

Public Broadcasting: Essential for Democratic Regime and for Diverse and Prosperous Israeli Culture

This paper comes in response to the claims contained in a document titled "Public Broadcasting: An Idea Whose Time Has Passed," drafted by Kohelet Forum ahead of meetings of the Knesset Economics Committee scheduled for 18 and 19 December 2024 to discuss the legislative initiatives pertaining to the Israeli Public Broadcasting Corporation (IPBC).

Introduction

Kohelet's document presents arguments in support of abolishing public broadcasting in Israel by ceasing the activities of the IPBC, revealing its position that there is no need for it in the current era already in the first paragraph. As Kohelet sees it, only "the IPBC's managers and employees, as well as media professionals who see themselves dependent on it" have an "interest" in preserving public broadcasting in Israel, whereas no such interest exists at all on the part of the public at large. As for the discourse on the importance of public broadcasting, Kohelet believes it is "tainted by countless conspiratorial arguments" that serve to "obscure a reality that needs to be acknowledged." In its view, public broadcasting was founded on the basis of "economic assumptions" that are "no longer valid."

We believe that the claims presented in Kohelet's document are not to be accepted and that public broadcasting, along with the principles underlying it, is today more necessary and relevant than ever. A professional and independent public broadcasting service is essential for the functioning of a democratic society and for safeguarding fundamental rights such as freedom of expression and freedom of the press. This is especially true in a media landscape where most players, including news outlets, are private entities with commercial interests. Nevertheless, Kohelet's document fails to mention or discuss the significance of public broadcasting in the democratic process. Notably, we found no reference in it to such terms as "democracy," "freedom of expression," "freedom of the press," or "fundamental right."

^{*} English-language reference. All other references in this document are in Hebrew.

¹ Yitzhak Klein, <u>Public Broadcasting: An Idea Whose Time Has Passed - Reasons for Privatizing IPBC; Paper Drafted Ahead of Knesset Economics Committee Hearing on 18 December 2024, Kohelet Policy Forum.</u>

Kohelet's position that commercial broadcasting can and should replace public broadcasting is not to be accepted. On the contrary, public broadcasting is not a service that "sells shoes or washing machines," as the document claims. The primary role of public broadcasting is to provide programming that balances commercial media, as well as to produce and air content that would otherwise not be screened on commercial networks. The private market is affected by business and even political considerations, which is why it cannot provide a service akin to the one provided by public broadcasting, nor is it interested in doing so.

Kohelet's claim that the right thing to do is to find another body to which funds for Israeli original productions would be allocated is not to be accepted. The IPBC is not just a "money-streaming pipeline," as Kohelet's document puts it, but primarily a broadcaster responsible for the content it airs as part of its mandate to sustain Israeli public broadcasting. As such, the IPBC is entrusted with the production and airing of public-interest content, which would generally not be produced or be aired by commercial broadcasters due to lack of economic incentives or other interests of private media owners. We will elaborate on these points below.

Kohelet's Document Completely Ignores Importance/Necessity of Public Broadcasting for Preservation of Democratic Society

A professional and autonomous public broadcasting service is essential for a functioning democracy. There is little need to elaborate on the importance of a free and independent media in a democratic state as an essential tool safeguarding freedom of expression and freedom of the press. Here is what the Supreme Court had to say on the issue in response to a petition filed by the Union of Journalists in Israel (UJI): "The media serves as a counterbalance to the power of government, and guarantees that the latter does not harm democratic principles. Besides the ability to monitor the government, the media ensures a free flow of information and regular expression of different and diverse opinions. It enables more citizens to participate in the democratic process by providing them with the information they need to that end."²

Indeed, there is no question at all that a free press is a central and indispensable tool to

² Supreme Court Case HCJ 2996/17 Union of Journalists in Israel-Histadrut Labor Federation v. The Prime Minister, Paragraph 35 of Supreme Court Vice President Hanan Melcer's ruling, Supreme Decisions, 23 January 2019.

safeguard freedom of expression, oversee the government's actions, and balance state power. This applies tenfold to "public broadcasting, including news and current affairs programs, which must be independent and free from political interference and interests. This principle reflects, among other things, the people's right.... A robust and independent public broadcasting system is an essential tool for the existence of a diverse, vibrant, and critical media market that does not cater to those in power, wealth, or vested interests. As such, it safeguards democracy and ensures the participation of the country's citizens in shaping its character."³

The significance of public broadcasting becomes even more critical in an environment where commercial entities are driven by economic interests. As stated in the Supreme Court ruling, "Most players in the media industry are private entities. All the printed press, as well as most television and radio channels in Israel, including their news divisions, are privately owned. While private broadcasting corporations are undeniably important and must also maintain their independence, they are, by nature, driven by the pursuit of profit for their owners. This goal, which is common to all commercial enterprises (not just media companies), is definitely legitimate and reasonable. However, in a reality where the media market is controlled by a relatively small group of stakeholders, there is concern that the 'marketplace of ideas' will offer only a narrow range of perspectives, likely reflecting the interests or opinions of those who control the market. In the conventional Western European view (which is relevant here, if only because the IPBC is a member of the European Broadcasting Union, as well as for other reasons), this concern justifies requiring the state to take steps toward correcting the situation. Since the marketplace of ideas cannot be diversified by granting every citizen the inherent right to express themselves in the mass media, the approach emerged whereby in order to fulfill its obligation, the state must ensure that the media scene reflects the full spectrum of opinions and ideas present in society."4

In light of the above, a professional, reliable, and politically and economically independent public broadcasting system became essential for the functioning of an open democratic society and for ensuring a genuine climate of free expression. Justice Meni Mazuz emphasized this point in the UJI case: "Given this reality, it is easy to see the crucial need for a professional, reliable, and independent public broadcasting system, free from political

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³ Ibid, Paragraph 39 of Supreme Court Vice President Hanan Melcer's ruling.

⁴ Ibid, Paragraphs 36-37 of Supreme Court Vice President Hanan Melcer's ruling.

or economic influences, to provide the public with accurate and unbiased information on political, social, economic, and cultural issues, while serving as a 'public platform' for the full range of opinions and ideas in society.... The existence of such a public broadcasting service has become more essential than ever for the proper functioning of an open democratic society and for enabling its citizens to make informed democratic decisions. The strength of a democracy hinges on the existence of freedom of expression for all and a well-functioning marketplace of ideas that reflects the full spectrum of societal views, without economic, political, or other forms of control or influence. Public broadcasting is crucial for ensuring a true climate of free speech. Many constitutions recognize the people's right to receive information, and not just the right to share it, as part of the right to freedom of expression. Independent public broadcasting also serves as a 'watchdog' of democracy, exposing corruption within government institutions, which is why its independence is vital. To fulfill these functions, it must be safeguarded from political and economic interference."⁵

Indeed, a study conducted by the European Broadcasting Union (EBU)⁶ shows a correlation between professional and independent public broadcasting and a healthy democratic society. Countries with independent public broadcasting contain such evident democratic elements as guaranteed equality of civil rights, effective handling of governmental corruption, and mechanisms of government accountability. In countries with a strong public broadcasting system that enjoys a high level of trust, there is less disinformation, less polarized news broadcasts, and a lower percentage of people who avoid news consumption. The study also found that countries with publicly funded broadcasting enjoy a healthier democratic culture, higher participation in democratic processes and the political discourse, greater adherence to democratic ideals, and a lower tendency to adopt authoritarian notions.

Despite the central role of public broadcasting in safeguarding fundamental rights such as freedom of speech and freedom of the press, as well as in maintaining a healthy and thriving democratic culture, Kohelet's document fails to address this critical function and, in fact, does not even mention the terms "democracy," "freedom of expression," "freedom of the press," or "fundamental right." This suggests that Kohelet does not recognize the correlation between public broadcasting and fulfillment of the fundamental right to

⁵ Ibid, Paragraphs 5-6 of Supreme Court Justice Meni Mazuz's ruling.

⁶ *Democracy and Public Service Media, EBU Media Intelligence Service, October 2023.

freedom of expression and freedom of the press, nor acknowledge the connection between the existence of an independent and professional public broadcasting service and the preservation of democracy in Israel. Even if Kohelet sees an implicit connection between the two, this is not in any way evident in the document.

On the contrary, most of the arguments presented in Kohelet's document focus on the economic and structural aspects of the broadcasting market in Israel, adopting a perspective that treats public broadcasting as just another service consumed by the public, akin to shoes or refrigerators.

Zulat's position is that this viewpoint, which underpins the arguments of Kohelet Forum, is fundamentally flawed. We will elaborate on these points in detail.

Claim About 'Technological Obsolescence' Wrong, Stands in Direct Contradiction to Very Purpose of Public Broadcasting

In a nutshell, Kohelet's document argues that public broadcasting was created in an archaic technological reality, where broadcast channels were in short supply and subject to the influence of advertisers. In its opinion, this reality has changed as many private sources are now available, creating a diversified and sophisticated media market: "The media market has come to resemble the market for shoes or washing machines," and the role of public broadcasting has become redundant. In other words, if there is a "market" for the IPBC's products, they will be provided by the private media and there is no longer a need or justification for allocating public funds to a purpose that is already available.

Zulat believes this approach is fundamentally flawed and stands in direct contradiction to the role and essence of public broadcasting, whose primary role is to provide programming that balances commercial media, which may by nature be influenced by business and even political considerations. In most cases, owners of broadcast media outlets also hold other commercial or business interests, and as a result, have additional economic or political interests in mind, alongside their operation as broadcasters.

Public broadcasting is involved in news and current affairs programs, as well as in original productions such as drama content and documentaries. It is meant to produce balanced news programming, free from political and commercial influences, as well as to serve as the "watchdog" of democracy, helping expose corruption in government authorities. As noted earlier, this latter role is crucial for the functioning of an open democratic society

and to enable citizens to make informed democratic decisions based on relevant facts.

In addition, public broadcasting ensures the production and airing of content that may not be in high demand among the general public, or which commercial broadcasters have no genuine interest in producing or airing. Such is content that caters to the tastes and desires of diverse groups within Israeli society, including cultural minorities, which would likely find no place on ratings-driven commercial networks. Examples include the television series *The Publishers* or *Eichmann-The Lost Tapes*, which were produced and aired by the IPBC. It is highly doubtful that such content would have found a platform on any other Israeli channel.

In this context, the central position contained in Kohelet's document that "if there is a market for the IPBC's products, then the private media market will provide them," is fundamentally flawed and contradicts the very purpose of public broadcasting. The basic premise of the two broadcasting realms is totally different: while that of the private media is economic profitability, the guiding principle at the heart of public broadcasting ignores economic considerations and aims at producing balanced news and content that caters to diverse groups within Israeli society, even when this content is not in such high demand as that of commercial broadcasters.

By its very nature, a commercial broadcaster will always weigh economic and commercial interests, and sometimes even political interests advanced by its owners. As an inevitable result, the private market mostly does not and cannot supply the content that public broadcasting does, simply because the commercial broadcaster has no incentive to do so. Under these circumstances, the proliferation and diversity of commercial broadcasters does not render the role of public broadcasting redundant or weaker, as argued in Kohelet's document but, on the contrary, it grows stronger.

Where the IPBC's activities since its establishment are concerned, the facts speak for themselves and illustrate the huge importance of the IPBC and continued relevance of public broadcasting in the current Israeli reality. Let's highlight some of these aspects: For a very low monthly fee of 12 shekels, which is paid by Israeli car owners, the IPBC provides an enormous variety of content, including news and current affairs programs, high-quality drama, and some of the best documentaries produced in Israel. Without a doubt, this is a huge value for money, for which there is hardly a comparable alternative in commercial

⁷ The sum allocated to the IPBC from the annual registration fees paid by car owners stands at NIS 141, or NIS 11.75 when divided into 12 months.

broadcasting bodies and platforms. To illustrate this point, we can mention some outstanding programs such as *Eichman-The Lost Tapes, The One, The Day That Never Ended, The Publishers,* and *The Atom and Me,* which would have likely received neither funding nor air time from commercial broadcasters.

In addition, we should also mention sports programs, such as the World Cup games, which the IPBC makes available to Israeli spectators free of charge, whereas they would most probably have to pay hundreds of shekels to access similar content from commercial broadcasters.

As for news and current affairs programs, a recent survey⁸ indicates that the IPBC is perceived by the public as the most reliable among Israeli media outlets. The IPBC thus fulfills the key goal of safeguarding freedom of expression and reinforcing the democratic culture in Israel. This remains true even if real-time viewership ratings of the IPBC's news programs are not always the highest.

The IPBC has transformed content consumption habits in Israel. Millions of Israelis engage with its content daily, not only on television but primarily through its digital platforms and social media channels, which boast hundreds of thousands of subscribers and millions of views. In the past year alone, content broadcast by the IPBC amassed an astonishing 2 billion views. At the same time, the linear ratings for television channel Kan 11 and its news programs have shown a consistent upward trend, last year reaching the highest record since the IPBC's inception. Kan Reshet Bet remains the leading current affairs radio station in Israel, while Kan Gimmel, 88 FM, Kan Tarbut, and Kan Kol Hamusika all broke listenership records over the past year.

And if that weren't enough, the IPBC is raising a new and values-driven generation of Israelis. One of the IPBC's most notable successes is the Educational Channel, whose programs are watched by millions of Israeli children and teenagers and are used as learning and enrichment material in schools, community centers, and youth movements. An entire generation of children is being educated with carefully curated, highly enriched, and pedagogical content about tolerance, acceptance of others, Hebrew, English, Jewish-Arab coexistence, Israeli heritage, history, and more. Such content would find no place anywhere else (Israeli commercial channels do not feature children's content at all). Even the children and grandchildren of Knesset members are avid viewers of *Caramel, Home*

⁸ "Media Index: Consumption of News and Current Affairs Programs in Israel" by Nimrod Nir, Gail Talshir, and Assa Shapira of Agam Labs <u>reported</u> in *News1 First Class*, 8 December 2024.

Alone, and Shakshuka. How will they explain to them the vanishing of this vital amenity?

To conclude this chapter, it is evident that public broadcasting fully realizes and fulfills its purpose and objectives. Therefore, the claim made in Kohelet's document that public broadcasting has become obsolete and is no longer needed must be rejected. By its very nature, commercial broadcasting cannot and does not seek to replace the role and function of public broadcasting, and the majority of the content produced and aired by the IPBC would find no place on any other platform subject to the considerations of a commercial broadcaster.

Claim That It Harms Commercial Broadcasters Reflects Miscomprehension of (Or Disagreement With) Fundamental Purpose of Public Broadcasting

Kohelet's document states that "commercial broadcasters must compete with a rival whose operating costs are covered by the public rather than by its own revenues." According to the document, "this negatively impacts on the price that commercial broadcasters can charge advertisers, as public broadcasters are not required to cover all their operating costs through advertising."

As elaborated at length above, public broadcasting is inherently designed to exist alongside commercial media, providing content that commercial broadcasters are neither meant nor willing to air. Therefore, by its very purpose and function, public broadcasting is meant to operate in parallel with commercial broadcasting and even compete with it in a certain sense, albeit in a partial and limited manner. Thus, the statement that "commercial broadcasters must compete with a rival whose operating costs are covered by the public" merely describes the fundamental role and purpose of public broadcasting.

As for the advertising rates that commercial broadcasters can charge, beyond the fact that this is an empirical claim that is not in any way substantiated in Kohelet's document, it seems there is genuine reason to doubt this assertion. Rates in the advertising market are primarily determined by viewership levels, otherwise known as ratings. The higher the ratings of a particular content, the higher the broadcaster can charge for advertising time, and vice versa. The claim in Kohelet's document assumes that a public broadcaster (the IPBC, in our case) subsidizes these rates and has no commercial considerations. Beyond the fact that this claim is totally unsubstantiated, even if advertising rates in public broadcasting were proven to be lower than their real cost, this would not affect the need for public broadcasting and its functions.

Kohelet's document further mentions that a group of commercial broadcasters in Europe complained to the European Union in 2006 that thanks to their public funding, public media services were violating the EU's regulations against unfair competition. To the best of our knowledge, the EU's institutions rejected the claims and, to wit, public broadcasting continues to exist in various forms across all European countries. In Israel, commercial broadcasters have never argued for the abolishment of public broadcasting. On the contrary, Channels 12 and 13 oppose the closure of the IPBC, and have expressed this stance both on-air and in public statements. Kohelet's document ought to have presented this information to readers in order to provide a balanced picture.

Stance on Funding of Original Productions Unfeasible, Contradicts Basic Principles of Public Broadcasting

According to Kohelet's document, when it comes to investing in original productions, the IPBC acts solely as "a pipeline through which funds are streamed to private producers, directors, actors, etc." Therefore, as it sees it, there is no reason why the funds designated for this purpose should necessarily be distributed by the IPBC. There are other ways, such as commercial broadcasters bidding for "subsidy contracts," with the winner required to add the amount cited in their bid to the budget for original productions.

As we will elaborate below, this position also contradicts the modus operandi of a public broadcaster and the very principle behind public broadcasting, and is therefore not realistically feasible.

The IPBC is not just a money-streaming pipeline, as claimed in Kohelet's document. First and foremost, the IPBC is entrusted with the production and airing of public interest content, which in most cases would not be produced by commercial channels, nor would be featured on any commercial platform, due to lack of economic interest or other considerations. Given the fundamental differences between commercial and public broadcasting, such content cannot be aired on commercial platforms.

In these circumstances, if the funds currently allocated to public broadcasting were redirected to commercial entities, they would be used with the economic interests of the broadcasters in mind, and instead of public broadcasting we would see more and more commercial content. Even if the allocator attempted to mandate that the broadcasters produce public interest content, this would not be feasible. Content lacking economic viability due to its ratings potential (many public interest programs fall into this category)

would not be produced or aired by commercial outlets and at a minimum would not receive the same exposure or space that a public broadcasting platform would provide. Only public broadcasting can fulfill this purpose, and only it can give such content the proper screen time and full exposure it deserves.

Moreover, under the Israel Broadcasting Authority (the IPBC's predecessor) some of the content was produced in-house, and therefore not all creators and producers had access to the funds allocated to this end. One of the goals of public broadcasting is to boost the country's creators and producers, which directly and indirectly provide a livelihood to tens of thousands of families. The fact that the IPBC commissions and airs programs but does not itself produce them "fuels" Israel's original production industry, and has led it to the huge achievements of recent years.

Claim That 'Privatization' Will Sever Inappropriate Politicians-Media Nexus False

As Kohelet sees it, "the vision of an independent and neutral public broadcasting service is a mirage," and there will always be "inappropriate interactions between politicians and broadcasters." According to the authors, "anyone who truly wants to prevent improper political influence on the media" needs to strip politicians of the authority to influence how the media operates, which is why privatizing the IPBC is a "critical" step toward an optimal situation.

Indeed, stripping politicians of the authority to influence how the media operates is a position that should be warmly embraced. However, the shutdown of public broadcasting, as proposed in Kohelet's document, would actually achieve the opposite as it would increase the political echelon's leeway to exert inappropriate influence over the content of broadcasts.

The Israeli Public Broadcasting Law-2014 ("the IPBC Law") establishes several mechanisms to separate the political-governmental level from the IPBC to prevent such inappropriate influence. These include non-involvement of the ministerial level in the selection of council members, designation of an independent and fixed budget for the IPBC's operation, and autonomous powers for executives, including the CEO and the Deputy CEO of the News Division. Experience shows that these mechanisms have been very effective, as the running of the IPBC has been characterized by a great deal of independence and absence of extraneous interests, as well as a high degree of professionalism.

On the other hand, the very success of the corporate model and the IPBC's autonomy have

over the years instigated the political echelon to try to undermine its operation. In this regard, Minister Miri Regev's quip of 2016 "What's the point of it if we don't control it?" stands out as a clear example of the government's displeasure with the IPBC's independence and imperviousness to political influences.

Against such a background, the facts would seem to speak for themselves: any change in the IPBC's operational model or its transformation into a commercial entity raises major concerns about the IPBC's heightened dependence on the political echelon and exposure to inappropriate political influences.

IPBC 'Privatization' Spells Elimination of Public Broadcasting, Would Dramatically Change Media Landscape in Israel

According to Kohelet, the Ministry of Justice's claim that "privatization of the IPBC" in effect spells the complete elimination of public broadcasting in Israel and a fundamental change in the media landscape is unfounded. The document argues that there are better ways to regulate the allocation of state funds to producers, that "cancelling the IPBC does not mean cancelling public funding for this purpose," and that "a change of ownership does not imply a fundamental change in the media landscape."

This position is not to be accepted, as it seems to ignore the clear consequences that would result from the cancellation of the IPBC's broadcasts and the elimination of public broadcasting in Israel. To repeat: by its very nature, public broadcasting cannot be privatized; therefore, this is an oxymoron. A public broadcasting service sold to a private entity will no longer be public. It will become a full-fledged commercial broadcaster, and as such, its programming will become as commercial as that of other private channels operating at present. Therefore, if the IPBC's operations shift to private ownership, public broadcasting in Israel (except IDF Radio, whose shutdown is also on the agenda) will be eliminated. As for Kan Reshet Bet, the radio station mentioned in Kohelet's document, its broadcasts may continue to air on the same frequency, and possibly under the same brand, but these will no longer fulfill the objectives of public broadcasting. Instead, its programming will be based on incentives and principles of the private commercial market, under the guise of the erstwhile public broadcasting. Thus, the Israeli broadcasting map

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⁹ This position was contained in a legal opinion drafted by the Ministry of Justice's Office of Legal Counsel and Legislative Affairs sent to the Justice Minister on 24 November 2024 in response to the proposed Bill on Privatization of IPBC-2022.

will clearly and definitively change.

As we noted earlier, the role of the IPBC is not limited to being a pipeline channeling funds to producers. It is a broadcaster producing and airing public content, which will not be aired by other commercial entities even if the government decides to redirect to them the resources currently available to the IPBC. Consequently, implementation of the operational model proposed in Kohelet's document will result in direct harm to the objective and mission of public broadcasting.

Claim About 'Bias' Unacceptable

According to the document, any attempt by the IPBC to strive for a "hypothetical" balance is doomed to failure, as it is an "imaginary goal." It thus follows that there is no need or justification for public funds to be spent on the production of the IPBC's content, "whatever this content may be." The ideal situation, as per the document, is when every private broadcaster chooses the content it wishes to air. This position fundamentally rejects the need for public broadcasting, and in our view, is based on an erroneous premise.

Public broadcasting is not intended to cater to the taste of 100% of the population. On the contrary, as mentioned above, it is meant to provide content that is not shown by commercial broadcasters, some of which may only address the cultural needs of specific groups. In this sense, public broadcasting is designed to fill gaps for different and diverse communities, and is not supposed to aim at the broadest common denominator of the entire population, inasmuch as such a common denominator exists.

We would like to reiterate that the position presented in Kohelet's document ignores all the other benefits of public broadcasting, including its contribution to the democratic fabric of Israel and its role in creating balanced and professional news broadcasts.

In conclusion, Zulat's position is that the claims presented in Kohelet's document are completely baseless. The role of public broadcasting is today more necessary and relevant than ever, and we must not lend a hand to the recurring attempts to harm it.

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