

## **Indirect management of regional public television in Spain: Study of the channel model (2012-2018)**

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### **Abstract**

Since 2012, Spanish legislation has authorized the regional governments to choose their own model of management for their regional television channels. This freedom to decide has allowed the creation of a new, unprecedented television model, namely indirectly-managed regional public service, based on outsourcing content creation.

This new modality has been adopted by the Autonomous Community of the Region of Murcia, which is the first government to develop an initiative of this nature. This article proposes, on the one hand, to study the regulatory reform of regional public television in Spain, and on the other, to analyze how this reform has affected the creation of the management model used for the regional public television, 7RM.

The academic work on this topic is scarce. The research methods used are mainly an analysis of legal and official documents, which are specifically supported by bibliographic sources related to the subject matter.

Keywords: public television; indirect management; outsourcing; public service; regional television

### **Introduction**

The approval of Law 2/2012, August 1st, amendment of Law 7/2010, from March 31st, General Law of Audiovisual Communication, in order to ease the management of public services of regional audiovisual communication, led to a significant reform in the regulation of the public regional televisions in Spain, as it brought about the co-habiting of three models of television channel management.

The first model corresponded to what was established by the Law of the Third Channel of 1983, where the provision of direct television service was specified. The second model, even though the first model's option of direct management was still maintained, considered the formula of outsourcing content production, relegating it to private companies. And the third model evaluated the indirect management of the regional television public service.

The decision to study the regional television from the Region of Murcia was made due to the fact that it is the only Autonomous Community that has positively decided on converting its television public service into an indirectly-managed service. The present article studies the guidelines of the Law for the Amendment of the General Law of Audiovisual Communication of 2012, with the objective of analyzing how this law has been implemented in the public regional television of the Region of Murcia (7RM).

The text is organized around two large areas of work. On the first one, the context of regional television in Spain is explained through a historical and theoretical tour. The second part encompasses the study of the implementation of the indirect management model of the 7RM channel.

The methodology employed for the study is qualitative, and the research technique applied is based on the exhaustive review of scientific publications and newspaper articles; on the study of the national legislation and the corresponding guidelines of the Autonomous Community of the Region of Murcia. Likewise, an analysis of other official documents such as specifications from technical reports and documents containing administrative clauses, among others, is conducted as well.

### **The Context of Regional Public Television in Spain**

Regional public television, also known as the third channel, was born in Spain in the beginning of the 80's, during the process of consolidation of democracy and the stages of construction of the Autonomous Communities, so that its arrival can be thought of as another contribution for the structuring of the country (Bustamante, 2013; Marzal, 2015; Marzal & Zallo, 2016). For specific authors, the regional public televisions are associated with the "recovery of liberties and political pluralism" (Gilabert, 1998: 49) and are set forth as an act "of the self-government from the different regions that are being created in the Autonomous Communities" (Maneiro, 1990: 33). Therefore, the opportunity to create a regional television entity that brings the reality of a specific territory closer to the citizen that inhabits it, springs forth, providing a revitalization of the social and cultural values associated to their own identity (Lafon, 2010: 104; Lersch, 2010: 109; Drom, 2010: 82; Gutierrez Lozano, 2010: 55; Potschka and Golding, 2012: 445; Groom, 2014: 435; Azurmendi & Huarte, 2015; Rodríguez-Castro & López-Golán, 2018: 158).

The definition of the third channel as one of the manifestations of local television is provided by Miquel de Moragas, Carmelo Garitanoandía and Bernat López (De Moragas, 1999: 19). It belongs to the modality of "independent television with specific regional coverage", which include those broadcasters that are not part of any structure or entity of greater territorial (national) coverage, and whose aim is to produce and broadcast general content to their region (De Moragas, 1999: 23).

The broadcasting of the first regional television, ETB, on the night of December 31st, 1982, was a historical event without precedents, where a "transcendental mutation of the audiovisual stage" was produced (López, 1999: 153), where the "local televisions under the political control of their respective governments have come to consolidate the autonomic states and to enrich the Spanish audiovisual panorama" (Albornoz, 2002: 15). At that moment, we not only witnessed the rupture of the monopoly exerted until then by the TVE (state-owned Spanish Television), but also, as pointed out by Victor Sampedro, "an audiovisual secession with a strong symbolic content" was produced (Sampedro, 2000: 344).

Spain has seventeen Autonomous Communities; thirteen of them count with Public Television Corporations, which comprise, in words by Giuseppe Richeri (2005), the most complex regional audiovisual system in Europe, and without equal in any other EU member state.

Along this train of thought we find Ramón Zallo, when he highlights that "local Radio and Television (RTV) is a great asset of the Spanish public model with respect to Europe" (Zallo, 2015: 322).

### **First regional public television model**

The regulation of the public regional television began in 1983 with law 46/1983, from December 26th, Law of the Third Television Channel (LTC). This legal framework described a model of direct management (Zallo, 2011: 324). This law stated that the management could not be transferred under any form, total or partial, to a third party. Management included planning the organization, carrying out, and broadcasting the channel, as well as the ownership, funding, production of TV programmes and infrastructures. The direct management model resulting from the LTC has been maintained as a unique legal formula for close to three decades.

### **Second regional public television model**

The approval of the Law 7/2010 from March 31st, General Law of Audiovisual Communication (LGCA) maintains the first model of public regional television and establishes a second one. This legal text allows for the outsourcing of audiovisual production, except for news content (Sarabia, Sánchez & Fernández, 2012). Some authors evaluate this change as "a clear tendency of deregulation and liberalization" (Azurmendi, López & Manfredi, 2011: 4), and others read this novelty as a loosening of the demands set forth by the LTC, or as a form of "market orientation" (Juanatey-Boga, Martínez-Fernández & Rodríguez-Castro, 2018: 1057).

Therefore, with the LGCA, direct management is maintained, but the option to outsource part or the entire production, except for the news content, is legitimized (Sarabia, Sánchez & Cano, 2012).

The regulation of this formula, which diverts the production of content or services to a private company, is solidified within the guidelines, as this was a common practice among the more recently-created television stations -Canarias (1999), Baleares (2005), Aragón (2006), Murcia (2006), Asturias (2006)-. The regional governments that opted for this policy of hiring of services from production companies as the providers of specific audiovisual products based their decision mainly on the "reduction of the expense budget and a light conception of the production machinery" (Bustamante, 2009: 38). Presently, the outsourcing of the television channel's operations has become a clear tendency, bolstered by the neo-liberal thinking that is affecting the entire audiovisual sector, specifically the regional public television stations. At the academic level, the question raised is "if it is possible to fulfill the public service mission when fundamental pillars such as self-production or programming escape from public control" (Bustamante, 2006: 174).

In the regional public television stage, outsourcing is thought of as a routine that offers both advantages and inconveniences. The arguments in favor of this formula are based in that "the television structures are more flexible and dynamic" (Cuesta, 2011: 16) and the fact that the entities delegate specific content to external producers signify an important boost and consolidation of the domestic audiovisual industrial fabric. On the other hand, the regiment of outsourcing audiovisual production "economically allows these new channels to be developed in territories having little population and more limited resources" (Sabés, 2005: 95). In this same sense, Azurmendi, López and Manfredi (2011) manifest themselves when they say that:

the regional public television stations need the existence of a local audiovisual industry that is able to offer a variety of high-quality audiovisual products; at the same time, so that these production companies create products with cultural and social identity, they require a specific link with the regional public television.

Therefore, in Europe, outsourcing asserts itself as a re-enforcing tool for territorial identity. Ana Azurmendi (2013) makes the case that the BBC Alba from Scotland, as well as S4C from Wales, and TG4 in Ireland, all of which are European television channels using their own language, promote the outsourcing of their production. "They believe that this (outsourcing) is key for the diffusion of their own language and culture in that it supports the local audiovisual industry". Alm & Ferrel (2003: 232) are also in favor of outsourcing, in view of the experience observed in Finland, but in this case in exclusively economic terms. For them, it is more affordable to buy than to create, and it is more flexible to hire than re-organize a department so that it tends to a specific activity.

As for the inconveniences of outsourcing, one of the most-criticized aspects has been the complaints of lack of transparency in the awarding of production contracts (San Juan, 2006). In this sense, the hiring of professionals in precarious conditions by the production companies awarded with contracts is promoted, provoking numerous work conflicts. For Ubaldo Cuesta, two of the main negative consequences of outsourcing are:

1.- the internal decapitalization of the own television channel, which dispense with their human talent and resources (provoking as well, and frequently, the discontent and demotivation of their staff) and 2.- the excessive dependency and subsequent lack of competitiveness of the companies in the sector, which establish themselves as 'fixed and little-energized providers' of the regional network of the day (Cuesta, 2011: 16).

In this context, outsourcing implies:

the implementation of a new model of content management, in which the creation of all, most or part of the programming is awarded to a production company after a public tender. It is evident that the key novelty is found in the call for tender, as the public televisions have always commissioned or bought part of the content of their programming (Fernández Alonso: 2002: 1).

### **Third regional public television model**

In 2012, Law 2/2012, August 1st, amendment of Law 7/2010, from March 31st, General Law of Audiovisual Communication, was approved.

In the third law, there are two possible outsourcing paths, and this legal text allows the news content to be outsourced as well. But the most important aspect of this law is the setting-up of the third model of television based on indirect management.

This is the first time in the history of Spanish television when a private company is entrusted with the entire management of a public television channel, under a public tender.

In this new legal framework, the autonomous communities are given the freedom to adopt the most appropriate television model for their region and to enact their own new regional law.

### **The Indirect Management Model of the “Television Public Service”: The case of 7RM**

Presently in Spain, Murcia is the first and only Community that has chosen the indirect management model for its regional public television. The process was as follows.

In 2006, the regional government of the Region of Murcia opted for a direct management model with outsourcing (second model) in order to launch its regional television, through the public company Radio Television Region of Murcia (RTRM) created for the development of public television service. After the approval of Law 2/2012, the government proposed a new model of regional television (third model).

The new model of indirect management that was established for 7RM was not specifically defined or described in a single document, but was inferred from the content found in several different documents<sup>1</sup>. Its design is unique not only because it's the first television public service under indirect management –it's an unparalleled model- but also because of the way it was constructed.

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<sup>1</sup> a. Law 10/2012 from December 5th, amendment of Law 9/2004, from December 29th, the creation of the regional public business of radio and television of the Region of Murcia. [BORM nº 284, December 10th, 2012]; b. Framework Mandate planned in Law 10/2012, from December 5th, of Radio and Television of the Region of Murcia. VII Legislature [Official Bulletin of the Regional Assembly of Murcia Number 77, from April 5th, 2013]. c. Re-structuring of RTRM. Report on the situation as of November 4th, 2013. General Directorate of Heritage, Informatics and Telecommunications. Department of Economy and Treasury. d. Contract-program of the Public Service of Audiovisual communication 2014-2016. Autonomous Region of the Region of Murcia, Radio and television of the Region of Murcia. September 9th, 2013. e. Technical Specifications Document. Indirect Management of the Public service of television audiovisual communication of the Autonomous Community of the Region of Murcia, January 30th, 2014. f. Specific administrative clauses document for the hiring of the indirect management of the public service of television audiovisual communication, February 13th, 2014.

The public service television in the Region of Murcia was defined in the Autonomous Law 10/2012, in agreement with what was already established in the LGCA, with the following terms:

it will aim for the production, editing and dissemination of a set of radio and television channels and online information services with diverse and equilibrated programming for the entire population of Murcia, covering all the genres, destined to satisfy the need for information, culture, education and entertaining of the Murcian society, and to preserve the pluralism of communication media (Law 10/2012 from December 5th, amendment of Law 9/2004, from December 29th, on the creation of the public business regional radio and television of the Region of Murcia, article 1).

In the new model, the providing of public service does not correspond to a regional public company in the shape of a public limited company, as it had been up to now, but it is conferred to a private management company whose hiring is convened by an open public tender. This process is under the jurisdiction of the Department of Economy and Treasury (in charge of infrastructure and telecommunication services), to which the function of implementing the administrative procedures have been granted. Therefore, although it is established that the public service be provided in its entirety through indirect management, the public channel still belongs to the autonomous community of the Region of Murcia (Autonomous Community of the Region of Murcia, 2013 a), however.

The programming of the new model of television is generalist in nature. The public service contents are differentiated from the contents that are not. The first kind of content should have a substantial presence. It is established that at least 42 hours per week of the dayparting should be devoted to fulfilling the mission of public service. Therefore, "the minimum public service schedule is from 8:00 to 9:00, from 14:30 to 15:30 and from 18:00 to 22:00 Monday to Friday, and from 10:00 to 13:00, from 14:30 to 15:30 and from 20:00 to 22:00 on the weekends" (Autonomous Community of the Region of Murcia, Radio and Television of the Region of Murcia. September 9th, 2013 b, 5). This would be composed by content that is "news-type that deal with the reality of the Region of Murcia, its current events, culture, politics and sports", created as a self-production originally, and within which the direct broadcasting of events will be prioritized. The private management company will be free to decide on the rest of the dayparting, deciding on the programs and their organization. As for the financing of the model of regional television that is indirectly managed, Law 10/2012 determines that it will be:

for the total amount consigned in the laws of general budgets of the autonomous community in order to compensate for the fulfillment of the mission of the public service of audiovisual communication through the incomes and returns of their own activities, including those of commercial communications (Law 10/2012 from December 5th, amendment of Law 9/2004, from December 29th, on the creation of the public business regional radio and television of the Region of Murcia).

The budget available to the Administration for the indirect management service includes, on the one hand, the economic compensations by the regional government to the service provider, established in yearly payments of 12 million Euros, and on the other hand, the compensation to Kantar Media<sup>2</sup> for audience metrics, and the fee for participating in the Federation of Autonomous Radio and Television Organizations (FORTA)<sup>3</sup>, estimated to be 2.6 million.

The Government of Murcia should not only bear the costs of compensating for the public service programming that should be paid to the private management company, but should also bear the costs that are generated when measuring the channel's audience, as well as the fee for the public entity to participate in the Federation of regional organizations of radio and television.

The ultimate objective sought with the implementation of this new model, the source of the change in management, is that the public service of television not be a burden for the population, with an estimated cost that is less than 10 euros per inhabitant per year (Autonomous Region of the Region of Murcia, Radio and television of the Region of Murcia, 2013 b). The estimated cost per capita is much lower than other regional televisions in Belgium, Germany or even Spain.

**Table 1:** Budget and cost per capita of the Public Regional TVs in Belgium, Germany and Spain (2014)

<b>Belgium</b>	Channel	Regions	Budget 2014	Cost per capita
	RTBF	Valonia y Bruselas(francófona)	361,347,266	75.7
VRT	Flandes y Bruselas(flamenca)	451,495,084	59.3	
<b>Germany</b>	Channel	Regions	Budget 2014	Cost per capita
	RB	Ciudad-Estado Bremen	97,551,000	148.4
	SR	Sarre	118,244,000	119.4
	MDR	Turinia, Sajonia, Sajonia-Anhalt	739,104,000	87.4
	HR	Hesse	523,920,000	86.7
	NDR	Occidental y Schleswig-Holstein	1,184,104,000	84.9
	SWR	Baden-Württemberg y Renania Palatinado	1,240,240,000	84.8
	BR	Baviera	1,064,666,000	84.5
	WDR	Renania del Norte Westfalia	1,457,544,000	82.9
	RBB	Berlín y Brandeburgo	484,843,000	82.6
<b>Spain</b>	Channel	Regions	Public contribution	Cost per capita
	EITB	País Vasco	131,206,360.00	62.3
	CCMA	Cataluña	227,254,055.00	39.6
	CRTVG	Galicia	92,683,308,00	37.8

<sup>2</sup> Kantar Media is an international company who main function is measuring television and radio audiences across different platforms and devices.

<sup>3</sup> FORTA is a non-profit association that brings together televisions and public radios created in the autonomous communities. Its functions are purchases of audiovisual rights, commercialization of advertising spaces and co-productions.

	CARTV	Aragón	44,000,000.00	35.3
	RTVIB	Baleares	32,600,000.00	30.4
	RTVA	Andalucía	137,000,000.00	22.8
	RTPA	Asturias	20,000,000.00	21.9
	CMM	Castilla La Mancha	37,753,766.00	21.0
	RTVC	Canarias	39,468,419.11	16.0
	TM	Madrid	63,050,000.00	13.4

Source: Own elaboration from the report "Situación actual y tendencias de la radiotelevisión pública en Europa", 2017 by Santiago de Compostela University for FORTA. Edit by Francisco Campos Freire

The estimated cost in 2013 of less than 10 euros has been maintained. In fact, in 2016 it was 7.91 euros, clearly lower than the rest of the regional public televisions of the FORTA.

**Table 2:** Cost per capita of the public regional TVs FORTA (2015 -2016)

		€/hab	Budget	Share
<b>2015</b>				
RTVA	Andalucía	27.1	191,226,867	10.3
CARTV	Aragón	40.8	46,937,420	11.6
RTPA	Asturias	35.5	23,071,552	4.8
IB3	Baleares	46	34,050,000	6.1
RTVC	Canarias	17.7	33,900,000	7.6
CMM	Castilla - La Mancha	24.2	43,516,173	4.4
CCMA	Cataluña	50.5	293,058,167	13.0
CRTVG	Galicia	42.9	103,638,092	11.7
Telemadrid	Madrid	22	85,375,000	4.1
EITB	P. Vasco	64.3	138,960,357	10.0
<b>2016</b>				
7TV	R. Murcia	7.91	11,592,096	2.4

Source: Own elaboration from the report "Situación actual y tendencias de la radiotelevisión pública en Europa", 2017, by Santiago de Compostela University for FORTA. Edit by Francisco Campos Freire

Given the audience, in general the 7RM audience data is low. This statement is verified when comparing the results of 7RM audience with the rest of regional public televisions in Spain from 2015 to 2018. In this sense, 7RM belongs to the regional television group with a share of less than 3 points in 2018, along with the Balearic television IB3.

**Table 3:** Audience of Regional public television in Spain (2015 – 2018)

Autonomous TVs	Share			
	2015	2016	2017	2018
RTVA (Canal Sur)	8.5	8.6	9.3	8.8
CARTV (Aragón Tv)	10.4	9.0	8.3	8.4
RTPA (TPA)	5.6	5.0	5.0	5.5
IB3	5.4	3.4	2.7	2.5
RTVC (TVCan)	5.9	5.1	5.6	5.2
Canal Extremadura	6.6	5.5	5.8	5.9
CMM	4.6	5.1	6.0	5.7
CCMA (TV3)	12.5	11.4	11.7	13.9
CRTVG (TVG)	9.3	9.8	10.3	9.9
Telemadrid	4.1	4.8	4.1	4.5
EITB2	8.0	7.3	7.8	8.3
7 RM	0.0	2.4	2.6	2.9

Autonomous TVs with own language above 8 points	Autonomous TVs without own language above 8 points	Autonomous TVs on the fork between 4.5 and 6 points	Autonomous TVs below 3 points
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Source: Own elaboration from data of "Análisis Televisivo" by Barlovento Comunicación (2016, 2017 and 2018)<sup>4</sup>.

### The Role of the Private Management Company in Regional Television

The role of the private providers in the model of indirectly-managed television of Murcia revolves around three areas: providing media, contribution of content and management of advertising.

The design of the channel proposed by the Autonomous Community takes into account the contribution by the private management company of the entire technical infrastructure needed in order to provide the service – "production center, technical equipment, mobile units..."-, as well as the qualified professional staff required

<sup>4</sup> Barlovento comunicación. (2016). Análisis televisivo. Consultoría audiovisual y digital; Barlovento comunicación. (2017). Análisis televisivo. Consultoría audiovisual y digital; Barlovento comunicación. (2018). Análisis televisivo. Consultoría audiovisual y digital.

to perform its functions. So, "the bidder will use the technical and production equipment necessary for the correct development of the activities set by the contract, incorporating all the professional levels and categories that it considers necessary" (Technical specifications document. Autonomous Community of the Region of Murcia, 2014: 14). Therefore, the Government does not have to pay for any of the installations or technical equipment. Also, it does not have any labor responsibilities to the staff who work in providing the public service:

The staff hired by the bidder or by the sub-contractors will lack affiliation with RTRM and the Autonomous Community, not working under any work substitutions or business succession between the bidder and/or the sub-contractor with the societies and public entities cited during the term of the contract that is in tender, as well as after it has been fulfilled (Technical specifications document. Autonomous Community of the Region of Murcia, 2014: 14).

Furthermore, the private company has the mission of providing content. In this way, "the service providers will grant priority to the information, which will be the fundamental core of its bid. This information should be broad, truthful, contrasted, impartial, rigorous geographically balanced and precise on current events" (Article 9 of the First Framework Mandate planned in Law 10/2012 on December 5th). For this, it has the freedom to choose the format, structure, programming, frequency and organization of the programs. It is not only responsible for the production of news programs, co-production or commissioning of dissemination material and entertainment content or the acquisition of the public service program rights, but the publishing and editorial responsibility of the channel are also conferred.

This power over the content is granted, however, with the condition that:

the setting of guidelines that should be followed by the contractor, as far as the content of news programs, and the rest of the public service programming, belongs to RTRM. RTRM can decide on the content, basing its decision on the Audiovisual Communication Public Service Contract Program, where it is expressed that an editorial policy will be created that is set apart from any political bias (Technical specifications document. Autonomous Community of the Region of Murcia, 2014: 8).

In this sense, with the aim of guaranteeing the institutional editorial line of the broadcaster, the sub-contracting of the journalism work of the news programs will not be allowed. These programs are understood to be "the morning, afternoon or weekend news programs, as well as weekly news and political debate programs, especially those related to electoral debates during Autonomous Community and Municipal elections" (Autonomous Region of the Region of Murcia, Radio and television of the Region of Murcia, 2013: 6). Regarding the image rights of public service content, produced by the private management company – news material, raw programs, outtakes, etc...- or co-produced, RTRM is the exclusive owner.

Another of the powers of the private provider of public service, is "the commercialization of the advertising spaces in the programming, similar to other platforms managed by the concessionaire" (Specific administrative clauses document. Autonomous Community of the Region of Murcia, 2014). This activity, for which the

freedom of transfer to a third party is given to the management company, is seen as another source of income that is complementary to the complying with the duties of public service (Article 18 of the First Framework Mandate planned in Law 10/2012 on December 5th).

As for the broadcasting of the regional channel, the company responsible for the indirect management of the television channel is limited to providing a standard signal and a high definition signal to the headend of the network. The private management company is not responsible for the transmission and broadcasting of the signal, a process that the Department in charge of infrastructure and telecommunication services is responsible for (Law 10/2012 from December 5th, amendment of Law 9/2004, from December 29th, on the creation of the public business regional radio and television of the Region of Murcia, ten, section 4).

Lastly, among the obligations of the company that provides the public service, we also find the fulfilling of the demand for pre-financing of European and cinematographic production. Therefore, the private management company is responsible for allocating "an amount that is equal to or higher than the percentage fixed for the providers of publicly-owned audiovisual communication services of regional coverage" to European audiovisual projects (Article 20 of the First Framework Mandate planned in Law 10/2012 on December 5th and in Autonomous Community of the Region of Murcia, 2014).

The economic compensation stipulated for the provision of the television public service that the private management company should receive is 12 million Euros, taxes included, per year.

This table shows data on the evolution of all the requirements established in the contract-program with respect to the advertising billing, cost per capita, economic return, direct e indirect employees, share and audience.

**Table 4:** Data on the evolution of contract-program supervision (2016 – 2018)

	2016	2017	2018	Contract-program requirements
Advertising billing	497,742.90€	1,083,823.91€	1,321,766.08	
Cost /inhabitant	7.91 €/h	7.76 €/h	7.68 €/h	lower than 10€
Economic return to production companies	3,205,234.56 €	3,598,727.96 €	3,521,844.47 €	more than 25% of the grant
Direct employees	86	86	100	
Indirect employees	140	163	169	more than the double of the number of the direct employees
Share	2.4 %	2.7 %	2.9 %	
Average of audience	5,000	6,000	6,000	
Cumulative audience	31,000	20,000	234,000	

Source: Own elaboration from data of Reports about the Supervision of the Contract-Program (2016, 2017 and 2018)<sup>5</sup>

<sup>5</sup> Autonomous Community of the Region of Murcia, Radio and Television of the Region of Murcia. (2013). Contract program of the Public service of audiovisual communication 2014-2016. September 9th, 2013.

## Control Mechanisms of the Television Public Service

The role of the public entity RTRM is very limited in this model of television. It is basically reduced to the creation and transfer of specific guidelines on content to the private management company. These guidelines are mainly informative in character and “to the checking of compliance of the public service obligations of the indirect management of the regional television audiovisual communication public service” (Law 10/2012 from December 5th, amendment of Law 9/2004, from December 29th, on the creation of the public business regional radio and television of the Region of Murcia, sole article, article 1).

In this sense, the indirect management by the private provider is subject to a system of control organized at various levels. The mechanisms and bodies that comprise it, its organization and its competencies are not found in a single document, but can be deduced from the content found in various documents: Law 10/2012 from December 5th, amendment of Law 9/2004, from December 29th, the creation of the regional public business of radio and television of the Region of Murcia; Framework Mandate planned in Law 10/2012, from December 5th, of Radio and Television of the Region of Murcia. VII Legislature; Contract program of the Public Service of Audiovisual communication 2014-2016; Technical Specifications Document. Indirect Management of the Public service of television audiovisual communication of the Autonomous Community of the Region of Murcia.

The new model of indirectly-managed television<sup>6</sup> has created additional monitoring roles, which come from the need to correctly monitor the execution of the terms found in the contract between the Administration and the television public service concessionaire. There are two roles: the Contract Manager, and the Head of Monitoring Control of a Public Service.

The Contract Manager is an intermediary designated by the regional government to the company, whose function is the administrative and technical monitoring of the contract.

The Head of Monitoring Control of a Public Service (JDCSP) is involved in production and broadcasting of audiovisual content, and acts as a middle man between the public entity –its Board of Directors, Government Council- and the producer of audiovisual content, with respect to the programming (Autonomous Community of the Region of Murcia (2014 a: 7). Therefore, his main role is to transmit the decisions adopted by RTRM as far as the news content and the rest of the programming of the public service, to the private management company, as well as to agree to their execution (Technical specifications document. Autonomous Community of the Region of Murcia (2014: 8).

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<sup>6</sup> As an indirectly-managed public television service, the Murcian television channel is subjected to three control instruments and the monitoring of its activity, which are commonly found in any other model of regional public broadcaster: a Parliamentary Commission, a Government Council, and a Monitoring Commission.

The Regional Assembly of Murcia, through the Parliamentary Commission, exerts the Control of the management and Evaluation of compliance of the terms found in the Framework Mandate during the development of the Television public service. On its part, the Government Council is not only in charge of the drafting of the guiding principles of the editorial management, laying down the guidelines that should be followed by the private management company, but also to take on the task of approving, as proposed by the Managing Director, the supervision plan of the Contract-Program for the television audiovisual communication service.

The mission of the Monitoring Commission, another supervisory body, is to exert effective control over the compliance of the Contract Program. This body is composed of the RTRM managing director, the managing directors from the Communication and Heritage offices of the Autonomous Community, as well as by the head from the department of monitoring of audiovisual communication public service from RTRM, who is presumably the one who brings the information to this commission in order to study it.

In this line, it is established that "all the contributions related to production (self-produced, co-production and commissioned) and those programmed by the bidder, will be conducted with the knowledge of the JDCSP and under his/her supervision" (Technical specifications document. Autonomous Community of the Region of Murcia, 2014: 11). He also has the role of Deputy Producer of RTRM for the co-productions and work commissioned by the concessionaire.

The JDCSP also has the power to "comment on and give suggestions on the quality of the content, as well as to suggest specific content for the programs as they are produced, as a function of the public interests" (Technical specifications document. Autonomous Community of the Region of Murcia, 2014: 11). In his role as controller, he or she can "request all the pertinent and specific information in order to verify the correct execution of [...] contract and to carry out the corresponding audits on the real costs of production" (Technical specifications document. Autonomous Community of the Region of Murcia, 2014 a: 12).

The reach of the JDCSP figure within the structure of the television is very broad. He or she has an important role in the execution of the private provider's work. The company is obliged to set aside a physical space in the place where the content is created, as well as to authorize those in charge of the different areas in the private management company, to receive and comply with the instructions that the JDCSP could give. Therefore, the company must accept "notifications/verbal or written instruction emitted by RC or by the JDCSP and to guarantee their execution" (Technical specifications document. Autonomous Community of the Region of Murcia, 2014: 13).

Therefore, there is no doubt that this is a professional who is dotted with great authority within the inner workings of the indirectly-managed public service of television. Through his/her reports, which are evaluated by higher ranking entities –Government Council, Monitoring Commission, Parliamentary Commission–. He or she is in charge of providing proof as to the level of compliance by the private company responsible for providing a public service.

### **The Local Audiovisual Industry within the Context of Indirectly-Managed Television Public Service**

The public regional television (in all its possible models) is an unquestionable driver of the development of the local audiovisual industry (Casado, 2005; Accenture, 2012). Particularly, in the model of indirectly-managed television of 7RM "the fomenting of the Murcian audiovisual production and the encouraging and industrial development of the regional audiovisual sector" (Law 10/2012 from December 5th, amendment of Law 9/2004, from December 29th, on the creation of the public business regional radio and television of the Region of Murcia, sole article, eleven) is the main goal.

In order to reach this aim, the regional government obliges the private management company to make a minimum investment in local independent audiovisual industry of 25% of the economic compensation received from this entity. Also, it set forth that the number of broadcast hours of independent regional producers should be greater than 3000 hours.

Another requirement is to generate more than double indirect employment in the audiovisual sector than jobs developed in the television company (Contract program. Autonomous Community of the Region of Murcia,

Radio and Television of the Region of Murcia, 2013: fifth clause). Although the private management company is not allowed to hire out the journalistic work to third parties, during the execution of the news programs, it is encouraged to sub-contract the equipment needed for the recording of the news images of the Region, with the aim of "capitalizing on the economic resources to the greatest degree in order to achieve the greatest geographical presence and to foment the creation of audiovisual companies in the entire territory of the Region of Murcia" (Contract program. Autonomous Community of the Region of Murcia, Radio and Television of the Region of Murcia, 2013).

### **Assessment of the Indirect Management Model (7RM)**

This model helps to contain and control public television spending because it prevents the generation of indebtedness of the regional public administration. For this reason, the overall assessment of the model is positive. However, there are some aspects that give rise to some doubts and even invite us to question the goodness of the television model.

There is no other television that has adopted this model, therefore it is not possible to compare the materialization of this model of the Region of Murcia with that of another community. In any case, certain shadows are noticed. Two main situations have been detected that put the effectiveness of the model at risk, as it has been implemented in the case of the Region of Murcia: first, the arbitrariness in subcontracting; and second, the precariousness in the working conditions of employees of subcontracted producers.

Regarding the first situation detected, the arbitrariness of subcontracting, it has been noted that production contracts are concentrated in a few companies. Some producers are highly favored by 7RM, however others participate very little in the orders of the concessionary company. The data collected in the following table reflect that there is a company that brings together approximately 50% of the budget dedicated to contracting productions among companies in the region. Televisión murciana, private regional television is the great beneficiary of contracts. At a great distance are the other companies, independent producers. It is a situation that has been generating great discontent among the producers that have not been able to participate in outsourcing. One of the negative aspects of this model is the risk that the concessionary company of the contract can benefit some companies over others. Although the money is public, the subcontracting decision corresponds to the private company and therefore it is the one who assigns the contracts.

**Table 5:** Distribution of production contracts (2016-2017)

	2016		2017	
<b>TOTAL HIRING</b>	2,306,397.47€		2,661,110.93€	
TV Murciana	1,088,118.26	47.18%	1,207,070.53	45.36%
ITEM Audiovisual	224,983.00	9.75%	289,634.17	10.88%
Producciones audiovisuales Exfera	172,189.87	7.47%	235,167.47	8.84%
TV Popular R Murcia	96,700.00	4.19%		
Verabril Comunicación	94,950,.00	4.12%	123,424.00	4.64%
Antonio José Ruiz López			122,700.00	4.61%
Franant Producciones SL			109,373.45	4.11%
Araceli Navarro López	78,750.00	3.41%	79,500,00	2.99%
Ricardo Baños	75,280,.95	3.26%	72,569.03	2.73%
Creavisual	74,000.00	3.21%	64,254.00	2.41%
Emedia Producciones S. Coop	51,000.00	2.21%		
Companies that occupy less than 2% of the budget				

Source: own elaboration from Reports of RTRM (2017; 2018) Low Cost Television with direct consequences on the labor market.

The second problem is related to the precarious working conditions of professionals in the outsourced companies sector. The company that has obtained the production contract annually receives around 12,000,000 euros. This is a public contribution far below that which other televisions of uniprovincial communities have assigned. This forces that the production of the channel is necessarily "Low Cost Production". Probably the cause that the model is not entirely satisfactory is caused by the low public subsidy received by the concessionaire. The low budget means that the price of outsourcing content to local companies is also low. So, the low cost pressure falls on the native producers. Therefore, this pressure is in turn transferred to employees, who are hired below the market price. In this way, the precarious employment of these subcontracted companies has become a reality that has become entrenched over the years and that has overshadowed the indirect management model.

In mid-2016, the workers of the company that supplies the largest volume of content to the 7RM grid programming, and which concentrates almost 50% of the local production investment budget, Televisión Murciana, denounced their very bad working conditions, a trend that has been spreading in the rest of outsourced companies.

## Conclusions

Regional public television is a form of consolidated television in Spain, with a historical trajectory of longer than thirty years.

Outsourcing, understood as an essentially private market mechanism, has been imposed in the public autonomous television.

Outsourcing has been legally recognized for regional public television. It has been incorporated progressively into the regulation (2010, 2012).

This trend of outsourcing has given rise to two new television models: direct management of regional public television (with outsourced production) and indirect management of regional public television.

From 2012, each Autonomous Community will configure its own model of channel, opening a wide variety of possible types of regional television. Therefore, in the next few years, we could witness a change in the physiognomy of the regional televisions in Spain.

7RM, the regional public television in Murcia, is the first and only company to adopt the Indirect Management Model, so it cannot be compared with other cases.

This research has shown that, although it is a model that helps contain public spending, however its execution generates certain risks.

The first risk is the arbitrariness in subcontracting by the concessionary company. In the case of Murcia, some producers are highly favored by 7RM, however others participate very little in the orders of the concessionary company. The subcontracting decision corresponds to the private company.

The second risk is the precariousness in the working conditions of employees of subcontracted producers. The company that has obtained the production contract annually receives a very low budget. This low budget that implies that the company has to outsource content to local producers at very low prices. This situation is fostering a type of low-cost production that is generating great discontent among local audiovisual workers.

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Submitted: 3<sup>rd</sup> April 2019

Accepted: 2<sup>nd</sup> October 2019

**How to quote this article:**

Andúgar, I. S. & Martínez, J. S. (2020). Indirect management of regional public television in Spain: Study of the channel model (2012-2018). *Observatorio*, 14(1), 98-115.