This is because TITV is not a terrestrial television broadcaster but just a channel provider, whose role is similar to Hakka TV. But why does Hakka TV have a digital channel but TITV does not? This is because Hakka TV has realised the importance of digital terrestrial television. Hakka TV and the Council of Hakka Affairs negotiated with the PTS to give Hakka TV a digital channel before Hakka TV joined the TBS.

As discussed in Chapter Four, Hakka TV had a digital channel when it was entrusted to the TTV from 2003 to 2005. When it was entrusted to the EBC in 2006, Hakka TV lost its digital channel and went to negotiate with the PTS. In 2006, before Hakka TV joined the TBS, Hakka TV has maintained a digital channel by using the PTS's frequency. The director of Hakka TV explained the reason that Hakka TV had a digital television channel.

Why do we want to have a digital channel? This is because many Hakka people live in the mountainous areas. It is not convenient to have cable television in the mountainous areas. How do we know many people watch our

digital channel? This is because that we moved from the TTV to the EBC on 31 December 2005 and there was no digital signal on 1 January 2006. There had been no digital signal for one month. During that period of time, the Council of Hakka Affairs and Hakka TV were blamed [by viewers] strongly. Hakka people were going crazy. The Minister of the Council of Hakka Affairs was going to negotiate with the PTS. We had had no digital channel for around two months. That's how we know there are many people watching Hakka TV via the digital channel. (Hsu)

TITV did not ask for a digital channel and the PTS has only one multiplex, which can only transmit three standard digital television channels. Therefore, TITV does not have a digital channel now.

When the PTS was established in 1998, it provided only one public television channel. The organisational framework was designed based on one channel. However with the introduction of digital television and the formation of the TBS, the one-channel organisational framework seems to be no longer appropriate.

Hakka TV, TITV and Macroview TV are small organisations with around 100 or fewer employees for each channel. The PTS has around 600 employees and the CTS

employees are also around 600. After the formation of the TBS, the TBS has become a big institution with around 1500 employees.

After the formation of the TBS, that the organisational framework should be changed to adapt itself to become a multichannel broadcaster in order to face the digital challenges. The organisational framework of the PTS, in fact, did not change much after the formation of the TBS. This is because of two reasons. First, the Public Television Act has not been amended. The organisational framework of the PTS is based on the Public Service Act. If the Public Television Act is not amended, any change to the organisational framework of the PTS will be impossible.

The second reason which causes this organisational framework problem is the rushed policymaking process. The main purpose of the enactment of the Regulation of the Government-owned Shares of Terrestrial Television Enterprises is to force the KMT's influence out of the TTV and the CTS. The media reform has been a concern of the DPP and the blueprint for the media reform policy was mentioned in Chen Shui-Bian's White Paper in the 2000 presidential election. The main argument is that the political control and influence should be moved from the media (NBCCC 2000). After Chen won the election in 2000, the DPP had become the ruling party for its first

time. The DPP government started to make media reform policies. A former Minister of the GIO said that:

I was doing that ...trying to make the whole industry go in the right direction.

The first thing is to break the KMT's monopoly [in the media industry]. (Yao)

As discussed in Chapter Four, the GIO, at first, intended to make both the TTV and the CTS become public service broadcasters. However, the pressure from vested interests was strong and the government had to make a compromise (Feng 2006: 58).

This resulted in the TTV becoming a purely commercial broadcaster, which the government would not be a shareholder, and the CTS becoming a public service broadcaster. In 2006 the Regulation of the Government-owned Shares of Terrestrial Television Enterprises was passed and the CTS started to transform into a public service broadcaster. In order to tie in with the transformation of the CTS, the GIO founded the TBS. It seems that the public service broadcasters have expanded. However the expansion of public service television broadcasting is still a disputed issue.

Expanding or limiting

The PTS itself intended to expand public service broadcasting. Although the regulation of digital television was not clear (and is still not clear now), the PTS

planned to launch four new digital channels and asked the government to give more money to support this project. A senior member of staff at the PTS described their plan:

Those we wish to put in the second SFN or use the rest of the frequencies in the first SFN. Regarding these four channels, the first one is a culture and arts channel. The second is a children's channel. The third is a multi-language channel ... The other is an international channel, like BBC Worldwide.

(Sven)

The budget for launching these four channels, however, was cut by the Legislative Yuan in 2006. Cheng, a member of the board of governors at the PTS, argued that the PTS should ask for money first then ask for the frequency.

We should fight for the government budget and then ask for the frequency.

We don't have enough money to expand [the scale of public television institution] on our own. This needs to go back to be negotiated with the government. In terms of the public television long-term development plan, we only ask for an appropriate number of channels and do not ask for more. What channels are still lacking in this market? These are children, juvenile, culture, arts, news, ...documentary, ...sports,...and the parliament channel. It is

certain that we will provide a parliament channel. We are only waiting for the passage of the relevant laws by the Legislative Yuan. (Cheng)

As the PTS has been trying to expand its services, there are some different opinions on the expansion of public television institution. One KMT Legislator described the TBS as:

The TBS has become a monster. An unbelievable huge monster! Do you think it needs to expand? (Hung)

Her opinion does not represent all Legislators' opinion but it reflects some Legislators' attitude towards the TBS. A former NCC Commissioner suggested that those two multiplexes, which are capable for 6 digital television channels, could be used to transmit the PTS main channel, the CTS main channel, Hakka TV, TITV, a Children's channel and an Arts and Culture channel.

Currently, if the PTS does not have more budget, just these three [PTS main channel, Hakka TV and TITV] is enough. The CTS can have three channels, one main channel, one children's channel, and one arts and culture channel. (Liu)

On the contrary, there are some arguments supporting the expansion of public service broadcasting in Taiwan. The public service television institution in Taiwan has expanded since 2006. This change is attributed to the political favour and the effort of academics (Feng 2006: 64-65). The advent of digital television might be another opportunity for the expansion of the public service television institution in Taiwan. It is thought that the arrival of digital television will decrease the legitimacy of the existence of public service broadcasting because there will be more channels for all audiences, whether the general public or the minorities (Hujanen 2005). However, this argument is not sound in Taiwan. This is because that when the PTS was established; there had already been a multichannel environment. The increase in channels may influence the development of public service broadcasting, but it is not always to a negative effect. The effect in Taiwan is not as strong as in western European countries, where public service broadcasting had had a monopoly position. From an optimistic perspective, the introduction of digital television is an opportunity for the development of public service broadcasting in Taiwan to flourish. A DPP Legislator argued that the DPP's attitude is to support the expansion of public service broadcasting.

We support the development of the TBS and to form a public service broadcasting group. When DPP was the ruling party, there was just one public

channel, PTS. We made the CTS become a public television and integrated

TITV and Hakka TV into the TBS. The DPP made the integration happen.

Basically, we support [the development of] the TBS. (Kuan)

A former Minister of the GIO also stated that the DPP was trying to expand public service broadcasting in Taiwan.

As a Minister [of the GIO], I was trying to establish a big public service

broadcasting group. (Yao)

Yao and Kuan are both members of the DPP. They support the expansion of public service broadcasting because they think the broadcasting industry is controlled by the KMT.

For now the KMT or pan-blue still controls the majority of the media. (Yao)

They want to break the KMT's monopoly position in the broadcasting industry. But they do not seriously contemplate the concept of public service broadcasting in Taiwan. In consequence, there are no comprehensive policies and plans for the development of public service broadcasting. Even though Hakka TV and TITV were established, the CTS became a public channel, and the TBS was formed during the

DPP government, the positions and roles of public service broadcasting are still unclear. Therefore, there are still many problems the TBS has to face.

Cheng, a member of the board of governors at the PTS, argued the expansion issue from a perspective of the whole television market.

If the TTV and the CTS had both been privatised, was it good for the PTS? It means that the PTS loses more alliances and is being isolated. (Cheng)

He further pointed out that the problem of the expansion of public service broadcasting lies in the willingness of the government.

Actually the expansion is not a problem, but [the problem] is the willingness. (Cheng)

Reviewing the development of public service broadcasting, it is found that political factors are one of the key elements for the expansion of public service broadcasting. Therefore the further development of public service broadcasting seems to also rely on the willingness of the government as well.

Problems of the TBS organisational framework

The first difficulty the TBS faces is how to integrate those five different television stations with different culture into one organisation. The PTS is a general public service channel; the CTS was a commercial broadcaster; Hakka TV and TITV provide services for the minorities; Macroview TV aims to provide services for overseas Taiwanese and Chinese-speaking people around the world. Each television station has its own purposes and culture. It is not an easy task to reconcile these differences.

The second problem is the unclear organisational framework, which is attributed to the unclear policy. The establishment of the TBS is based on the Regulation of the Government-owned Shares of Terrestrial Television Enterprises, which is not an Act and not clear about the organisation of the TBS. According the Article 11 of the Regulation of the Government-owned Shares of Terrestrial Television Enterprises, the CTS should give its government-owned shares to the PTS. The PTS has more than 70 per cent shares in the CTS. After the CTS gave its government-controlled shares to the PTS, the PTS seems to have become the CTS's boss. A senior member of staff at the PTS thought that even though the PTS has the majority of the shares in the CTS, the CTS still has some autonomy.

We have limited control over the CTS. With regard to Hakka TV and TITV, we have to respect the different development of minorities. Therefore, we have limited control over them. (Sven)

A senior member of staff at the CTS thought that the integration still has some problems.

We don't think that the PTS became our boss when the CTS gave its 70 per cent shares to the PTS. From the viewpoint of the CTS staffs, we, the CTS, have a 38-year history, but you, the PTS, only have a 9-year history. ...

Although the CTS gave its shares to the PTS, the CTS has more experience and longer history. These two stations should adopt parallel organisational framework. I think the organisational framework will affect the whole TBS.

(Su)

Although the PTS thinks that it cannot control all TBS channels, the organisational structure suggests that PTS does have control over TBS. For example, the chairman of the PTS has also become the chairman of the CTS. In addition, more than half the members of the board of governors of the CTS are from the PTS or recommended by the PTS (CTS 2007: 1).

The third problem is the unclear roles of each of the channels of the TBS. A senior member of staff at the CTS thought that since the CTS has merged with the TBS, the role of the CTS has become ambiguous.

I think that there was only a slogan but were no detailed rules when the government enacted the law [the Regulation of the Government-owned Shares of Terrestrial Television Enterprises]. What's the role of the CTS? It is still not clear now. ... I think that the biggest problem of 'publicisation' is still on the government. It should give a clear definition. (Su)

He also argued that the unclear policy could further cause conflicts between the PTS and the CTS.

There should be a clear definition of what the PTS is responsible for, what the CTS is responsible for and a clear definition of financial sources. This relates to the share of resources. ... This part the government does not give a clear definition. As to these two stations, the PTS often complains about the CTS and the CTS often complains about the PTS. (Su)

The problems of the TBS organisational framework can be further discussed at three levels: the board of governors, the manager and the departmental level.

The board of governors

The PTS and the CTS have their own board of governors respectively. After the integration, the board of governors of the CTS is controlled by the PTS. More than half the members of the board of governors of the CTS are from the PTS. Ever since the TBS was established, it is considered that these two boards should integrate into one board (Pan, Yeh & Huang 2006). Nevertheless, the integration faces some obstacles. Although the CTS gave its government-owned shares to the PTS, there are still some shares owned by private companies and individuals. If the PTS bought all privately owned shares, the PTS would gain 100 per cent of the shares of the CTS. Then the reform of the board of governors could be implemented. This plan of buying private-owned shares should be executed in the near future according to the Regulation of the Government-owned Shares of Terrestrial Television Enterprises. However, the reform of the board of governors is still unlikely to be implemented before the PTS buy all the shares of the CTS.

After the combination of these two boards, the Public Television Act would need to be amended. The name 'Public Television Service Foundation' should be changed to Taiwan Public Broadcasting Foundation or another name different from the original one in order to distinguish the new public service broadcasting institution from the old

one. The members of the board of governors should include people from different backgrounds and represent different kinds of voices. This is because this public service broadcasting institution will be no longer just an elite television channel and will include minorities' channels and advertising-supported channel. The members of the board of governors should represent these channels and more importantly represent people in Taiwan.

In addition, the procedure for the selection of the governors should be reviewed. According to the Article 13 of the Public Television Act, the procedure for the selection of the governors is very complex. This is because it tries to make the board be independent of political influences through this procedure. Although this design is trying to prevent political influences, the political power still has some influence in the board. For example, during the election of chairman of the board of governors of the PTS, although the chairman was elected by governors among themselves according to the Article 17 of the Public Television Act, one candidate, who was close to the ruling party, won the election in 2004. This indicated that there are still some political influences in the board of governors of the PTS.

Moreover, there were two controversial issues concerning the appointments of the governors happened in 2007 and 2008 respectively. With regard to the appointment in

2007, the process has been criticised by some academics (Weng 2008: 189). They even used the terms 'ridiculous' and 'coarse' to describe the appointment process (Kuan & Lo 2007). Why did they use such strong words to criticise the appointment process. This was because some people who were appointed as governors of the PTS were against the expansion of public service broadcasting in public. The second problem was that there were two Legislators in the review panel (Weng 2008: 189). It is argued that the review panel should be constituted of independent, impartial and respected people (Weng 2008). The third problem related to some nominees' positions. One was a programme presenter in the PTS and another is a producer who was making programmes for the PTS. Lu, a member of the board of governors at the PTS, argued that if there were conflicts of interests and that the nominations should have avoided this situation. Despite the severe criticism from the academia, the nominees were still appointed as governors of the PTS. The appointment process was not against the laws but was controversial and questionable.

After the appointment process, there was another controversy emerged. The appointment of the director-general is one of board of governors' duties according to the Public Television Act. Three governors resigned just after a new director-general was appointed in December 2007 (Weng 2008: 189-190). It seemed that these governors were only a rubber stamp. The reason that they became governors was to

help the appointment of a new director-general. The relationship between governors and the director-general was problematic. Again, this kind of behaviour was not against the laws. I would argue that it is not illegal but unethical.

With regard to the controversy in 2008, this controversy is still ongoing and has affected the functions of the board of governors. In 2008, there were only seven governors in the board of governors of the PTS.²⁴ According to the Article 13 of the Public Television Act, the number of members of the board of governors should be eleven to fifteen. Therefore, the GIO decided to have a by-election of the governors of the PTS. After the by-election, there were seven incumbent governors and eight newly-appointed governors. The chairman of the board of governors was worried that he would be replaced because some new governors did not support him. Therefore, he argued that the appointment process was illegal and the eight new governors were not qualified. He also appealed for a provisional disposition in the court and the court agreed with his appeal. As a result, the eight newly-appointed governors were not able to fulfil their governor's duties. Because this controversy is still ongoing, it is not appropriate to make a judgement on who is right and who is wrong now. Nevertheless,

²⁴ There were eleven governors appointed in the appointment process of the board of governors of the PTS on 22 November 2007. Six governors have resigned and two governors were appointed during 2008 to the mid of 2009. Before the by-appointment in July 2009, there were seven governors.

the conflict between the members of the governors has already affected the functions of the board of governors.

Therefore, the procedure of the selection of governors and the election of chairman should be more transparent and be supervised by the public.

Managers

In respect of the level of managers, each channel has its own director-general (or called director or general manager) and this means that there are five directors-general in the TBS. In order to manage each channel's operation and fulfil each channel's purposes, the existence of a director of each channel seems to be necessary at this stage. However the title should be different from the director-general of the TBS. The director-general of the TBS can use 'director-general' and director-general of each channel should be called 'director'. Furthermore, the responsibilities at the managerial level should be clarified. The board of governors is responsible for the TBS policies. The director-general of the TBS is responsible for executing the policies and working as a negotiator among the TBS channels. The director of each channel is responsible for the management and operation of each channel. However this proposed organisational framework may be appropriate only for a few years.

After the establishment of a common transmission company, the organisation needs to be reformed again. In the future the channels may not exist and there will be only programme or content providers. Public service broadcasters may become public service publishers. Public service television provider should focus on content in order to cope with the changes in the digital era.

Departments

In addition, the issue of the integration of programme departments, news departments and engineering departments is also something that the TBS need to face. The PTS and the CTS has tried to integrate their news departments but it seems to be unsuccessful. The integration of the engineering departments is related to the formation of a common transmission company. This is more complex because it is involved in other terrestrial broadcasters. Hakka TV and TITV provide services for the minorities and are thought of as specialty channels. It is difficult to combine their programme departments with the programme department of the PTS because of their distinctive characteristics. First, the language barrier causes difficulties in integration. Most programmes in Hakka TV and TITV are made in their own languages. This becomes an obstacle for people who do not understand those languages. For example, it is not easy for people who are not familiar with this language to make

Hakka-speaking programmes. Secondly, there are some cultural differences, which might form another barrier. If you do not live in that culture, it is difficult to express and explain the culture for other people. The director of Hakka TV described this situation.

There is a barrier. If you have not done any Hakka programmes, you may feel everything [about Hakka] is interesting. But we having three-year experience [of producing Hakka programmes] may think something is superficial. There is a big gap. (Hsu)

In respect of the resource integration, it can be discussed in two aspects, the software and the hardware. The software aspect comprises programme content, but in this area the exchange or sharing of content is difficult. Each channel among the TBS still produces its own programmes respectively. The director of Hakka TV recognises the difficulty of sharing programmes.

The exchange of programme resources is difficult. ... I feel that [Hakka TV] can only get only a few resources from the PTS in terms of content. (Hsu)

A senior member of staff at the PTS also thought that the integration has not been successful.

In terms of the integration of content, I don't think there is the integration of contents. There are just some exchanges and cooperation. (Sven)

The software combination is not easy but the hardware integration is possible. Hakka TV and TITV do not have their own hardware production equipment. On the contrary, the PTS and the CTS do have production equipment. A common production centre could be established, which provides production facilities and assistance for all TBS channels.

Another example is the integration of the news departments of the PTS and the CTS. After the establishment of the TBS, the news departments have been tried to integrate. The PTS moved its news department to the CTS and shared the same office. It was expected that the two channels news resources could be integrated and shared. However the integration seems not to have been successful. There are several problems. First, there are different opinions about news value between the two news departments. The CTS was used to producing fast and short news reports but the PTS focuses on investigative news. A senior member of staff at the CTS described the differences.

The cameramen or reporters of the CTS are very busy. [The people of] the PTS are not in a hurry. We [the CTS] need short and concise [news] within 30

seconds or one minute. The PTS often produces longer [news reports]. The attitudes towards news are different so that causes many conflicts. (Su)

Secondly, there are the differences in payment levels. The average salary of PTS employees in general is higher than that of the CTS. The CTS staff might feel uncomfortable about this problem and feel that it is unfair. It is a difficult task to reconcile these differences.

As to the news departments, frankly speaking, their [the PTS's] wages may higher than ours [the CTS's] but their experience may be less than ours. Their workload is light but ours is heavy. (Su)

A member of the board of governors of the PTS also admitted that the integration has been unsuccessful. But he also argued that the integration must succeed in order to provide better news services.

The PTS should face the problem of the integration of the news departments of the PTS and the CTS. They must be integrated together. There should not have two production lines. The PTS is responsible for this [integration]. The aim is to improve the quality of news services through the integration. (Cheng)

In general, the integration of public television stations seems to be not successful. It is considered that the changes in the organisational framework are necessary and this needs to be tied in with the new or amended laws.

In addition, whether the public HDTV should be under the governance of the PTS or the TBS, in terms of organisational framework, is another problem. For now, the HDTV trial is executed and operated by the PTS. It seems that public HDTV is controlled by the PTS. However there are two problems if the public HD channel is under the PTS's governance. First, it is designed that the financial backing of HiHD will come mainly from advertising revenue. A senior member of staff at the PTS described the condition of HiHD.

Our HDTV channel can have advertising but Dimo cannot have advertising. It

[Dimo] belongs to the PTS channel. ... [This is because] HDTV channel is on

trial. (Sven)

If HiHD is under the governance of the PTS, this advertising-financed model might work in contradiction to the Public Television Act. Second, one purpose of the establishment of the TBS is to integrate resources from all public television channels.

If HD channel is one channel under the TBS, it may carry programmes from other

channels, not just the PTS programmes. Therefore, it seems that it would be better that the public HDTV channel is independent from the PTS.

6.2 Financial Aspects

With the introduction of digital television, public service broadcasters have to face some financial challenges. First, in terms of production and transmission equipment switch, public service broadcasters need more investment in changing equipment. Second, public service broadcasters can transmit more channels and content using the digital compression technology. This results in public service broadcasters needing more programmes and content to fulfil the incremental spaces and further causes the rise of production costs. Third, the cost of programme production will grow; this is because of the increase in competition causes the high bid or even overbid to rights to sports and films, which leads to the rise in programme production costs (Papathanassopoulos 2002). While the costs have been rising due to the digital switchover, in contrast, the income of public service broadcasters has remained static. In western European countries, the income of public service broadcasters comes mainly from the licence fee. It is a secure and stable financial source. But when public service broadcasters face the digital switchover, which needs extra investment, there might be a problem in their financial balance.

Finance of public service television broadcasters in Taiwan

In Taiwan, the TBS includes five public service television stations providing nine-channel services. Among them, four public television stations' incomes come mainly from the government subsidies and one from advertising revenue. The total incomes of the TBS are around NT\$4.1 billion (£75 million) a year (TBS 2007). The total amount of one-year government subsidies is around NT\$1.84 billion (£33 million) and the advertising revenue is around NT\$1.7 billion (£30.9 million).

With regard to each station, the revenue of the PTS in 2006 were around NT\$1.5 billion (£27.3 million). Its revenue comes mainly from three sources, the state subsidy, the donation from the Cable Radio and Television Development Fund (CRTDF) and the funds raised by the PTS itself.

In 2006, the state subsidy was NT\$900 million (£16 million), donation from the CRTDF was around NT\$94.6 million (£1.72 million) and the funds raised by itself were around NT\$500 million (£9.09 million) (PTSF 2007). The revenue of the CTS in 2006 was around NT\$1.68 billion (£30.5 million) and mainly from advertising revenue. The revenue of Hakka TV in 2006 was around NT\$450 million (£8.18 million) and mainly from the state subsidy. The situation of TITV is similar to Hakka TV, its revenue was around NT\$367 million (£6.67 million) in 2006 also mainly from

state subsidy. The revenue of Macroview TV in 2006 was around NT\$145 million (£2.64 million) and mainly from state subsidy. It can be seen that the revenue of public television stations in Taiwan are small compared to the UK, and their incomes are mostly used up in their daily operation. There is almost no money left and often there are even some deficits (PTSF 2008; CTS 2007).

Table 6.2 Incomes of the TBS in 2006

	Government Subsidy	CRTDF Donations	Self-raised Funds	Advertising Revenue	Total
PTS	900 (60.20%)	95(6.35%)	501 (33.51%)		1495(100%)
CTS				1680(100%)	1680(100%)
Hakka	440(97.78%)		10(2.22%)		450(100%)
TITV	350(97.22%)		10(2.78%)		360(100%)
Macroview TV	145(100%)				145(100%)
Total	1835(44.42%)	95(2.30%)	521(12.61%)	1680(40.67%)	4131(100%)

Unit: million NT dollars

Sources: PTSF (2007) and TBS website

In 1991, the government announced its policy on the development of digital television for the very first time. It can be seen as the beginning of the development of digital television in Taiwan. In 2002, the digital terrestrial television trial began and it unveiled the beginning of the digital television age. However, the incomes of public television stations have not had a significant rise. It is difficult for public television to invest in the development of digital television with limited financial resources.

State aid to the digital switchover

In order to promote the development of digital television, the Taiwanese government drew up a special budget for public television to develop digital television. As mentioned in Chapter Five, in 2006 the PTS gained a NT\$4.4 billion (£80 million) special budget for developing digital television. There are four projects under this budget, which are (1) HDTV programme production; (2) building of the second SFN; (3) DVB trials; and (4) building of digital database system (PTSF 2007: 18-19). This budget focuses on the hardware construction. The PTS is expected itself to be the pioneer in the digital television era. A senior member of staff, also former deputy director-general, of the PTS described the role of the PTS as a pioneer during the digital switchover period.

In these five years [2003 to 2008], the government has given subsidies to the PTS continually. The PTS is like a leading role. ... Our role, I think, is more like a pioneer. (Sven)

The government also thinks the PTS should play a pioneer role in developing digital television (GIO 2005a: 2). Although the PTS has gained this budget, the digitalisation process is still a difficult task for the PTS. This is because this budget is a special budget. Even if the PTS completes the hardware construction, it still needs money for

the overall operation and maintenance. As mentioned above, the total income of the TBS is around NT\$4.1 billion (£75 million) a year. The amount of annual income is less than the special budget. The income is mainly used to maintain the channel operation and it is difficult to put aside extra money to invest in developing digital television. Therefore, how to increase the revenue has become an important issue for public television stations in Taiwan.

Means of increasing revenue

As discussed above, the process of switching to digital television is costly. Furthermore, the operation of incremental digital television channels requires more funding. How to increase income has become another issue that television broadcasters have to face. The different types of incomes are discussed as follows, which include the licence fee, state subsidy, subsidies from television industries, subscription fee, advertising revenue and self-raised funds.

Licence fee

It is considered that a licence fee is a better (or 'least-worst') method of financing public service broadcasting (Graham & Davies 1997: 45; Collins & Murrioni 1996: 145; Jonscher 1986:70). Is it possible that public service broadcasting adopts a licence fee as a financial source in Taiwan? A member of the board of governors of the PTS,

a senior member of staff of the PTS and a former Minister of the GIO all believed that it is impossible.

Under this circumstance, it is impossible to ask money from individuals. The concept of licence fee is unlikely [to be realised]. This involves more arguments in terms of legislation. No one will choose this [method]...., The Legislative Yuan will not agree with this [method], I am afraid. The Legislative Yuan will not agree to impose a levy on people. (Cheng)

It is impossible to have the licence fee in Taiwan. (Swen)

It is impossible to do that [charge the licence fee] in Taiwan. It needs to find another way. (Yao)

Audiences in Taiwan have been accustomed to watching terrestrial television for free and watching cable television for only a small subscription fee. If the government or the public service broadcasters asked audiences to pay a licence fee, it would cause fierce opposition.

State subsidy

Another way to increase the revenue is to increase the state subsidy. It is also a way to use taxpayers' money to finance public service broadcasting but more indirectly than

the licence fee in terms of audiences' feelings. For the PTS, Hakka TV, TITV and Macroview TV, the main financial source is state subsidies. The total amount of state subsidies to these four public television stations is around NT\$1.84 billion dollars (£33 million) a year. It is considered that the minimum amount of money needed to maintain the operation of a television station is around NT\$2 billion dollars (£36.4 million) a year (PTSF 2002: 10). This amount is not adequate and these public television stations need to raise money by themselves. It is not easy to increase the direct state subsidy because this involves in political disputes and the amendment of relevant laws. Some politicians think the state subsidy to public television stations should increase but some think that it should not increase or even that it should be cut. A KMT Legislator argued that the TBS spends too much money.

The TBS includes TITV, Hakka TV and the CTS [and the PTS and Macroview TV]. After the digitalisation, one channel becomes three channels.

I am wondering how much money the TBS needs. It becomes a big monster.

(Hung)

In 2007, the Legislative Yuan froze half of the state subsidy to the PTS. The reason was that the Legislative Yuan thought that the performance of the PTS was not good enough and asked the PTS to report its expenditure in detail in the Legislative Yuan.

It seemed that the political force was trying to influence the PTS. Fortunately, the PTS eventually did receive the state subsidy. This can be seen as an example of the Legislative Yuan discouraging the development of public service broadcasting.

With regard to the PTS, increasing the government subsidies requires an amendment to the Public Television Act. In respect of Hakka TV, TITV and Macroview TV, their subsidies are based on the government's annual budget. With the establishment of the TBS, it is time to amend the Public Television Act and put all regulations in relation to state subsidies to public television channels into a new Act. The amendment should review and consider the whole financial condition of the TBS including how much the government should subsidise, and how much public television channels should raise by themselves. In addition, it also needs to consider the impact of digital television on the finance of the TBS. After careful considerations, it can then decide the amount of government subsidies.

In addition, the allocation of the subsidies for each channel should be reconsidered. As discussed in Chapter Four, it is thought that the allocation is disproportionate. For example, the proportion of the population of the indigenous people is around one per cent in Taiwan, but the ratio of the subsidies for TITV to the PTS is one to three. The ratio of the expenditure of S4C to the expenditure of the BBC (television service only)

is one to 72 and the ratio of the expenditure of S4C to the expenditure of BBC One is one to 43 (BBC 2008: 141). It is found that the proportion of expenditure of the minority channels in Taiwan is higher than in the UK. Surely the protection of the minorities is necessary, but the allocation of financial resources should be reviewed as to whether it is reasonable.

Another method to increase the income of public service channels is by a spectrum frequencies auction. As discussed in Chapter Five, the licensing method for digital television may adopt a merit-assessment plus auction. If this method is adopted, it is expected that the government will gain a large amount of money from the auctions. The money can be used for the development of digital television and the development of public service broadcasting. The length of licence may be designed for 10 year. When the licence is going to expire, broadcasters will need to re-bid. Hence the government can gain money every 10 years and can allocate part of this money to public service channels. How much of a proportion will be allocated to public service channels needs to be calculated. If this method is adopted, the public service channels in Taiwan will have a stable financial source.

Subsidies from television industries

Since 2001 the PTS has gained another subsidy from the Cable Radio and Television Development Fund (CRTDF) according to the Article 53 of the Cable Radio and Television Act. The CRTDF donate 0.3 per cent of the annual revenue of the cable operators to the PTS every year. The amount is around NT\$900 million (£16 million).

An increase in the donation of the CRTDF might be a means of increasing the incomes of the PTS. There are two reasons to support this argument. First, the increase in donation can relieve the financial pressure on the PTS and further the PTS can focus on providing good and quality programmes for audiences. It also improves the television environment and helps the development of cable television.

Secondly, cable television is the main platform for television broadcasting in Taiwan. The revenue of cable operators is stable and the increase in donation would not place financial pressure on cable operators. If the amount of donation rises to 0.5 per cent of the annual revenue of the cable operators, the PTS would gain around NT\$1.5 billion (£27 million). If the amount of donation rises to one per cent, the PTS would gain around NT\$3 billion (£54.5 million) a year. This is a means of providing a stable financial support for the PTS.

Another subsidy to the PTS was discussed during the creation of the Public Television Act. It is thought that part of the advertising revenue of commercial terrestrial television could become a financial source for the PTS (Feng 2006). This idea was proposed in 1993 and it estimated that 10 per cent of the advertising revenue of commercial terrestrial television was NT\$1.5 to 2 billion (£27 to 36 million) (Feng 2006: 55). This proposition was vetoed by the government. This is because the terrestrial television broadcasters were controlled by the KMT at that time and the KMT would not allow the PTS to take money from the revenue of the terrestrial television broadcasters. As time changes, can this proposition be revitalised? It is not easy because the television market has changed and the advertising revenue of terrestrial television has decreased. The commercial terrestrial television broadcasters have difficulties in maintaining their operation. Furthermore, with the introduction of digital television, the commercial terrestrial television broadcasters face more intense competition in the advertising market. It seems that the advertising revenue of commercial terrestrial television is not a choice to increase the income of the public service channels.

Subscription

Another form of new funding is subscription. The relationship between viewers and broadcasters is close in this form. The public service broadcasters could be more accountable for their programmes because they want to attract more viewers. In the UK, the Peacock Report argued that subscription would be the best way to finance public service broadcasting in the future (Franklin 2001: 72).

However, this financing method has some problems. The first problem is that subscription might divide audiences based on their economic strength. One principle of public service broadcasting is to provide services for all audiences regardless of race, age, occupation and so forth. If public television channels become subscription channels, it could be possible that the poor might not be able to afford the subscription fee and become excluded from the services. This means that the public service broadcaster may fail to meet its universality obligation (NERA 1992: 161). This could further divide the audiences into two groups, information-poor and information-rich, or even worse, information-haves and information-have not's.

The second problem with this form of funding relates to audiences' attitudes and viewing habits. Audiences in Taiwan have become accustomed to watching TV (commercial terrestrial television financed by advertising) for free or by paying a

small amount of money for a plenty of channels (with cable television). It is not easy to change audiences' viewing behaviour. If television services become subscription-supported service, it could take time for audiences to adapt to this. These issues need to be taken into consideration if subscription payment is to be adopted.

The third problem of this form of funding is the number of subscribers. It is not easy to predict how many viewers would like to pay for subscription-based public service broadcasting. It is thought that the uncertainty of the subscription income may damage the development and operation of public service broadcasters (NERA 1992: 160). If there are only a few people who are willing to subscribe the programmes or channels, the broadcasters could face financial problems. In practical considerations, public television is not popular in Taiwan. As discussed above, the ratings of the CTS in 2007 were around 0.35 per cent, the ratings of the PTS have never been over 0.15 per cent and the ratings of Hakka TV and TITV were even lower (PTSF 2008a: 29; PTSF 2008b: 31; CTS 2007: 5). Therefore, it is difficult to have an enough number of viewers willing to pay the subscription fee. Thus the subscription seems not to be an option for the public service channels in Taiwan.

Advertising

An increase of advertising revenue may be another means of increasing the incomes of broadcasters. According to the Article 41 of the Public Television Act, the PTS programmes cannot have advertising but can have sponsorship. There are however no regulations of digital television programming. As mentioned above, Swen, a senior member of staff at the PTS, stated that the HiHD can have advertising now.

In practice, it is not easy for the PTS to have advertising. This is because the advertising market in Taiwan is small and there have been many commercial television channels competing in this market. It is difficult for the public service television broadcasters to compete in this market. With the introduction of digital television, the competition will become more intense. In addition, the types of programmes of the PTS are not easy to attract advertisers to buy its advertising slots. The PTS may however have advertisements in its HD channel. The PTS needs to be considered carefully that whether it can get enough advertising revenue and whether the advertisers will bring some influences on its public service principles. Hakka TV and TITV can have advertising but they do not have advertising. According to the director of Hakka TV, Hsu thought there were two reasons that Hakka TV decided to have no advertising.

... it's hard to have advertising in Hakka TV according to past three year experience. First, our target cannot be seen in the consumer market. ... Second, it's about the stereotype. It's thought that Hakka people are more frugal. (Hsu)

These two reasons are more practical considerations. The decision between 'advertising-have' or 'advertising-free' should also consider the role of public service broadcasting. If it is a generalist channel, which provides programmes for the general public, it may have enough advertising revenue to support its operation. If it is a specialty channel, it seems to be difficult to get enough advertising revenue. Hakka TV and TITV are both specialty channels, which provide programmes for the minorities. In practice, these two channels' ratings are both less than 0.1 per cent (PTSF 2008b: 31). It is difficult to persuade advertisers to buy advertising slots in these channels.

The income of the CTS comes mainly from advertising revenue. Before the CTS joined the TBS, it had already experienced a decrease in advertising revenue. This situation became more serious after the CTS joined the TBS. According to the Article 14 of the Regulation of the Government-owned Shares of Terrestrial Television Enterprises, the CTS cannot have advertisements in children's programmes and

cannot have political party and religious advertisements. This resulted in some loss of advertising revenue. A senior member of staff at the CTS described the difficulty the CTS faced.

The most obvious effect was during this presidential election time. Each TV station had received NT\$80 to 90 million [£1.45 to 1.64 million] in advertising revenue. We had got nothing. (Su)

When the CTS faced the advent of digital television, its financial situation seemed to be more serious. The CTS is designed to be a commercial public television station based on the Regulation of the Government-owned Shares of Terrestrial Television Enterprises, which means that the CTS is a commercial television broadcaster with public service obligations. In other words, the CTS is a public service television broadcaster whose income comes mainly from advertising revenue. There are two characteristics of the CTS, which are public service obligations and commercial activities. How the CTS can fulfil its public service obligations and at the same time be supported financially by commercial activities is a difficult task.

In respect of the financial issue of the development of HDTV of the PTS, the building of HDTV hardware can depend on the special budget from the government but the operation also needs financial supports. The PTS thinks that the advertising revenue

will be the main financial source of its HDTV channel. It seems that the government will not increase the subsidies for the PTS. Depending on advertising revenue may be the only way to maintain the operation of the public HDTV channel.

Self-Raised Funds

The funds raised by the PTS represent another financial source. The rate of increase of such funding has been slowing down and the PTS should not rely on this as a main financial source. This is because this source is unstable and the amount of money is not big enough. The range of the amounts of self-raised funds varied from NT\$222 to 548 million (£4 to 10 million) and proportion was from 15 per cent to 35 per cent, except in 2007 (see Table 4.1).

Moreover, the annual growth rates of self-raised funds were varied and there were even negative growth rates in 2003/04 and 2005/06 (see Table 6.3). It can be understood from the changes of amounts in this method of funding each year that the self-raised funds form an unstable income. With this unstable and unpredictable characteristic, the self-raised funds should not be seen as a main financial source for the public service broadcasters in Taiwan.

Table 6.3 The Amount and Growth Rate of Self-raised Funds of the PTS

Year	Self-raised funds	Growth rate
1999	222	
2000	246	10.81%
2001	302	22.76%
2002	339	12.25%
2003	456	34.51%
2004	420	-7.89%
2005	548	30.48%
2006	501	-8.58%
2007	1311*	161.68%

Unit: million NT dollars

Sources: PTSF (2000-2008)

* Due to the establishment of the TBS, the income of the production of Hakka TV, TITV and Macroview TV programmes became part of the self-raised funds

Alternative way

There is another way to increase the income of the public service broadcasters. That is a charge on television-related equipment, such as television sets and DVD players.

When people buy these appliances, there would be a certain amount of money contributing to public service broadcasters. For example, people spend £500 on a television set; £5 would go to public service broadcasters. The advantage of this method is that it is more indirect, and people might not be aware of the additional charge. However, there are still some problems with this method. First, some people use a DVD player for viewing non-public service broadcasting programmes and they

may be unwilling to pay an extra charge (Graham & Davies 1997: 52). Second, an extra charge might delay the digital television take-up. This is because the retailers or manufacturers will not absorb this extra charge. This charge will definitely be shifted on to consumers. As a result it may keep the price of new digital television appliances high. Furthermore, the rise in price might delay the take-up rate of digital television. It is in contradiction to the government policy on the development of digital television, which encourages people to take up digital television appliances for digital switchover. Therefore, this method of increasing the income of public service broadcasters seems not to be a good choice.

Whilst the expansion of public service broadcasting is still a controversial issue, it is hard to make a clear policy on financing public service broadcasters. The government should have a clear policy on the development of public service broadcasting and further develop the financing methods, whether this is mainly relying on state subsidies or commercial activities revenue.

6.3 Programming Aspects

With the advent of digital television, more channels and programmes have been (and will continue to be) emerging. This raises the issues: Do audiences still need public service broadcasting? What kind of public service broadcasting programmes do

audiences need? As discussed in Chapter Two, it is argued that there might be two hypotheses for the future of public service broadcasting: a convergence hypothesis and a divergence hypothesis (Papathanassopoulos 2002: 83). The convergence hypothesis suggests that public service broadcasters will become more like private broadcasters. They will both produce popular programmes to attract mass audiences. The divergence hypothesis contends that public service broadcasters will focus on the programmes that private broadcasters do not want to produce. This section will discuss what route public service broadcasting in Taiwan will take from four dimensions, programme genres, domestically-produced programmes, audiences and programme performance.

Programmes genres

When the PTS was first established, its board of governors decided to focus on three types of programmes: children's programmes, public access programmes and media literacy programmes (PTSF 2000). At first glance, these represented genres not known for attracting large audiences. Why did the governors decide to focus on those programmes? This can be mainly attributed to the limited financial resources.

As discussed above, the PTS has limited financial resources and it cannot focus on all kinds of programmes. Furthermore, it is difficult for the PTS to compete with

commercial television. The PTS decided to focus on the programmes which commercial television is less likely to provide. A further reason that the PTS made these types of programmes as its priority is relevant to its programme policy. In the Public Television Act and in the PTS mission statement, both mention that the PTS is to 'compensate for the inadequacy of commercial television'. Most of the informants interviewed in this study also thought that the PTS had a complementary role to commercial television.

The main purpose to establish the PTS is to provide a quality channel and the programmes which might appeal to only few people and also satisfy the need of minorities. (Hung)

Some things commercial TV can do, so let commercial TV do them. The PTS, I think, should be a complementary role to commercial television. (Liu)

The marketization of the PTS is impossible. The PTS must do something that the commercial television cannot do and continue to produce good programmes. (Yao)

In reviewing the programmes the PTS produced, it can be seen that educational programmes have become the major genre of programmes at the PTS since its inception, especially children's programmes. One of the children's programmes has

become a flagship programme for the PTS. Interestingly, in the Public Television Act, only children's and juvenile's programmes have a quota regulation, but other programmes do not have such a regulation. This indicates that children's and juvenile's programmes were highly valued in the creation of the Public Television Act.

Arts, culture and documentary programmes were also major types of programmes of the PTS. However the programme classification that the PTS adopted is questionable. This is because this programme type includes too many different kinds of programmes, such as documentaries, variety shows, concert performances and so forth. The PTS combines these programmes together into one type. Although the typological method is questionable, it is clear that the PTS focused on arts, culture and documentary programmes.

Another important type of programme is news and current affairs. It is thought that public service broadcasting has an important role in promoting the democracy and forming a civil society (Curran 2002: 233; Blumler 1992a: 12-13). Public service broadcasting plays this role by providing information for audiences. Unlike some western European countries, there are no regulations on the quota of information programmes in Taiwan. However, the percentage of news and current affairs

programmes at the PTS remains between 14 per cent and 20 per cent. This proportion is higher than other commercial generalist channels in Taiwan. Although the PTS provides a certain amount of news programmes, the influence of its news programmes is still limited due to the low audience share.

It is uncertain that the Taiwanese government or regulators will set a quota requirement on particular programme genres for the public broadcasters. In the UK there is a requirement on particular programme genres, for example, news programmes in peak time. However this kind of requirement has been relaxed gradually. As a result of facing more intense competition from the private broadcasters in the multichannel environment, this requirement could be relaxed, especially for the commercial public broadcasters.

Ironically, the PTS was not allowed to produce daily news during its first four years according to an additional condition with the Public Television Act. This is because that there was distrust between political parties and disbelief in the impartial role of the PTS. The PTS did not have daily news until July 2002 (PTSF 2003: 16). With the relaxation of the restriction on daily news, it seems that the PTS can now perform its function as an information provider to help the development of civil society and democracy. Moreover, in April 2007 the PTS established a civil news platform,

named PeoPo Citizen News Platform (PeoPo), which was designed to allow audiences to produce news reports and upload them on the PTS's website. This platform provides an opportunity for audiences to have access to the media and produce news from different perspectives. However, the impact of this PeoPo service needs time to develop before conclusions can be drawn.

In addition, it is thought that the 'brand' becomes an important asset for television channels in the multichannel environment (Hujanen 2005). Public service channels need to build their brand in order to attract larger audiences to watch their programmes. In respect of the programme genres of the CTS, the CTS decided to focus on entertainment programmes after joining the TBS (CTS 2007: 2). This is because the CTS had been a commercial television broadcaster and already had the experience of producing entertainment programmes since 1971. Moreover, this positioning plan was helpful in distinguishing the role of the CTS from the role of the PTS, and in this respect the plan seems to be correct. Whether the positioning plan of the CTS will success needs time to be proved. The other reason that suggests the CTS focuses on popular programmes is that the income of the CTS is mainly from advertising revenue. If it does not provide popular programmes, it is hard to have enough advertising revenue.

With regard to Hakka TV, the major programme types are drama, news and life information programmes (PTSF 2008b: 28). In addition, Hakka TV particularly focuses on 'public access' programmes. Hakka TV tends to let audiences have access to Hakka TV programme production and tries to attract more viewers via public access activities. Furthermore, this system is also a means of understanding the audience and of providing programmes that audiences need and want. In relation to TITV, its main programme types are arts and culture, news and life information programmes. TITV does not have a 'public access' programme type. However its programmes focus on catering services for indigenous people in Taiwan. Hakka TV and TITV both focus on the cultural dissemination and language preservation. Their programmes strategy also emphasises these two main themes: culture and language. Hakka TV and TITV should provide some programmes for the general public so that audiences in general can also watch Hakka and Indigenous programmes. In addition, the dissemination of culture should not only occur in Hakka communities and Indigenous communities, but should also give opportunities for other people to understand Hakka and indigenous culture.

Another aspect of programming provision with which the PTS is concerned is HDTV content. Which programmes should be put on its HDTV channel is a big question for the PTS. It is considered that programmes which need better picture quality are suited

to HDTV. Hence sports, films, drama and documentary programmes seem to be ideal programme genres. However some rights to these programmes are very expensive.

The PTS or the TBS may not have enough financial resources to afford them. Another method might be to collaborate with other commercial broadcasters. For example, the PTS could co-produce drama with another commercial broadcaster, or the PTS and another commercial broadcaster could co-bid for the rights to broadcast sports events.

The commercial broadcaster could broadcast a whole live sport event and the PTS could use 30 minutes or 30 per cent of the content of each sport event. This collaboration model is similar to the collaboration model between the BBC and Sky TV for the premier league matches. Sky TV broadcasts a whole match and the BBC uses part of the content. Drama co-production has started in recent years in Taiwan.

The PTS and a commercial channel produced a drama together and it was broadcasted on the PTS first and broadcasted again on a commercial channel the following week.

(Of course the details of collaboration need to be discussed and put into a contract)

The collaboration model may be a means for the public HDTV channel to survive and flourish in the digital multichannel environment.

Domestic programmes

Another issue of programme output is the proportion of domestically-produced programmes provided by public channels. It is argued that public service broadcasting is a cultural institution and is responsible for disseminating national culture (Blumler 1992a: 11). Hence public service broadcasting should disseminate national (or local) culture via domestically-produced programmes. In the digital age this function is more prominent because with the increase in channels, the demand for programmes will increase. Television broadcasters might not be capable of producing a large number of programmes to meet the requirement of incremental channels. It could result in a dependence on imported foreign programmes, especially the US programmes.

In Taiwan, there are many imported programmes on cable television. In respect of the PTS, there are no regulations covering the proportion of domestically-produced programmes shown on the PTS. However the proportion of home-made programmes remains high, which is from 77 per cent to 90 per cent (PTSF 1999-2007), suggesting that the PTS pays particular attention to this issue. In respect of the CTS, according to the Article 19 of the Radio and Television Act, the proportion of domestically-produced programmes of CTS should be not less than 70 per cent of its

total programmes. Although there are no regulations on the proportion of Hakka TV and TITV programmes, most of their programmes are produced domestically. This is a good way to preserve and disseminate local and national culture.

Audiences

The audiences for whom public service television channels provide services represent another important issue. In traditional theoretical arguments, public service broadcasting is obliged to provide services for all audiences in its country. This is called universal service obligation or universality principle (Collins 2002: 142; BRU 1985). Although this principle has been challenged since the arrival of the multichannel environment, it is still thought the universal service is one of the key characteristics of public service broadcasting (Tracey 1998: 26-27).

The methods of providing universal services, however, might change in the digital age. For example, there were only a few terrestrial broadcasters (three to five) providing television services in the past. All of them provided a mix of programmes for audiences. In the digital era, not only does the number of commercial or private television channels increase, but also the number of public service channels increases. However it is not necessary for all the public television channels to be generalist channels. Public service broadcasting may have a greater capacity for serving the

minorities who had previously been overlooked by the media in the past. In Taiwan, the PTS sees itself as a generalist public channel. The general public is the PTS's major target audience and children and juveniles are also its main audiences (see Table 6.4). However it would seem that proportionately not enough programmes are aimed at women or the elderly.

Table 6.4 Audiences of the PTS

Year	General public	Women	Elderly	Children & Juveniles	Minorities
1999	60%	7%	6%	23%	4%
2000	60%	0%	6%	26%	8%
2001	53%	7%	4%	26%	10%
2002	49%	10%	4%	24%	13%
2004	52%	3%	4%	29%	12%
2005	56%	3%	5%	27%	9%
2006	63%	2%	2%	26%	7%
2007	56%	8%	5%	23%	8%

Sources: PTSF (2000-2008)

According to the ratings analysis, the CTS identified young adults, aged from 15 to 44, as its target audience (CTS 2007: 15). The target audience of the CTS and of the PTS are overlapped at a certain level. Moreover, these two channels both neglect women's and old people's needs. Therefore, the target audience of these two channels should be reconsidered. In relation to Hakka TV, the majority of its viewers were old Hakka people according to the statistics, which indicates that more than 75 per cent of its audiences were over 45 years old (PTSF 2008b: 31). Hakka TV is however trying to

increase younger audiences. The director of Hakka TV realised this problem and has tried to attract more young audiences.

Half of our audiences are over 55 years old. ... The number of young audiences has increased, between 25 and 45 years old. We can see the increase. (Hsu)

The share of young audiences has been increasing but the proportion of young audiences to all audiences is still low. Nevertheless, the ratings are not the only method to measure the performance of programmes. Hakka TV is a minority channel offering services for the minority. Thus its ratings are supposed to be lower than the generalist channels. The focus of Hakka TV or other specialist minority channels should be placed on whether their programmes reflect the minorities' needs and whether these programmes reflect the cultures of minorities without distortion.

Programme performance

According to the Public Television Act and the missions of the PTS, the PTS aims to provide high quality programmes. However, the concept of the quality of programming is vague and it is difficult to have a clear definition (Tracey 1998).

Awards competitions are sometimes seen as a measure of the quality of programming (Albers 1992: 15). With regard to awards competitions, the PTS has been the biggest

winner in the Golden Bell Awards²⁵ since 2000 and the PTS programmes also have won many awards from other countries. This indicates that the PTS programmes are of certain quality. However its ratings and audience shares are low. Its average ratings are less than 0.15 per cent and the audience share is less than 1 per cent (PTSF 2008a: 29). These numbers are relatively lower than those in western European public service broadcasters. Why good programmes cannot attract larger audiences is an issue the PTS needs to face. It is necessary to trace back to the development of television in Taiwan.

The first television service in Taiwan started in 1962. Although television broadcasters were controlled by the government and the KMT in the past, broadcasters still needed to make their profits from advertising. Therefore, broadcasters would produce popular programmes to appeal to as wide an audience as possible. Then the arrival of cable television in the 1990s unveiled the multichannel stage. Similarly, most cable channels depended on advertising revenue as their main financial source. They provided popular programmes, such as variety shows and soap operas, to attract audiences. At the same time, in order to save costs, cable channels tended to buy foreign programmes rather than to produce programmes by themselves. Or cable channels tried to produce programmes but with low cost. This resulted in a

²⁵ The Golden Bell Festival is the biggest TV festival in Taiwan. It is similar to the Bafta TV Festival in the UK.

lack of high quality domestic programmes. Hence with the establishment of the PTS, the creation of quality programmes has become the one of its main missions (PTSF 2000).

Ratings are a means of measuring the programme performance, although ratings are not the only way of doing this. Ratings are important to commercial broadcasters because advertisers buy advertising time based on ratings. It is thought that public service broadcasters should not see ratings as a measure of programme performance but should focus on quality and merits of democracy (Tracey 1998: 31). However even though programmes are high quality and good for the development of democracy, the objective of the development of democracy would not be accomplished if there was no one watching the programmes. Therefore ratings should be seen as a supplement indicator when measuring the programme performances of public service broadcasters but not a goal to pursue.

The ratings and audience share of the TBS have been low and it has become a weakness commonly criticised. A KMT Legislator pointed out this problem.

TITV provides services for whom? What does Hakka TV do? I think even Hakka people and aborigines don't want to watch. (Hung)

As mentioned above, the average ratings of the PTS were less than 0.15 per cent (PTSF 2008a: 29). The average ratings of the CTS in 2007 were 0.35 per cent (CTS 2007: 5). These figures were low. This is because the television industry in Taiwan exists in a highly competitive environment. The top programme's ratings are around 5. The ratings of Hakka TV were lower. The average ratings of Hakka TV in 2007 were 0.03 per cent and 0.02 per cent in 2008 (PTSF 2009c: 15; PTSF 2008: 31). TITV does not have ratings data but it is thought that its ratings were similar to Hakka TV or even lower. It seems that there are a lot of efforts public service channels need to do to attract larger audiences. It is thought that the PTS's programmes are 'quality programmes' (Chung 2009). However, quality programmes and popular programmes are not incompatible. As Tracey (1998: 21) argued that 'public service broadcasting is to make popular programmes good, and good programmes popular.' A senior member of staff at the PTS also had a similar thought.

In fact public television programmes should not be confined. ... Actually I don't think public television programmes should be boring and dull. You can make boring programmes not boring. That's your talent. (Swen)

The problem the PTS faces is the low audience shares. How to increase audience shares in the digital age has become the task for the TBS. They should also adopt

other methods to measure their performances; for example, they should adopt the audience reach as an indicator of programme performances. They may not pursue the high ratings but focus instead on a high audience reach. With the advent of digital television, the traditional public service broadcasters in western European countries are worried that their audience share may decline and further affects the legitimacy of the licence fee (Papathanassopoulos 2002: 68). The audience share of the PTS is already low and it is difficult for it to become lower. Therefore the introduction of digital television would not be a threat to the PTS. Adversely, it might be an opportunity for the development of public service broadcasting in Taiwan. A senior member of staff at the PTS and a senior member of staff at the CTS both thought the introduction of digital television is an opportunity for them.

There is no threat. There is money for us. We can renew our equipment. That is good. (Sven)

Digitalisation is a chance [for the CTS], I think. (Su)

Ratings are not the only method of measuring the performance of programmes. A series of research in relation to the quality of programming was published in *Studies of Broadcasting* in the early 1990s which provided measurement of programme quality (Tsuchiya & Obara 1994; Tsuchiya & Obara 1993; Ishikawa & Tsuchiya

1992). In Taiwan, the PTS also developed a qualitative measurement to measure its programme performance and to better understand its audiences (PTSF 2009a). This measurement is similar to the UK audience appreciation survey. Although the PTS programmes have received high scores as its audience appreciation data indicated, the method of measurement is questioned (Lin 2005). The PTS and other public television channels should establish a more sophisticated and more trusted measurement to measure their programme performance and to understand audiences.

6.4 Regulatory Aspects

With the introduction of digital television, several regulatory issues have emerged. It is thought that regulations have to be changed to adapt to the new digital era (Näränen 2005). The regulatory issues are more complex in Taiwan because the National Communications Committee (NCC) and the TBS were founded during the digitalisation process. Therefore, there are three significant regulatory issues raised in Taiwan. First, the regulatory bodies themselves have become an important issue. The second issue is related to the means of licensing spectrum frequencies for digital television use. Third, there is still a debate on the separation of transmission and content services.

Regulatory bodies

All public service television channels in Taiwan have been integrated under the TBS.

A new issue therefore is which government office should be the regulatory agency of the TBS or there should not be a regulatory agency. During the enactment of Public Television Act, some scholars suggested that there should not be a regulatory agency of the PTS (Feng 2006: 54). They contended that the PTS should be independent of political influences so there should be no regulatory agency.

By contrast, although it is considered that public service broadcasters should be independent of political influences, the relationship and connection between the government and public service broadcasters is still unbroken. This is because the government is responsible for allocating frequencies, licensing and even financing. Even the BBC, one of the most successful public service broadcasters in the world, has to face the renewal of the Royal Charter and the Agreement, and Parliament approves how much license fee the BBC can have in the next ten years. In addition, Ofcom is responsible for the regulation of content. If the content of the BBC breaks the law, Ofcom can use penalty fines as a punishment measure. Therefore, it seems that the existence of a regulator is necessary at certain levels. The Taiwanese government thinks that there still should be a regulatory body.

According to the current laws and regulations, the regulatory agency of the PTS is the GIO; the regulatory agency of the CTS is the NCC, and there is no clear regulatory agency for Hakka TV and TITV. The government subsidy to Hakka TV comes from the Council for Hakka Affairs and the subsidy to TITV comes from the Council of Indigenous Peoples. In addition, Hakka TV and TITV have to submit their annual reports to these Councils respectively every year. It seems these Councils act as regulatory agencies for Hakka TV and TITV.

At the operational level, according to the Regulation of the Government-owned Shares of Terrestrial Television Enterprises, the transmission and production of Hakka TV and TITV are entrusted to the PTS. This raises two problems. The first problem is how the PTS use the financial resources from different regulatory agencies? Can the subsidies from different regulatory agencies be used in other channels? For example, can the subsidy from the Council for Hakka Affairs be used in TITV? The second problem is whether the production of Hakka TV and TITV programmes should follow the production principles of the PTS. The current condition is that the financial resources are not integrated; for example, the subsidy from the Council of Indigenous Peoples is only for TITV. Except for the fact that the Hakka TV and TITV moved their offices to the PTS building and use the PTS equipment, the programme

production of each channel is still separate. It seems that there is still a long way to go to attain the ideal of resource integration.

When the NCC was established, the regulatory agency problem arose again. The NCC was established in 2006 in order to cope with the convergences of broadcasting, telecommunications and computing technologies. The Taiwanese government took the formation of the Ofcom and the reorganisation of the FCC as the reference materials, and intended to found a convergence regulator which is independent of the Executive Yuan. The NCC should be in charge of making communications policies and regulating all other communications-related issues according to the National Communications Commission Organisation Act (NCC Organisation Act). Ironically, in the Article 3 of the Fundamental Communications Act says that:

‘The planning of national communications resources and the provision of guidance and incentives for industrial development shall be performed, in accordance with the laws, by subordinate agencies under the Executive Yuan.’

Because of Article 3 of the Fundamental Communications Act, the Executive Yuan still has some influence over making communication policies. In other words, the NCC’s power in policymaking is limited. If the Executive Yuan could trust the NCC

more and work with the NCC, perhaps more communications policies could be made by the NCC.

This is because that the DPP government thought most NCC Commissioners were nominated by Pan-blue parties (the KMT and other KMT-inclined parties) and even questioned that the nomination process of the NCC Commissioners is in contradiction to the Constitution. Therefore, the progress of communications policymaking was slow.

After the KMT won the presidential election in 2008, Liu, a former NCC Commissioner, thought that the tensions between the NCC and the Executive Yuan might ease. This is because that the Executive Yuan is led by the KMT and most NCC Commissioners are nominated by the Premier. However, there are still some conflicts between the NCC and the Executive Yuan. Cheng, a member of the board of governors at the PTS indicated out the conflict between the NCC and the Executive Yuan.

The NCC has many opinions on the governance [of digital television]. Many opinions of the NCC are different from those of the Executive Yuan. That is a big problem. (Cheng)

There needs to be more negotiation between the Executive Yuan and the NCC to solve this conflict. Another purpose of the establishment of the NCC was to solve the multi-regulator problem. There had been dual regulators of communication affairs in Taiwan: one was the GIO and the other was the MOTC. Generally speaking, the GIO is responsible for the content regulations and the MOTC is responsible for the allocation of the spectrum frequencies. After the establishment of the NCC, the communication affairs which were regulated by the GIO and the MOTC should be transferred to the NCC, according to Article 2 of the NCC Organisation Act. Some affairs and power were transferred to the NCC but not all of them. For example, the allocation of the spectrum frequencies is still the responsibility of the MOTC and the state subsidy for the PTS is still the responsibility of the GIO. The establishment of the NCC did not solve the dual regulators problem but in fact created the new problem of there now being triple the amount of regulators for communications. This ambiguous and multi-headed regulator issue has not only resulted in the slow progress of communications policymaking but also affected the development of digital television and public service broadcasting.

With the establishment of the NCC, the GIO should change its role to being solely a spokesperson of the government and transfer its responsibility for governing and regulating media affairs to the NCC. In addition, the MOTC should also transfer its

responsibility for the allocation of the spectrum frequencies to the NCC. Therefore, the NCC would actually become *the* regulator of communications affairs. In terms of the regulation of the TBS, the NCC should be in charge of licensing, financing, and the regulation of content. However the GIO is still the regulatory body of the PTS now. This is because the state subsidy for the PTS comes from the GIO. A former NCC Commissioner and a member of senior staff at the PTS both mentioned this problem.

The subsidy and grant are the responsibility of the government office under the Executive Yuan. (Liu)

The GIO just passes on the subsidy to the PTS. It [the state subsidy] is from the Treasury. (Swen)

The PTS is afraid that it might lose the subsidy if there is a problem in the relationship between the PTS and the GIO. It seems that the GIO is still the major regulatory body of the PTS. However, the GIO does not put much emphasis on the media policy and public television policy. A member of the board of governors at the PTS argued that there is a lack of the media policy.

The GIO does not have substantial ideas of the media policy, although it knows that it has this responsibility. ... It does not have many ideas on the public television policy as well. (Cheng)

As discussed in Chapter Five, the development of digital television involves in many aspects and many government offices including the NCC, the GIO, the MOTC, and the MOEA (Ministry of Economic Affairs). In order to integrate the opinions from different government offices, the Executive Yuan founded the National Information and Communications Initiative Committee (NICI) in 2001. One of its missions is to promote the development of digital television. Before the establishment of the NCC, the GIO provided the timetable for digital switchover and it was discussed in the NICI meetings. It seems that the NICI Committee is the government agency responsible for the development of digital television. However, the process of policymaking is slow. The problem is that the NICI is a committee under the Executive Yuan and cannot make any decision itself. A former NCC Commissioner pointed out the problem.

The NICI held the meetings. ... The representatives of the MOTC and NCC are not high hierarchical officials. The meetings are not efficient. (Liu)

For example, in the NICI meetings, it was said that the planning of the spectrum frequencies should be discussed and reviewed by the MOTC, the MOEA, the GIO,

and the NCC. The role of the NICI is more like a negotiator than a policy maker or implementer.

Spectrum frequencies licensing

According to the NCC Organisation Act, the making of communications policies should be the responsibility of the NCC. Nevertheless, when the policy is related to the national resource planning, the Executive Yuan has the main role in policymaking. The allocation of spectrum frequencies, therefore, is considered to be national resource planning. Hence how many frequencies will be released for digital television use and the timetable for digital switchover are not just the responsibility of the NCC. Clearly there needs to be negotiations among several different government offices.

In 2000 each of the five terrestrial television stations in Taiwan received a multiplex licence (6 MHz frequency) for digital television use. The Taiwanese government released these frequencies for digital television trial at first. Then the frequencies were assigned to five terrestrial television stations without the application of any regulations or laws. These five terrestrial television stations gained the frequencies with almost no cost. A former NCC Commissioner said the NCC tried to clarify the licensing process.

After the establishment of the NCC ... we tried to clarify whether the licences belong to the terrestrial television broadcasters. Were the licences assigned [to the terrestrial television broadcasters] by the former regulatory agency. ... We think as long as the Executive Yuan had made a promise [to give the licences to the terrestrial television broadcasters] in many occasions and announced the switch-off timetable. It seems to be a tacit recognition. The NCC asked them [the terrestrial television broadcasters] to change their operational proposal. When they've done this, the licences were assigned officially. (Liu)

When the NCC was established, the NCC has tried to formulate a means of licensing the spectrum frequencies. The NCC is planning to release more frequencies for digital television use, called the second SFN. There will be 30MHz frequencies to be released. In other words, each terrestrial television station may have another 6MHz frequency. However the means of licensing is still ambiguous. A senior member of staff at the CTS stated that the licensing method depends on the government.

It is uncertain the GIO [should be the NCC] will assign the second SFN frequencies to the incumbent terrestrial television broadcasters. ... It might adopt an auction method. (Su)

A member of the board of governors of the PTS also mentioned that the uncertainty of policy will affect the progress of the development of digital television.

The licensing policy is still uncertain.... The construction [of the second SFN] has to be halted. We need to wait for the policy to become clear. This takes a long time. As a result, this project [on the construction of the second SFN] has been halted. Basically, there is no progress. (Cheng)

The NCC intends to adopt a ‘merit-assessment plus auction’ method. However some incumbent terrestrial television stations do not want to see this auction method adopted. This is because they gained their licences without competitors in the past and at almost no cost. They do not want to spend more money on bidding. In addition, they do not want to see new competitors enter the television broadcasting industries. On the contrary, the NCC thinks a merit-assessment plus auction is a good means of improving the efficiency of the spectrum frequency use and the government thinks it can increase income for the state treasury. A former NCC Commissioner stated that:

There’s an atmosphere that everything needs the merit-assessment plus auction in Taiwan. (Liu)

There is another problem in relation to the public service broadcasters. If the NCC decides to adopt a merit-assessment plus auction method, the PTS will be at a

disadvantage. First, the financial resources of the PTS are limited and the PTS does not have extra money for bidding. Second, the income of the PTS comes mainly from the state subsidy, in other words, from the taxpayers. It is not legitimate to use taxpayers' money for bidding. A former NCC Commissioner pointed out this is unreasonable.

[The PTS] cannot use taxpayers' money to bid at the auction. If the PTS submits a proposal asking frequencies, the NCC will mostly grant it license if the proposal can serve the public interest. (Liu)

There should be another means of the allocation of spectrum frequencies for public service broadcasting in order to promote the development of public service broadcasting (if the government wants to promote). The UK government, for example, licensed three multiplex licences to the incumbent terrestrial television broadcasters before the government put the rest multiplex licences at an auction (Goodwin 2005: 157-158). This was a means of protecting public service broadcasting in the digital age. The licensing method is related to the policy on public service broadcasting and digital television. The policy is concerned with what kind of public service broadcasting should be and how many channels public service broadcasting should have. For now the Taiwanese government does not have a clear policy on the

development of public service broadcasting. A member of the board of governors of the PTS argued that the government is still struggling to find the way to license digital television franchises.

This is another question [that finds the justification for the means of licensing].

What kind of business model is fit for this [digital television] platform? Can it

survive? What is the strategy for [the digital television platform] to survive? It

[the NCC] can have a method of licensing. But it cannot find the justification

for this [the means of licensing]. (Cheng)

Thus the licensing is not only in relation to the licensing methods. It should consider the whole media environment including the business model of digital television and the development of public service broadcasting. The Taiwanese government should consider the development of digital television at large and provide a reasonable and feasible licensing method.

Separation of transmission and content service

In Taiwan the idea of separation of transmission and content service was first documented in the ATTN's proposal (ATTN 2000). After the establishment of the NCC, this idea was also documented in the draft of the Communications Management Act, which was drafted by the NCC. This separation concept might bring three

advantages. First, the terrestrial television stations can save costs in terms of transmission. The terrestrial television stations in Taiwan have transmitted their signals separately since the establishment of television stations. Every terrestrial television station has its own engineering department in charge of signal transmission. If the engineering departments integrate into one transmission company, it will save costs in personnel, equipment, office and so forth. The arrival of digital television brings an incentive to form a common transmission company. The terrestrial television stations have to change their analogue equipment to digital one. It is a huge amount of investment; therefore, if a new transmission company is established, the terrestrial television stations will save in the cost of switching equipment.

The second advantage is that the frequency spectrum can be used more efficiently (Starks 2007). The more channels will emerge by using the new digital compression technology. Each terrestrial television station in Taiwan has been assigned one 6MHz frequency for digital television use. If the terrestrial television stations are in charge of transmission by themselves, they may transmit three standard-definition (SD) digital channels or transmit one high-definition (HD) channel. If they do not use all the frequencies (three SD channels or one HD channel), the remaining frequencies are wasted. If the frequencies are managed by a transmission company, the frequencies can be used more efficiently. For example, a transmission company can use different

combinations to meet the terrestrial television stations' request and it can use the rest of the frequencies for other use, such as interactive services, and it can even rent the frequencies to other industries, such as telecommunication companies.

Thirdly, terrestrial television stations can focus on content provision. It is considered that the content service is television's core resource (Hujanen 2005). Especially in the digital age, content has become a key factor, which influences the success of television stations (Hujanen 2005). A former NCC Commissioner thought that the PTS should not focus on the hardware construction.

The PTS spent too much energy on hardware. ...the separation of transmission and content means the PTS does not need to spend too much energy on transmission. It should focus on content. (Liu)

A senior member of staff at the PTS also thought that the PTS should focus on content.

As a TV station, it should focus on the supply of content eventually. As a multi-platform content provider ... (Sven)

A member of the board of governors of the PTS thought that the PTS will become a content provider but at the same time the PTS will have a collaborative relationship with other companies.

In terms of the development of the PTS, the PTS must be a content provider and has a joint venture. ... We can let the technical section [transmission section] become a part of a joint venture. This is a trend. After the switch-off, it is reasonable. (Cheng)

Admittedly, there are some arguments to against the idea of separation. A senior member of staff at the CTS argued that:

I think the separate of transmission and content is not good for us, because there are too many TV channels. You only produce content when many people do this as well. (Su)

It is thought that the transmission is one of the key elements in television broadcasting service (Hujanen 2005). Terrestrial television stations *broadcast* their programmes to audiences. If the broadcasting or transmission service is controlled by another company, the terrestrial television stations will be worried about whether their programmes can be transmitted completely, or even worse, that no company will want to carry their programmes. This problem needs to be regulated with laws or rules to

provide adequate guidance. A former NCC Commissioner believed that these worries could be solved by regulations.

It [the transmission company] will not control the domestic content, and in terms of infrastructure, when it leaves the country, the domestic content will not be affected. In addition, it should be fair and not discriminate. (Liu)

In other words, a transmission company should treat each content provider equally and without any discrimination. For example, the trade in programmes should be fair and transparent. In addition, the public service content should be transmitted to as widely as possible in terms of geographical scope. These regulations may alleviate the worries. There is, however, a practical problem which needs to be solved. If the engineering departments from terrestrial television stations are going to integrate, there will be a personnel problem. For example, there are five terrestrial television stations in Taiwan and it means that there are five engineering departments. It will be a problem to combine five engineering departments together. Some people may lose their job after the merger. This is a problem which needs to be solved if there is going to be an integrated transmission company.

New Laws

A transmission company is unlikely to be formed in the near future because the draft of the Communications Management Act was sent back to the NCC for reconsideration and revision. The draft of the Communications Management Act is the only Act, which mentions the idea of the separation of transmission and content services. When the draft was proposed by the NCC, it caused many arguments and drew heavy criticism, both from inside the NCC and from the outside. A former NCC Commissioner acknowledged the arguments.

This draft combines four Acts [including] the Telecommunications Act, and three Acts relevant to radio and television. Four Acts try to become one. No one is satisfied with it because we need more time to discuss and revise. It cannot be too rushed. (Liu)

This draft has not even been discussed in the Legislative Yuan and then was sent back to the NCC. It does not know when the draft will be sent to the Legislative Yuan again and when the Act will be passed. One Legislator believed that the Communications Management Act would not be passed soon.

It is impossible in this session. I doubt that it could be sent [to the Legislative Yuan] in next session. (Hung)

In addition, even in the NCC, the discussion of the Communications Management Act occurred mainly in 2007.²⁶ There has been no discussion of the Communications Management Act since May 2008. It seems that the enactment of the Communications Management Act was no longer the priority task for the NCC.

The drafting of the Communications Management Act was devised to deal with the convergence of broadcasting, telecommunications, computing and other communications industries in the digital age. The delay of enacting or amending the Act will postpone the development of digital television. It is sad but true to say that the progress of creating laws is always slower than the development of technology in Taiwan. There are no laws to regulate digital television but the frequencies for digital television use have been already assigned to the terrestrial television stations in Taiwan.

With the formation of the TBS, the Public Television Act is no longer fit for the new public television organisation. As a member of the board of governors of the PTS said that:

The amendment of the Public Television Act is a key factor, everyone knows that. (Cheng)

²⁶ According to the NCC Commissioner meeting minutes, the draft of the Communications Management Act was discussed in 17 meetings. Among them, 16 meetings were held from July to December 2007 and one meeting was held in May 2008.

In respect of the Public Television Act, it is considered that this Act should be amended due to the formation of the TBS. However, the Public Television Act has not been amended in order to cope with the change of structure of public television organisation. Cheng, a member of the board of governors at the PTS, said that there are two reasons for the delay in the process of the amendment of the Public Television Act. The first is the government is lack of willingness to amend the Act.

As early as in June 2007, the amendment [of Public Television Act] was approved by the board of governors [of the PTS]. It [the amendment] was also sent to the GIO. There were some people who did not co-operate. For example, Hsieh Chih-Wei, the Minister of the GIO at that time, was not interested in this. He was only thinking about elections. So he did not get the amendment moving. This [the amendment of Public Television Act] should have a result in 2007 when the DPP was the in the government offices. (Cheng)

The second reason for the delay of the amendment of the Public Television Act is that the disapproval opinion on the amendment among the board of governors at the PTS.

In 2008, some members of the board of governors and the director-general were all against the 'publicisation'. These people in fact were the biggest barrier to the amendment of the Public Television Act, I think. ... From 2008

to 2009, the PTS itself put the amendment of Public Television Act aside. The amendment was approved by the previous members of the board of governors. They [the members of the board of governors] did not put this moving because they were against the publicisation. (Cheng)

After Cheng had become a governor of the PTS in 2009, he tried to make the progress of the amendment of the Public Television Act. Cheng also concluded that in the last two years, the progress had totally stagnated.

In short, [the amendment of] the Public Television Act had no progress in the last two years [2007-2009]. Until 2009 I have become a governor. ... We started to get the amendment of the Public Television Act moving. The new version of the draft was put on the website in December 2009. We have done some revision. To be honest, there are not many differences between the draft of 2009 and the draft of 2007. I can only say one thing and that is that it [the amendment of the Public Television Act] was halted in these years. (Cheng)

It can be seen that the solution of these regulatory issues discussed above relies on clear policies and new laws (or amendment of laws). There is an opportunity to change the ambiguous situation with the establishment of the TBS and the advent of

digital television. This is the time to review and amend the relevant Acts or create new laws.

Optimistic View of the Impact of Digital Television

In addition to the discussion of the impact of introduction of digital television on public service broadcasting in Taiwan in four aspects, it is also found that most of the informants interviewed in this study held an optimistic view of the impact of digital television. Despite the slow process of the development of digital television discussed in Chapter Five, most of the informants thought the arrival of digital television will bring positive effects on public television in Taiwan. From public television managers' points of view, the advent of digital television is a chance for public television. Su, a senior member of staff at the CTS, pointed out the advantages of digital television.

An analogue aerial is needed to be put on the rooftop. Now just putting a digital aerial beside a window can receive signals very clearly. ... Originally a television station could only have one channel but now can have two channels.

In the past, the mobile reception was difficult. ... The European standard can do mobile reception. ... I think the whole world is going to high-definition. ...

Around 80 per cent transmitters have switched to HD in the US. ... Content

providers produce HD programmes. Many dramas in Taiwan are produced in HD format. In terms of the competition between terrestrial television and cable television, I think terrestrial television should go to HD. I think HD is a chance. People are asking for better picture quality. Especially sports programmes, it will be clearer. (Su)

To sum up Su's thoughts, first, the reception will be easier and the reception quality will be better. Second, public television broadcasters can offer more channels. Third, digital television can allow for the mobile reception. Fourth, high-definition quality picture will attract viewers to watch. Swen, a senior member of staff at the PTS, said that the digital switchover project has brought more financial support for the PTS from the government and thought that the introduction of digital television is an opportunity rather than a threat to the PTS.

Hsu, director of Hakka TV, thought that the introduction of digital television will not bring much influence on Hakka TV. This is because that Hakka TV does not have many financial resources for the digitalisation. The digitalisation project of public television has been mainly executed by the PTS. In addition, Hsu also thought that the digitalisation is not a priority plan for Hakka TV.

As to Hakka TV, first, it is impossible to do digitalisation in terms of budget. ... Second, it is not a priority for Hakka TV. Of course we will update the information about digital television. From my subjective opinion and objective conditions, I think it is difficult for Hakka TV to do digitalisation.

(Hsu)

In terms of the government officials' perspectives, Yao, former Minister of the GIO, thought the impact of digital television on public television is limited and the public broadcasters will not have a great influence on the television market.

The digitalisation of the PTS cannot reverse the whole market. There are just a few influences. (Yao)

Liu, former NCC Commissioner, argued that the TBS should focus on HDTV and not ask for more channels.

The purpose of public television should not aim to be multichannel but should aim for high quality. ... The TBS should focus on HDTV. That is enough.

(Liu)

A similar argument was made by a KMT Legislator. Hung also thought the TBS does not need so many channels and argued that there is not enough money to support them.

On the contrary, Kuan, a DPP Legislator, thought that the government should give the TBS more financial resources.

I think it [the TBS] needs more resources. The competition of the media is very intense. The media environment in Taiwan is very special. ... With the limited financial resources, the PTS, I think, has not had abilities to compete with commercial television. (Kuan)

Although most informants' attitudes towards the impact of digital television on public television are optimistic, there are still some problems public television needs to face. The first problem is the shortage of financial resources. With the increase in the number of channels, the income of the TBS has not increased. The state subsidies and advertising revenue are both inadequate for the operation and maintenance of the incremental channels. A former NCC Commissioner and a KMT Legislator both pointed out this problem.

The TBS budget is very tight. It also needs to raise some money by itself. Does it have budgets for the additional channels? Where does the budget come from? ... This is a practical problem. (Liu)

The government does not have enough money for it [the TBS]. (Hung)

The second problem is management. The establishment of the TBS and the arrival of digital television both have significant effects on public television in terms of management. The public television channels need to adapt to the new organisational framework and the managers need to reconcile the conflicts between different channels with different organisational cultures. Swen, a senior member of staff at the PTS argued:

The difficulty lies in management, such as how to draw up the future development plan. As a content provider, what kind of content provider should we be? What role will we play in a common transmission company in the future? (Swen)

Thus, it is found that the informants held an optimistic view of the impact of the introduction of digital television, but however, they also recognised that there are some problems which need to be solved.

In this chapter, I examined the impact of the introduction of digital television on public service broadcasting from four aspects, which were the organisational, financial, programming and regulatory aspects. Although the introduction of digital television has had some influence on public service broadcasting, most of the informants are optimistic with the development of public service broadcasting. In the

next chapter, the emphasis is placed on the changes in public service broadcasting and based on the findings of this chapter, the next chapter is going to examine how these changes have affected public service broadcasting and what changes have been happening and will be happening. In addition, the next chapter is going to map a possible model for public service broadcasting in the future.

CHAPTER SEVEN: CHANGES TO THE ROLES OF PUBLIC SERVICE BROADCASTING IN TAIWAN

This chapter is divided into two sections. The first section discusses the changes of the roles of public service broadcasting in Taiwan from the 1980s to the present. The second section is to map the possible roles of public service broadcasting in the future. This chapter adapts the analytical frameworks provided by Blumler and Hoffmann-Riem (1992: 206-215), Hujanen (2005: 66-78), Marsden and Ariño (2005: 27-30), Papathanassopoulos (2002: 82-86) and Siune & Hultén (1998: 35-36) to the Taiwanese context and examines the roles of public service broadcasting from three aspects, which are institutional aspects, market positions and roles in society.

7.1 The Changes in Public Service Broadcasting in Taiwan

In addition to examining the roles of public service broadcasting from three aspects, this section divides the development of public service broadcasting in Taiwan into three phases based on two important changes as discussed in Chapter Four: the establishment of the PTS and the formation of the TBS. Therefore, the first phase is ‘the pre-establishment period’, which was before the establishment of the PTS in 1998. The second phase is ‘the PTS period’, which began with the establishment of the PTS and ended with the formation of the TBS, from 1998 to 2006. The third phase

is ‘the TBS period’, which began with the formation of the TBS, from 2006 to the present.

7.1.1 Institutional aspects

In respect of the institutional aspects, the discussion of the changes in public service broadcasting is divided into three themes, which are the organisational changes, financial issues and the orientation of programming.

Organisational changes

With regard to the organisational changes, before 1998, the embodiment of public service broadcasting was only a few programmes and some people argued that the so-called public service programmes did not represent public service broadcasting (Feng 1993). The Broadcasting Development Foundation (BDF) was established in 1986 and was responsible for the production of public service programmes (Rawnsley & Rawnsley 2005). As discussed in Chapter Four, the chairmen of the BDF were appointed by the government and half of its income came from the state subsidy (Rawnsley & Rawnsley 2005). In other words, the BDF was controlled by the government. In short, there was no genuine public service broadcasting institution in Taiwan before 1998. There was only a semi-governmental institution providing so-called public service programmes.

On 1 July 1998 the PTS was established and launched its broadcasting services on the same day. Since the establishment of the PTS, public service broadcasting in Taiwan has not been a mere programme provider, but has become a terrestrial television broadcaster. In terms of the organisational aspect, the PTS is an independent institution of the government and ideally the PTS belongs to all people in Taiwan according to the Article 11 of the Public Television Act.

Although it is considered that public service broadcasters should be independent from the influence of political and economic forces, there were still some political influences being seen. As discussed in Chapter Six, the first political influence relates to the regulator issue. The GIO was designed as a regulator of the PTS. However there should have been no regulator of the PTS according to the suggestion from some academics before the passage of the Public Television Act (Feng 2006). In addition, TITV and Hakka TV also have their own regulators respectively. Second, political forces tried to affect the PTS via controlling the board of governors. In 2004, the election of the chairman of the board of governors was influenced by political forces and a candidate who was close to the government of the day won the election. Third, political forces also influence the PTS via the control of the state subsidy. This phenomenon will be discussed in more detail in the following section. In short,

although a public service broadcaster was established, it was still affected by political forces at a certain level.

On 1 July 2006 the TBS was established as the PTS and the CTS joined it. In the following year, Hakka TV, TITV and Macroview TV joined the TBS on 1 January 2007. The TBS has become a multichannel broadcaster. In terms of delivery platforms, the TBS has two analogue terrestrial television channels, seven digital terrestrial television channels, five channels which can be watched via cable television and one satellite television channel.

The public service broadcasters in Taiwan have expanded in terms of the increase in channels. The increase of channels is not only attributed to the formation of the TBS but also to the introduction of digital television. With the introduction of digital television, the PTS and the CTS were both assigned one 6MHz frequency for digital television use (GIO 2009). This means that the TBS could have six standard digital channels.

With the expansion of public service broadcasting, some problems have also emerged. First, there are no regulations on the organisation of the newly-formed TBS and this has caused the uncertainty in the organisational framework. Without a clear organisational structure, TBS channels have faced difficulties in integrating with each

other. The PTS and the CTS both have their own board of governors but the chairman of both boards of governors is the same one. The argument about the integration of these two boards is still ongoing. In addition, the integration of the PTS news department and the CTS news department also has had some conflicts.

Second, the position of the TBS is unclear. The argument lies in whether the TBS should provide mass appeal programmes or high quality programmes. This argument will be discussed in the programming section.

To sum up, public service broadcasting has transformed from a programme provider to a terrestrial broadcaster then to a multichannel broadcaster in terms of the organisational changes.

Financial issues

When the BDF was the public service programme provider, its financial source came mainly from the state subsidy. The amount of the state subsidy was not huge because the BDF was only providing one hour of programmes per day. It did not need a huge amount of money to maintain its operation. The financial conditions were not a significant issue because the BDF was controlled by the government and it only provided very few programmes.

After the establishment of the PTS, financing has become an important issue because the amount of state subsidy given to the PTS was greater than for the BDF. Some academics suggested that the income of the PTS should come from the profits of the old three television stations (Feng 2006). However, this suggestion was not adopted by the government. With the original design, the state subsidy would be decreased year by year and the PTS had to find other financial sources by itself. After the launch of its services, the PTS found that it was impossible to rely on self-raised funds to maintain its operation. The PTS negotiated with the government and the government decided that the state subsidy would remain at NT\$900 million (£16.4 million) per year. Although the state subsidy has become stable, the amount of the state subsidy is not enough to maintain a terrestrial broadcaster's operation. It is thought that it should have NT\$1.5 billion to NT\$2 billion (£27.3 to 36.4 million) to maintain a terrestrial broadcaster's operation in Taiwan (PTSF 2002: 10). Hence, as mentioned in Chapter Four, a former chairman of the PTS described the PTS as existing in a vegetative state (Chien 2004: 42). It would not die but could not develop properly.

With the formation of the TBS, the financial conditions of public service broadcasters have changed. The incomes of the PTS, TITV, Hakka TV and Macroview TV are mainly from state subsidies while the CTS's income is mainly from the advertising revenue. The TBS's financial resources seem to increase in terms of the amount of

incomes. The total incomes of the TBS were around NT\$4.1 billion (£74.5 million) a year (TBS 2007). However, the financial resources cannot be shared among different channels. In other words, the financial affairs of each station or channel in the TBS are independent. For example, the state subsidy for TITV can only be used for production of programmes for TITV. Although the total amount of income seems to increase, the financial situation of each station or channel has not changed.

With the introduction of digital television, the public service broadcasters in Taiwan have faced another financial difficulty. The increase in digital channels means that operational costs will increase. However, the incomes of public service broadcasters are still relatively stagnant; especially for those that rely on the state subsidies as their main financial source. Although the PTS has received additional state subsidies for the development of digital television, these state subsidies were mainly used for the construction of infrastructure. After the completion of the construction, the PTS would still need money to maintain its digital television services. It seems that the government would not increase the state subsidies for public service broadcasters and as a result they need to find other financial sources to support their digital television services. This will be a challenge for the public service broadcasters in the future.

In respect of the CTS, it is the only public service broadcaster whose income comes mainly from advertising revenue. With the increase of channels in the digital age, the competition in the advertising market will become more intense. It seems that a decrease in each channel's advertising revenue is inevitable. In addition, the CTS has faced stricter regulations on its advertising activities after joining the TBS. These two reasons have caused the financial difficulties for the CTS.

In short, the state subsidy was the main financial source for the BDF and there was not much debate about this financing method. After the establishment of the PTS, the state subsidy was still the main financial source but the PTS also had to find other financial sources to maintain its operation. After the formation of the TBS, there are two main financial sources: state subsidies and advertising revenue. It seems that the income of the TBS has increased in terms of the total amount of money; however, the amount of each station or channel has not increased. With the introduction of digital television, the public service broadcasters in Taiwan have faced more severe financial difficulties.

Orientation of programming

As the BDF was the public service programme provider, the programmes it produced were mainly educational and moral programmes, which conveyed the moral values

recognised by the government. The reason that the BDF produced educational programmes was that the government thought the old three television stations provided too many sensational programmes to attract large audiences and thought that there should be some 'decent' programmes. The BDF indeed provided some programmes different from the old three stations' programmes. From the paternalist aspects, the programmes the BDF provided were decent, educational and moral, but on the other hand, these programmes were criticised for being too paternalistic.

After its establishment PTS aimed to provide high quality programmes, which the commercial broadcasters would be unlikely to provide. This is because almost all the commercial broadcasters relied on advertising revenue as their major financial source. The commercial broadcasters intended to produce mass appeal programmes to attract a large number of audiences. Sometimes the programmes were too sensational. As a result, the PTS aimed to provide high quality programmes in order to change the television environment (PTSF 2000). Because of the financial constraints, the PTS had to focus on some programme genres rather than provided all kinds of programmes. Thus the PTS put its focus on children's programmes and public access programmes (PTSF 2000).

However there was another particular problem that the PTS faced. The PTS was not allowed to have daily news during its first four years. This is because the political parties (whether the ruling or opposition party) were worried that daily news might have negative effects on their party images. This situation is ironic because public service broadcasting ought to provide information for audiences to help people to make decisions, such as voting or other daily choices. However, the PTS did not perform this public service function during its first four years.

After the formation of the TBS, the public service broadcasters in Taiwan began to provide a variety of programming. TITV and Hakka TV provide programmes for the minorities. The CTS provides mass appeal programmes and the PTS provides high quality programmes.

With the introduction of digital television, how many digital channels the TBS should have is another question. Liu, former NCC Commissioner, suggested that the TBS should not ask for more channels as the PTS and the CTS already have got one multiplex licence respectively, which means the PTS and the CTS can provide six standard digital television channels. Liu further suggested that these six channels should carry the PTS main channel, CTS main channel, TITV, Hakka TV, a Children's channel, and an Arts and Culture channel.

Although Liu has suggested a possible model for the TBS, this proposition has three problems which need to be resolved. First, the two multiplex licences were assigned to the PTS and the CTS respectively. Although they are both now under the TBS brand, their management and finance are still separate. What channels the digital terrestrial platforms should carry needs to be negotiated between these two broadcasters. The CTS uses its digital channels to provide its main channel, IQ channel and EQ channel now. Whether the CTS would give up its existing channels is still questionable. In addition, the PTS's digital channels are now the PTS main channel, Dimo TV and Hakka TV. The question remains as to whether the PTS would give up Dimo TV.

Second, if the PTS and the CTS could reach an agreement that their digital television channels could provide the services that Liu suggested. Who will be responsible for the operation of these channels? The PTS, the CTS, TITV and Hakka TV can manage their own channels. The problem lies in the operation of the Children's channel and the Arts and Culture channel. Again, this needs negotiation between the PTS and the CTS.

Third, the financial resource is another problem. As discussed above, the public service broadcasters have faced the financial difficulties in an increasingly

competitive environment. The question here is where the financial resource should come from to support the new digital channels. The PTS has a NT\$900 million (£16.4 million) state subsidy a year but it still needs to find other financial sources to maintain its one-channel operation. The annual revenue of the CTS is around NT\$1.7 billion (£30.9 million) and this is only enough for its analogue terrestrial television services. Without finding new financial sources or cutting the operational costs, it is difficult for the public service broadcasters to operate their additional digital television channels.

The digital trend is unavoidable and public service broadcasters becoming a multichannel provider seems to be inevitable. The strategy of a portfolio of programming has been adopted by the BBC (Dyke 2000). This strategy may be adopted by the TBS in the near future.

In short, the BDF provided the educational and moral programmes, the PTS provided the high quality programmes and the TBS provided a variety of programmes. However, what kind of programmes the public service broadcasters in Taiwan should provide is still disputable. Based on the context of the development of television and the original purposes of the establishment of the PTS and the TBS, the public service broadcasters should put more emphasis on news and current affairs programmes. It is

considered that news and current affairs programmes are sometimes unfair, unbalanced and even full of bias in Taiwan (Chung 2009). Furthermore some television stations have strong affiliation with specific political parties or politicians. These specific political parties or politicians can sometimes influence the production and perspectives of news. Therefore, the public broadcasters in Taiwan should try to play a role in providing fair, impartial, objective and balanced information for audiences.

The PTS has shifted its programming strategy to focus on mass appeal programmes since the new director-general was appointed in 2007. Feng Hsien-Hsien, director-general of the PTS, announced that ratings would be an important indicator to measure the performance of programming (Lan 2008). This change has triggered some criticism, both from academics and inside the PTS. This mass appeal strategy can be discussed from two different perspectives. First, it is, in theory, thought that the public service broadcasters should produce good and popular programmes (Tracey 1998: 21). From this perspective, it is difficult to challenge Feng's strategy. However, practical conditions also need to be considered. The annual income of the PTS is around NT\$1.5 billion (£27.3 million) and it is thought that this is a tight budget for a terrestrial broadcaster (PTSF 2002: 10). Also, it needs talents to produce good programmes. It is widely known that good talents are costly (Barwise & Ehrenberg

1988). In other words, it is costly to produce good programmes, and as a result, with the limited financial resources, it is difficult for the PTS to produce good and popular programmes. We need to consider that whether public service broadcasters in Taiwan can provide good and popular programmes or focus on the most-needed programmes in our society.

7.1.2 Positions in the market

In this section, the discussion lies in the changes in the market positions of public service broadcasting in Taiwan. In addition, the relationship between the public service broadcasters and other broadcasters will also be discussed.

Reviewing the history of television in Taiwan, it is found that television was designed to be an advertising-supported and profit-driven enterprise from the very beginning of the establishment of television stations. Public service broadcasting was developing in an environment in which television broadcasters' income came mainly from advertising revenue. This led the public service broadcasters to a disadvantageous position when they were established. In 1980 the Premier of the time Sun Yun-Hsuan, announced that there should be a public service broadcaster to provide the kind of programmes that commercial broadcasters did not provide (Rawnsley & Rawnsley

2005). This showed that public service broadcasting was seen as having a complementary role to commercial broadcasters.

With the BDF as the public service programme provider, the programmes it produced were also supplements to the commercial broadcasters. As a result, public service television broadcasting was thought of as having a complementary role to the commercial broadcasters in Taiwan. The BDF only offered one hour programme a day during weekdays. The influence of public service programmes was limited. It can be described at the time that public service broadcasting was in the marginal position in the television market.

With the establishment of the PTS in 1998, the idea of public service broadcasting was embodied as a television channel. In the Public Television Act, the Article 1 states that:

‘This Act is enacted to promote the effective development of public television, establish a public service mass media system, compensate for the inadequacy of commercial television, and safeguard the citizens' freedom of expression and right to know, raise cultural and educational standards, advance the development of democratic society, and enhance social wellbeing through diversified planning.’

From this Article, it can be understood that the lawmakers thought that public service broadcasting was a complementary role in the television market.

Reviewing the ratings and audience shares is another way to understand the position of public service broadcasting in the market. Since the PTS was established, its ratings have remained low, from 0.03 to 0.14 (PTSF 2009a). This indicates that the PTS has a marginal position in the market.

In respect to Hakka TV and TITV, their ratings were even lower than the PTS. It might be unfair to use ratings to measure the performance of these two minority channels. However, it can be understood that Hakka TV and TITV are also in a marginal position in the market through reviewing their ratings.

Different from the PTS, Hakka TV and TITV, the CTS had once shared the dominant power with the other old three television stations. However, the CTS had gradually lost its dominant position with the introduction of cable television. The advertising revenue and audience shares of terrestrial television have both declined since the emergence of cable television (Liu 2005). The fall of advertising revenue and audience shares showed that the CTS had lost its dominant position in the market. Nevertheless, the CTS is still one of the biggest television companies in Taiwan and still has the strength to compete with other broadcasters.

The TBS, as a public service broadcasting group, is considered to integrate the resources of the individual channels and have some influence on the television market. In respect of the digital terrestrial television market, there are fifteen channels in total and the TBS has six of them. It seems that the TBS is a strong competitor in the digital terrestrial market in terms of the number of channels. However, it needs two preconditions, if the TBS wants to become an influential broadcaster. First, the integration of the individual channels has to succeed. Second, the purpose of the TBS has to be clear. For now, these two preconditions are still not fulfilled.

As discussed in Chapter Six, the integration of the individual channels, especially the PTS and the CTS, still has some problems to be solved. The position of each channel is still uncertain. This problem is more serious in the CTS. As an advertising-supported public service broadcasting, it is a new type of broadcaster for Taiwan. The government and the CTS are still learning what the CTS should do and should not do. What public service obligations should the CTS carry? Moreover, under the TBS brand, what are the differences between the programming of the PTS and the CTS? As Feng Hsien-Hsien, director-general of the PTS, made the programming policy to focus on producing popular programmes. The programming strategy of the PTS and the CTS has been overlapped in some aspects. The CTS is used to providing popular programmes and it will continue to do so. If the PTS and

the CTS both focus on the popular and mass appeal programming, it will become difficult to distinguish the roles of the PTS and the CTS in the market. Without the successful integration of the TBS channels and clear positions and goals for each TBS channels, it is not easy for the TBS to compete with other broadcasters.

Blumler and Hoffmann-Riem (1992: 206-207) thought that public service broadcasters should not only offer popular programmes but also should provide the programmes that private broadcasters would be unlikely to provide. They further described the relationship between public and private broadcasters. Blumler and Hoffmann-Riem (1992: 207) argued that public service broadcasters should compete complementarily with private broadcasters in the competitive market. It is argued that public broadcasters should provide good and popular programmes (Tracey 1998: 21). This argument seems to be more important to commercial public service broadcasters because commercial public service broadcasters rely on advertising revenue as their main financial sources and *popular* programmes mean that these programmes can not only attract relatively large audiences but also attract advertiser interest.

Applying the thinking of Blumler and Hoffmann-Riem to the situation in Taiwan, the public service broadcasters have existed in a marginalised position and have played a complementary role in the television market. With the establishment of the PTS and

the formation of the TBS, the public service broadcasters have been expanding in terms of the number of channels. The proponents of public service broadcasting in Taiwan believed that only through the expansion of public service broadcasters, could the idea of public service broadcasting be embodied (Kuan 2009). They argued that only when the public service broadcasters are strong enough, can they then have some influence over the television market. Graham and Davies (1997: 64) also argued that if public service broadcasters want to have an influence on the market, they have to have a certain minimal share of the total available audience. According to the argument proposed by Graham and Davies, the public service broadcasters in Taiwan still do not have the capability to influence the market. Thus it is still uncertain whether the public service broadcasters in Taiwan can ‘compete complementarily’ with private broadcasters.

In short, the public service broadcasters were in the marginal position in Taiwan and were seen as only having a complementary role in the television market. After the formation of the TBS, this situation has changed. The public service broadcasters are trying to compete with the private broadcasters. However, there are some problems the public service broadcasters need to resolve in order to ‘compete complementarily’ with private broadcasters.

7.1.3 Roles in society

In this section, the discussion of the changes to public service broadcasting in Taiwan lies in its roles in society. The discussion is divided into three parts. The first part focuses on the political roles of public service broadcasting. The second part discusses public service broadcasting's cultural roles. The third part puts the focus on the social characters public service broadcasting plays.

Political roles

It is considered that public service broadcasting should have a democratic function to facilitate the development and consolidation of democracy (Curran 2002). However, this function has not been performed properly in Taiwan. In 1980 Sun Yun-Hsuan, Premier at the time, addressed the educational functions of public television. He did not mention the democratic functions that public service broadcasting should have. After the establishment of the BDF, the so-called public television programmes were also designed to fulfil the educational and cultural purposes (Rawnsley & Rawnsley 2005: 31). There were very few current affairs programmes as they were thought to be too pro-government (Rawnsley & Rawnsley 2005: 32). It can be understood that the democratic functions of public service broadcasting were neglected at this time and

the only political role that the so-called public television played was as a political tool for the government of the day.

After the establishment of the PTS, it was thought that the PTS might become an institution that would fulfil its democratic functions (PTSF 2001). In the Public Television Act, the purposes of the establishment of the PTS include '[to] safeguard the citizens' freedom of expression and right to know, ..., advance the development of democratic society'. It seemed that the PTS might become a facilitator of the development of democracy according to the Public Television Act.

However, several problems arose when the idea was implemented. The first and most obvious problem was that the PTS could not have daily news programmes in its first four years. It is considered that the flow of information is a key element to fulfilling the democratic functions, and news programmes are the main information provider (Curran 2002). Without daily news programmes, it is unlikely that the PTS would be able to perform its democratic function properly. Although the PTS produced some current affairs programmes, they were not considered an important or flagship programming of the PTS and did not have any significant influences on the development of democracy. It is considered that public service broadcasting should play a role in providing the public sphere where public issues can be discussed

(Dahlgren 1995; Price 1995; Garnham 1992). It seemed that the public broadcasters in Taiwan did not perform their democratic functions properly and failed to provide the public sphere for debates and discussions on public issues.

With regard to TITV and Hakka TV, they were criticised as state television channels rather than public service channels (Chen 2007: 7). In 2005 TITV was criticised over its news report about Premier Hsieh's visit to an aboriginal tribe for two hours, which happened just before the general election. It was thus criticised as government propaganda (Chen 2007). Hakka TV also was criticised that its current affairs programmes were full of bias (Chen 2007). Hung, a KMT Legislator, described these two channels as 'propaganda channels'. As their financial resources were controlled by the government, it was not easy for TITV and Hakka TV to produce programmes, which is to criticise the government.

Although public service broadcasting has expanded since the formation of the TBS, the democratic function of public service broadcasting seems not to have been appropriately fulfilled. The TBS was (and still is) trying to integrate the PTS and the CTS's news department to strengthen its news performance. However, this integration plan was not successful; as there were some conflicts between the two news departments in regards to news values, unfair wages and differences in organisational

culture. In addition, the focus of programming at the PTS and the CTS was not on news programmes. Feng Hsien-Hsien, former director-general of the PTS, put her focus on high ratings programmes. The implications of her strategy were that news programmes were overlooked. The CTS positioned itself as a family entertainment channel after joining the TBS, which meant that the CTS put its emphasis on entertainment programmes, and that news programmes were not a priority. As a result, the public service broadcasters still do not perform their democratic functions properly and still have a long way to go before they become public sphere providers.

In short, the BDF was a political tool of the government. The PTS had a limited role in the development and consolidation of democracy, and public service broadcasting's democratic function still did not gain enough attention with the formation of the TBS.

It is argued that public service broadcasting should be independent from the economic and state interference (Curran 2005; Murdock & Golding 2005; Garnham 1992).

However, public service broadcasting in Taiwan still cannot be free from these influences. This is one of the main reasons that the public broadcasters cannot perform their democratic functions properly.

Cultural roles

Public service broadcasting is widely considered a cultural institution (Tracey 1998; Graham & Davies 1997; Scannell 1996). This can be discussed from two aspects. First, public service broadcasting produces and disseminates programmes, which reflect our lives and cultures and help people to learn about their culture and the culture of others. Second, public service broadcasting is a representative of the nation. Public service broadcasting plays a role in representing its country to other countries.

In Taiwan, the government had noticed the cultural roles of television at the early stage of the development of television. As the BDF was the public television programme provider, it produced several programmes which reflected Taiwanese culture. However, the BDF was criticised for emphasising Chinese culture rather than Taiwanese culture (Rawnsley & Rawnsley 2005). In addition, the BDF's programmes were also criticised for being too paternalistic and moralistic. During this period of time, the public service television programmes reflected traditional Chinese culture but paid little attention to Taiwanese culture. In other words, the cultural programmes the BDF offered were recognised by the authoritarian government of the time and the culture the BDF programmes reflected was the only cultural value that the government approved of.

In the Public Television Act, one purpose of the establishment of the PTS was to 'raise cultural and educational standards'. In addition, the board of governors of the PTS declared that there should be four missions for the PTS in 1999, which included 'rooting domestic culture'. The PTS should perform its intended cultural function based on the Public Television Act and its missions. In practice, with the founding of the PTS, the sub-culture and minority issues have gained more attention. The PTS produced a programme called Aboriginal News Magazine, which discussed issues relating to aborigines' life and issues. In addition, the PTS also produced several programmes in relation to Hakka life and culture. It seems that the cultural role of public service broadcasting has broadened. The cultural programmes have not only focused on one cultural value but have also paid more attention to sub-cultures.

With the establishment of Hakka TV and TITV, it was thought that the minorities would have their own platform to disseminate their images and culture (PTSF 2009b: 53; PTSF 2008b: 10). The purpose of the establishment of these two channels was to preserve and disseminate their languages and culture. In respect of language use, Hakka is the major language used in most of the Hakka TV programmes. However, Chinese Mandarin is widely used in TITV programmes. This is because there are more than twenty-three aboriginal languages in Taiwan and it is impossible to use one specific aboriginal language as the main language in TITV programmes.

With regard to Macroview TV, it can be seen as a platform to represent Taiwanese images and culture at a certain level. In Macroview TV's programmes, 14.6 per cent of programmes are to reflect the images of Taiwan (PTSF 2009a: 35). This kind of programmes is a platform for foreigners to learn about Taiwan.

In short, the cultural roles of public service broadcasting were to reflect and disseminate Chinese culture in the past and gradually transformed to reflect domestic Taiwanese culture. Furthermore, the focus has shifted to sub-culture and minority issues. The path of the changes of cultural roles of public service broadcasting in Taiwan is similar to the changes in the UK. They both began by concentrating on a single culture and changed to pay more attention to sub-cultures or multiculturalism. As to the arguments of the public sphere, the traditional bourgeois public sphere excluded the illiteracy, female and others not qualified as in the bourgeois class (Price 1995; Dahlgren 1991). In recent debates on the public sphere, the concepts of the alternative public sphere and the plebeian public sphere have been developed (Gripsrud 2007; Dahlgren 1991). This meant that the definition of the public sphere has expanded and not included only bourgeois or middle class people. Public service broadcasting has also expanded its services not only for the mainstream but also for the minorities.

Social roles

Blumler and Hoffmann-Riem (1992: 214-215) argued that public service broadcasting should have several social functions including socialization, normative orientation, multicultural understandings and roles in social change and social integration.

In respect of the socialization function, it is widely considered that the mass media are one of important socialization agencies in our society (Schaefer & Lamm 1995).

Blumler and Hoffmann-Riem (1992: 206) emphasised the effects of programming on children and young people and further argued that private broadcasters' programming is too commercial and trivial. Public service broadcasting should thus be a socialization agency to provide adequate programming for children and young people.

As the BDF was the main public television programme provider in Taiwan, it offered the programmes with 'correct' values and norms, and the government tended to persuade people to follow these values and norms. However, the BDF did not focus on children's programmes as its focus was on the 'family' programming.

With the establishment of the PTS, children's programming formed part of its priority programming (PTSF 1999). In addition, children's programming became the flagship programmes for the PTS, and one of the most recognisable and a successful feature of

the PTS's broadcasting. It can be said that the PTS has been successful in its children's programming and in playing a socialization agent, especially for children.

As to the normative orientation function mentioned, this concerns whether public service broadcasting should set a standard for the television market (Blumler & Hoffmann-Riem 1992: 215). It is not easy for the public service broadcasters in Taiwan because they have been in a disadvantageous position in the market. Without strong power in the market, it is almost impossible for the public service broadcasters to have a great influence on the market.

One reason for establishing the BDF was to raise the television production standard. It was considered that the programmes of the old three television stations were too commercial-orientated and did not have the educational and cultural functions the government expected (Lin 2006). Although the BDF produced some non-commercial programmes, they did not have a great influence on the production of programmes in other broadcasters.

One purpose of the establishment of the PTS was also to try to rectify the over-commercial market. In the missions of the PTS, the first one is 'to produce diverse and quality programming.' It is obvious that 'to raise the standard of television programming' is a key issue in the television market. The PTS have been

trying to offer high quality programmes since its inception. However, its ratings and audience shares are low and its programming does not have a great impact on the whole television market.

With the formation of the TBS and the introduction of digital television, it seems that public service broadcasting in Taiwan has an opportunity to have the power to affect the market. Nevertheless, there is still no significant impact caused by the programming of the TBS on the television market at present.

With regard to the multicultural understandings function, this means people can understand each other's cultures via programmes provided by public service broadcasters. This also relates to the cultural function of public service broadcasting, which has been discussed in the previous section. Since the concept of pluralism emerged in the 1960s, it is considered that there has no longer been only one culture representing whole society (Scannell 1996: 34). Our society is comprised of different groups of people and they are reflected in different sub-cultures. Thus our culture is comprised of different sub-culture. How to reflect these sub-cultures has become a difficult task for the mass media. As to private broadcasters, the programming in relation to some sub-cultures and minority issues cannot easily make profits, and as a result, they might neglect this kind of programming. In contrast, public service

broadcasters are meant to provide services for all people, which means that they cannot and should not neglect the minorities' needs. Therefore public service broadcasters have become the main providers of sub-cultural programmes. The PTS produced some minorities' programmes to try to reflect the multicultural society in Taiwan. The establishments of Hakka TV and TITV have provided more opportunities for the minorities to communicate and disseminate their languages and culture.

In respect of the roles of public service broadcasting in the social change and social integration, Blumler and Hoffmann-Riem (1992: 215) thought that public service broadcasters play a vital role in this process. With regard to the social change, Blumler and Hoffmann-Riem (1992: 215) argued that public service broadcasters should reflect the important changes in society and let different voices have opportunities to speak out. Their thoughts are connected to the idea that the media should give audiences more opportunities to have access to information. Before 1998, the public service programming mostly provided the 'correct' values and positive images of the government. It seldom challenged the government and had little chance to reflect the views of the minorities.

With the establishment of the PTS, the PTS realised that there was lack of minority programming and chances for minorities to have access to the media. The PTS thus focused on children's programming (a kind of minority programming) and public access services (PTSF 1999). As discussed above, children's programmes have become the flagship programming for the PTS. In contrast, the public access services did not get much attention from audiences. In recent years, the PTS has been trying to offer more public access services. In 2007, the PTS launched a new service named PeoPo. Audiences could use this platform to produce their own news and discuss public issues. It could be argued that this service is an embodiment of the public sphere. However the effect of this platform is still needed to be examined.

As discussed above, the establishments of Hakka TV and TITV gave more opportunities for the minorities to disseminate their culture. In other words, it also provided opportunities for minorities to have access to the media. It seems that in this respect, the public service broadcasters in Taiwan have played a role in public access services. However, in respect of social change, this issue is not only related to the media access, but also emphasises the reflection of significant changes in society. For example, public service broadcasters should provide the information about important social movements and conflicts within our society. With regard to this function, it seems that the public service broadcasters do not perform well. The public service

broadcasters in Taiwan should face and report some controversial issues, such as the relationship between Taiwan and China, and the conflicts between different ethnic groups in Taiwan. These are sensitive issues as well as important issues in Taiwan.

The public service broadcasters should face the challenge of reporting these issues and producing programming that educate and inform audiences. It is thought that when the commercial broadcasters in Taiwan report or produce programming regarding these issues, it is usually unbalanced, unfair, subjective and trivial (Wang 2004). One of the principles of public service broadcasting is impartiality (Collins 1998: 65). Public service broadcasting belongs to the public and is paid for by the public (whether via licence fees or state subsidies). It should serve the public rather than the government, specific political parties or any other vested interests. The public service broadcasters should try to reach this goal via providing fair, impartial, balanced news reporting and programming in relation to sensitive issues.

With regard to the social integration function Blumler and Hoffmann-Riem (1992: 215) noted, this is connected to the idea of social cohesion. It is widely considered that a society is comprised of different groups of people and even individuals (Scannell 1996). As the concept of society has transformed from collectivism to individualism, public service broadcasting should not aim to provide a programme for

all audiences, and instead it should provide a diversity of programming for different groups and individuals. This does not mean that a specific group should just watch one specific kind of programming, but public broadcasters should provide a diversity of programming showing the composition of society, which reflects what our society is comprised of.

In Taiwan, the BDF was used to providing collectivist programming, which provided norms and moral values for audiences to follow. After the PTS was established, the sub-cultures and minority programming has gained more attention. With the establishment of Hakka TV and TITV, the minorities programming has gained more platforms to disseminate minority culture. Hakka TV and TITV are considered to be platforms to reflect minorities' culture and issues (PTSF 2009b; PTSF 2008b). It is thought that the mainstream media have neglected the minority programming and sub-cultures in Taiwan for a long time (Tseng 2008: 21). The emergence of the public service broadcasters is thought to be a means of fulfilling minorities' needs and reflecting sub-cultures. The reflections of different groups and cultures in our society, it is a means of understanding the composition of our society. Some conflicts between different groups are caused by misunderstandings and misunderstandings are caused by the false representations or a lack of communication. The media might become a means of easing these conflicts by reflecting images of different groups.

In short, the public service broadcasters in Taiwan have changed their programming focus from moralist programming to a diversity of programming. In terms of the socialization function, the PTS has been performing this function by providing children's programming. With regard to the normal orientation function, the public service broadcasters do not have enough power in the market. Hence, even though the public service broadcasters have been trying to provide high quality programming to influence the whole television market, it has not had a great impact.

As to the multicultural understanding function, the public service broadcasting institutions in Taiwan have changed from a single-value programming provider to institutions that reflect different cultures. In respect of the social change and social integration function, the public service broadcasters have not played a significant role in the process of social change; however the public service broadcasters have changed their programming approach from that of collectivism to individualism. The public service broadcasters try to reflect our society by providing different programming in relation to different groups and cultures.

7.2 Prospects for Public Television Model in the Digital Age

After examining the impact of the introduction of digital television on public service broadcasting and the changes in public service broadcasting in Taiwan, this research

will try to provide a possible model for the public service television broadcasting in Taiwan in the digital age. This model will be discussed in three aspects, which are the institutional aspects, positions in the market and the social characters.

7.2.1 Institutional aspects

In the institutional aspects, the discussion is divided into three sub-issues, which are the organisational, financial and programming issues.

Organisational issues

In respect of the organisational structure, the public service broadcasting institution has expanded and become a multichannel provider since the formation of the TBS. With the discussion of the organisation of public service broadcasting in the future, the first question is whether the TBS should be kept, and if the TBS should be kept, a further question is what the appropriate scale of the TBS should be in the digital age.

With the formation of the TBS, several problems have emerged. The main problems the TBS faces can be characterised as the uncertain legislation, ambiguous positioning and the conflicts between different organisational cultures. With regard to the uncertain legislation, the formation of the TBS was based on the Regulation of the Government-owned Shares of Terrestrial Television Enterprises. The main purpose of

this Regulation was to tackle the government's shares in the terrestrial television companies and take the political force²⁷ out of the terrestrial television broadcasters.

This Regulation gave a legal basis for the integration of public service television channels (TITV, Hakka TV and Macroview TV) and stations (PTS and CTS).

According to the Regulation of the Government-owned Shares of Terrestrial Television Enterprises, all these public service channels or stations are governed under the Public Television Service Foundation, known as the PTS, which means that the PTS has become the other channels' boss. Besides, the organisation name, the Taiwan Broadcasting System (TBS), was not mentioned in the Regulation of the Government-owned Shares of Terrestrial Television Enterprises or any other Acts. This name, TBS, was created by the Minister of the GIO at that time. Without any Acts or Regulations to empower the TBS, it can be argued that the TBS is an illegal institution in terms of a legislative point of view.

The establishment of the PTS was based on the Public Television Act. And the design of this Act was for one public service television channel. As the CTS, TITV, Hakka TV and Macroview TV have been governed under the PTS, the Public Television Act should be amended. However, it has been more than four years since the formation of

²⁷ The political force here is referred to the KMT's influence on the old three terrestrial television broadcasters.

the TBS, but the Public Television Act has still not been amended to adapt to the new organisation. This is the first and most fundamental problem the TBS faces: there is no legal basis for the TBS. This problem has caused further problems. An apparent problem is the ambiguous positioning and this problem is more obvious in the CTS.

As discussed above, the CTS was a government-controlled commercial broadcaster and its income was mainly from advertising revenue. According to the Regulation of the Government-owned Shares of Terrestrial Television Enterprises, the CTS has transformed into a public service broadcaster and has been under the governance of the PTS. However, the PTS cannot have advertising according to the Public Television Act. Without the amendment of the relevant laws, the CTS is placed in an ambiguous position. Because the government is unwilling to offer more state subsidies for public service broadcasters, the PTS and the CTS were forced to reach a compromised decision, which the CTS would still rely on advertising revenue as its main financial source but with some conditions. These conditions included that there should be no advertisements in children's programming and no political party advertisements allowed at all. These limits led the CTS to a disadvantageous position in the advertising market.

The third problem is the conflicts between individual TBS channels. The first conflict, provoked just after the formation of the TBS, was between TITV and the board of governors of the PTS. This is because that the members of staff of TITV were not satisfied with the candidate for the director of TITV, who the PTS supported. It was resolved by the replacement of the director of TITV.

Another conflict between the PTS and the CTS was due to the integration of two news departments. As discussed in Chapter Six, this conflict can be attributed to the different perspectives on news values, unfair wages standards and different organisational culture. It needs a change of organisational structure and efficient management to resolve this conflict.

Although there are three main problems that the TBS has to face, the integration of public service channels has still brought some benefits. The first benefit is that the resources of individual channels can be shared. The share of resources can be discussed from two aspects: the hardware and software aspects. In terms of the hardware aspect, the smaller channels seem to gain more benefits. For example, Hakka TV, TITV and Macroview TV all moved into the PTS's buildings and were therefore able to use its offices and production facilities. In addition, these smaller channels have not had to worry about the 'one year, one bid' condition and are able to

have a stable working environment and make long-term plans for their future developments. In terms of the software aspect, the programming resources can be shared by all TBS channels. For example, some dramas produced by the PTS were broadcasted on Hakka TV dubbed into Hakka. Although the sharing of software was limited according to some informants interviewed by this study, the TBS channel should try to achieve the goal of sharing resources.

The second benefit is the increase in the audience share and the influence on the market via the integration of public service channels. Before the formation of the TBS, the audience shares of the PTS, TITV and Hakka TV were low. Although their audience shares have not increased significantly after the formation of the TBS, they can integrate their resource on marketing and promotions of their channels and programmes. In addition, the TBS has six digital terrestrial channels in total, which is a great proportion of the digital terrestrial television market, and this might be its advantage in the digital television market.

The formation of the TBS has its particular background and context. The expansion of public service broadcasting under the prevailing trend of privatisation was a rare example. If public service broadcasters are privatised, they will have little chance to transform back into public service broadcasters.

Hence, it is more realistic and practical to retain the TBS institution but the relevant laws and regulations need to be amended.

If the TBS is to be kept, questions remain as to what scale the TBS should be involved in the digital age. The TBS has already been allocated two multiplex licences and can provide six standard digital channels. Should the TBS expand or contract in the digital age? There are three propositions regarding the scale of the TBS. First, the number of channels should be reduced. Second, the TBS should expand its digital television service via asking for more multiplex licences. Third, the TBS should keep its existing digital frequency and develops its digital service on this basis.

Hung, a KMT Legislator, is an advocate of the first proposition. She thought that the TBS is too big and does not provide proper programming for audiences. She also thought that private broadcasters can produce better programming than public broadcasters and further argued that there only need a few public service broadcasters in Taiwan to play a complementary role. She said that 'if the private companies can do it, leave it to the private companies.' Her argument more likely inclines towards neo-liberalism which argues that the perfect competition can bring the maximum benefit for consumers (Curran 2003). However, there are many preconditions and assumptions which need to be fulfilled before a perfectly competitive market is

formed. In other words, there is no such thing as a perfectly competitive market in the real world, and therefore, government intervention is necessary. In the broadcasting market, the perfect competition conditions are difficult to achieve, even though the digitalisation has solved part of the problem with regard to the spectrum scarcity. Thus it is unrealistic to leave television solely to the market.

Hung further argued that the PTS was designed to be a 'small and quality' station. She said 'even though it cannot be reduced to one channel, it does not need so many channels.' However, once public service broadcasting in Taiwan is reduced to one channel, it is unlikely to expand again.

In contrast to Hung's arguments, Yao, former Minister of the GIO, and Kuan, a DPP Legislator, both support the expansion of the TBS. In theory, the expansion of public service broadcasting might give public service broadcasters more power and strength and they could have some influences on the market. However, they did not put forward a specific model for the TBS in the digital age. In practice, the problem with this proposition is the financial issue. TBS channels have a difficult financial condition and the government is unwilling to offer more state subsidies to the public service channels. If the digital channels of the TBS increase from six to twelve, the TBS may face more serious financial difficulties. If the new digital channels will rely

on advertising revenue as their main financial source, the question is how much they can earn from the advertising and whether they can maintain their operation by depending on advertising revenue.

It is considered that commercial broadcasters would not provide a variety of programming because they focus on the mass appeal programmes (Dahlgren 1995). In addition, it is thought that commercial broadcasters are seeking the 'lowest common denominator' that can attract large audiences and advertisers' interest (Curran 2002: 16). Thus the needs of minorities will be neglected and the choice of programming will be narrowed (Barnett 2000). Although the channel capacity has increased with the introduction of digital technologies, the programmes are 'more of the same' (Seaton 2003: 375). If the new digital public channels in Taiwan rely on advertising revenue as their major funding, this might result in advertising-supported public channels becoming more focused on providing mass appeal programmes and failing to provide a diversity of programming. Archie Norman, the ITV chairman, admitted that 'we are driven to look for mass audiences, so it in a sense drives us to the lowest common denominator.' (Sweney 2010) This indicated the problem of commercial broadcasters on programming.

In addition, as the News Corporation made a bid for BSkyB and planned to have full control of it, the UK government is concerned about the plurality issue (Robinson & Sweney 2010). In other words, the concern of the UK government is that Murdoch's company would become too strong and monopolise the television market and further control the voice of the media and narrow the diversity of programming. McChesney (2004: 226) also addressed his concerns on the narrower choice of programming due to the concentration of ownerships and further argued that public service broadcasting might be a solution to this problem (McChesney 2008: 446).

Therefore, as discussed above, it is undesirable to leave broadcasting to the market. However, the Taiwanese government is unwilling to give more state subsidies to the public broadcasters. It seems that it is unavoidable that some of the new digital public channels will rely on advertising revenue as their main funding. It is essential that the government should develop an adequate regulation framework to prevent the public broadcasters from pursuing the 'lowest common denominator'.

Liu, former Commissioner of the NCC, brought out a more moderate proposition. She thought that the TBS should keep its two multiplex licences but should not apply for any more multiplex licences. She further suggested that the existing six digital channels should carry the PTS main channel, the CTS main channel, Hakka TV,

TITV, a Children's channel, and an Arts and Culture channel. Liu thought that these kinds of channels are neglected in the television market in Taiwan. She further argued that some of these channels could rely on advertising revenue as their main financial source.

After reviewing these three propositions, I think the third one is more feasible. In theory, the more digital channels public service broadcasters have, the greater the influence they have on the market. In practice, this is difficult to achieve without sufficient financial resources, whether from the government or public broadcasters' commercial activities. Hence, the third proposition is more practical and realistic under current conditions.

In short, in terms of the organisational issues, this research suggests that the TBS should be kept but the organisational structure needs to be restructured and the relevant laws and regulations need to be amended. In the digital age, the TBS should keep its two multiplex licences and have a clear positioning strategy for each TBS channels.

Financial issues

As discussed above, the incomes of the PTS, Hakka TV, TITV and Macroview TV come mainly from the state subsidies while the income of the CTS comes mainly

from the advertising revenue. With the increase of the number of TBS digital channels, the TBS needs to find more financial resources to support and maintain its digital services. After discussing the possible future methods of funding the TBS in Chapter Six, one means of increasing TBS income would be to increase the amount of the Cable Radio and Television Development Fund (CRTDF) donation and another method is through the 'merit-assessment plus auction'. The TBS should try to persuade the government to adopt these methods in order to increase the TBS's income.

In respect of the state subsidies, the government is unlikely to increase the amount of state subsidies. I think at least the state subsidies should remain at the amount that TBS channels have now in order to maintain their basic operation and services. In addition, the laws and regulations relating to the state subsidies for the public service broadcasters should be amended. As discussed in Chapter Six, there are several different authorities that are responsible for the state subsidies to the PTS, Hakka TV, TITV and Macroview TV. The state subsidy for the PTS is enshrined in the Public Television Act. However, the subsidies to the other channels are controlled under the government's annual budget. This means that the state subsidies to these channels might be cut because of the financial difficulties of the government or other political

reasons. In order to remain a stable financial source, the state subsidies to the public service channels should be protected by relevant laws.

In addition, the use of the state subsidies is another issue which needs to be discussed.

At present the state subsidy to individual TBS channel can only be used for that channel. Therefore it cannot achieve the goal of sharing resources. In addition, as discussed in Chapter Six, it is also argued that the amount for each channel is disproportionate. Thus this research suggests that the government should give a sum of state subsidy to the TBS and the funding should then be managed by the financial sector of the TBS. The board of governors (or other governing unit) should decide the amount of subsidy for each channel but there should be a requirement of a minimum amount of money for the minority channels. For example, the subsidy for TITV should not be less than 10 per cent of the total subsidy.

With regard to advertising revenue, among TBS channels, only the CTS relies on advertising revenue as its main financial source. Hakka TV and TITV can have advertisements but they have decided not to have. The PTS is currently restricted in its advertising; however these restraints might be relaxed for the digital channels. After the digital switchover, advertising revenue may become one of the main financial sources for the public service broadcasters. This also needs the amendment

of relevant laws, and furthermore there should be regulations to make sure advertisers do not affect programme content. In addition, there should be regulations on which public service channels can have advertising and which cannot. This also relates to the positioning of each channel.

In short, the state subsidies are still the main source for most of the TBS channels, except for the CTS. Although the state subsidies are unlikely to increase, the amount of subsidies should remain at the same level that the public service channels have now. The donation from the CRTDF should be increased to assist the development of public service broadcasting. In addition, the merit-assessment plus auction might be another method of increasing incomes of the public broadcasters. The government could take a proportion of the money from the 'auction' to subsidise the public broadcasters. Advertising revenue may increase but this funding method needs a more sophisticated design to prevent the influences of advertisers on programme content.

Programming issues

In the digital age, public service broadcasting will face more severe competition from its private rivals (Hujanen 2005). It is thought that public service broadcasters might adopt two different approaches to cope with this competition. The first one is the convergence approach, which public and private broadcasters provide similar

programming (Papathanassopoulos 2002: 83). The second one is the divergence approach, which public service broadcasters offer programming differentiating from programming that private broadcasters offer (Papathanassopoulos 2002: 83). As discussed above, these two approaches both have their disadvantages. The main problem of these two approaches is that the arguments concentrate on the programme type. It is argued that public service broadcasters should not compete with private broadcasters in ratings or audience shares but in quality (Blumler & Hoffmann-Riem 1992: 208-209).

Blumler and Hoffmann-Riem (1992) provided a recipe for the programming of public service broadcasters in the multichannel environment. However because of the different paths of the development of public service broadcasting, it is not easy to apply the idea of Blumler and Hoffmann-Riem to public service broadcasting in Taiwan. In theory, public service broadcasting should provide a mix of programming for all audiences. However, with the limited financial resources and the particular context of the development of public service broadcasting, the public service broadcasters in Taiwan are unlikely to become a big institution, like the BBC, with a great influence on the television market. Hence, it is unlikely that Taiwan would fully adopt the European strategies for the development of public service broadcasting.

Public service broadcasting in Taiwan needs to find its own strategies to compete and survive in the digital age.

As Blumler and Hoffmann-Riem (1992: 208) argued that ‘a considered sense of priorities’ is a key element in discussing public service programmes, it should develop its own priorities for public service broadcasting in Taiwan. Because of the limited financial resources, it is important that the public service broadcasters should prioritise their programming. Although it is thought that it should not be prioritised by programme type (Blumler & Hoffmann-Riem 1992: 208), using programme type is still the easiest way to discuss the programming issues.

Before prioritising the programme type, it is important to identify what kinds of programmes we need and what kinds of programmes are neglected in the television market. Cheng Shu-Min, former chairwoman of the CTV, pointed out that the problem with Taiwan’s television is that too much emphasis is put on ratings and producing sensational programmes (Feng 2006). Liu, former NCC Commissioner, mentioned in the interview for this study ‘there is no lack of channels, there is lack of quality’. In addition, one purpose of the establishment of the PTS is to provide ‘a diversity and quality of programming’. It can be seen that high quality programmes are needed in the television market in Taiwan. Besides, the news channels are

subjective, trivialised and entertainment-inclined (Chung 2009). The news channels in Taiwan are not a public sphere provider and have even failed to be an information provider. As discussed in Chapter Six, the PTS tried to provide a certain amount of news programmes, but the influence of its news programmes is limited. Thus the programming Taiwan lacks is 'quality programmes' and 'trustworthy news programmes'.

After identifying the programmes needed in our society, the public service broadcasters should concentrate on the production of these kinds of programmes. The quality programmes should focus on the factors of innovation and diversity. In addition, it should also encourage the participation of young talents in order to nurture good or even excellent production talents. With regard to news programmes, the public service broadcasters in Taiwan should concentrate on providing balanced, objective and impartial reporting and providing a forum for the discussion of public issues. The characteristics of this forum should be openness, rationality and relevance. This means that the forum should be open to the public, the discussion should be rational and the issues should be relevant to public's life. The public service broadcasters should try to become a genuine public sphere provider.

In short, the public service broadcasters in Taiwan cannot provide a holistic programming like the European public broadcasters do because of the limited financial resources and different development contexts. Thus the public service broadcasters should prioritise their programmes. The programmes that the public service broadcasters in Taiwan should concentrate on are quality programmes and trustworthy news programmes. In respect of quality programmes, the focus should be on innovation and diversity. Besides, the training and participation of young talents is also important in this matter. With regard to news programmes, the emphasis should be on objectivity, balanced and impartiality of news reporting and programmes. Furthermore, the public service broadcasters should be expected themselves to act as a genuine public sphere provider.

7.2.1 Positions in the market

The public service broadcasters in Taiwan were in a disadvantageous position because of the context of the development of television. They were seen as having only a complementary role to the commercial and private broadcasters. With the formation of the TBS, it seems that the public service broadcasters now have the capacity to compete with their private rivals. In this section, the issue discussed is what role the public service broadcasters will play in the television market in the digital age.

In the digital terrestrial television market, there are now fifteen digital channels and the TBS has six of them. It seems that the TBS is a strong competitor in this market. In the future, the government is planning to release seven more multiplex licences, which means that there will be 28 more digital standard channels and the total digital channels will be near forty (Liu 2009). It is uncertain whether the public service broadcasters will be granted more licences. As discussed above, this research suggests that the TBS should not apply for more multiplex licences. If so, the TBS will have six channels in a forty channels market, and the public service broadcasters might return to a complementary role in this market.

In the whole television market, more than 80 per cent of people watch cable television, which offers more than 100 channels. TBS channels in this multichannel market have only a small audience share. It is unrealistic to ask the TBS to become a strong competitor in this market with limited financial support. The objective of the TBS at this stage is not to win against head-to-head competition with the private broadcasters. The public service broadcasters should concentrate on building their brand and reputation rather than competing with the private broadcasters in audience shares.

The BBC has changed from having a monopolistic position to an oligopolistic position and then to a competitor in the multichannel environment. The development

of public service broadcasting in Taiwan is different from in the UK. The public service broadcasters in Taiwan have never gained a monopolistic position but have remained in a niche position. It is unlikely that the public service broadcasters could become a monopoly or oligopoly in the future. Thus it is more practical to suggest that the public service broadcasters should continue to provide the programmes that private broadcasters tend to neglect.

As most of the informants interviewed in this study thought that the digital switchover is a chance for the development of public service broadcasting. The public service broadcasters should exploit this opportunity. As the public service broadcasters have gained a certain amount of digital channels, they should concentrate on the production of digital programmes and HD programmes. Once the public service broadcasters take the leading role in HD production, it might be an opportunity to break through from the niche position and become real competitors in the market.

7.2.3 Social characters

As Tracey (1998: 18) argued that the difference between public service broadcasters and private broadcasters is that '[Public] television producers acquire money to make programmes. ... [Private television producers] make programmes to acquire money.'

This pointed out the basic difference in purposes between public broadcasters and

private broadcasters. Making profit is not the major purpose of public service broadcasting. In contrast, providing public services and highlighting social responsibilities are its main objective. These purposes and responsibilities will not vanish but might change with the trend of digitalisation and commercialisation. Hence the focus of this section is to discuss the social roles of public service broadcasting in the digital age. In this section, the social roles of public service broadcasting are discussed with regards to two functions. The first is the political functions and the second is the socio-cultural functions.

Political functions

The political functions of public service broadcasting will become more and more important in the digital age as private broadcasters are seeking the maximum amount of profit and neglect the programmes in relation to hard and sensitive issues, which might not appeal to large audiences and even irritate some audiences. In addition, some private broadcasters in Taiwan produce news reports and programmes with bias. This may lead audience to misunderstanding the truth concerning news events. Therefore, the public service broadcasters should play their 'public' role in producing balanced and impartial news reporting and programmes.

In addition to the mainstream news, the public service broadcasters should also focus on the issues relating to the minorities, which have been neglected for a long time. TITV and Hakka TV should take this responsibility for catering services for the minorities.

In addition to being information providers, the public service broadcasters should further provide a forum for discussion of public issues. The public service broadcasters should not only focus on the traditional public forum programmes, but should also adopt new communications technologies to expand their services. For example, the Internet can be an important platform for public access. Audiences can give their feedback directly and instantly to the broadcasters via the Internet. Moreover, the broadcasters should combine the Internet and television programmes to extent the public access. For example, the public forum programmes can connect to Twitter so that audiences can give their feedback through Twitter, and the programme presenters and panellists can then read and respond to their comments instantly.

With regard to digital television, the interactive services technologies are still not widely used in Taiwan due to the slow progress of the development of digital television. However, the interactive services might be used in the public forum

programmes once this technology is mature and digital television is widely adopted by viewers.

In short, the public service broadcasters should continue to play the role of information providers and public sphere providers. Not only should the mainstream information be disseminated, but also minorities' issues should not be neglected. In addition, the public service broadcasters should exploit new technologies to expand and extend their political functions.

Socio-cultural functions

As a cultural institution, public service broadcasting reflects as well as represents its national culture (Tracey 1998; Graham & Davies 1997; Scannell 1996). The focus of this section is on what kind of cultural functions public service broadcasting should perform in the digital age.

With the prevalence of the idea of individualism, society has become more fragmented and there are more sub-groups and sub-cultures emerging. There is no longer one culture representing the whole society. Thus the public service broadcasters should not only project an image of the mainstream culture but also should reflect the sub-cultures.

As to the social integration function or social cohesion function, it is impossible to ask all people to follow one social norm or value. The public service broadcasters should provide images of different groups in society and offer the space for different groups to have dialogues with each other. The public service broadcasters must understand that our society is comprised of different groups and even individuals and should reflect this fact to audiences in non-distorted ways.

In short, we are living a multicultural society and the public service broadcasters should reflect this reality by providing a diversity of programming in relation to different issues. The social cohesion is not achieved by providing programming with one norm and value but by providing programming with different perspectives and values.

Summary

In the phase of before 1998, public service broadcasting was equal to public service programmes in Taiwan. The financial resources came mainly from the government and the programme production was controlled by the government. Most programmes were educational and moralistic programmes. Public service broadcasting played a paternalistic role in Taiwanese society.

In the phase from 1998 to 2006, when the PTS was first established, it became a public television channel for Taiwan. Although the government still had some influence on the PTS and the financial resources came mainly from the government, the PTS tended to be an independent institution of the government.

The PTS was trying to be a generalist public channel to provide services for all audiences. The programme genres included educational, arts and culture and entertainment programmes. Moreover, it tried to improve the media environment, mainly television environment, and encourage the development of democracy. However, it was not successful due to the limited financial resources and content constraints.

In the phase of after 2006, the TBS was established and public service broadcasting has expanded in Taiwan. As the CTS, Hakka TV, TITV and Macroview TV joined the TBS, public service broadcasting in Taiwan has changed to a multichannel broadcaster. The financial resources of the TBS come from a mix of funding. The main two sources are state subsidies and advertising revenue.

The TBS has become a multichannel public service provider. It has generalist channels (PTS and CTS) and specialty channels (TITV and Hakka TV) and tries to

provide a wide range of programmes. As in the second phase, the TBS is trying to play a role for the development of democracy and improve the media environment.

After examining the changes in public service broadcasting and the impact of digital television, this research is trying to provide a possible model for the public broadcaster in the future. In the institutional aspect, this research suggests that it is realistic and practical to maintain the TBS organisation but the purposes and objectives of the TBS and individual channels need to be refined. With regard to the financial sources, if the CRTDF donation can increase, this would become another main financial source in addition to the state subsidy and advertising revenue. Besides, subsidies from the merit-assessment plus auction might be another method of increasing the public broadcasters' income in the future. In respect to programming, the public broadcasters should put more emphasis on 'quality programmes' and 'trustworthy news programmes'. In terms of quality programmes, the public broadcaster should focus on two elements, innovation and diversity, and assist in nurturing young talents. With regard to trustworthy news programmes, the public broadcasters should focus on objectivity, balance and impartiality.

In respect to the public broadcaster's position in the market, it is difficult for the public broadcasters to compete with the private broadcasters because of the particular

development contexts. At this stage, the public broadcaster should concentrate on building its reputation and brand. The public broadcaster can use the opportunity of the introduction of digital television to achieve this aim and even expand its services.

With regard to the social characters the public broadcasters play, it is thought that the public service broadcaster is a political, social and cultural institution (Blumler & Hoffmann-Riem 1992). In terms of the political functions, the public broadcaster should not only play a role as an information provider, but also a public sphere provider when the private broadcasters are unlikely to provide hard news in the competitive market. As to the socio-cultural functions, the public broadcaster should try to reflect our society without distortion. In addition, the public broadcaster should not only provide images of the mainstream culture but also produce programmes in which reflect the culture of the minorities.

CHAPTER EIGHT: CONCLUSION

In this chapter, I discuss my main findings from the previous chapters and examine public service broadcasting developments in Taiwan against a wider context of such developments in the western world. In addition, I put forward some suggestions for the government and the public service broadcasters based on my findings and point out the direction for further research in relation to this subject.

8.1 Main Findings

This research was aimed at understanding changes in the role of public service broadcasting with special attention given to the impact of the advent of digital television on public service broadcasting. Based on the research objectives and motivation, the main research questions were developed as:

1. What is the nature of public service broadcasting?
2. What is the impact of the introduction of digital television on public service broadcasting? How does the development of digital television affect public service broadcasting?
3. What is the role of public service broadcasting in Taiwan in the past and at present? What has traditionally been the prevailing concept of public service broadcasting and how might this change in the future?

4. What is the future of public service broadcasting in Taiwan? What is the possible role for public service broadcasting in Taiwan in the future?

In order to answer these questions, this research adopted two methods to examine the development of public service broadcasting in Taiwan. The first method was document analysis and the other method was in-depth interviews. The main findings will be discussed in four parts in accordance with the research questions.

8.1.1 The nature of public service broadcasting

In order to understand the concept of public service broadcasting, I reviewed relevant documents and studies including the UK parliamentary reports, government offices' reports, Acts and Bills, Ofcom's reports and academic writings. The concept of public service broadcasting can be traced back to Reith's thoughts. He brought out four facets that public service broadcasting should have: (1) it ought to be protected from purely commercial pressures; (2) it aims to serve the whole nation; (3) it should have a monopoly position; (4) it aims to provide a high standard of programmes (McDonnell 1991: 1). The early official reports were mainly supportive of Reith's ideals. Until the emergence of ITV in 1955, the monopoly idea has been abandoned. The establishment of Channel 4 was brought about following calls for greater attention to be paid to the needs of minorities. In addition, the introduction of Channel

Five was to provide a wider range of services and to take advantage of the full range of the terrestrial broadcasting spectrum.

The BRU brought out eight principles of public service broadcasting in 1985 (BRU 1985). In addition, Ofcom , as a communications regulator, outlined four public service ‘purposes’ and five public service ‘characteristics’ in 2005 after a series of consultations and discussions in order to assess the performance of public service broadcasters (Ofcom 2005: 7-8). With regard to academic studies, as discussed in Chapter Two, different researchers also developed different ideas concerning public service broadcasting from different perspectives (Van Dijk, Nahuis & Waagmeester 2006; Heap 2005; Hujanen 2005; Hastings 2004; Papathanassopoulos 2002; Collins 1998; Blumler 1992b; Scannell 1990). Although they placed their emphasis on different aspects of public service broadcasting and developed different definitions, there were still several common concepts they pointed out, such as the universality of services, diversity in programming and the quality of programming.

After reviewing documents and studies relevant to the definitions and principles of public service broadcasting, this research found that there is no unitary and singular definition for public service broadcasting. The concept of public service broadcasting is dynamic and can change over time and be interpreted in different ways in different

places. However, some principles have not changed or have changed only slightly since the concept of public service broadcasting came into practice.

8.1.2 The impact of the advent of digital television on public service broadcasting

In Taiwan unlike in the western European countries where it has been widely thought that the introduction of digital television poses a serious challenge to public service broadcasting (Hujanen 2005; Papathanassopoulos 2002), most of the informants interviewed for this study thought that the advent of digital television could bring positive influences on public service broadcasting in Taiwan. The main problem that the public service broadcasters face is the slow progress of the development of digital television. This condition can be discussed in two dimensions: the political and market dimension.

In the political dimension, the main reason for the slow progress of the development of digital television is the uncertain government policy. The other reason is the conflict between government offices. In the market dimension, the first reason for the slow progress of the development of digital television is the limited investment by broadcasters in digital television. A second reason is the reluctant attitude of audiences. Cable television is the major platform for viewers to watch television in Taiwan (Chuang 2008). Cable subscribers only need to pay around 10 pounds and can

then have around 100 channels including some premium channels, such as HBO, Discovery and popular Taiwanese channels. It is argued that if there is not 'something extra', viewers are reluctant to switch to digital television (Starks 2007). If digital terrestrial television and digital cable television do not have 'something extra' or 'something different' from analogue television, it is difficult to persuade viewers to switch to digital television.

According to the documentary and interview data, the impact of the introduction of digital television on public service broadcasting can be discussed in four aspects: [1] Organisational issues; [2] Financial issues; [3] Programming issues; [4] Regulatory issues.

[1] Organisational Issues

The advent of digital television has brought more channels for the public service broadcasters and the public broadcasters need to adjust their organisational structure to adapt to this change. In addition, how many digital channels the public service broadcasters should be given was another important issue. The informants interviewed in this study had different views on this issue. Some informants suggested the public broadcasters should have more digital channels but others argued that there is no funding to support the incremental digital channels. Moreover, there is no clear

public policy for digital public service broadcasting. Thus it is still uncertain how many digital channels the public broadcasters will be given in the future. Besides, the debate concerning the separation of production service and transmission service is still ongoing. There are different opinions on this idea among broadcasters and the government does not have a clear policy for this idea. Hence the debate will continue and it is unlikely that a common transmission company will be formed in the near future.

[2] Financial Issues

With the increase of digital channels, the production cost and operational cost will both rise. However, the financial resources for the public service broadcasters are limited. In the last few years, the financial resources of the public broadcasters' project for the development of digital television came from the state subsidies. These subsidies were mainly used in the construction of infrastructure. When this construction is completed, the public broadcasters need to find other financial sources to support their digital television operation. It is still uncertain as to where this funding will come from and whether the government will support the public broadcasters' digital television operation.

[3] Programming Issues

The discussion here lies in what kind of programming the public broadcasters should provide in the multichannel environment. Initially the programming strategy of the PTS was to provide high quality programming and programmes that the commercial broadcasters are unlikely to provide. In recent years, the programming strategy has changed and focused on the mass appeal programming. With the emergence of digital television, the public broadcasters have become a multichannel provider. The public broadcasters may adopt the portfolio programming strategy, which the BBC has adopted when it launched its new digital television services (Dyke 2000). However, what kind of portfolio is still uncertain. There was only one informant who provided a clear portfolio model for the public broadcasters but others still did not have clear ideas of what kind of programming and channels the public broadcasters should provide. As a result, the programming strategy and what kind of portfolio of channels the public broadcasters will provide remain uncertain.

[4] Regulatory Issues

The fourth aspect relates to regulatory issues, which are not only relevant to digital television but are connected to a bigger picture in relation to the regulations on television broadcasting and the roles of the regulatory agencies. As the public

broadcasters have become a multichannel provider, the Public Television Act and other relevant Acts have not been amended. This has led to ambiguous regulations on public television channels. The public channels are not certain which Acts or Regulations they should follow. This needs the amendment of relevant laws and regulations to help the public channels know which codes to follow. In addition, there is a problem in relation to the regulatory agencies. According to the current Acts and Regulations, the five public television channels have four different regulatory agencies.

With the formation of the TBS, the regulatory bodies should adapt to this change. Although the NCC, which is meant to be the convergent regulatory body for communications affairs, was established in 2006, it is not responsible for the regulation on public television. These obsolete laws and the ambiguous regulatory bodies need to be dealt with through the amendment of relevant laws and regulations. However, the amendment of the Public Television Act has been delayed by the board of governors of the PTS itself and the draft of the Communications Management Act was sent back from the Legislative Yuan to the NCC. These indicated that the government and the public broadcasters have not realised the importance of the amendment of relevant communications laws with the rapid changes in the media environment.

8.1.3 The changes in public service broadcasting

The changes in public service broadcasting in Taiwan can be discussed from three aspects, which are the institutional aspects, positions in the market and roles in society.

Institutional aspects

In the institutional aspects, the discussion can further be divided into three sub-themes including the organisational changes, funding issues and orientation of programming.

In terms of the organisational changes, the public service broadcasting institution in Taiwan has transformed from a programme provider to a one-channel broadcaster and then to a multichannel provider. From this perspective, public service broadcasting has expanded in Taiwan. However, there are some problems which need to be resolved with the integration of different channels.

The BBC now is also a multichannel broadcaster offering nine channels on the digital terrestrial television platform. The Director-General and the controller of each channel are responsible for the daily operation (BBC 2009b). The BBC Trust plays a governance role in overseeing the performance of the BBC (BBC 2009a). The governance (BBC Trust) and the executive (Director-General and controllers) have different responsibilities and the role of the BBC Trust is both to support and

challenge the executive staff based on the public interest (BBC 2009a). According to Lu, a member of the board of governors at the PTS, some members in the board of governors of the PTS sometimes interfered in the daily operation. Lu argued that the board of governors should play a governance role but not an executive role. The design of the structure of the BBC may be desirable for policymakers and the PTS to take into consideration for restructuring of public service broadcasters in Taiwan.

In respect of funding issues, the funding sources of public service broadcasting institution in Taiwan came mainly from state subsidies in the past. With the formation of the TBS, advertising revenue has become another major financial source due to the joining of the CTS. Although the total amount of income of the TBS has increased, the funding of each TBS channel has not increased. With the introduction of digital television, the public broadcasters have faced more severe financial difficulties because of the rise of production and operational costs and more intense competition from commercial broadcasters.

The BBC relies on the licence fee as its main financial source, which is considered the least-worst funding method (Graham & Davies 1997: 45; Collins & Murrioni 1996: 145; Jonscher 1986:70). However, three of my informants interviewed for this study thought that it is impossible to adopt a licence fee as a funding method for public

service broadcasting in Taiwan. With the increase of operational costs due to the introduction of digital television, the public service broadcasters in Taiwan needs to find other funding sources to cope with their financial difficulties. Cheng, a member of the board of governors at the PTS, suggested that it would be relatively easy and realistic to ask for state subsidies rather than seek funding from advertising or other sources. However, Cheng's suggestion had a problem. This suggestion solely depends on the government attitudes toward public service broadcasting. As soon as the government decides not to subsidise public service broadcasters, the public service broadcasters might face serious financial difficulties. In addition, the public service broadcasters depend on the state subsidy might result in the deprivation of independence of public service broadcasting. Therefore, the public service broadcasters should search for a more stable funding source to maintain their operation in the future.

With regard to the orientation of programming, the public service broadcasting institution was used to provide educational and moral programmes. With the establishment of the PTS, the orientation of programming shifted to high quality programming. Furthermore the minorities' needs have gained more attention with the creation of Hakka TV and TITV, and with the formation of the TBS, the public

service broadcasters have provided a mix of programming. However, the TBS has not put much emphasis on news and current affairs programmes.

With the introduction of digital television, the BBC has adopted the portfolio strategy to provide different programmes on individual channels (Dyke 2000). This strategy is not a totally new idea in the television market in Taiwan. Cable content providers have provided a portfolio of channels or called a family of channels in Taiwan. However, terrestrial television had not had adopted this strategy before the arrival of digital television. With the increase of channels in the digital age, terrestrial television broadcasters may need to adopt this portfolio strategy and have clear positioning for their channels.

Positions in the market

In respect of their positions in the market, the public service broadcasters have existed in a marginal position and seen as having a complementary role to the private broadcasters. Even with the establishment of the PTS, the public broadcaster still remained in a marginal position in the market due to the historical factors and financial constraints. Therefore, in the early stage the PTS focused on three types of programmes: children's programmes, public access programmes and media literacy

programmes (PTSF 2000). It can be understood that the PTS was aiming to provide quality programmes.

With the formation of the TBS, the public broadcasters have expanded and might have the capacity to compete with the private broadcasters. However, despite the expansion of public service broadcasting in terms of the number of channels, the financial resources for the public channels are still limited. It is difficult for the public service broadcasters to provide popular *and* quality programmes with such limited financial resources. Although Feng Hsien-Hsien, former director-general of the PTS, was trying to provide popular programmes, it is still difficult to find the balance between popular and quality programmes.

In addition, the purposes of some public channels are to provide services for the minorities and this inevitably results in that the audience shares of the public channels are lower than the generalist commercial channels. With these financial constraints and specific purposes, the public broadcasters are not strong contenders in the television market.

Public service broadcasters in the western European countries have also been placed under pressure as their market positions have changed (Hujanen 2005). This is more serious for commercial public broadcasters (Papathanassopoulos 2002). Facing this

challenge, the UK regulator has relaxed parts of public service obligations of commercial public broadcasters (Ofcom 2009a). The implication of this relaxation of public service remits is that commercial public broadcasters might take the path to the convergence hypothesis and provide similar programmes that private broadcasters do (Siune & Hultén 1998). This might undermine the legitimacy of the existence of public service broadcasting if public and private broadcasters provide the same programming (Papathanassopoulos 2002). The question for public broadcasters is how to keep their competitiveness in the multichannel environment as well as fulfil their public service remits.

Roles in society

With regard to the public broadcaster's roles in society, it is thought that public service broadcasting has the political, social and cultural functions (Blumler & Hoffmann-Riem 1992). In terms of the political functions, the BDF existed as a political tool of the government. With the establishment of the PTS, the PTS tried to play a role in the consolidation of democracy. However, this role was restricted due to the distrust from the politicians. With the formation of the TBS, the integration of the news departments of the PTS and the CTS indicated that the TBS was trying to fulfil its democratic function. However, this integration has provoked some conflicts

between the two news departments. Whether the TBS can perform its democratic function properly relies on the success of this integration.

In respect of the socio-cultural functions, the public broadcasters have focused on the educational and moral programming and neglected the needs of minorities. The PTS has produced some programmes in relation to the minorities' issues. With the establishments of Hakka TV and TITV, the cultures of the minorities have had more opportunities to be disseminated. As the CTS, Hakka TV and TITV joined the TBS, the public broadcasters began to provide a variety of programming to fulfil different needs. Nevertheless, the public broadcasters should put more emphasis on important issues in society, such as the conflicts between different ethnic groups, the relationship between Taiwan and China, and the development of democracy in Taiwan.

8.1.4 The future of public service broadcasting

After examining the impact of the introduction of digital television on public service broadcasting and the changes in public service broadcasting, this research is trying to provide a possible model for public service broadcasting in Taiwan in the future. The future roles of public service broadcasting in Taiwan are also discussed from three

aspects, which are the institutional aspects, position in the market and social characters.

Institutional aspects

With regard to the institutional aspects, this research suggests that the TBS should be kept but its organisation needs to be restructured in order to adapt to the new media environment. The boards of governors of the PTS and CTS should be integrated and become the board of governor of the TBS responsible for the policy and direction of TBS channels. The daily operational responsibility lies with the directors of each channel. In respect of the idea of the separation of transmission and content services, the establishment of a common transmission company will bring more advantages for the public service broadcasters than disadvantages. This is because the financial resources for the public channels in Taiwan are limited. With the formation of a common transmission company, the public channels can focus on their content which is thought to be the core value of public service broadcasting (Hujanen 2005).

In respect of the funding for the public service broadcasters, it is found that the financial resources for the public service broadcasters are limited. As discussed in Chapter Six, it is almost impossible to adopt a licence fee as a funding method in Taiwan; the state subsidy is affected by political influences and it is unlikely to

increase; advertising revenue has also reached the ceiling; self-raised funds are unstable and the amount is not big enough. Therefore, the funding for the public channels should be increased via a rise in the CRTDF donation. In addition, another possible method of increasing the public broadcasters' income is through the merit-assessment plus auction. The main financial sources for the public channels in the future should come from the state subsidy, advertising revenue and the CRTDF donation, and probably from the subsidy from the merit-assessment plus auction.

With regard to the orientation of programming, the public broadcasters should provide a mix of programming and especially focus on quality programmes and trustworthy news programmes. The reason for putting more emphasis on these programmes is because of issues such as the continuing financial constraints and the need for these kinds of programmes in our society. The public broadcasters in Taiwan cannot provide a wide range of programmes similar to those that the BBC provide due to the financial constraints. Therefore, the public channels should focus on some programmes but not all. Reviewing the concept of public service broadcasting and the conditions of the media environment in Taiwan, quality programmes and trustworthy news programmes should be the priority for the public broadcasters.

It is widely thought that most programmes produced by commercial television in Taiwan are lack of quality (Chung 2009). However, the concept of the quality of programming is not easy to define. Some informants interviewed in this study thought the PTS provides quality programmes but they cannot give a clear definition of quality programmes. As mentioning quality programmes, they often referred to the BBC's programmes. However, this reference to the BBC's programmes still cannot give a clear idea about the quality of programming.

In the UK, the quality of programming has always been a core issue in public service broadcasting debates (Ofcom 2005a; Tracey 1998; Murrioni & Irvine 1997; Towler 1997; McQuail 1992). It is found that the quality of programming was interpreted by different scholars from different perspectives (Tracey 1998: 276-277). Some concentrated on the technical aspects of programmes production, some focused on the programme genres and others discussed the cultural richness of programming (Towler 1997; Greenberg & Busselle 1994; Leggatt 1993; Albers 1992; Litman 1992).

As the quality of programming has no a clear definition and its concept is vague, a more important question is what the quality of programming means in a particular context. A comment from Cheng Shu-Min, former chairwoman of the CTV, pointed out the problem of television quality in Taiwan (Feng 2006). Cheng criticised that

television channels in Taiwan produce sensational programmes in order to attract large audiences and get high ratings (Feng 2006). This criticism indicated that television channels in Taiwan put advertising revenue before viewers' needs and neglected the needs of minorities.

As discussed in Chapter Seven, in respect of quality programmes, the public broadcasters should concentrate on two factors, innovation and diversity, as well as helping to nurture young talents. As to trustworthy news programmes, the public broadcasters should provide objective, balanced and impartial news reporting and programmes and try to become a genuine public sphere provider. There may be some criticism that the public broadcasters only focus on quality programmes and news programmes. However, this would be the least-worst choice under these circumstances.

In the UK, the funding of public service broadcasters, particularly for the BBC, has been an unceasing debate (Franklin 2001). The Peacock Committee suggested subscription as the ultimate solution to the funding of the BBC but this proposition however was not accepted by the government (Franklin 2001). The BBC still relies on the licence fee as its main funding source.

At recent debates, the BBC Trust proposed to freeze the licence fee for two years and the UK government announced the licence fee will not rise in 2011 (BBC 2010; Robinson 2010). This may have a great influence on the future of the BBC. It is considered that the competition will become more intense in the digital age (Papathanassopoulos 2002). Without strong financial support, it is not easy for public service broadcasters to compete with its private rivals. It is uncertain whether the BBC will adopt other funding method to increase its income or adopt other strategies to save money. In addition, the other question is whether the quality of programming will drop due to the freeze in the licence fee. The opponents of public service broadcasting may take this decision of the freeze in the licence fee as an argument to ask the government to reduce the state subsidy to public broadcasters in Taiwan. However, whether this decision will influence the government attitude towards public service broadcasting and affect the state subsidy to public broadcasters is still uncertain.

In addition, the BBC also generates revenue from its commercial activities. It is argued that the BBC took an unfair advantage in the market via using public money (Ofcom 2006c). With regard to the TBS, the income of the CTS comes mainly from advertising revenue and the income of other TBS channels is mainly from the state subsidy. The finance of each TBS channel is separate now so there are no

cross-subsidy problems in the TBS. However, the policymakers and public broadcasters need to consider whether the finance sector of each channel will be integrated in the future. If the finance sectors are integrated, the problem will be whether the state subsidy and the advertising revenue will be used separately and how to regulate the activities of cross-subsidy and cross-promotion.

Positions in the market

In respect of the position in the market, as discussed in Chapter Seven, it is unrealistic to ask the public broadcasters in Taiwan to compete with the private broadcasters in audience shares because the public broadcasters is in a disadvantageous position in the market. The public broadcasters should put their focus on the establishment of their reputation and brand. It is thought that public service broadcasters will lose their legitimacy of existence once their audience share falls below 25 to 30 per cent (Graham & Davies 1997: 64). However, this hypothesis cannot be applied to public television in Taiwan. This is because public television was established in an environment where the commercial broadcasters have already had great power. The audience shares of public television have remained at a relatively low level (PTSF 2009a). At this stage, the only thing the public service broadcasters can do is to build their reputation and brand. Once their reputation has been established, they will have

the capacity to compete with their private rivals. It is argued that if public service broadcasters want to have some influence on the broadcasting market, their audience share should be over 30 per cent (Graham & Davies 1997: 4).

As discussed in Chapter Six, most of the informants interviewed for this study thought that the emergence of digital television has given an opportunity for the development of the public broadcasters in Taiwan. It is argued that the introduction of digital television gave public broadcasters more channels but it also meant more competition from private broadcasters (Papathanassopoulos 2002). In Taiwan, the public broadcasters are in a disadvantageous position, and some informants argued that the public broadcasters are already small and it is impossible to become smaller. Thus, the introduction of digital television was seen as an opportunity to develop public service broadcasting in Taiwan. Furthermore, the public broadcasters can take this opportunity to build their reputation.

With a good reputation, it is possible for the public broadcasters to have some influences on the television market. However, during the process of building their reputation and brand, it should be noticed that the public broadcasters should not focus only on elitist and paternalistic programmes. As public broadcasters, they should 'make popular programme good and good programme popular.' (Tracey 1998:

21) The BBC also holds the view that programme quality and audience share are both important criteria for its performance (BBC 2009: 26). A senior member of staff of the PTS also noted that ‘In fact public television programmes should not be confined. ... Actually I don’t think public television programmes should be boring and dull. You can make boring programmes not boring. That’s your talent and capability.’

Social characters

With regard to the social characters the public broadcasters should play, the public broadcasters should play a role in the development and consolidation of democracy in terms of the political functions. As mentioned above, Ofcom set out four public service purposes and six characteristics to review the performance of public service broadcasting (Ofcom 2005: 7-8). The ‘informing our understanding of the world’ purpose was the most important purpose from audiences’ point of view (Ofcom 2009: 21). The information function of the media is one of the vital characteristics in a democratic society (Curran 2005). The informing purpose can be seen as a means of achieving the development of democracy. The public service broadcasters in Taiwan should also perform their information function properly in order to provide balanced and impartial information for audiences.

In addition, the public broadcasters should project the images of our society with no distortion. These images are not confined to mainstream culture and values but also include the cultures of minorities. Through the reflection of different cultures and values, we can learn the components of our society and understand our society as a whole. In Britain, Ofcom research found that 79 per cent of UK viewers thought that ‘reflecting UK cultural identity’ purpose was important and around 69 per cent thought the ‘representing diversity and alternative viewpoints’ purpose was important (Ofcom 2009: 22). It can be understood that public service broadcasting is still seen as a significant cultural institution in the UK from the audiences’ perspectives. The public service broadcasters in Taiwan should also play the role of a cultural institution to reflect the diversity of Taiwanese culture.

8.2 Suggestions and Further Research

This research has adopted document analysis and in-depth interviews in investigating the impact of the introduction of digital television on public service broadcasting and the changes in public service broadcasting. Based on my findings, I provide some suggestions for the government and the public service broadcasters, and point out the direction of further research relevant to this subject.

8.2.1 Suggestions for the government

The suggestions for the government can be discussed as three aspects. The first suggestion is to make clear policies on public service broadcasting and digital television. According to the findings of this study, it was found that there are no clear policies for the developments of public service broadcasting and digital television. The unclear policies have resulted in an uncertainty about the future of public service broadcasting and digital television. Furthermore, this uncertainty meant that the public service broadcasters did not have a clear direction for their future development. In addition, the private broadcasters are unlikely to invest a huge amount of money in the development of digital television due to these unclear policies. Hence the government should make a clear policy in order to build a healthy television environment.

The second suggestion is the enactment and amendment of relevant laws. In addition to making clear public policies on digital television and public service broadcasting that was argued in the first suggestion, the government should also enact or amend relevant laws and regulations. In doing so, the public service broadcasters and the private broadcasters can have codes to follow. With the formation of the TBS and the introduction of digital television, the relevant laws and regulations should be amended.

However, the relevant laws and regulations have not been amended and this has led to regulatory problems.

As discussed in Chapter Six, there is still no Acts or Regulations for the TBS to follow after the TBS was established. The Public Television Act only applies to the PTS and other TBS channels need to follow other Acts. After the formation of the TBS, the Public Television Act should be amended to become an Act that all public television channels should follow. In addition, there are no Acts to regulate the digital television activities as digital television has developed for eight years since the first digital signal was transmitted in Taiwan in 2002.

Moreover, in 2007 the NCC was drafting the Communications Management Act in order to cope with the convergence of broadcasting, telecommunications and computing and other communications industries in the digital age and had a series of discussions about this new communication regulation. However, the Executive Yuan and the Legislative Yuan were both dissatisfied with this draft and sent it back to the NCC. It is uncertain when this draft will be sent to the Legislative Yuan for further discussions.

The third suggestion is related to the regulatory agencies. In order to cope with the convergence of communications technologies, the Taiwanese government took the

FCC and Ofcom as references to found the NCC in 2006 to be a regulator of communications affairs. However, the GIO and the MOTC are still in charge of some communications affairs. In addition, as discussed in Chapter Four, each TBS channel has different regulators. For example, the GIO is the regulator of the PTS and the CTS's regulator is the NCC. This multi-headed regulator condition may cause an ambiguity of policy and further result in an uncertainty of the future of public broadcasters.

In addition, as discussed in Chapter Five, the multi-headed regulator condition was a reason for the slow progress of the development of digital television. Furthermore, this multi-headed regulator condition not only caused the slow progress on the digital television policymaking but also influenced on other communications policymaking processes. In the digital era, it is difficult to distinguish between broadcasting policies and telecommunications policies. The government should consider and make more comprehensive communications policies. The NCC was designed to be the role in making communications policy but it did not play this role properly. Therefore, the government should confirm the NCC's jurisdiction and responsibilities even though the NCC cannot be a sole regulator of communications affairs because the communications policy involves a wide range of issues.

8.2.2 Suggestions for the public service broadcasters

With regard to the public service broadcasters, the first suggestion is that they should reconsider their roles and develop strategies for their future developments. Based on the resources and the media environment, it is unrealistic to develop a big public service broadcaster in Taiwan. The public service broadcasters should place emphasis on the building of their reputation and brand rather than competing with the private broadcasters for audience shares and ratings. A way to build their reputation is through providing trustworthy news programmes and quality programmes. In the UK, the BBC has built its reputation on news reporting and programmes and become the most trusted media in the UK (Ofcom 2007a).

As discussed above, television news programmes were seen to be unbalanced and biased in Taiwan (Chung 2009). If the public broadcasters provide balanced, impartial and unbiased news programmes under this circumstance, it is an opportunity to build their reputation on news programmes. In addition, the public broadcasters should try to provide a genuine public sphere independent from political and economic influences.

In respect of quality programmes, it is considered the high quality of programming was attributed to that public service broadcasters set up the standards in the UK (DTI

& DCMS 2000). As discussed above, it is difficult to define the quality of programming (Tracey 1998). However, the public broadcasters in Taiwan should try to produce high quality programmes, whether in terms of high quality in production techniques or cultural richness. In doing so, the public broadcasters can set a high standard of television productions and hopefully raise the standard of programmes in Taiwan.

Another suggestion for the public service broadcasters is related to the integration of the five public channels. Based on this study, there is evidence that there are still several problems, whether at the board of governors, managerial or departmental level, that need to be solved after the formation of the TBS. Lu, a member of the board of governors of the PTS, pointed out the public broadcasters do not only face the challenges from outside but also have problems inside the organisations.

The problems within the organisations included the conflict between members of the board of governors, the conflict of the integration of the PTS news department and the CTS news department, and the conflict between the PTS and TITV caused by the appointment of director of TITV. The conflict within the board of governors of the PTS has resulted in the delay of the amendment of the Public Television Act. The integration of two news departments was the first step of the integration of resources

of the TBS channels. If this integration has failed, it would be difficult to continue the following integration. These problems should be treated seriously and the regulator and the public broadcasters should try to find the solution as soon as possible.

As public broadcasters in other countries have faced the organisation restructuring with the introduction of digital television, the public broadcasters in Taiwan have faced a more complex situation that is involved the formation of a public service broadcasting group, the TBS. This might be a time for the public broadcasters in Taiwan to rethink and restructure their organisation in order to resolve the inside problems as well as to cope with the changes in the media environment.

8.2.3 Further research

After examining the impact of the introduction of digital television on public service broadcasting and the changes in public service broadcasting, this research argued that public service broadcasting should play an important role in the digital age via reviewing its purposes and its political and socio-cultural roles. In Taiwan the media environment is dominated by commercial broadcasters, public service broadcasting should play an (even more) important role as a genuine public sphere because commercial broadcasters have failed to provide information people need and forums for public debates. This study cannot be generalised and cannot be simply applied to

other countries because its focus is placed on the Taiwanese context but however it might be useful as a reference material for further research on how public broadcasters cope with challenges from commercial broadcasters and on the justification for public service broadcasting in the multichannel environment.

In respect of further research, I would recommend that further research should examine digital television policy in detail. As discussed above, the digital television development has become an important communications policy in many western European countries (Starks 2007; Papathanassopoulos 2002). However, there is still no a comprehensive policy on digital television in Taiwan.

In the West, many scholars have conducted research on the development of digital television in relation to public policy and its social influences (Starks 2007; Galperin 2004; Papathanassopoulos 2002; Kleinstauber 1998).²⁸ It is found that different governments adopted different policy approaches to promoting the development of digital television. In addition, research showed that the digital television developments in different countries had different paths.

Further research can explore the different paths of the development of digital television in different countries and develops a feasible policy recommendation to the

²⁸ Also can see in Brown, A. & Picard, R.G. (eds.) 2005, *Digital terrestrial television in Europe*.

government, which helps the government to introduce, promote, and build a healthy environment for the development of digital television. With more comprehensive research on digital television policy, it would clarify the direction of the development of digital television and benefit both the government and broadcasters.

In addition, further research on the digital television policy should not only place emphasis on the traditional television broadcasting platforms, such as terrestrial and cable television, but also should consider other delivery platforms, such as the Internet and mobile phone, in order to make a more comprehensive policy recommendation.

Further research could also aim at developing the assessment criteria for the public broadcasters in Taiwan. This is because it is difficult to measure the performance of public service broadcasting without an assessment tool. As discussed in Chapter Two, the assessment criteria may be different because of the differences of programme genres and broadcasting environments (Tracey 1998; McQuail 1992). For example, some researchers adopted quantitative approaches to understand the diversity of programme genres (Raboy 1993) and the depth and breadth of programmes (Greenberg & Busselle 1994; Litman 1992). In addition, qualitative approaches were also adopted to gather the elements and criteria for quality assessments (Leggatt 1993; Albers 1992). Furthermore, several researchers developed different assessment

criteria to measure the programme quality (Greenberg & Busselle 1994; Leggatt 1993; Albers 1992; Nossiter 1991). In addition, in order to review the performance of public service broadcasting, Ofcom, also developed four public service purposes and five public service characteristics in 2005 after a series of consultations and discussions (Ofcom 2005).

Due to the different media environment and different development context, it is desirable to develop the assessment criteria that are suitable for measuring the performance of public service broadcasting in Taiwan. The assessment criteria can be developed by interviewing television professionals, consulting with audience groups or conducting surveys to obtain the opinions from different groups of people. After the establishment of the assessment criteria, they can be used by the regulator or the public broadcasters to measure the performance of public service broadcasting. In doing so, not only can it be a means of understanding the performance of public service broadcasting, but also a way to improve the performance.

Epilogue

We have witnessed that political and economic forces tried (and are still trying) to influence television in Taiwan. In the particular context of the development of television, public service broadcasters are at a disadvantage in a highly competitive

television market. In the digital era, the competition will become more intense (Hujanen 2005; Papathanassopoulos 2002). Some may argue that if private broadcasters can provide public service programming, why do we still need public broadcasters? However it is argued that leaving broadcasting entirely to market will not deliver what people want and even narrow the choice of programming (Curran 2005; Murdock & Golding 2005; Graham & Davies 1997; Blumler 1992b; Garnham 1990).

In addition, we have also seen programme quality degrading and the trivialisation of programming in Taiwan where the media market is highly competitive. Therefore, it is undesirable to leave broadcasting to the market without adequate regulations. The establishment of the PTS was seen as an opportunity to change the television environment. However, the PTS did not perform properly because of the limited financial resources and insufficient support from the government. Later, the TBS was founded and it seemed that the public broadcasters have expanded in terms of the increase in channels, but the actual funding for the public broadcasters has not increased. Therefore, the public broadcasters in Taiwan are still in a disadvantageous position.

With the introduction of digital television, it seemed that the public broadcasters might face more intense competition. However, as some informants interviewed for this study thought the advent of digital television is an opportunity rather than a threat to the public service broadcasters in Taiwan. We may take this opportunity to strengthen public service broadcasting in Taiwan. Although it is almost impossible in Taiwan to develop a strong public service broadcaster, it is desirable to have a public service broadcaster that is independent from the influences of political and economic forces. A better public service broadcaster providing a variety of quality programming is the goal we want to achieve.

As Keane (1991: xiii) argued that ‘the fight for a democratic media is an ongoing project without ultimate solution.’ I would like to say that the development of public service broadcasting is also an ongoing project without ultimate solution, and that we should continue making efforts to develop better public service broadcasting.

APPENDIX 1: LIST OF PRIMARY DOCUMENTARY MATERIAL

A. Official Publications: UK

Department for Culture, Media and Sport (DCMS)

A public service for all: The BBC in the digital age (2006)

Digital Switchover help scheme (2006)

Department for Culture, Media and Sport (DCMS) & Department for Business, Innovation and Skills (BIS)

Digital Britain Final Report (2009)

Department of National Heritage (DNH)

Digital Terrestrial Broadcasting: The Government's Proposal (1995)

The Future of the BBC: Serving the Nation, Competing World Wide (1994)

The Future of The BBC (1992)

Department of Trade and Industry (DTI)

Attitudes to Digital Television, Preliminary findings on consumer adoption of television, in association with the Generics Group. (2004)

Attitudes to Digital Switchover, The impact of digital switchover on consumer adoption of digital television, in association with the Generics Group. (2004)

Digital Television For All, a report on usability and accessible design, in association with the Generics Group. (2003)

The Advanced Television Services Regulations 1996 (1996)

The Regulation of Conditional Access Services for Digital Television (1996)

The Regulation of Conditional Access Services for Digital Television. Consultation Paper on Detailed Implementation Proposal (1996)

The Regulation of Conditional Access Services for Digital Television. Final Consultation Paper on Detailed Implementation Proposals (1996)

Department of Trade and Industry & Department of Culture, Media and Sport (DTI & DCMS)

A New Future For Communications (2000)

Independent Television Commission (ITC)

Go Digital, report on trial (2003)

Annual Report and Accounts for 2001 (2002)

Annual Report and Accounts for 2000 (2001)

Office of Communications (Ofcom)

The Communications Market: Digital Progress Report, Digital TV, Q4 2009 (2010)

Ofcom's Second Public Service Broadcasting Review: Putting Viewers First (2009)

The Communications Market 2008 (2009)

The Communications Market: Digital Progress Report, Digital TV, Q4 2008 (2009)

Public Service Broadcasting: Annual Report 2008 (2008)

The Communications Market: Digital Progress Report, Digital TV, Q4 2007 (2008)

The Communications Market: Digital Progress Report, Digital TV, Q4 2006 (2007)

New News, Future News: The Challenges for Television News after Digital Switch-over (2007)

BBC New on-demand Proposals: Market Impact Assessment. (2006)

Digital PSB. (2006)

The Communications Market: Digital Progress Report, Digital TV, Q4 2005 (2006)

Ofcom Review of Public Service Television Broadcasting - Phase 3 - Competition for Quality (2005)

Viewers and Voters: Attitudes to Television Coverage of the 2005 General Election (2005)

Digital Television Update Q4 2004 (2005)

Ofcom review of public service television broadcasting: Phase 1 - Is television special? (2004)

Supporting the most vulnerable consumers through digital switchover (2004)

Digital Television Update Q4 2003. (2004)

Parliamentary Reports

Sykes Report 1923, Broadcasting Committee Report (Cmnd 1951)

Crawford Report 1926, Report of the Broadcasting Committee (Cmnd 2599)

Ullswater Report, 1936, The Broadcasting Committee Report (Cmnd 5091)

Beveridge Report, 1951, The Broadcasting Committee Report (Cmnd 8116)

Pilkington Report 1962, Report of the Broadcasting Committee (Cmnd 1755)

Annan Report 1977, The Future of Broadcasting (Cmnd 6753)

Peacock Report 1986, Report of the Committee on the Financing of The BBC (Cmnd 9824)

House of Commons. Culture, Media and Sport Committee 2007, Public Service Content: Report, together with Formal Minutes, Oral and Written Evidence.

House of Commons. Culture, Media and Sport Committee 2006, *Analogue switch-off: a signal change in television.*

House of Lords. Select Committee on Communications 2009, *Public service broadcasting: short-term crisis, long-term future?.*

House of Lords. Select Committee on the BBC Charter Review 2006, *Further Issues for BBC Charter Review: Report and Evidence.*

House of Lords. Select Committee on the BBC Charter Review 2005, *The Review of the BBC's Royal Charter: Report and Evidence.*

B. Official Publications: Taiwan

CEPD (Council for Economic Planning and Development)

Challenging 2008: E-Taiwan Project, 3rd edn. (2008)

Challenging 2008: E-Taiwan Project, 2nd edn. (2005)

Challenging 2008: E-Taiwan Project, 1st edn. (2002)

Executive Yuan

The National Information and Communications Plan: 2007-2011 (2007)

GIO (Government Information Office)

The Regulations of Communications (2009)

Project of the Development of Taiwan Broadcasting System Report (2006)

Taiwan's Resounding Progress (2006)

Two-Year Project of Public Broadcasting, Cultural Creation and Digital Television Development (2005)

The Development of Digital Television (2004)

The Timetable for Digital Switchover (2004)

Public Service Broadcasting Group Development Report (2005)

The Objectives and Strategies of the Development of Public Service Broadcasting (2004)

Industrial Development Bureau, Ministry of Economic Affairs

The Strategy of the Introduction of Digital Television in Taiwan (2004)

MOTC (Ministry of Transportation and Communications)

Table of Radio Frequency Allocations of the Republic of China (2005)

NCC (National Communications Commission)

Cable Television Subscription Statistics, Quarter 4, 2009 (2010)

Cable Television Subscription Statistics, Quarter 4, 2008 (2009)
Cable Television Subscription Statistics, Quarter 4, 2007 (2008)
Cable Television Subscription Statistics, Quarter 4, 2006 (2007)
NCC Statistics of broadcasting 2007-2009
NCC Administrative Plan 2008 (2008)
NCC Administrative Plan 2006 (2006)
Minutes of the NCC Commissioners Meetings (370 minutes in total till 2010/8/4, 36 minutes relevant to my research)

NICI (National Information and Communications Initiative Committee)

Minutes of the NICI Commissioners Meetings (15 minutes in total, 4 minutes relevant)
Minutes of the NICI Task Meetings (163 minutes in total, 13 minutes relevant)

Science and Technology Advisory Group of Executive Yuan

The Implement Plan for the Timetable for the Introduction of Digital Television and Supporting Policies (2005)

C. BBC Publications

BBC Annual Report and Accounts 2004/05-2008/09
Progress towards Digital Switchover (2003)
People and Programmes (1995)
Extending Choice: The BBC's Role in the New Broadcasting Age (1992)

D. Public Broadcasters' Documents: Taiwan

CTS (2007) *Transforming the CTS to Public Television the First Year Report*
Hakka TV Annual Report 2007-2008
Public Television Service Foundation Annual Report 1999-2008
Taiwan Indigenous TV Annual Report 2008
The Minutes of the TITV Consultants Meeting (21 minutes in total)

E. Laws and Regulations: UK

Television Act 1963
Broadcasting Act 1980
Broadcasting Act 1981
Broadcasting Act 1990
Communications Act 2003
BBC Charter and Licence and Agreement 2006

F. Laws and Regulations: Taiwan

Cable Radio and Television Act 2007 (revised)

Draft of the Communications Management Act 2007

Draft of the Regulation of the Promotion of Digital Terrestrial Television 2005

Fundamental Communications Act 2004

NCC Organisation Act 2008 (revised)

Public Television Act 2004 (revised)

Radio and Television Act 2006 (revised)

Regulation of the Government-owned Shares of Terrestrial Television Enterprises
2006

Satellite Broadcasting Act 2003 (revised)

Telecommunications Act 2007 (revised)

G. Newspapers and Magazines: Taiwan

Business Next Magazine

Central News Agency

Min Sheng Daily

The China Times

The China Times Express

The Economic Daily

The Liberty Times

The United Daily

The United Evenings

H. Others: Taiwan

ATTN (Association of Terrestrial Television Networks)

Two-Year Project of Digital Terrestrial Television (2000)

NBCCC (Nation Blueprint Committee of Campaign Centre)

*New Era, New Route, Chen Shiu-Bian's Nation Blueprint: Part 6 Education, Culture
and Communications (2000)*

APPENDIX 2: LIST OF INTERVIEWEES

Name	Institution	Title	Length of Interview	Note
Liu, Yu-Li	National Communications Commission	Commissioner (2/2006-2/2008)	120 mins	Government Official
Yao, Wen-Chih	Government Information Office	Minister (3/2005-1/2006)	30 mins	Government Official
Lu, Feii	Public Television Service	Governor	30 mins	Governor of the PTS
Cheng, Hamilton	Public Television Service	Governor & Research Fellow	90 mins	Governor of the PTS
Swen, Ching	Public Television Service	Senior Research Fellow Strategy Research & Development Department	60 mins	Manager of the TBS
Su, Fang-Yu	Chinese Television System	Supervisor Engineering Department Engineering Technical centre	60 mins	Manager of the TBS
Hsu, Ching-Yun	Hakka TV	Director	60 mins	Manager of the TBS
Hung, Hsui-Chu	The Legislative Yuan	Legislator	30 mins	Legislator
Kuan, Bi-Ling	The Legislative Yuan	Legislator	30 mins	Legislator

APPENDIX 3: INTERVIEW QUESTIONS

1. What is the role of public service broadcasting in Taiwan (main purposes)? Has the role changed? If it has changed, what are the main reasons that have made public service broadcasting change?
2. Public service broadcasting in Taiwan has changed from one channel (PTS) to a group (TBS) since 2006. Have the funding resources changed? What kind of funding model will be adopted in the future?
3. Were there any other changes after the establishment of the TBS?
4. Under the threats of commercial broadcasters, what kind of programmes should public service broadcasting provide?
5. What do you think about the programme contents, programming and other services of public service broadcasting? Do the programmes fit the audiences' needs?
6. What is the impact of the advent of digital television on public service broadcasting? Chances? Threats? Most people in Taiwan watch TV via cable TV. Will digital television change their viewing behaviour?
7. The digital switchover will take place from 2008. What is the role of public service broadcasting before the digital switchover, during the switchover and after the switchover?
8. Does public service broadcasters need to change to fit the new media environment? If it is needed, what changes do need to make?
9. In general, what is the future of public service broadcasting in Taiwan?

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- BBC 2003a, *Progress towards Digital Switchover*, BBC, London.
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