

# **Public Service Media Interventions: risk and the market**

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## Chapter 10

### **Public Service Media Interventions: risk and the market**

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#### **Abstract**

This chapter explores the relationship between public service media (PSM) and the market through the lens of risk. Instead of approaching PSM's market impact from a crowding-out perspective, we focus on how these organizations contribute to creating, shaping and sustaining markets. We identify two key areas of risk that PSM organizations are actively negotiating and/or as part of a change to their remit and responsibilities: first, in creating and sustaining a supply base of indigenous content and second in contributing to innovation capacity. Whilst we don't argue that all PSM organizations are engaging in these equally, or even delivering effectively on these agendas, we want to highlight the important contribution that PSM makes to creative economies, and to economic and cultural activity within nation states more generally. The chapter concludes by arguing that by undermining the scale and funding of PSM their capacity to assume that risk is weakening, and that this will have implications for the entire marketplace.

**Keywords:** Public service media; market impact; risk; innovation; supply base; collaboration

This chapter focuses on the relationship between Public Service Media (PSM) and the market through the lens of risk. Much discussion of PSM posits their positive cultural and social influence, while discussions of 'market impact' have often functioned to tighten control on PSM organizations and limit their remit and scale. Indeed, the discussion of market impact has often been deployed strategically as a rationale to slim down organizations perceived as bloated and slow. However, discussing the market role of PSM organizations is important for a number of reasons, not least as a useful discursive frame for the financing of PSM and, for instance, their impact on national advertising markets. A discussion of market impact also recognizes the increasingly blurred line between linear broadcasting and digital media, with PSM activities increasingly focused on the latter. Seismic changes have happened in the infrastructure of broadcasting and audiences today expect interactivity and online services. Whereas in the past regulators such as the European Commission were more 'restrictive' of PSMs' online efforts (Brevini 2013), today it seems archaic to approach public media as relating to 'off-line' content distribution alone. Therefore, it is a matter of public value and of survival for PSM to engage with the opportunities and challenges of the digital market.

Furthermore, market impact re-centers questions of power within the media market at a critical juncture in the evolution of information and digital infrastructures and the uncertainty which accompanies that change. Much policy discourse assumes that PSM organizations are omnipotent agents within their national media markets, and in many national cases they remain central media organizations enjoying high audience share. However, in key strategic ways their power has diminished. The growth of 'super indies'

(very large international independent production companies) and the aggressive localizing strategies adopted by transnational media companies like Netflix and Disney means there are new formations of power. Added to this are technology companies like Apple and Amazon entering the market for television content, with both deep financial pockets and access to large-scale technical infrastructure. Today, these are powerful actors within media markets, as they leverage national resources and crowd out competition. However, policymakers can seem reluctant or ill-equipped to intervene in these forms of market impact.<sup>i</sup>

This chapter considers the interventions and innovativeness of PSM, not as activities which distort market competition, but as actions which create and sustain markets thereby expanding the terms of public support (see eg. EBU 2019). Of course, some will argue that positioning these organizations as market players may erode the distinctiveness of PSM, however, as we develop below, there are significant ways that PSM organizations through their operations and resources contribute strategically to media markets and the protection of national/local economic interests in ways that are often unlikely to be matched by commercial players.

Recognizing that uncertainty and change are fundamental features of both sectoral and national interests, we adopt a lens which repositions market impact in terms of the active role that PSM organizations play in negotiating and partly mitigating the economic *risks* of the broadcasting market.<sup>ii</sup> We find the frame of risk a useful one to apply in the context of PSM, and we recognize the work of Beck (1992) on the ‘risk society’ which critically considers processes of modernization and the role of the state therein. As Hjort (2012) argues, risk is at the nexus of an interdisciplinary conversation which allows for a deeper understanding of media making that goes beyond national context or a specific policy frame and therefore we draw on it as a valuable comparative lens. In the context of the broadcast market, “the digitization of television has considerably increased the sources of uncertainties and the levels of risks for the rapidly expanding number of players involved in broadcasting” (Chalaby and Segell 1999, p. 354). The speed of change and the technical, political and cultural complexities of the broadcasting market generate substantially more threats. At the same time the number of stakeholders extracting value from content has risen rapidly: for example, high-end dramas leverage value for a range of stakeholders, both within and outside broadcasting (McElroy and Noonan 2019).

In this context PSBs are *perceived* to be affluent and secure in relation to other stakeholders. Despite the widespread cuts to their budgets, their modes of funding are deemed less precarious compared to the financial risks faced by commercial players, especially where PSM organizations are funded from licence fees or taxation. This is augmented by the fact that in many contexts they still enjoy high levels of public reach, trust and recognizability. Whilst this doesn’t make PSM exempt from risk, they are perceived as better able to negotiate its impact but also mitigate other forms of risk that circulate within the market. Therefore, this chapter considers some ways in which the PSM system is a space where some of the structural risks of production are being redistributed through a range of wider policy initiatives. By assuming this risk publicly funded organizations are performing a vital function which then underpins many of the market activities of commercial stakeholders and national strategies for economic growth.

This chapter identifies two key areas of risk that PSM organizations are actively negotiating and/or as part of a change to their remit and responsibilities: first, in creating and sustaining a supply base of indigenous content and second in contributing to innovation capacity. In both of these policy agendas, PSM organizations are instrumental to the shaping of markets. Whilst we don’t argue that all PSM organizations are engaging

in these equally, or even delivering effectively on these agendas, we want to highlight the important contribution that PSM makes to creative economies, and to economic and cultural activity within nation states more generally. We identify the different ways this market role is being realized and point to the tensions in this new set of expectations where PSM organizations are simultaneously required to do both less and more in economic terms. The chapter concludes by arguing that by undermining the scale and funding of PSM their capacity to assume that risk is weakening, and that this will have implications for the entire marketplace.

## 1. Conceptualizing Market Impact

In Europe, the establishment of public service broadcasters was justified first on the basis of spectrum scarcity, and second, on the basis of spectrum limitations (Bonet et al. 2008). Indeed, a look back at the history of the establishment of broadcasting casts light on the origins of the perpetual debates around how PSM should be justified, when for many decades in the twentieth century the principle of publicly owned—and-run broadcasting systems held sway (though there were detractors from this position) (Burri 2017, pp. 11-12). However, as technology developed, and latterly digital media started to thrive, spectrum limitations was no longer seen as a valid argument and criticism of PSM's continuance started to intensify (Sieg and Stühmeier 2015; Aigner et al. 2017). This has placed ever greater scrutiny on the sources of funding for PSM, the way in which it is used, and the implications of those activities for other players in the market. Around the world, PSM organizations operate under a variety of funding systems. However, a recurring theme in many settings is the overt scrutiny from some quarters of their impact on the market.

A key issue in understanding how the market impact of PSM has been considered is the concept of market failure, a concept which “tends to be used in two different ways” (Doyle 2013, p. 92):

In one sense it refers to any failure by the market system – the unbridled forces of demand and supply – to allocate resources efficiently. In another sense, it may refer to the failure of the market to advance socially desirable goals other than efficiency, eg. preserving democracy and social cohesion. (Doyle 2013, p. 92)

It is the latter understanding which has been the focus of media policy debate since the liberalization of broadcasting, when broadcasting markets opened up under the influence of a shift towards neoliberal economics (Potschka 2012, p. 11). However, as digitization and the Internet started to favor the emergence of new media services, this concern was reinforced (Van den Bulck and Donders 2014, p. 85). Often, this has become a debate about whether *public broadcasting should only provide what the market does not*: this can be termed the *crowding-out hypothesis*, advocated by those who argue that “services readily available on the market should be delivered not through state intervention but free entrepreneurship” (Van den Bulck and Donders 2014, p. 85).

Such arguments have been driven by market fundamentalist accounts of society (e.g. Booth 2016; Peacock 2004), where PSM appears at best anachronistic, and at worst a distorting factor that holds back private media organizations from reaching their full potential. These fundamentalist accounts have not, however, remained in the economic textbook. Indeed, there is a tradition of economists playing a direct role in influencing broadcasting policy (Barwise and Picard 2014, p.8). Accounts have continually cropped up in many international settings where politicians, often on the Right of the political

spectrum, have targeted PSM funding. For example, the Trump Administration in the USA (2016–) has repeatedly tried to eliminate federal funding for PSM (Benton 2019); in Australia, PSM has faced sustained political pressure (Meade 2018), with the ABC’s “real funding... [decreasing] by 28%” since the 1980s (ABC 2018); and in June 2018 Denmark’s right-wing government introduced a “controversial” media settlement which increased subsidies to the press but reduced “total public funding of media by €54m” resulting in a 20% cut in funding for DR, the main PSM organization, while subsidies available to the press were increased (Schröder and Ørsten 2019). For many PSM organizations worldwide there is a substantial and recurring threat to their financial viability.

Both the theoretical accounts and political actions we have addressed here are often predicated on the idea that media goods *should not play* any public role, but rather should be treated like other kind of good. However, as copious amounts of scholarship contend, PSM ought not be seen in that way: in a persuasive example Sehl et al. (2020) looked at the possible influence between PSM budgets and commercial media and pay TV revenues. They found no correlation between them, nor between PSM’s news reach and commercial news reach or paying for online news. As such, they concluded that there was little support for the crowding out argument. On the contrary, their analysis did show that in some cases the existence of a strong PSM correlates with strong commercial media (Sehl et al. 2020).

Across Europe PSM organizations have been required to justify their activities, and planned expansions, with reference to – among other areas – their impact on the market, and under the terms of the public value tests (Donders and Moe 2012), This has happened in relation to specific decisions (e.g. the move of BBC Three online, see Ramsey 2018), but has also seen PSM organizations provide systematic details of their broader impact on the economies where they are based (e.g. BBC 2013), or provide defenses of their value for money (eg. ABC 2018). Indeed, some PSM organizations have also increased their use of economic arguments to defend themselves from the attacks of commercial media. D’Arma (2018a, p.9) explains how the BBC started to fight the “crowding out” argument by focusing on how the public broadcaster prompts a “race to the top” along with commercial media. He points out that it is transnational Internet companies that are really crowding out the media environment, and that the BBC “began to challenge increasingly widespread perceptions of its activities as inhibiting private sector expansion by placing growing emphasis on its enabling role in the growth of the wider creative sector” (D’Arma 2018a, p.9), a point we take up later.

In the move towards the quantification of the economic impact of PSM on the broader economy, PSM organizations have often sought to measure their impact in terms of a multiplier effect: this entails measuring “the level an economy will grow following a change in the level of investment” (McElroy and Noonan 2019), where the economic return of each amount of money is measured, and then used as a means of justifying that investment. As such, examples of PSM organizations that have used multipliers to evidence their economic impact include:

- the BBC in the UK, which generates “two pounds of economic value for every pound of the licence fee” (BBC 2013, p.4);
- VRT in Belgium, where “€1 in public funding generates 2.51 euro (Raats et al. 2018);
- TG4 in Ireland, where “€1 invested ... in the creative industries in Ireland, it was worth almost €2 to the Irish economy” (TG4 2018, p.17);

- S4C in Wales, where “every £1 invested by S4C in the economy in Wales and the UK creates a total value of £2.09” (S4C 2017).

A measurement of the economic contribution of PSM has also been used in the arguments for *new* PSM services. For example Monk et al. (2019), argued in relation to the prospect of establishing a PSM organization for Cornwall in the UK – a region that has a strong cultural and linguistic identity distinct to that of Britishness or Englishness – that “Investment in a PSM for Cornwall would have a significant positive economic impact both through direct activity and indirect and induced multipliers”.

On the one hand this points to the positive contribution of PSM organizations relative to their size and their capacity to grow the economy beyond the creative market. However, as has been argued in the film and television production literature (Ramsey et al. 2019), solely measuring economic impact can be something of a ‘blunt instrument’, where it doesn’t take into account the broader social impact. As D’Arma (2018b) has pointed out, the BBC did try to widen out the use of the multiplier effect in its foundational document on public value. There, the BBC (2004, p.29) argued:

Part of the BBC’s public value is indirect. Through its relationships with other organisations, the BBC can have a ‘multiplier’ impact on society. For example, the BBC’s recent Big Read collaboration with libraries and book publishers reawakened interest in reading.

Indeed, the BBC did through *Building Public Value* (BBC 2004) set out a broad argument for how the institution’s contribution to public value could include aspects like ‘Social and community value’ and ‘Cultural and creative value’, values echoed in work by the European Broadcasting Union (EBU 2012). However, when the public value framework was applied in actuality in the regulation of the BBC’s services, the overwhelming focus on quantitative data at the expense of qualitative data limited its efficacy for capturing the complexity of broadcasting’s social and cultural value. Furthermore, the placing of evidence into the public domain that their activities have positive economic impact does not necessarily protect PSM organizations from criticism: instead evidence-based arguments often fall on deaf ears amongst politicians and policy-makers. Therefore, rather than just focus on discrete economic indicators like the multiplier as a signal of market impact, we consider more nuanced forms of market interventions that PSM organizations perform, when they act as a driving force of local industry and national economic sustainability, through engaging with some of the risks of the media market.

## **2. Shaping the Market**

In this section we consider the contribution PSM makes to the economy when viewed in terms of risk: supporting a diverse and abundant supply base, and cultivating innovation. We regard these areas as instrumental both to the realization of a sustainable creative ecology and to delivering public value. We echo Mazzucato and O’Donovan (2016, p.101) who, in relation to the BBC, argue that instead of “beginning with a market failure framework ... we view the BBC through a market creation and market shaping framework”. Criticizing the market failure lens, they suggest that such an approach “is misplaced as it does not capture the BBC’s leadership role in the UK’s incredibly vibrant culture industry—producing high quality affordable services, with a strong notion of public value that goes beyond a notion of public good” (Mazzucato and O’Donovan 2016, p.102). Therefore, we extend this rationale to explore how PSM organizations – across

different national settings and policy imperatives – can make substantial contributions to the economic goals and market formations of different nations.

## 2.1. Sustaining a Supply Base

The growth of the independent sector has been a critical economic goal within policy. The independent production sector is politically and economically attractive because it is characterized by entrepreneurship, encourages competition in the market, and is associated with ‘good work’. In political and market terms the ideal scenario would be a plentiful number of indies and freelancers, who are varied in terms of skills and geography, thereby providing choice, competition and innovation. However, this ambition is often tempered by the reality of what is a large number of financially fragile production companies and precarious labor structures, the latter vividly exposed during the Covid-19 pandemic (McElroy 2020). This precarity and the accompanying consolidation of companies into ‘super-indies’ risks diminishing the supply base of television production and this has significant implications for domestic production (Doyle 2019). In part this lapse in the supply base is a cultural risk, as a nation can become invisible on global scale, however, it is also a market concern as fewer production companies are independent and indigenous and therefore profits flow outward from the nation. In a number of overlapping ways PSM organizations are a direct way of sustaining domestic capacity in production especially from smaller and regional independent producers.

This value is delivered partly through the commissioning strategies of PSM, especially in their commissioning of original productions with PSM often the most important sources of original content in many national markets. For example, Donders et al. (2020) outline the cultural and economic value of commissioning strategies that lead to domestic programming which is sourced locally and is distinctive. We extend that role to consider the labor markets which these commissions underpin. Voluminous returning series (the soap opera being one example) offer workers access to regular work in their locale and the opportunity for progression and development. For example, TG4’s production of the Irish language soap opera *Ros na Rún* (1996-) supports around 150 jobs in the rural economy of Spidéal, and provides “really good employment and a training ground for people to learn the ropes” (Interviewee from Screen Producers Ireland, as cited in McElroy et al., 2018). Developing a creative labor market is sometimes framed by national policy-makers as part of a transition to a more complex market structure, which will turn generate greater economic value and local market growth. By offering occupational stability and professional mobility these productions form a base from which a sustainable creative labor market can develop.

The relevance of PSM’s organizations in the shaping of the labor market can also be evidenced with the drastic example of a closure. When the PSM organization of the Valencian Community (Spain), RTTV, was shut down in 2013 (see Chapter 5), the unemployment rate of the Valencian audiovisual sector rose to 90 per cent, 60 per cent of the journalists of the region were jobless and over 150 production and advertisement companies closed down as well (CECUV 2015). The PSM organization proved to be essential for the sustainability of the Valencian creative industries, one of the main reasons behind its reestablishment in 2016.

Crucially, in the lure to international investment the labor market which is often a prominent part of the package promoted by nations alongside other forms of ‘soft money’ (see Ramsey et al. 2019). However, what is overlooked are the ways PSM organizations

shoulder the financial burden and risk of creating and sustaining this labor market both through commissioning content and other activities such as training and apprenticeships. Other broadcasters and stakeholders are then able to leverage this investment alongside a broad range of other fiscal incentives. In her evidence to the UK House of Lords (Parliament) 2019 inquiry on public service broadcasting, Philippa Childs, head of the production union Bectu, told the committee that publicly funded broadcasters were “providing the training and skills that the likes of Netflix and others are then happily accepting” (House of Lords 2020). Therefore, we argue that PSM organizations contribute directly on the promises of labor policy within the creative and digital economy.

PSM organizations have also become critical elements within strategies for creative clustering and local development policies. In the UK, for instance, the development of a creative hub of television production in Cardiff was predicated on the building of the BBC’s studio at Roath Lock in the city (McElroy and Noonan 2019). Elsewhere in Brussels, there are plans for the development of ‘a creative and vibrant new Brussels district for an innovative media ecosystem’ (Mediapark.brussels 2020) which will include office space, housing and leisure facilities, anchored by new headquarters for both Belgian public broadcasters, VRT and RTBF. But as Komorowski et al. (2018) suggest in their overall analysis of the project, “the success of government-driven clusters is not guaranteed”. Both the British and Belgian initiatives use publicly funded media organizations as central tenants of these predominantly commercial sites in order to leverage potential gains. The benefits of scale to the surrounding creative ecosystem and the accumulated knowledge, expertise and resources which PSM organizations contain are leveraged by a range of neighboring bodies.

In parallel to this strengthening of creative economies, on occasion there is political expectation on PSM organizations to address regional inequalities in areas often beset by industrial decline. In the UK this has been part of a decade-long policy drive to decentralize and relocate activities to areas out of London and the south of England and to alter the natural movement of creative and labor markets by helping to develop significant creative activities in regions that do not, and may never, benefit from larger infrastructure or large-scale employers from the private sector. Substantial strategic interventions, such as the BBC’s relocation of some functions to Salford (Greater Manchester), are regarded as an accelerator of this process. These interventions have been presented politically as a way of promoting efficiencies (through lower cost studios, post-production facilities and wages in these regions), even when the actual data supporting this rationale can be problematic (Kemeny et al. 2019). In 2019 following a very competitive bidding process by several cities in the UK, Channel 4 (a commercial PSM organization) announced its intention to build a new national headquarters in Leeds, with smaller hubs in Bristol and Glasgow. Staff from their current central London office are being distributed across these sites as a way of shifting the location patterns of economy activity in the long-term. In this strategy PSM organizations are seen as mobile and politically desirable for the places they ‘land’ furthering the creative professionalization of local economies.

Therefore, PSM are critical to widening and deepening the supply base of companies and labor from which all players in the media benefit. They grow the domestic creative economy by investing in indigenous independent production and contribute to the development of a skilled freelance workforce. They often undertake these activities as a counter to the centralizing tendency of the market. This offers a different understanding

of pluralism and diversity which merges economic and social objectives and is in direct response to wider market risks.

## 2.2. Supporting Digital Innovation

Another area where we can view the contribution of some PSM organizations to the market is in terms of their structured approaches to innovation at a time when there is a fusion of several technologies in the media market including broadcasting, telecommunications and computing. For some PSM, innovation is embedded in their mission and organizational structures and it can extend beyond the media market to national systems of innovation and digital infrastructure (e.g. the BBC's role in the establishment of digital television, alongside other commercial PSM organizations and commercial broadcasters). Media innovation is continuous, and requires continual investment, expertise and resources, which PSM are perceived as well-placed to deliver.

Innovation is also part of the social function of PSM (Evans 2018; Fernández-Quijada et al 2015; Zaragoza Fuster and García Avilés 2020), and as a route to integrating public value in a digital future characterized by interactivity, personalization and platform migration, which is of course not without its issues. In this PSM is attempting to reconcile technological advances with other public goals such as reaching young people, solving issues like misinformation (e.g. BBC Blue Room), enhancing access to minority communities, but also building Research and Development (R&D) capacity. Viewed in these terms, innovation can be seen as part of the public good, as PSM organizations can assume the financial risks that private media might be unable or unwilling to take. When new knowledge is created and shared with other market actors, it can offer commercial entities additional resources. This return from PSM innovation to the market is partly evidenced by Netflix's CEO Reed Hastings, who acknowledged that the BBC iPlayer "really blazed the trail" for his company by getting "people used to this idea of on-demand viewing" (Williams 2014). Indeed, this statement is recognition of the risks taken in the changing culture by the PSM, which then allows the market to capitalize.

Here we offer a further situated example of innovation interventions in action. In 2015, VRT (the Flemish public service broadcaster) established a new project, VRT Sandbox. It was aimed at "organizing innovative collaborations with start-ups and entrepreneurs" (VRT 2020). Through the programme, the PSM organization sought to find synergies that could accelerate innovation both within VRT and the wider media and technology market. This collaboration project offered Flemish and international start-ups the chance to develop their products in a safe environment, with access to the public broadcaster's content and tools, its workers – who can coach and advise them – and VRT's contacts network. One of the last projects tested in 2020 was *Just in Time*, a collaboration between *Fallout* and VRT Radio and VRT Pílootzone. The project was described as "the VRT podcast app on the go". By combining *Fallout*'s patented technology and the VRT Radio's content, *Just in Time* offered a curation of short fragments of audio content available in its own app. The main asset of this project was its playlists, tailored according to the interest of the users and the time they have available. After this experience, both parts have learned that there is a demand for personalized podcasts in the Belgian market and that users were looking for short content, from 3 to 11 minutes.

The benefits of VRT Sandbox have been discussed elsewhere (Raats et al. 2018; MediaRoad 2017).<sup>iii</sup> A project like this contributes to knowledge sharing and to advancing technological innovation in the sector. By providing a platform for start-ups to develop their products and assume a risk that private companies might be unable to take, the start-

up can leverage expertise and access to audiences in a way which is not within the resources of most companies. Moreover, they can gain visibility with media investors as they retain the Intellectual Property (IP) for the product.

While the main benefit of this intervention for PSM includes a boost to its internal innovation and an opportunity to strengthen their relationships with stakeholders, this intervention also represents significant risk for the broadcaster including the ever-present danger of failure associated with innovation. As Van den Bulck (2007, p. 38) argues, PSM organizations must be careful “not to become a laboratory for expensive experiments without an actual aim or added value for (paying) individuals. It is not the task of PSB to support the expensive toys of the few”. This must be a meaningful opportunity with which to extend the values of PSM to the digital landscape. We also see value in leveraging innovation which allows renewed vitality of PSM goals, rather than technology for its own sake.

In relation to both the supply base and innovation, PSM’s role includes “growing symbiotic partnerships” (Mazzucato and O’Donovan 2016) and acting as “coordinators for all the media ecosystems conceptualized as ‘innovation ecosystems’” (Ibrus et al. 2019, p. 4). The establishment of relationships with other media actors counters some of the crowding out thesis, and considers the public sector as “positive, co-productive agent” (Ibrus et al. 2019, p. 4). The relationship between public value and collaboration strategies has been highlighted by Raats et al. (2014, p. 267), and in the past few years there has been an increase in public-private collaborations in the media sector, mainly as a response to the increasing criticism of PSM’s digital expansion (Wauters and Raats 2018, p. 176). The success of Roath Lock Studios or the Sandbox model, as examples, point to a new way to combine internal innovation and external collaboration. These kinds of collaborations contribute to strengthen PSM’s role as “keystone species” (Wauters and Raats 2018, p. 188) who can mitigate some of the risks of the contemporary media market.

### **3. Conclusion**

This chapter highlights the ‘spill over’ effects of PSM systems in media markets. We conclude that the framing of PSM in terms of risk allows for a useful vantage point for market impact, in order to add greater nuance to policy making and moves away from the problematic quantitative measure of things like the multiplier effect. It also offers a useful way in which to frame impact because of the considerable changes taking place within media markets and the expanded range of stakeholders who extract value from broadcasting (including property developers, city authorities, education providers, tourism bodies, etc.).

Our examples and analysis point to some of the ways that PSM mitigate some of the risks inherent within media markets. In two key areas we have considered the risks being negotiated in service of the wider market: supplier and labor capacity and innovation practices. In each area PSM can increase capacity over the long term which is then used by others, stimulating a further wave of economic growth. They are able to do this because of their scale and longevity relative to other creative bodies and business organizations. Rather than holding back private media, they are instead part of a risk reduction strategy which benefit the wider media market. However, cuts to their scale and resources diminish their agility and ‘courage’ to undertake systematic risk, but also their ability to leverage the rewards (the outcome of successfully negotiating risks). Therefore, we see considerable value in the role played by PSM in the effective functioning of media

markets, and add our voices to those arguing for their protection in future funding settlements.

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<sup>i</sup> We recognise that some political efforts are being made to rebalance the market for instance by imposing obligations to promote European content (European Commission 2020), or through fighting corporate tax avoidance by digital companies (European Parliament 2019).

<sup>ii</sup> The authors recognise the critical role that PSM can play in taking creative risks and innovating within genre, style and forms as part of their programme-making activities. However, for the purposes of this chapter, we focus on risk as a market-based concern.

<sup>iii</sup> The economic impact of VRT Sandbox was a 90% increase of the startups' staff and almost a 20 million € boost of their capital (Raats et al. 2018). The success of the VRT Sandbox attracted international attention that eventually led to the establishment of the Sandbox Hub, a new platform launched in 2017 within the EU-funded project MediaRoad.