Theris 3425

# University of Stirling

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Thesis entitled:

# The Reform of Public Service Broadcasting in Italy

Submitted for the degree of Doctor of Philosophy

March 1999



#### Acknowledgements

I have only been able to complete this thesis due to the kind support of others...

My sincere thanks goes to my supervisor, Mr Richard Kilborn for his guidance, patience and words of encouragement. The late Professor Mauro Wolf made valuable suggestions and provided me with names of contacts at RAI. His premature death, at just 48 years old, robbed Italy of one of its most respected media academics.

My sincere thanks also goes to the Italian Cultural Institute who awarded me a long-term scholarship (1994/5) which enabled me to study at the University of Bologna. The Andrew John Williamson Memorial Fund granted me a scholarship to undertake a series of interviews in Rome and Milan.

The Department of Film and Media, University of Stirling and the Stirling Media Research Institute have provided me with the opportunity to undertake my doctoral research. I would like to thank the Institute's Director, Professor Philip Schlesinger, the academic staff, the secretarial staff, and my fellow student colleagues for their kind advice and support.

I would also like to thank my interviewees who found time to discuss the project with me: Nicola De Blasi, Claudio Demattè, Paolo Murialdi, Marco Pallone, Francesco Sagna, Celestino Spada and Piero Zucchelli. Special thanks also goes to Francesco De Vescovi for his kind help and encouragement. It goes without saying that any errors contained within the thesis are entirely my own.

A big thank you is also due to Signora Tucci and her staff at RAI's library, Via Teulada, Rome. The staff of the Mulino library, Bologna, the DAMS library, University of Bologna, and the University of Stirling library also gave me invaluable support.

I would like to thank Paolo Pedullà for his friendship and companionship whilst living and teaching in Rome. He also provided me with food and board on my trip to Rome in 1995. In Bologna, Luca provided some good advice and excellent conversation. I must also thank the Pederzoli, Marata and Ricci households for their kind support and generous hospitality.

In London, family and friends have given me encouragement and support to face life's little crises. To Mum, Dad, Mark, Mike, Neil, Heidi, Lisa, Isabel and the rest of the Hibberd clan, my heart-felt love and thanks.

Finally, I would like to thank Roberta for her love and patience. Her words of encouragement proved vital to the successful completion of this thesis.

## Abstract

This thesis provides an overview to a series of reforms undertaken at RAI (Radiotelevisione Italiana), the Italian public service broadcasting company between June 1993 and April 1996. The reform process began as a direct result of the collapse of the Christian Democrats and its coalition partners after 45 years of continuous government and was initiated by the centre-left 'Technocrat' government led by the former governor of the Bank of Italy, Carlo Azeglio Ciampi (April 1993 to May 1994); it was also continued by the centre-right Berlusconi government (May 1994 to December 1994) and by the centre-left Dini technocrat government (January 1995 to April 1996). The research aims to focus on two related topics in order to fully explain the broad social, economic and political context within which the reforms took place. Firstly, especial interest will be given to an historical analysis of public service provision in Italy in the light of the twin pressures coming from the state and market. Historically, these twin pressures have had a detrimental effect on public service broadcasting in Italy. Secondly, the research also focuses on the impact of the reform process on the functioning of public service broadcasting in Italy. It identifies four areas of RAI's operations which merit special attention: the system of political occupation, the so-called lottizzazione; the internal network system; the devolution of Raitre; and RAI and Fininvest-Mediaset duopoly. This thesis uses a combination of qualitative and quantitative methodologies, including primary and secondary analysis and interviews with key architects of the reform process.

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## Aims and Objectives

The main aim of this thesis is to analyse a set of reforms at Italy's public service broadcaster, RAI (*Radiotelevisione Italiana*) between 1993 and 1996.<sup>1</sup> It does this by looking at various political, social and financial pressures placed on the company, its senior officials and custodians. This is important because the reform process took place in the context of wider political turmoil which saw the downfall of the Christian Democrat party after 45 years in government. The reform process also began because of RAI's poor financial position, due, in part, to market conditions in the Italian broadcasting industry. State and market are, therefore, two themes that recur throughout this thesis.

This thesis examines RAI and public service broadcasting at various levels. The first level deals with RAI's relationship with political institutions.<sup>2</sup> These political institutions are responsible either for appointing RAI's Administrative Council or monitoring the company's general performance and management in relation to legal statutes and constitutional provisions. The general conduct of political institutions and their relationship with RAI play, potentially, a crucial role in the proper functioning of public service broadcasting in Italy. Emphasis will be placed on explaining how, historically, political parties have been able to exercise undue influence over RAI and other key social and economic institutions, undermining its claim to impartiality: a key tenet of public service broadcasting.

This thesis also examines RAI's role as a public institution of national interest. Such a role links RAI's development with that of the Italian nation-state founded in 1861. A major weakness of the Italian nation-state since its foundation has been the permanent tensions between its governing institutions (state) and its people (society). State institutions have

traditionally been centralised in Rome and have imposed uniform political, financial and social systems on a population marked by its cultural diversity. This occurred, in part, due to the political division of the Italian Peninsula over many centuries and the subsequent social, economic and cultural fragmentation. The thesis examines whether RAI has encouraged an inclusive national identity or whether the company has reinforced preexisting social, economic and cultural differences.

This thesis also analyses internal relations within the company. The manner in which the company is structured and organised will have an inevitable impact on the overall effectiveness of the company's operations. This study therefore looks at how RAI manages itself. It looks at how tasks are divided within the company and how these may contribute to the overall running of public service broadcasting in Italy. The concern is with what has been termed elsewhere 'the general cultural ambience' of the company (Burns, 1977: xiii). It gives special attention to the role of the Pyramid System of network control where power was devolved from the Administrative Council down to three networks which produced and scheduled programmes for the three RAI channels. The reform of this system constituted a central plank of the reform package between 1993 and 1996.

Finally, the thesis also discusses how RAI's operations have been affected by commercial competition.<sup>3</sup> Until July 1976 RAI enjoyed a monopoly over all terrestrial radio and television services.<sup>4</sup> Today, Italian broadcasting has two systems: RAI's public service broadcasting system and a commercial system dominated by Fininvest-Mediaset.<sup>5</sup> In 1992, RAI and Fininvest attracted about 90% of national audiences and advertising revenues. The remaining three commercial channels that operate national licences have a residual influence on the system as a whole. The explanation as to why and how two

players have cornered the broadcasting market will become evident in the course of this thesis. Suffice to say that the nature of the RAI and Fininvest-Mediaset duopoly plays a central part in any analysis of public service broadcasting in Italy.

The thesis is structured into seven chapters including this introduction and a conclusion. Chapter One discusses methodological issues. Two types of methodology are combined in this research: an institutional analysis, which examines the internal development of an institution; and a conceptual analysis of public service broadcasting, which considers wider sociological and historical issues.

Chapter Two examines the conceptual and historical debates surrounding public service broadcasting, including an analysis of the concept of public service broadcasting and a discussion of how the concept of public service has impacted upon broadcasting development in postwar Western Europe. This discussion will highlight the important similarities and differences between national public service broadcasters. When this analysis has been completed, a fuller discussion of the Italian case can be attempted with special emphasis made in explaining its own special national characteristics.

In Chapter Three, I analyse the historical development of Italian society. The postwar Italian state has inherited many of the problems and characteristics of its predecessor states: the Fascist state (1922-1943) and the Liberal state (1861-1922). Furthermore, many of the institutional traits of the current state owe their development to the difficulties experienced in the process of unification and to the problems of reconciling centralised state institutions to diverse people in the years after 1861.

Chapter Four examines how public service broadcasting was introduced into Italy in the

postwar years. Whilst the evolution of public service broadcasting in Italy shares many parallels with its western European allies, RAI's historical development has also been affected by (national) institutional, political and economic pressures.

Chapter Five identifies and examines four major weaknesses of public service broadcasting in Italy in the pre-1993 period (Iseppi et al.,1980). These are identified as: 1) overt political interference at RAI; 2) an internal 'network' structure which is highly wasteful; 3) a major failure to devolve powers to the regions; and, 4) market conditions which encourage cheaper television programmes. The Chapter also discusses the cycle of piecemeal reforms undertaken at RAI in the mid-to-late 1980s in order to counter commercial competition and to strengthen its own operations in general. This cycle of piecemeal reforms therefore constitutes a prelude to the subsequent reform process.

Finally, Chapter Six focuses on the post-1993 reforms with special reference to the four weaknesses outlined above. It can be reasonably argued that the perceived success or failure of such reforms could be treated as representative of the overall determination of parties to make changes to the Italian political system. Without radical root and branch reforms, RAI would continue to be tarnished by its subordination to narrow political needs and commercial interests.

<sup>1</sup> RAI is a public limited company of national interest (*società per azioni d'interesse nazionale*) as defined by Article 2461 of the Civil Code. Its registered address and general headquarters are in Rome. The company has a nominal share capital of 120 billion lire which is subdivided into 20 million shares each nominally valued at 6,000 lire. The company is wholly owned by state-owned corporations. In 1992, 99.5% of shares were held by the state-holding company, IRI (*Istituto per la Ricostruzione Industriale*).

<sup>2</sup> In undertaking its work, the Administrative Council is supervised by various political bodies. Firstly there is the Parliamentary Commission that supervises radio and television services and investigates the general management of RAI. Secondly, there is the Ministry of Post and Telecommunications that monitors the RAI/State Convention. Finally, there was the office of the 'Garante' (subsequently abolished in 1998 and replaced by a new broadcasting authority),

defined as a 'High Authority', that supervised a wide range of media and antitrust legislation, including media concentration and ownership rules covering the press and television and radio industries. The Garante was never given the necessary political backing to supervise Italy's broadcasting system properly (see Testoni, 1993). It is too soon to tell whether the new authority is having any better luck (see *Prima Comunicazione*, March 1998, pp. 84-85).

<sup>3</sup> From the outset, it is important to distinguish between the Channel (Canale) and the Network (Rete). Marco Pallone supplied the following definition: "The channel is a frequency band. It may have its own editorial characteristics. In turn, it is, fed by various production structures (the networks) that have the task of making different programme genre. For the channel there is no single budget, ... there is no director who decides what to televise or what not to televise." Interview with Marco Pallone, Rome, 7 February 1996. On the basis of this information, therefore, Raiuno, Raidue and Raitre constitute both the brand name of the three RAI channels as well as the name of the production department supplying programming to their respective channels.

<sup>4</sup> Today, RAI operates within a national television system consisting of 12 channels. The national television licences were awarded in 1992. RAI controls three of these channels and there are nine wholly commercial channels. Of those nine commercial channels, three are now operated on satellite by the subscription operator, Telepiù. There are six commercial channels operating on herzian frequencies. Three of those channels are operated by the Fininvest-Mediaset group (Canale 5, Italia Uno and Retequattro). The remaining three commercial channels are Telemontecarlo, Videomusic and Rete A.

<sup>5</sup> Formerly, Fininvest, Mediaset was created as the communications subholding of Fininvest in 1994. Silvio Berlusconi sold part of his stake in Mediaset in 1995. New shareholders included: Kirch (8%), Rupert (7.7%), Al Waleed (8%) and a conglomeration of six Italian banks (5.5%). The company was then floated on the Milan Stock Exchange (15 July 1996). Silvio Berlusconi (through Fininvest and Silvio Berlusconi Holdings) still holds a controlling interest. For the purposes of this thesis, the company will be known as Fininvest (pre-summer 1995) and Fininvest-Mediaset (post-summer 1995).

# **CHAPTER ONE**

# Introduction

#### **Introductory Remarks**

The central aim of this chapter is to examine the procedures, methods and tools which have been used in order to gather, interpret and disseminate research findings for this doctoral thesis. The chapter is organised into five sections. The first section outlines the general framework of analysis. The second section examines what type of research is being conducted for this thesis. It examines two types of research: 'institutional research' and 'history proper' and examines their methodological strengths and weaknesses. The third section gives a short history of mass media research in Italy. This will highlight some of the common problems of accessing relevant research material in Italy. The fourth section critically examines documentary evidence gathered for this research thesis. Finally, section five presents an account of the interview process and outlines attempts to interview senior RAI personnel.

#### **Outlining a Framework of Analysis**

The joint aims of this study are to analyse the reforms undertaken at the Italian broadcasting company RAI and how these impact on the development of public service broadcasting in Italy. These two topics constitute a large area of exploration, so my first task was to look at the potential problems of conducting this research with the aim of clarifying the research objectives. The first idea was to chart the evolution of a media institution through a period of major organisational change. In order to do this, the researcher must define why a reform process constitutes something special or worthy of study. With every major organisation, change is a normal state of affairs; continuous reform can often be a permanent feature of corporate life. With regards to this thesis, arguing the case for a research project on RAI was relatively simple. Although minor reforms were carried out at RAI throughout the late 1980s, the new reform package constituted a radical acceleration in the speed of the reform process. There was little doubt that RAI was undergoing its biggest organisational and structural shakeup since 1975. This (as has already been discussed in the introduction) was facilitated by a wider political and institutional crisis.

The implementation of a comprehensive reform package would affect every department and level of management within the company. But this presented the researcher with some major logistical problems. The most obvious problem was the size of the research topic. The sheer size and range of RAI's activities precluded an in-depth study of the whole reform process. In the light of this, the focus of the study had to be scaled down to a more manageable size. Bearing this in mind, the first act therefore was to look at the structure of RAI, list its constituent parts, and shade out those parts of the organisation that did not directly bear on the management of the public service.

RAI is involved in every area of broadcasting. The first part of the 'pruning' exercise consisted of separating broadcasting into its two constituent parts, television and radio. Television has been so central to public service broadcasting in the postwar years that it has virtually eclipsed the role of radio. The decision was therefore made to cover television only. The second decision was to exclude analysis of all departments at RAI which were peripheral to the programme-making process or which were based outside Italy. Sections of the company such as RAI Corporation, Nuova ERI, and Research and Development could all be omitted on these grounds. The next category of exclusion was a little more problematic but included those areas that carried out corporate duties that were largely peripheral to day-to-day broadcasting operations: Personnel, Library Services, etc.

The list of departments and networks remaining still constituted a greater part of RAI's

financial and human resources: The Administrative Council, the three RAI networks, the three news departments, other production departments (sports, education) and the 22 regional headquarters. Each of these departments or networks undertook key tasks that cumulatively formed RAI's public service provision. So the task was to select which areas to look at and which to leave out. The problem was, however, that the deliberate exclusion of any of these parts of the company might lead to a distortion of the research findings. The aim, therefore, was to gather research material that gave a general analysis of key reforms as they affected these various departments. But whatever the difficulties in gathering research material on RAI, there were clear advantages of conducting the research in Italy rather than in some other European countries.

In some European countries, public service broadcasting is entrusted to different broadcasting companies, both state and commercial companies, all regulated by Parliament. In Britain, for example, public service provision is spread across the BBC, the ITV companies and Channel Four (Curran and Seaton, 1988: 262-73). In other European countries, there is a marked difference between public service provision and commercial operations. One such country is Italy. There, the commercial sector has developed in a haphazard and unregulated manner.<sup>1</sup> Even when commercial broadcasters were brought within a legislative framework in 1990, they retained substantial freedoms to define their own programming remit. Commercial operators in Italy therefore had no history of providing a public service. Instead of adopting a unitary broadcasting system for public service broadcasters and commercial operators alike, Italy has developed two parallel systems: a regulated public service and an unregulated commercial system (Ortoleva, 1994: 88).

RAI is the only public service broadcasting company in Italy and holds a twenty year exclusive monopoly to provide such a service (until 2014). This constitutes an

advantage insofar as any project on public service broadcasting in Italy only has to take account of one company rather than two or three. It also means that any major reform of RAI is going to affect public service broadcasting. Likewise, any reform which redefines or reshapes public service broadcasting will have a direct bearing on RAI's internal management and operations. This happened in the last great reform in 1975, which was premised on changing public service provision in Italy. The 1975 legislation brought about the internal reform of RAI.<sup>2</sup> A similar situation occurred in 1993. It was the government's attempt to reform public service broadcasting that brought about the internal changes. On both occasions RAI officials were prominent in advising Parliament and government on the reform proposals. Many senior RAI officials had also been advocating major structural changes prior to the reform process. But in both 1975 and 1993, the reform process was government-led not companyinitiated.

The latter point has, arguably, important implications for this research process. Any study of public service broadcasting in Italy ought to examine key social and institutional relationships. Although the concept of public service broadcasting has been defined in many different ways (from Reith onwards), it refers to a service regulated by the state, operated by a nominated agent, on behalf of the general public. In order to understand this concept, the researcher must incorporate an analysis of state and society and how the development of these relations has affected RAI's public service obligations. On one level, therefore, this research is a record of the main tenets of the reform process. The research will look at the inner life of the organization and the decisions made by the company and its leaders. But, attention also has to be focussed on the changing role of public service broadcasting in Italy. This study therefore analyses broader social relationships between the state, broadcaster and society.

# Defining the Type of Research

#### 1) Institutional Studies

The objective of combining a study of the reforms of RAI with that of the changing role of public service broadcasting introduces a very important consideration. On the one hand, the focus of this research is clearly institutional, involving the study of a company (RAI). Yet RAI is no ordinary company; rather it is recognised as an institution of national importance (Article 2461 of the Civil Code). The methodology adopted for this research therefore must encompass an analysis of both institutional development and social relationships.

Institutional studies, as already remarked, emphasise the dynamics that promote the development or growth of an organisation. These studies can be broad in range and scope or can be narrowed down to one aspect of the organisation's development. Institutional studies have their own research agenda which typically remains centred around discussion of internal decision-making procedures and the growth of the particular institution. There is, therefore, a tendency to consider external social pressures only when considering their impact on the institution, not vice-versa. As Schudson observes:

'Institutional histories consider the development of the media - in the sense primarily of media institutions, but also of the history of the language, the history of the particular genre of print (the novel) or film (the screwball comedy) - for their own sake. It asks the question: how has this (or that) institution of mass communication developed.' (1991: 178)

Research modelled on an institutional history approach has its advantages. The positive features of institutional histories include: 1) They provide good, authoritative studies

based on detailed research of archive material, company documents or government records; 2) They present invaluable first-hand accounts of key participants within the organization; 3) They can be re-used by students and researchers as a basis for further investigations; and, 4) they are often useful in the search for further bibliographic sources (Schudson, 1991: 178).

There are many important institutional studies of public service broadcasting organisations that have used this model of media research. Whilst the numbers of these studies are too numerous to detail here, I would like to draw attention to two excellent studies: one is British and one is Italian: Tom Burns, *The BBC: Public Institution and Private World* (1977) and Francesco Pinto's *Il sistema radiotelevisivo: la RAI fra politica e professionalità* (1980). I will briefly look at these two studies to highlight their methodological strengths and weaknesses and the ways in which they have helped me to shape my own research.

Tom Burns' study was carried out over a ten year period (1963-1973), and involved 200 interviews with BBC staff. The main objective in interviewing employees was to ascertain the range and scope of individual commitment at the BBC, and, to analyse the internal social systems (the political system and the career system) that had been built up around these commitments (Burns, 1977: xi). Burns was therefore interested, as the title of the book suggests, in painting a picture of a private world within a public institution by studying its internal social systems and the working organization within these systems. As a result of this, Burns's enquiries 'assumed coherence as parts of a general study of the cultural ambience of the Corporation' (Burns, 1977: xiii).

Although there is no Italian equivalent of Tom Burns' study of the BBC, Francesco Pinto's book does share the merit (with Burns) of painting a detailed picture of a private world within a public service broadcasting company. Pinto, an employee of RAI, was

also interested in researching internal social systems at RAI. His study however concentrated less on the motives of employees (although he was one) and the interaction of internal systems, than on the interaction between external pressures placed on a national institution (political and economic) and the everyday routines and practices involved in running a broadcasting company (professional values) (Pinto, 1980: 11). It should be noted that Pinto conducted his research during a period of political and social ferment similar to that of the current reform process. Being an internal employee, Pinto adds on his accumulated 'insider' knowledge by studying a wealth of written documentation - company documents, government legislation - to build an impressive case with supporting evidence. The ideal methodology for any institutional history would be to combine Burns' outsider or investigative approach of conducting detailed interviews and Pinto's inside knowledge.

Furthermore, the Pinto study demonstrates that in order to study the 'general cultural ambience' of RAI, a thorough grasp is required of how RAI continued to respond to external political pressures in the post-1975 period. From the outset, therefore, any institutional analysis was likely to adopt a focus similar to that of Pinto rather than Burns. Yet, there were also important differences between the later reform process and the previous one which had been the focus for Pinto's study. The earlier reform process had sprung from a revolt within civil society and subsequent political pressures to reform the Christian Democrats' tight hold on the state apparatus, and its satellite institutions including RAI (Iseppi, 1980a: 340). This time around, the Christian Democrats were no longer even a political party. The postwar Italian state was severely compromised if not actually delegitimised in a sea of corruption scandals (Bull and Rhodes, 1997: 4-5). In other words, the very causes of the reform process were different. The focus of enquiry was no longer a question of how RAI had reacted to external pressures to open its doors to the political left, but how RAI would adapt after seeing its political masters swept away from under its feet: less a study of the processes

of accommodating more political masters, more a study of RAI and the disappearing political class.

### 2) History Proper

Clearly then, the reform process was dependent on wider institutional and social change in Italy. This, in turn, necessitated a subtle shift in emphasis for the research project. It could reasonably be argued that there was a need to adjust the research project in order to account for wider social and institutional change and then discuss RAI and public service broadcasting in the context of the wider problem. But although a broader 'social dimension' is often recognised in institutional studies, it is often the case, as Schudson argues, that an institutional study:

'is primarily interested in social forces outside of the media institution or industry under study only as they affect that institution or industry; any impact of the institution or industry on society is generally taken for granted, not investigated.' (1991: 178)

It can be argued that institutional studies use methodological tools which are better suited to assessing the impact of wider social forces on the institutions. Internal company documents, interviews with key personnel, etc., all give an institutional perspective, not a wider social perspective. It can be argued therefore that the methodological tools used in institutional studies are not adequate to assess the implications and impact of wider social change and development and, therefore, that the study of public service broadcasting also belongs to a wider strand of communication research, referred to as 'history proper', which Schudson defines as:

'the relationship of the media to cultural, political, economic, or social history and addresses the question: how do changes in communication influence and how are they influenced by other aspects of

social change? ... history proper addresses either what communication tells us about society or what society tells us about communication or both....' (1991: 180-181)

The requirement now therefore was to search for other studies, both institutional and non-institutional, that placed greater emphasis on the historical role of broadcasting in relation to both state and society. This search led to four other key studies of British and Italian broadcasting: Lord Asa Briggs' seminal studies of the history of the BBC (Five Volumes, 1961-1995); Franco Monteleone's *Storia della radio e della televisione in Italia* (1992); Aldo Grasso's *Storia della televisione in Italia* (1992); and, finally, Paddy Scannell and David Cardiff's *A Social History of British Broadcasting Volume One, 1922-1939* (1991).

It took Lord Briggs some 35 years (with time off in between volumes) to write the definitive institutional history of the BBC. The volumes produced by Briggs represent the very best in broadcasting histories and have been described in one recent study as a: 'huge pioneering study (which) covers all aspects of the institutional development of broadcasting *and is the indispensable, authoritative source for any historical study of the subject*' (my italics) (Scannell and Cardiff, 1991: 381). The importance of Briggs' study for my research was twofold. Firstly, Briggs' work, especially Volume One, includes an important analysis of the Reithian concept of public service broadcasting. It is commonly recognised that Reith provided the intellectual stimulus and initial conceptual analysis of public service broadcasting. This research uses the Briggs study as an authoritative source in the study of public service broadcasting. It also uses his study to highlight how institutional studies often emphasise the social importance of public institutions. As Briggs himself observes, referring to the BBC:

'A company formed and grew, but with that formation and growth something happened both to British Society and British government. Broadcasting itself ceased to be a toy, an amusing novelty, and affair

of stunts (we now call them gimmicks) and surprises: it became an institution. It affected people's ways of thinking and feeling, and their relation with each other. No history of the BBC - not even a history of the company - can be a business history alone. It must be a history at different levels - first, perhaps, the history of the inner life of the organization and the strategic decisions its leaders made, but second, and always of equal importance, the history of the changing place of the organization in society.' (cited in Briggs, 1961: 4)

In other words the study of public institutions also demands the analysis of a broader social dimension. In Italy, this kind of research is best represented by Franco Monteleone's one volume work, *Storia della radio e della televisione in Italia* (1992), which presents a study of RAI's historical development, but which also provides a theoretical analysis of the relationship between broadcasting, state and society (Monteleone, 1992: xi). The study charts the progress of broadcasting in Italy in relation to wider social change and development. I was able to use Monteleone's book as my own *'indispensable, authoritative source*' especially in the historical sections of this thesis. It also acted as an indispensable bibliographic source covering much of the relevant material on public service in Italy in the last 30 years, some of which I was unable to locate in the RAI library or in Bologna (where I used the DAMS library and the library of the publishing house, *Il Mulino*).

The main drawback of 'history proper', however, is that it can lead to grandiose claims as to the power and influence of the media in society. One example comes from Aldo Grasso's otherwise exemplary *Storia della Televisione Italiana*. Grasso presents a history of Italian television since 1954 by looking at 40 years of television programmes. Grasso argues that in terms of its overall impact, the advent of television can be compared to Dante and the expedition of Garibaldi and the Thousand (1992: 15). Whereas a literary Italian language and a politically united Italy were already in existence by the late nineteenth century, it was only with the development of the mass

media, television in particular, that Italian in its regional and social varieties came to be spoken and understood by the vast majority of the population. Using Umberto Eco's famous adage, Grasso argues that the Italian language spoken on television is not the poetry of Dante, but rather the '500 words of Italian language spoken by Mike Bongiorno' (famous quiz-show host) (1992: 22). Without seeking to deny the influence of television on the Italian language, research does indicate that there are no fewer than six significant varieties of Italian language in current usage (Lepschy, 1990: 70-71). The problem with such research, therefore, is that it can often over-emphasise the importance of the broadcast media to the detriment of other cultural institutions.

So whereas institutional studies have a tendency to underplay other forces at work in society, studies of 'history proper' can overstate the media's role and influence in social change. There are certain studies, however, that attempt to bridge this gap. Amongst those studies is Paddy Scannell's and David Cardiff's, *A Social History of British Broadcasting Volume One, 1922-1939* (1991). In order to carry out their study of British broadcasting, Scannell and Cardiff undertook extensive research of archive material - documents, programmes and interviews - with special reference made to examining the production process. Furthermore, Scannell and Cardiff draw upon their research findings 'to reflect on the wider political, social and cultural implications of broadcasting development' (Scannell and Cardiff, 1991: xi).

3) The Notion of 'Public Service'

This thesis will therefore assess the impact of wider social change on RAI and public service broadcasting in Italy. It will start by asking what is the nature of state and society relationships in Italy, how have these relationships evolved in the postwar years, and what the dichotomy of state and society tells us about the evolution of RAI

and public service provision? Of course, this last question must also be turned on its head: how has the system of public service broadcasting developed in Italy in the postwar period, what changes have been made in the post-1993 period, and what do these changes tell us about state and society relations? Without some conception of the general 'communicative intention' between state and broadcaster, that is, how and under what conditions this social relationship is conducted and regulated, a research thesis about public service remains incomplete (Scannell and Cardiff, 1991: xi).

Studies of the public service raise certain methodological problems of their own. Firstly, the complexity of the public service concept precludes analysis using methods from any one academic discipline (Habermas, 1989: xvii-xix). 'Public service' is an historical and sociological concept in that its usage is located in the context of 20th Century Europe. Yet, the concept of public service is also enshrined in statutes and constitutions, it is a central feature of broader media policy issues, including the development of technology and the deregulation of broadcasting systems. Any analysis therefore requires an inter-disciplinary approach, eg. drawing on sociology, economics, politics, history and law, etc (Habermas, 1989: xvii-xix).

The kind of methodology required to undertake this study is both sociological and historical as well as institutional. To analyse the concept of public service requires an awareness that the concept belongs to an identifiable society. Acknowledgement of this last point means that some allowance should be given for the differences in public service provision in different states. Therefore, careful study should be made of the Italian views of public service broadcasting which may differ radically from British conceptions. The latter point may also put the foreign researcher at a disadvantage because detailed knowledge of a different national media system is difficult to acquire. At the same time, a foreign researcher can often give a new dimension to any academic enquiry, by looking at things from a more detached perspective. Acquired knowledge of the historical development of public service provision in Italy is therefore vital.

Combining an institutional study with a broader conceptual analysis of public service broadcasting also has major implications for the way information is interpreted and disseminated. The use of interviews and other collected materials from the reform process will serve as a basis from which to proceed with a more general analysis of public service broadcasting. In order to undertake this work, a conceptual and historical analysis will be required covering the following headings: a) a broad definition of public service broadcasting; b) the development of the concept in postwar Europe; c) an analysis of state and society relations in Italy; and, finally, d) an appraisal of state and broadcasting relations in Italy. These four headings form the basis for chapters two to four of this thesis.

### Italian Historiography and Mass Media Research

The deep political and social divisions in Italian society have also been highlighted by its historiography. Italian history writing since the 1870s can be defined as 'Corporate History' (Clark, 1984: 2). That is to say, Italian historians have often belonged to one of several historical schools - Nationalist, Liberal, Catholic, Marxist and Radical - and this has had a determining impact. Edward Carr's maxim is particularly pertinent in this case:

'Before you study the history study the historian... study his historical and social environment. The historian, being an individual, is also a product of history; and it is in this light that the student must come to regard him.' (1962: 44)

More specific to this research is the fact that historical studies of television have displayed the hallmarks of committed historiography. Some accounts, written principally by employees of RAI from a broadly liberal perspective, have sought to defend and stress the important role RAI has played in promoting a new democratic Italy, therefore legitimising the status quo (See Monteleone, 1980: 8-10). Other accounts, especially those written from a Marxist perspective stress the role played by RAI in giving legitimacy to the capitalist system in the postwar era (Cesareo, 1974). In part, such historiography can be traced to the influence of two diametrically opposed schools of thought on Italian research. The two most important schools of thought were Functionalist and Marxist, both of which reinforced the political and social divide in a postwar (and Cold War) Italy.

Yet, to write off Italian media historiography in such terms would be a gross injustice. Although broad theoretical schools have existed, and indeed continue to exist in residual form, they provide a useful starting point to approach the questions of mass media research. The last 30 years have seen great diversification of media research in Italy and the systematic development of many specialised branches of media knowledge. What has occurred is a move away from the 'Corporate' school of historiography to specialised areas of research which analyse the multifaceted complexities of the Italian mass media. This can be demonstrated with a very brief analysis of media research in Italy.

In Italy, mass media research, as we would understand it, was not conducted until the 1950s. This was relatively late when compared to the USA and other European countries. In part, this can be explained by the slow development of Italian media in the postwar years and by the lack of interest shown by academic institutions in media research in the 1950s (Monteleone, 1992: xiii). Bechelloni argues that media research has developed in three historical stages (1995: 268-275). The first stage lasted from the 1950s through to 1968. It coincided with the arrival of key media texts from abroad and gave Italian researchers the methodological and bibliographic know-how to conduct media research. The kind of subjects put under the media microscope were the problems of mass society and the role of the media, the connection between empiricism

and theoretical debates and the development of specific Italian features in the wider context of macro sociological and comparative approaches (Monteleone, 1992: xiii).

A second phase of media research came in the aftermath of 1968 and lasted until the early 1980s. The political and social upheavals of 1968 resulted in the growth and development of academic studies relating to the analysis of social and political phenomena, including the mass media. Academic groups formed throughout Italy. The period also saw the increasing influence of Marxist sociology and the crisis of American 'mainstream' sociology. In the 1970s, this momentum and interest was maintained by the rapid transformation of the media industries in Italy, especially the growth of new national newspapers and the emergence of commercial broadcasting in the post-1976 period. As a result, the number of research topics continued to grow to cover a whole range of political, economic, social and cultural questions. This period also saw the publication of empirical studies in new academic publications. Problemi dell' Informazione, started by Paolo Murialdi in 1976 and IKON were two such journals. Also, RAI (under the direction of Nicola De Blasi and Giancarlo Mencucci) founded the Verifica qualitativa programmi trasmessi (VQPT) in 1978. This organisation had the responsibility for publishing high quality academic work commissioned nationally and internationally - across the wide spectrum of media research. It also enjoyed a more independent status than other parts of RAI.<sup>3</sup>

Finally, the 1980s saw the emergence of a third phase of media research. The direction of research interests further diversified to include: the development of stronger interdisciplinary fields, and a reduction in specialised research; bridge-building between 'administrative' (industry-led) research and 'academic' (University-led) research; and the expansion of vocational courses (the RAI-funded Journalists' School at the University of Perugia is one example). There is also the rapid growth of research into marketing and related topics on the back of the expansion of national commercial

television channels in the early 1980s. As a result of these developments, the role of industrial bodies increased.

Academic institutes devoted to media research do exist throughout the peninsula producing very useful material for this research. Individual and collective studies used in this thesis include those produced at the University of Milan (Bettetini, Grasso, Demattè, Murialdi), the University of Torino (Rositi, Gambaro, Silva, Ortoleva), the University of Bologna (Wolf, Richeri and Rizza), the University of Firenze (Bechelloni), the University of Perugia (Mancini), the University of Rome (Zaccaria) and the University of Genova (Mazzoleni). It is also worth emphasising that a lot of interesting research on RAI has come either from RAI employees (Monteleone, Pinto, De Vescovi, Iseppi, Guglielmi and Balassone), or from academics who have had some form of day-to-day contact with the company for a number of years (Sartori and Roberto Zaccaria, who, incidentally, is RAI's current President). Finally, I have also used numerous international studies of politics, culture and mass media in Italy.<sup>4</sup>

## **Conducting Fieldwork in Italy**

The major problem of undertaking research into a contemporary process is that there is relatively little academic research to draw upon.<sup>5</sup> Some books, however, have already appeared that take the reform process as their central theme. I am thinking especially of three books by former members of RAI's Administrative Council. Paolo Murialdi's *Maledetti professori*, was a diary account of a year at RAI by one of the five 'Professors'. Franco Cardini's and Giancarlo Riccio's *Il cavallo impazzito*, was an exchange of correspondence between Cardini, a member of the second Administrative Council (Moratti's 'Managers') and Riccio, a journalist with the *Messaggero* newspaper. Finally, Moratti's own account of her two years at RAI, *Io e la RAI*, was published in the form of interviews with the senior and respected media academic, Jader

### Jacobelli.

The first two books have been described by the same Cardini and Riccio as 'instant books' and provide interesting insights into the role of two RAI 'outsiders' who found themselves participating in the reform process (1995: 5). Both books provide a personal perspective of the reform process and both talk candidly about the intense political pressures put on senior figures at RAI. This is useful because Murialdi and Cardini come from very different political directions but say very similar things. Neither Murialdi nor Cardini talk extensively about the performance of each other's Administrative Council, rather they maintain a discreet and dignified distance from any mud-slinging. But neither Murialdi nor Cardini were the main architects of the reforms. Instead, both undertook supervisory roles to implement sections of the overall package. Therefore, their respective books do not talk extensively about the implementation of the reform package. The main architects were Claudio Demattè and the senior management at RAI. Letizia Moratti was also a key figure because she maintained the momentum of the reform process and kept the same senior managers brought in by Demattè. Also, Moratti's Administrative Council made necessary modifications to the package when it thought necessary.

The book by Letizia Moratti and Jader Jacobelli is different to the other two, simply because it comes from one of the key figures of the whole reform process. On the issue of political pressure, Moratti maintains her position that the Administrative Council remained largely independent of political pressures, especially from the Berlusconi government (Jacobelli, 1996: 28). Furthermore, she argues that all appointments were made without reference to political motives. On both of these points she is contradicted by Cardini and others (Cardini and Riccio, 1995: 31).<sup>6</sup> But the book does have undoubted positive aspects. The strength of the Moratti book lies partly in the wealth of information provided about the reform process, and its subsequent implementation.

Also, Moratti tackles questions pertaining to the future of public service broadcasting in Italy. It is also true that Jader Jacobelli must take part of the credit for this. Using a diplomatic, courteous but determined questioning style, Jacobelli manages to tease out Letizia Moratti's thoughts on some of central issues concerning the public service debate.

I make use of all three books in this research. But the memoirs of three former Council members do not constitute a whole body of research. What were the other sources of primary and secondary evidence that would supplement the body of research? And which of these sources would I be able to access and which would remain out of reach of the researcher. Primary documents, in addition to the diary of Paolo Murialdi and the letters of Franco Cardini, were rather scarce. Parliamentary laws were a potential source since they were published in the *Gazzetta della Repubblica*, the Italian equivalent of Hansard. Also, any laws directly applicable to RAI were republished in RAI's Annual Report, the annual review of RAI's broadcasting operations (that also publishes a synopsis of RAI's broadcasting remit and its organisation structure).

The problem with Parliamentary bills is that whilst they provide legislative details of the structure of RAI's Administrative Council or the wider structure of the broadcasting industry, they do not contain any relevant information on the reform process itself. These reforms were by and large an internal matter with the company drafting the necessary policy documents and then showing these to Ministry of Communications officials and to the Parliamentary Commission for discussion and ratification. Such documents were sometimes published in the RAI's Annual Handbook, but not always. For example, the document drafted by Demattè outlining proposals for the reorganisation of the company was never published. The 1994 RAI Annual did contain details of the reorganisation of the company, but these were written in a rather bland and anodyne style (RAI Annual, 1995: 3-30). The Report outlines the bare bones of

the new organisation structures, but rarely elaborates in detail the reasons for the changes, and never admit to problems with the old structure. Another possible solution was the research library at RAI, but it was geared more to providing books and journals covering the wider media industry than internal documents.

One of the journals accessed at the RAI library and a useful source for official RAI documents was Gulliver. (Hence, I found that in order to access some RAI documents at its library, I had to look in an external journal!) Gulliver is a small journal specialising in media policy and law. There was also one other important journal that published regular interviews with key RAI personnel. Prima Comunicazione is a monthly journal which covers the latest news in the media industry, concentrating on economic and business news. It is comparable in some ways to Broadcast magazine in Britain. The magazine was a very useful research source for a number of reasons. Firstly, it published a lot of useful and general information on the state of the media industry in Italy. It also published regular interviews with key RAI executives including those directly responsible for implementing the internal reforms. Finally, some of the magazine's journalists published perceptive and interesting articles relevant to the research process. For example, the future Director of Tg3, Daniela Brancati, wrote numerous articles outlining the company's plans for reform, long before the plans were implemented in the post-1993 period. Journalists like Vittorio Bruno and Anna Rotili wrote regularly about the problems besetting RAI and its relations with its broadcasting rival, Fininvest.

In addition to the specialised broadcasting magazines and journals, there is a thriving interest in RAI amongst the mainstream political and economic magazines in Italy. These include the two leading publications *Panorama*, owned by Silvio Berlusconi, and *l'Espresso*, owned by the liberal-leaning De Benedetti group. Other political magazines that covered the reform process at RAI, included *l'Europeo* and *Epoca*. The

type of stories these magazines covered were interviews, including ones with Demattè, Moratti and other RAI officials and politicians, and more tabloid-style stories that uncovered political interference and intrigue at RAI and Fininvest. In addition, these magazines have senior and distinguished journalists writing for them as columnists, including Enzo Biagi, Giorgio Bocca, Paolo Flores d'Arcais, Umberto Eco, Sergio Romano, and others, all of whom wrote occasional articles about RAI. The number of articles usually rose in the periods when RAI was engulfed in a new political scandal.

For various reasons, these magazines covered RAI and the mass media in a partial manner, especially the two leading magazines. Firstly, *Panorama* was a Berlusconiowned publication. Its coverage of Berlusconi and the affairs of Fininvest tended to be favourable. The coverage of RAI was mixed. It tended to be more favourable to the second Administrative Council led by Letizia Moratti. Interviews with RAI staff were somewhat infrequent, but one was given to the former editor of the magazine who had been appointed to a senior post at RAI by Moratti. This is not say that the journalists and editorial staff were not professional or competent. But the issue here is that evidence taken from the magazine was inevitably open to the accusation that it was tarnished. Also, many of the articles were very controversial and provided little verifiable evidence. Therefore, I tended to use information relating to interviews and direct quotes rather than articles that provided pure narrative or analytical coverage. The main example is Enzo Biagi's interview with Letizia Moratti at the height of the RAI crisis in the Autumn of 1994.

The situation with *l'Espresso* was somewhat similar. Many of its stories about RAI, especially about Moratti, were controversial and even, at times, rather vitriolic.<sup>7</sup> It tended to go for sensational coverage of the reform process, although it did print some interesting information. Also, it was the main competitor with Berlusconi's magazine and the rivalry between the two was intense. Hence, *l'Espresso's* coverage of

Berlusconi's Fininvest and his political rise to power tended towards the hostile. Once again, in-depth political analysis was too easily sacrificed for tittle-tattle, sensational headlines and cult of the personality.

The information I found most relevant was the interviews held with media personalities, including Demattè and articles by some of the more distinguished commentators. As for newspapers, I generally took the middle-of-the-road *Corriere della Sera* and the liberal democratic *la Repubblica* to keep abreast of the day-to-day developments. I have also used these two newspapers as the basis for the chronology of events from 1993 to 1996. Now and again, I also bought or reviewed other newspapers when they published interesting articles. These included: *l'Unità*, *la Stampa*, *Il Giornale*, *Il Manifesto*, *Il Messaggero* and *Il Resto del Carlino*. On the whole, the journals and magazines provided more information explaining the nature of the reforms, but provided less material on the actual implementation. It was clear from the outset of the nature of the reforms, on the implementation process and the inevitable problems that would arise from such a process. Furthermore, any research on a contemporary process would be best served by conducting interviews with those who had argued for and implemented the reforms.

#### The Interview Process

The prospect of conducting interviews was perhaps the most difficult (and nervewracking) part of the research process. Setting up the interviews turned out to be a long and drawn out process. I went about organising this part of the research in the following way. Firstly, I asked academics at Bologna for possible contacts at RAI. The late Professor Mauro Wolf was able to supply me with first class contacts. The names of four possible interviewees were given to me of people who lived in Rome and Milan. Two of these had all been involved closely in the reform process: Paolo Murialdi and Franco Iseppi (who would become Director-General of RAI in April 1996), and one was a retired former Head of Research at RAI, Nicola De Blasi. The fourth name never replied to my letter nor responded to subsequent telephone calls. I therefore gave up the chase on him.

I sought to contact these people by writing introductory letters with a résumé of the research topic, hoping to get an interview. My first success was with Paolo Murialdi in Milan. As he was no longer working at RAI, he agreed to meet me to talk about his year at RAI. He had two small preconditions: first, he would not comment on the work of the Administrative Council that had succeeded the 'Professors'; second, the interview would have to wait since he was away from Milan. In addition, he claimed that his information would be of limited use because he had already written a book about his experiences. I also had replies from the Franco Iseppi and Nicola De Blasi agreeing to meet me. So far so good.

In Rome, I interviewed Nicola De Blasi twice. In the first interview he talked about the period prior to the reforms, and in the second he talked about the reforms. I also spoke to Franco Iseppi, but he was too busy publishing RAI's schedules for the Autumn season. He did give me some useful names, however. This led in turn to another interview with a senior RAI executive, Francesco Sagna. He gave me a very informative explanation of the reform process. Therefore, having covered three interviews, I headed off to Milan where I had a brief opportunity to see Paolo Murialdi. After this interview, he kindly offered to contact Claudio Demattè so that an interview could be held with him. After this interview (held in February 1996), Claudio Demattè was kind enough to supply me with further names of key personnel that he had brought into RAI. I therefore started to achieve a modicum of success through gaining a network of names and contacts. In this way, I was able to hold many useful talks and interviews during this period. A total of 16 interviews and informal chats were held,

eight of which were taped and transcribed (See Appendix 1.1). They were with senior personnel and spread across different departments of the company: Administrative Council, Scheduling, VQPT, etc.

One drawback was that no interviews were conducted with anyone from the three networks or the three news services. This was compensated for, in part, by drawing on material written by the former Director and Vice-Director of Raitre (and distinguished media experts), Angelo Guglielmi and Stefano Balassone, *Senza rete: la tv e la politica che cambia.* This gave me an insight into the reform process from the viewpoint of the three networks. I was also able to draw on the book published by the former Director of Tg3, Alessandro Curzi, *Giù le mani dalla tv.* Both books concentrate on topics outside of the reform process, but devote chapters to the reform process. They both give strong counter-arguments against the reform process and highlight some of the advantages of the former system.

I decided before the interview process began that the type of interview conducted would be semi-structured. A semi-structured interview sets questions for each interviewee, but also allows the interviewer to clarify or elaborate upon questions and related issues of interest (Smith, 1975: 182-189; May, 1997: 111). From the outset, it was clear that time-constraints would be imposed by certain interviewees, so the semi-structured interview allowed me to ask a minimum number of questions and elaborate on other issues, if and when, there was time. There was, therefore, a great deal of non-structured dialogue with some interviewees. The exact structure of each interview and the type of questions raised varied according to who the interviewee was, what his position was within the company, the functions he carried out, his role in the reform process, etc.<sup>8</sup>

In general, the opening questions sought to establish a rapport with the interviewee

before tackling any thornier issues. A favourite 'ice-breaking' question that I asked in some early interviews was: 'How would you define a public service'? I found that asking about the interviewee's own work could often provoke a a quizzical look, as if to say: 'you have not come a thousand miles to ask this!' So, generally, I got down to business immediately. I tried to develop mutual confidence with the interviewee by giving encouraging nods and responses after each question. I also tried to summarise important points with them in order to clarify some issues. The nature of each interview was different. Most interviews were held in Italian, although one was held in English.9 Some were conducted in a relaxed atmosphere and the interviewee felt neither pressured nor rushed. They were therefore able to elaborate and give in-depth answers, and the interviewer could also develop some points of interest or ask supplementary questions. This was the preferred way of interviewing. Unfortunately, however, other interviews were conducted in an far more pressurised atmosphere. For those interviews, greater attention was paid to asking a set number of pre-determined questions in a set amount of time. Therefore some interviews went on for nearly two hours and others lasted barely half-an-hour. At the start of the interview process in June 1995, a typical questionnaire would have 10-15 more general questions. By the end of the interview process, there would be a maximum of five focused questions.

The next task after holding the interviews was to transcribe taped conversations and write notes on the conversations where the tape-recorder was not used. I found that the sooner an interview was transcribed the better because there was a better chance of remembering any unclear details or vague arguments. On one or two occasions I did ask for clarification on certain points from interviewees. Transcribing is, of course, an art form in itself: the attempt to decipher the interviewee whose voice fell away at the end of each sentence (it is fortunate that the interviewee wasn't speaking in German!), another who would drop in phrases of dialect every now and again, and finally, the attempt to transcribe a cafe interview where every background noise was magnified, all

made life a little bit harder. So yet again, the interviewer learnt as much about the techniques of research methodology as he did about the research topic itself.

Therefore, I was able to solicit a lot of useful information from some of the key players involved in the reform process. I was also able to hold extremely useful conversations with others at RAI who, because of the nature of their work, were slightly detached from the reform process. Therefore, I found interviews an extremely worthwhile methodological tool. After the interviews were transcribed and disseminated, I was able to go back to key texts and extract further information. This was undoubtedly due to an increase in my own understanding and knowledge about the reform process and RAI in general. Finally, and this came as a result of advice derived from RAI's library, I also consulted quantitative data from RAI's Annual Handbook. This data forms the basis for the appendix at the end of the thesis. Although qualitative methodologies form the basis for this thesis - especially documentary analysis and interviews - quantitative figures have been used in order to highlight or strengthen particular arguments, for example, literacy figures found in chapters three and four (Forgacs, 1990a), programme formats found in chapters five and six and national and regional broadcasting hours, also found in chapters five and six (RAI Annual Handbooks, 1992-1996). In short, I have attempted to construct a framework of analysis based on sound methodological criteria and which will be able to withstand critical academic scrutiny.

<sup>1</sup> There were advertising limits set in 1985, but these were set for local operators since national commercial television was still, theoretically, prohibited.

<sup>2</sup> The failure of the earlier reform process is highlighted in a set of essays edited by Franco Iseppi (1980b).

<sup>3</sup> Interview with Nicola De Blasi, Rome, 7 June 1995.

<sup>4</sup> These include: Baranski and Lumley (ed) (1990); Forgacs (1990a); Rath (a cura di) (1990); Mershon and Pasquino (ed) (1995); Forgacs and Lumley (1996); Gundle and Parker (ed) (1996); and Katz and Ignazi (ed) (1996).

<sup>5</sup> Although a number of very useful academic articles have appeared in Italian and English, notably: Gundle (1996), Gundle and O'Sullivan (1996), Mazzoleni (1995, 1996), Iseppi (1998). The interest generated by the reform process will ensure however that such detailed studies will eventually appear (media professionals and RAI insiders have intimated to me that books are being written). For an extensive list of English-language research on the Italian media, see Dagrada (1996: 246-247).

<sup>6</sup> Also see Alfio Marchini's interview with Vittorio Bruno in *Prima Comunicazione*, (1994: 75). <sup>7</sup> See front cover of l'*Espresso*, No. 39, 30 September 1994. The front cover shows a picture of Letizia Moratti and the recently deceased porn actress, Moana Pozzi. The caption reads: 'Saint Moana, Tragic Letizia'. Whilst the magazine may want to celebrate the life of Moana Pozzi (it covers a wide range of stories), and criticise Moratti's management of RAI, in conflating the two stories into a simplistic comparison it betrays a tabloid mentality.

<sup>8</sup> It is rather sad to report that all of my interviewees were men, reflecting the general make-up of senior executives within the company. I do make use of research material written by senior women in the company, including Letizia Moratti, of course.

<sup>9</sup> All translations for this thesis have been done by the author.

## CHAPTER TWO

# **Public Service Broadcasting in Theory and Practice**

## Introduction

Any study of public service broadcasting requires some understanding of its ideological foundations. Such ideas may themselves be part of broader social or philosophical perspectives or schools of thought, but some form of conceptual analysis of public service broadcasting is imperative in a thesis that seeks to explain its modern day relevance. Likewise, any appraisal of public service broadcasting also requires some form of analysis of its material development, that is, the political, social and economic context in which it has grown and flourished. Together, the conceptual analysis and material development constitute the historical foundations from which to judge a modern day public service broadcasting service, and the series of reforms currently affecting RAI.

This chapter is structured into two parts. Part one presents a conceptual analysis of public service. The first section outlines the role of the broadcast media in modern democratic societies and links the expansion of broadcasting in the postwar period to the development of citizenship. The second section analyses the concept of public service broadcasting, tracing its development from the Reithian period. Part two of this chapter concentrates on the historical development of public service broadcasting in postwar Western Europe. Section three analyses the common technological, political, economic and social conditions in which public service broadcasting developed in the postwar years. Finally, section four looks at how evolving technological, political, economic and social conditions have changed the face of broadcasting in the last two decades.

#### Democracy, Citizenship and the Media

The concept of public service broadcasting is given its initial theoretical and practical elaboration in the work of John Reith, first Director-General of the BBC (1922-1936). Drawing on the Reithian understanding of the term, the public service ideal is treated as one which encourages, sustains and nurtures common political and social values vital for the good maintenance of democratic societies (Corner et al., 1997: 5). In order to make this a realistic project, the public must be conceptualised as a common entity whatever the unique characteristics of every human being. This can be achieved if the concept of public is treated as coterminous with citizenship. Citizenship is upheld in two ways. The first is through the constitution and entrenchment of basic civil and political rights and greater social and economic equity. In addition to these institution-based rights and responsibilities, citizenship also entails another important dimension, namely its central role in sustaining ideals of collective belonging and some minimal form of *sensus communis*, an essential ingredient in the realisation of a responsible and tolerant democratic order, and which encourages the active participation of the public as political citizens.

Whilst the concept of public service broadcasting was developed by Reith in the aftermath of World War One, it only became a common feature in western Europe in the aftermath of World War Two. It came about because western European nations, after a century of bitter and repeated feuding, finally acknowledged their common need to avoid old mistakes and create a new and democratic Europe. In the aftermath of a destructive war, public service broadcasting was (re)introduced by western Governments in order to help rebuild a shattered continent. There was a broad consensus across western Europe that broadcasting could not be treated as commercial industry, and that it should be used for the wider public good rather than for private gain.<sup>1</sup>

The last twenty years have seen a move away from the model of public service broadcasting referred to above. New models of broadcasting have developed since the 1970s which are based more on commercial priorities. There has been a perceptible shift away from broadcasting as a medium of social exchange to a medium of economic exchange. The old, monolithic systems have been forced to adapt their relationship with the state and market, and seek more commercial funding as a direct result of increased competition from a new and vibrant commercial sector. The erosion of public service broadcasting therefore constitutes a worrying development insofar as it undermines the concept of citizenship just when Europe needs to redouble its efforts in order to maintain and ensure democratic governance in the 21st Century. Public service broadcasting is therefore a concept with a distinct European heritage that must be studied in a broad historical context before a more detailed analysis is made of a particular national instance.

Underpinning many discussions of public service is the assumption that the broadcasting sector is different to other forms of industry; different, even, from other forms of mass media, and that broadcasting is run under separate sets of rules to achieve different ends (McQuail, 1991: 70). Such an assumption suggests that the broadcast media function in the public interest for the general welfare of society. Whilst a term such as 'general welfare' is extremely broad and can hide a series of concurrent meanings, some examples can be given. Firstly, the media act as a vital means of communication between political elites and wider society. The broadcast media also promote human understanding, encouraging sets of values and ideas that facilitate discussion and talk in the wider society. The media therefore have an equally important role as a cultural or social mediator. Thirdly, and finally, there is little doubt that the broadcast media constitute a key commercial sector in late 20th Century life. The

economic role of the media and their associated industries therefore provide improved material conditions through the provision of employment opportunities.

The functioning of the broadcast media in the public interest potentially provides important benefits for all society. There is a broad political consensus on this point. The consensus breaks down, however, as soon as discussions begin as to what the best means or methods are to achieve this aim. Indeed, trying to prioritise the values by which the general welfare of society is best guaranteed has been a long-standing intellectual argument. In one of his last interviews, Sir Isaiah Berlin talked about a plurality of values that human societies pursue, arguing that:

'some values are incompatible with each other. To give the most obvious example, absolute freedom is incompatible with absolute equality. If you want absolute political equality you must restrain the liberties of people from disturbing it, for example by dominating others. Values don't all collide. A good many values are perfectly compatible, but enough values are not.'<sup>2</sup>

The media may function in the interests of the general public, therefore, but this consensus does not extend to prioritising these interests or the range of values they should promote (McQuail, 1991: 71). If there is conflict over what the functional priorities of the media should be, subsequent debates, for example, agreement as to the best procedures to accomplish such tasks, means that there will always be lively discussions (and disagreements) amongst broadcasters, government and academia as to where to strike the right balance.

Yet, whilst the broadcast media may have operated, and, indeed operate, for sound political, cultural and economic motives, none of these benefits constitutes an end-initself. Rather, the broadcast media operate in such a way as to create the conditions in which to achieve, fulfil and sustain a higher goal. It is generally agreed therefore that in fulfilling a public interest or general welfare, the mass media are actually contributing towards the promotion and maintenance of democratic processes and institutions.

Raymond Williams, drawing on the Greek origins of the word, defined democracy as 'government by the people'. Quoting Weekley, Williams points out that the term democracy only assumed renewed political meaning in the late 18th Century. He also points out that the term was often used pejoratively in relation to the hated Jacobins or mob-rule. Finally, Williams argues that the term has been interpreted in a number of different ways (1959: xiv). Therefore, for this thesis, I will use Norberto Bobbio's minimalist definition of democracy:

'the basic rule of democracy is the rule of the majority; in other words the rule according to which decisions are considered collective, and thus binding on the whole group, if they are approved by at least the majority of those entrusted with taking the decision.' (1987: 25)

Democratic rights have traditionally been upheld by a state apparatus, known as the liberal state. The liberal or minimal state was originally conceptualised as part of a wider rebellion in the 17th and 18th centuries against the twin powers of feudal Europe: Monarchy and Christianity. Political liberalism was the attempt to prize the governing institutions from absolutist rulers and religious powers and hand them to newly elected chambers. The liberal state, which was also conceived as a lay state, entrenched political rights for new emerging economic and social classes. For this condition to be realised, the public required certain rights, defined as Basic Rights, to be upheld. Such rights included the freedom of expression, speech, opinion, asserbily, etc. In order to uphold these basic rights, the doctrine of '*Rechtstaat*', or judicial state was applied whereby the state not only exercised power *sub lege*, but exercises power within these inviolable rights (Bobbio, 1987: 25-26).

The gradual transferral of powers from the absolutist state to parliamentary assemblies involved the gradual progression of political rights to the point where the concept of universal suffrage became widely accepted. At this point, the liberal or minimal state transformed itself into the representative or democratic state (Bobbio, 1987: 110-111). The liberal state, which itself was a condemnation of paternalistic and enlightened despots, was replaced by a new democratic state that gradually renewed the belief and desire for interventionist measures in the form of social measures such as education, health, pensions, unemployment in order to promote democratic forms and practices. Bobbio therefore argues that:

'The liberal state is not only the historical but the legal premise of the democratic state. The liberal state and the democratic state are doubly independent: if liberalism provides those liberties necessary for the proper exercise of democratic power, democracy guarantees the existence and persistence of fundamental liberties.' (1987: 25-26)

The persistence of fundamental liberties based on the exercise of democratic power requires the empowerment of the public as citizens (Dahlgren, 1995: 19). The main postwar theorist of citizenship was the social reformer T.H. Marshall. For Marshall, full membership of the community depended on three elements of citizenship being firmly entrenched within society. The first strand is the civil aspect of citizenship which includes the freedom of speech and property rights. The second aspect of citizenship is its political dimension which entails the right to take an active part in the political process, voting rights and rights of association. The third strand, and one which belongs squarely in the 20th Century is the concept of social citizenship. The ideal of the social citizen has been closely associated with the development of welfare provisions in the postwar years, providing for greater economic security and social improvements (Golding, 1990: 99).

Marshall was long retired when the resurgence of liberalism occurred in the late 1970s. The distinctive feature of this brand of liberalism was that it revived the idea of economic independence from political interference. Where the ideas of political liberalism had been used in the Cold War period to entrench Basic Rights (in part against the Communist east), the brand of economic liberalism now being espoused saw as its natural enemy the social-democratic state promoted by Marshall and others. Economic liberalism was premised on reducing the level of state intervention in economic and social issues and the emancipation of economic activity from political power (Bobbio, 1987: 104-106). The mechanism by which economic activity would become regulated was the hidden hand of the free market. The reemergence of economic liberalism therefore constituted the desire on the part of many intellectuals and politicians to move back towards the minimal or lay state.<sup>3</sup>

The idea of citizenship also has other dimensions, which are also relevant for our purposes in this part of the research. Citizenship is not only a manifestation of political and macrosocial circumstances, defined by *universal rights*; it is also a constituent feature of individual and collective identity. Whilst the establishment of a formal institutional footing for universal rights is an essential prerequisite for citizenship, those same ideals must be internalised as a value system, providing a common civil and political bond in order to create a durable and stable platform for citizenship to thrive. In his book on the media and democracy, Peter Dahlgren cogently argues this point by adding that:

'The nature of what the social bond should be between citizens has been a point if contention within political philosophy, but it is clear that some minimal form of collective identity, what Vico called the *sensus communis*, is required. Even if it is de-emphasised, no democratic order will work without some shared sense of commonality among its members. Talk both manifests and presupposes some kinds of social bond between citizens.' (Dahlgren, 1995: 20)

The whole notion of citizenship is therefore dependent on the realisation of a '*sensus communis*', without which no democratic order can hope to thrive. It can be argued that there are two essential prerequisites to creating a *sensus communis*, culture and social organization: culture in its broadest sense meaning 'a way of life', shared sets of symbols, beliefs codified through a common language; social organization meaning the association of human individuals into stratified categories (Gellner, 1997: 1-4). Of course, a shared sense of commonality does not describe the nature only of democratic societies; it describes all communities throughout the ages. Indeed, the term *sensus communis* is primordial insofar as human societies have always grouped themselves into tribes, communities and societies extending beyond the immediate familial or primary group.

Whilst social bonding is undoubtedly primordial in nature, I think there is one hallmark of *sensus communis* that can be more clearly identified with modernity; that is the idea of culture and social organization coinciding with political organization. In many preindustrial societies, cultural and social association rarely coincided with political legitimation. In short, communities were rarely masters of their own culture and polity contemporaneously. For example, feudal society was based on an explicit cultural stratification of serfs and their masters into fiefdoms. Social mobility between groups was extremely limited and opportunities for mobility were restricted to conquests, crusades or wars. Technical ability or the shrewd use of land resources were rarely reciprocated with personal advancement or promotion. Political power was therefore mediated through, and, despite, cultural difference. Authority was normally associated with a different cultural elite in a far-off and distant land (Gellner, 1997: 14-21).

The point is stressed here because in the pre-industrial world, the term citizenship did not exist in the sense ascribed to it today. In the modern age, citizenship is firmly

rooted to the practice of political and cultural coherence. Under the conditions of modernity, citizenship encompasses a mixture of political rights combined with membership to a wider cultural and social organization. On the one hand, participation of members is universal: formal political and civic statutes (declarations or constitutions) that emphasise full individual rights (liberty) irrespective of sex, race or social status (equity). Yet, to enjoy these full rights requires full membership or recognition of membership of a social unit with a broadly defined culture (fraternity). The concept of citizenship therefore denotes the process of political and cultural integration. This clearly differs to a pre-industrial age defined by its political exclusivity and cultural stratification.

The political and social unit which has served as a conduit to realise and entrench the modern condition of citizenship is the nation-state. The essential prerequisites of nationalism were a unitary political authority (the state) and a unitary or national culture. Nationhood also favoured those societies that had evolved a single culture through the slow sedimentation of multi-culturalism and by the emergence of a single political authority (Gellner, 1997: 50-52). These nations constituted the first wave of nations in the sixteenth century (France, Britain, Spain and Portugal). The second wave of nation-building took place in the 19th century and involved those societies with a broadly-defined cultural heritage that required political cohesion (Germany, Italy).<sup>4</sup> The third wave of nation-building resulted from the break up of the Ottoman and Austro-Hungarian empires and the promotion of Wilsonian principles of self-determination (Gellner, 1997: 54-56). Finally, the fourth stage of nation-building is constituted by the reemergence of the nation-states formerly controlled by Communism or the Soviet Union (Gellner, 1997: 56-58). In recent years, regional conflicts have broken out in many of the third and fourth wave of nation-states.

Yet, it is not only the stage three and stage four countries that have suffered from

separatism and conflict in the last two decades. Many first and second generation nation-states have come come under intense internal and external pressures for reform. Indeed, the survival of the nation-state has long been questioned from different theoretical perspectives. Many social theorists and philosophers omitted questions of nation-state from their general theory of society. Marx, Durkheim and Weber, the bedrock of sociological thinking in the last 100+ years, had little to say about the rise of nationhood. Marx argued that the bourgeois nation-state would be superseded by a socialist and communist society following a revolution led by the proletariat. Successive waves of neo-Marxists failed to treat the nation-state as anything other than a by-product of capitalist relations. Liberalism, like Marxism, treated nationalism as a temporary staging post. In relegating political and cultural considerations in favour of economic logic, liberals repeatedly failed to hypothesise the survival of a political and social unit in the face of global economic relations.

But the durability of the nation-state has also suffered from sporadic bouts of selfdestruction. This is because nationalism is premised not only on reason but also on feeling and the sense of belonging. The advent of Romanticism, initially an 18th Century literature-based reaction against the cold, harsh logic of reason, promoted the cause of nationalism but also (and, somewhat inadvertently) spawned a new ethno and cultural-centrism that brought about successive international conflicts. The promotion of citizenship-through-roots (*ethnos*) at the expense of citizenship-through-rights (*demos*) has been at the root of two global wars this century and a host of regional conflicts. As a result, there are those that have passionately advocated the replacement of the nation-state with supranational bodies (Pinder, 1991: 18). In many ways, such thinkers can be seen as the modern torch-carriers of Enlightenment practices: the reassertion of the rational over the irrational, the faith of reason over feeling and belonging. For example, the growth of the European institutions can be interpreted broadly along the following lines: the reaction of nation-states against their own

nihilistic excesses (two European wars), built on the promise of a better future (Enlightenment), underpinned by common decision-making institutions (political union) and a customs union (economic growth). Yet, the emergence of European institutions has been hampered by the lack of political accountability (the democratic deficit) and national cultural specificity (Burgelman, 1997: 129-135; Schlesinger, 1997: 369-388).

In addition to the nihilistic tendencies outlined above, the continued survival of the nation-state has been threatened by the 'vagaries' of modern life (Schlesinger, 1992: 12-14). If citizenship is promoted by the nation-state, and the latter is a political configuration of modernity, the advent of a 'postmodern condition' warrants an urgent rethink on how citizenship can be hypothesised outwith the nation-state. Giddens argues that in the period of modernity - defined broadly as the age of industrial capitalism - the concept of time-space distanciation has occurred: the separation of time and space through the intensification of worldwide social relations. Social relationships have to an extent become disembedded and disconnected from traditional face-to-face interactions. Instead, social relationships via communications and the mass media have become re-embedded across different social places and physical places (Giddens, 1991: 3).

The jump to a 'postmodern condition' has occurred through an acceleration in the globalising and unifying tendencies of monopoly capitalism. The rapid expansion of global capital accumulation, aided by instant telecommunications, and a supply of cheap, international labour, has resulted in a further distribution of social relationships across time and space. This has created conditions in which a new social order can emerge. The postmodernist claim is that this new economic, social and technological revolution has impacted on how culture is made and remade, with the explicit assumption that the old concept of a 'high' or national culture has been largely superseded by a vast multiplicity of cultural identities. It is this dissolution and fragmentation of culture that threatens the very stability of the nation-state. Some

theorists have emphasised the increasing political importance of social and special interest movements, effectively bypassing the nation-state: environmentalists, feminists, students, as evidence that political activism is moving away from the sphere of traditional institutions of the nation-state, political parties, to new non-governmental movements that best reflect the emergence of global issues: the nuclear threat, environmental damage, etc (Melucci, 1990: 335, quoted in Schlesinger, 1992: 13).

Yet, where history demonstrates the extent to which a nation-state has been affected by the 'vagaries' of modern life, it shows that its status has grown in importance not diminished. The fall of the Soviet bloc and the bloody fragmentation of the former Yugoslavia have shown that the tide of history has turned towards a period of renewed nation-state building. These countries have also witnessed attempted 'short-cuts' in the achievement of nationhood that deny basic human rights. The 'slow sedimentation of multi-culturalism' common in more organic developments of nationhood has been replaced by a quicker recipe in order to guarantee cultural homogeneity and political compliancy: ethnic cleansing. So although the nation-state has been affected by globalising tendencies and (on-going) regional conflicts, it still constitutes the basic social and political unit that promotes and nurtures citizenship.

The rise of postmodernist thinking has spawned a resurgence of academic literature that emphasises the longevity of the nation-state. The durability of the modern nation-state can be accounted for by the fact that it is a social and cultural entity as well as political construction. Anthony D. Smith identifies the 'benefits of membership' a nation brings which help explain why it has remained so pervasive in the era of (high) modernity and globalising pressures. These include: an answer to the problem of personal oblivion and the promise of a glorious future; the provision of personal regeneration and dignity as part of a super-family; and, most importantly, the prominence it gives to realising the ideal of fraternity through rituals and symbols (1991: 162). Smith argues that this latter point is the most decisive reason to the success and durability of the nation as a collective identity. Smith concludes that:

'transcending oblivion through posterity; the restoration of collective dignity through an appeal to a golden age; the realisation of fraternity through symbols, rites and ceremonies.... those are the underlying functions of national identity and nationalism in the modern world, and the basic reason why the latter has proved so durable, protean and resilient through all vicissitudes.' (1991: 163)

Therefore, national identity is durable partly because it is a reaction against the onset of modernity and its impersonal consequences. That, of course, is the paradox of the modern nation-state: on the one hand it is a product of modernity and industrial capitalism; on the other hand, it remains so durable because it works against the sense of alienation that modern social conditions can promote. The nation-state is therefore both a product of, and a reaction against, modernity. The chronic features of national identities include the following attributes: the construction of a reflexive-self by communities using signs provided by their culture, which operate by the call to traditional values and the remembrance of the glorious past (popular memory) and generate a sense of nostalgia and moral well-being. Such traditions are not god-given, but are manufactured, and involve the 'selective interpretation of history' and some conception of a 'Them' and 'Us'. But to point to indefinite versions of interpretation would be wrong. Interpretations of traditions are invented largely within ideological frameworks. Finally, for nations, there is some conception of a territorial boundary (Schlesinger, 1991: 168-171).

There are a number of cultural agencies that contribute towards the smooth functioning of the nation-state and citizenship. The key ideological apparatus in which collective memory is constructed are social agencies of state and civil society. The major social agencies in modern industrial countries are the state education system and the family. It is within these key sectors that 'culture capital' is initially acquired. But another key

institution, that also contributes towards the reconstruction of the collective self, is broadcasting. Broadcasting is a 'secondary' cultural institution insofar as the average viewer will have already acquired a basic cultural grounding in the family environment and through schooling. Nevertheless, the media still play a central role in shaping public attitudes and opinions, in reconfirming preexisting values and beliefs, and therefore have an important role to play in promoting the conditions for good citizenship. This is especially evident where social bonds are weak, and the role of the media becomes more important for the cohesion of the public (Rosen, 1986: 391-392, quoted in Dahlgren, 1995: 134-135).

### The Concept of Public Service Broadcasting

That 'public service' should ever be muttered in the same breath as 'broadcasting' may seem rather disingenuous. After all, there are few activities as privatised as viewing the television set or listening to the radio in the comfort of one's own home. Even programmes aimed at a 'general public' will sometimes be viewed either in isolation or without soliciting general comment. But although a lot of television consumption does take place devoid of immediate social comment, most other forms of modern public life rely equally on passive or isolated consumption. Whether listening to music at a concert or attending a conference speech, the main emphasis is placed on allowing a singer, a band, an orchestra or an orator to present a performance. The crowd can cheer, shout or clap, but there is usually little chance of social discussion until after the event. Rather like television. So television can function as a potential public sphere even when consumed within the private sphere.

Before the advent of radio and television broadcasts, public life was often confined to open spaces or buildings where people could meet and associate. Such places may have provided the chance for people to relax and enjoy themselves (open spaces: parks, squares, promenades; or confined spaces: pubs, cafes or clubs) or for them to seek some form of information, social instruction or self-improvement (public meetings, schooling or libraries). Public events were also directed, much as they are today, towards a particular public in a specific place. Although such events are open to all, they normally involve prior purchase of a ticket, and such events usually appealed to those with particular tastes and the disposable means to buy the ticket. Broadcasting functioned as a new type of public forum that offered the potential of including a general public rather than particular publics, as Scannell argues: 'the fundamentally democratic thrust of broadcasting lay in the new kind of access to virtually the whole spectrum of public life... made available to all'. (Scannell, 1989: 140)

The concept of public service broadcasting is closely linked with John Reith who, between 1922 and 1936, developed a theoretical analysis as the BBC's first General Manager and Director-General. Reith's own writings included the first mission statement for public service broadcasters: *Broadcasting Over Britain*, which was written in 1924. Later on in his life, long after his BBC days, Reith returned to the subject of the BBC in his autobiography, *Into the Wind*, published in 1949. After Reith's death, a collection of his diary entries provided further information for students of public service broadcasting. In addition to his own writings, there are numerous books and articles that have documented the Reithian years and his doctrines (see Chapter One). In addition to these books, there are many books and articles covering features of public service broadcasting down the years.<sup>5</sup>

Many years have now passed since Reith left the BBC and the face of broadcasting has changed beyond recognition. The advent of economic and social changes oupled with technological developments means that there are aspects of Reithian philosophy that have been superseded. Certainly, some aspects of Reithian doctrine can be even considered detrimental to the democratic process. For example, Reith declared that the BBC owed its success in part to the 'brute force of monopoly' (1949: 99). Yet, sixty years later any unitary control of broadcasting would be rightly described as undemocratic (McQuail, 1991: 70). In other words, Reithian doctrine should be analysed in a way which distinguishes between elements which have been superseded by history and those elements of public service broadcasting which are still applicable in late modernity.

There were two basic ideas that shaped and informed Reith's management of the BBC, and which are still applicable in the late 20th Century (Scannell and Cardiff, 1982: 163). The first tenet of Reith's philosophy was the belief that a public service broadcasting should be a wholly public-owned entity but *politically independent* from the state. Reith stated his opposition to direct state control in an uncompromising manner: 'The BBC should be a public service not only in performance but in constitution - but certainly not as a department of state' (Reith, 1949: 102; Briggs, 1961: 235-236). In declaring his forthright opposition to state intervention, Reith was restating the basic premise of liberal thinking: the essential mistrust of state power and the classic liberal doctrine of the (press) media as the Fourth Estate carrying out its 'watchdog function' (Curran, 1991: 29).

Yet, Reith was hostile to another essential element of liberal thought. He believed that broadcasting should be independent of any direct commercial pressures. As general manager of the privately-owned British Broadcasting Company, Reith took the extraordinary step of telling the government-appointed Crawford Committee that broadcasting should be placed under the aegis of a public-owned company: 'the trade directors of the BBC knew my views; they had seen the rationality of the argument; had given me leave to speak my mind' (Reith, 1949: 101). Reith had the advantage of looking at the problems facing the American system; a wholly commercial system. But Reith was not anti-commercial; his record of leading both public and private companies during his long career bears this out. Instead, Reith grasped the wider cultural and political importance of broadcasting; it was this idea, of exploring the wider pedagogic potential of broadcasting, that appealed to him:

'That broadcasting was a potential influence, national and international, of the highest import. That it would have been a prostitution of its worth had the services been used solely for entertainment in the narrow sense. That the informative and educational possibilities must be recognised and developed.' (1949: 99-100)

But in espousing such strong views, Reith exposed himself to a potential backlash amongst government authorities, colleagues and other interest groups. In actively lobbying for a publicly-funded broadcasting corporation, that was democratically accountable, but which remained independent of state and big business, Reith was effectively seeking a third way between state and private management of important utilities. In outlining this philosophy of political and market independence, Reith demonstrated a remarkable foresight in envisaging new forms of experimental ownership that was an 'outstanding example of the potentiality of a combination of private enterprise and of public control' (Briggs, 1961: 237). The position adopted by Reith was therefore closer to the concept of the (Habermasian) public sphere than to classic liberal doctrines.

The term public sphere is intimately linked to the rise of the liberal state. The liberal state was founded upon the basic or inviolable rights accorded to male property owners. It was as a result of these new found rights and the extension of the political franchise to the emerging property owning class that new public institutions were founded within civil society. The growth of newspapers, libraries, universities and debating societies in turn led to the formation of a new form of political power, public opinion. And the growth of public opinion inevitably reconfigured the nature and shape of political debate. The formation of these institutions collectively represented a public sphere

(Habermas, 1989: 14-23). For Habermas, the characteristics of this new political space included: protection from traditional public authorities, the Church and the state; and the accessibility of the new institutions due to the low operating costs. Such a public sphere promoted a whole series of debates as to the nature and direction of society. The rational nature of this debate, in line with the wider beliefs of the Enlightenment movement, emphasised the human progress in all spheres of life.<sup>6</sup>

Reith's second idea was that a public service should provide *cultural enlightenment*, that is to educate and entertain 'by providing everything that is best in every human department of knowledge, endeavour and achievement; and to avoid whatever was or might be hurtful' (Reith, 1949: 101, also quoted in Scannell and Cardiff, 1982: 163). In this quote, Reith is clearly associating himself with the 19th Century idea of culture as 'a general habit or state of mind', denoting the ideal of human perfection, and the related concept of culture as 'the general state of intellectual development' (Williams, 1959: xvi-xx). This, in late 20th Century terminology, would be seen as a classic statement in favour of 'high culture' as opposed to 'popular' or 'mass culture'. As Reith characteristically added: 'In earliest years accused of setting out to give the public not what it wanted but what the BBC thought it should have, the answer was that few knew what they wanted, fewer knew what they needed' (1949: 101).

In short, Reith's tight grip meant that the BBC was viewed as a cultural dictatorship which acted as the arbiter and definer of national tastes and standards (Scannell and Cardiff, 1982: 163). Today, the idea that a public service broadcasting should provide a 'cultural dictatorship' runs contrary to the central tenets of a pluralistic media system. Yet, Reith also understood that broadcasting should have a primary role in promoting cultural values required for the smooth democratic functioning of the country. Attention is therefore drawn to whether democratic values are reconcilable with the very best in human development. There is no easy answer to this question. Certainly, it is not difficult to see what Reith's own cultural preferences were. Whilst Reith trenchantly advocated a radio system to promote a wide range of values, this policy was extended to rigid centralised control, a unitary system of broadcasting rather than a regionalised system (despite the fact that Reith was Scottish). This raises the question of how a public service broadcaster can reconcile providing for a national public as well as regional publics.<sup>7</sup> Also, Reith was an early advocate of covering Christian religious ceremonies and state occasions. This raises legitimate questions of how public service broadcasters cater for minority tastes, members of different religious denominations. Reith was certainly guilty therefore of promoting a narrow range of cultural values which could well be construed as 'elitist' (Scannell and Cardiff, 1982: 163).

Yet, to write off John Reith as some sort of cultural demagogue is too simplistic. Indeed, there was also a more clearly marked egalitarian side to Reith's thinking. Reith himself argued:

'That sooner or later broadcasting would cross all paths and be recognised for what it was. That all and sundry, without let or hindrance, might enjoy the interests and diversions hitherto reserved for those with the twin keys of fortune - leisure and money; no home, however favoured, into which some new interests and pleasures might not be introduced.' (1949: 99-100)

Indeed, it was this egalitarianism that formed a key component of the Reithian model of public service broadcasting. One of the most fundamental ways in which Reith provided for the whole public was through creating a universal service. This encompassed making provisions for transmitters to be placed in rural and other outlying areas, the costs of which were prohibitive or uneconomical. The BBC was able to achieve this through the availability of a secure source of funding. Having a secure pot of money, a guaranteed income, allowed the Corporation to prioritise in line with its own public service criteria. In being able to create a framework within which to offer a

potential service to all, therefore promoting the idea of a common radio service, why should Reith seek to alienate a mass audience through elitist programming?

Whilst the Reithian concept of public service broadcasting was overtly paternalistic or elitist, the idea that certain values should be defined as preferable to other values does not necessary constitute a negative ideal. As Raymond Williams argues, some activities may actually be better than others and that distinction in values may not constitute a denial of the basic equality of being. For example, a teacher will often dictate what knowledge to transmit to a child in the hope that the child will learn. The teacher will use his or her own judgement to make conscious decisions as regards what are good and bad values. These decisions will not be reached through acts of capriciousness, but through using the skills acquired in the common learning process. They will be judgements which are, by and large, accepted as good teaching practice. Likewise, public service broadcasting must present what is commonly thought to be the best of human knowledge in every cultural sphere. The best cultural standards must be transmitted that represent a broad range of public tastes. In fulfilling this requirement, public service broadcasting will promote conditions for a common learning experience, even if , at the end of the day, success can never be guaranteed, as Williams observes:

'Nobody can raise anybody else's cultural standard. The most that can be done is to transmit the skills, which are not personal but general human property, and at the same time to give open access to all that has been made and done. You cannot stop a child reading a horror comic, or a man reading a strip newspaper, by order (unless you attempt the indignity of physical power over him) or even by argument, by telling him it's bad. You can only give him the opportunity of learning what has been generally and commonly learned about reading, and see that he has access to all that is available to read. In the end, and rightly, his choice will be his own.' (1959: 318-319)

Therefore, whilst the concept of public service is treated coterminously with citizenship

of a nation-state, public service broadcasting should encourage knowledge and understanding of other cultural traditions and ways of life. Public service broadcasting must give life to the various social and regional voices that inevitably exist within a nation-state, and make sufficient programming provision for their cultural values and beliefs.<sup>8</sup> Public service broadcasters should also provide adequate minority language programming in order to promote racial and cultural tolerance. So a public service that adheres to the principles of political and cultural enlightenment must also reflect difference. But it must also seek to understand the nature of political and cultural difference and reconcile differing opinions and values based on common experience.

Before moving away from the Reithian notion of public service, a brief summary should be made of how he conceptualises the term 'public'. Reith rarely if ever used the term mass. For him, the idea of the listeners as non-beings, that is, as targets or nameless aggregates for advertisers, or as rows of statistics for programme schedulers was an alien concept. For Reith, radio listeners were generally defined as the public, occasionally publics, and rather affectionately as 'the great audience'. In this context, the public was treated as living beings capable of growing and developing (Briggs, 1961: 239). The audience were therefore creative and interacting individuals and groups that were neither reducible to the dictates of market research or state manipulation. They were instead autonomous and active groups that could be defined coterminously with the boundaries of citizenship. Reith saw his task to encourage informed citizenry, an idea that has found numerous advocates, as Dahlgren has pointed out:

'writers as diverse as Habermas and Dewey have argued that a public exists as discursive interactional processes; atomised individuals, consuming media in their homes, do not comprise a public, nor do they tend to contribute much to the democratisation of civil society... However, from the standpoints of democracy, it is imperative not to lose sight of the classic idea that democracy resides, ultimately,

with citizens who engage in talk with each other.' (1995: 9)

Summing up, therefore: the twin strengths of public service broadcasting are that it aims to promote a set of social relations that are distinctly political rather than economic, therefore staying outwith the all-pervasive grasp of the free market, and it also seeks to maintain autonomy from state encroachment or control. The public service model seeks to treat the individual as a rational citizen rather than as private consumer pursuing narrow economic interests.

Finally, I would put forward two broad definitions of public service broadcasting that best sum up its normative functions: to provide the public with news and information, entertainment and education, and to act as a forum of debate and space for the public to recognize itself as such. The first definition comes from the senior BBC executive, Jonathan Powell, who emphasises its programming commitments. To him, public service broadcasting includes:

'the broad commitment to provide and to protect mixed and complementary programming schedules. It includes a commitment to certain minority programmes and to covering, as far as possible, different genres of programme making. Within each genre - whether within drama, current affairs, comedy, children's programmes or continuing education - there is a full range of programming, a demonstrably broad church. Public service broadcasting is driven by higher aspirations than solely to provide entertainment. Public service broadcasting is the attempt to make quality popular programmes. It does justice to human experience. It deals with more than stereotypes. It adds to the quality of people's lives. Its programme genres reflect the complexity of human beings.' (Quoted in Keane, 1992: 117)

The second definition comes from Angelo Guglielmi and Stefano Balassone, former Director and Vice Director of Raitre, who emphasise that public service broadcasting must locate and express national identity in order to facilitate talk and instil democratic values and encourage active citizenry amongst the general public.

"There are no topics that a public service must confront. Rather, it is the capacity to put its finger on the pulse of the nation and express it in its programming output. There are certain basic principles that are required if this is to be achieved: independence, prestige and quality programmes. They are the means for seeking, locating and expressing national identity." (Balassone and Guglielmi, 1993: 43)

### Public Service Broadcasting in Postwar Europe

At the end of the Second World War much of Europe lay in ruins. The severe economic and social upheavals in the wake of a long war required urgent attention. Responsibility for this havoc was blamed on a series of political and economic failures in the 1920s and 1930s: the failure of parliamentary and democratic institutions to stem the tide of extremism throughout the 1920s and 1930s; the rise of authoritarian and totalitarian dictatorships that led to the occupation of large parts of continental Europe; the economic depressions of the 1920s and 1930s, exacerbated in some parts of Europe by the debacle of the Versailles treaties and the system of reparations; a situation that was made worse by antagonistic commercial policies causing so much bitterness and resentment; and, of course, the resulting social and economic inequalities during the period of the 1930s depression.

The situation was further exacerbated by the sheer gravity of the war crimes committed during the Second World War. Yet, there was also a strong desire to avoid a repetition of the mistakes made after the First World War. Any solutions would, however, require a clean break from the nationalist principles which had guided European political thought since the late nineteenth Century. That is, postwar peace would only be maintained with the refusal to allow nationalist sentiments and suspicions to reemerge, since such feelings had been held responsible for the problems that had engulfed Europe, and were now viewed as wholly unacceptable.<sup>9</sup> Yet, whilst nationalist sentiments may have been denied, this did not involve the dissolution of the nation-state. On the contrary, the stable nation-state was viewed as being the essential collective unit in the reconstruction of the political, social and economic fabric.<sup>10</sup> The question, therefore, was how to reconcile the need for the nation-state as the primary focus for collective identity without arousing the kind of jingoistic noises associated with nationalism that had done so much to damage the continent. The subsequent policies adopted included a mixture of the following three elements: reconciliation, that required and promoted selected amnesia with regards to past events; promotion of 'founding myths' for hope and renewal; and, enactment of state-led policy measures to encourage greater political, social and economic equity (Judt, 1994: 1-4).

In addition to this three-pronged strategy, many parts of western Europe were also blessed with an economic revival that further promoted the idea of peace and stability. But the much-vaunted 'Economic Miracle' of the 1950s and 1960s occurred with the help of numerous one-off factors (Judt, 1997: 25, 31-33). In the aftermath of the war, economic growth expanded as the result of American help in the form of Marshall Aid which contributed 13 billion dollars to rebuild western Europe's economic and social infrastructure. The economic boom of the 1950s and 1960s also constituted a 'catchup' process, reestablishing the rate of industrial and agricultural production to pre-1913 levels after the successive periods of economic stagnation, depression and war. For the southern European countries, including Italy, the postwar period saw a rapid period of industrialisation; a process which was made easier due to the fact that labour costs were relatively low after the war.

Each European nation was therefore required to ensure that an economic, political and

social infrastructure existed to fulfil the wider aims of the postwar settlement. This required the active participation of state institutions, social and political parties and commercial activity to secure the postwar peace. The restoration of state and society relations in many European countries, safeguarded by new democratic conventions - Declarations, Constitutions, Statutes - constituted a unique opportunity to encourage greater civic and political democracy and economic and social equity. But for such relations to emerge and prosper required autonomous and public institutions, independent of state and market alike, in order to inform and promote active citizenry. One such public institution would be broadcasting. Although there was a common rationale of purpose behind public service - to provide information and to act as a forum for public debate - individual national systems developed in line with their own distinctive political, economic and social norms and institutional patterns. In pursuing these common objectives, each western European country adopted its own variant of the public service ideal.<sup>11</sup>

In Italy (as is explained in Chapter Four), a centralised and unitary system was promoted by the political authorities (and the Allied Forces) to encourage greater social and political cohesion contrary to constitutional provisions allowing for regional autonomy. In the Cold War era, Italy was too important to the West to be allowed to undergo social and political disintegration.<sup>12</sup> In France, the Governments of the Fourth Republic (1945-1958) maintained a public monopoly but did very little to encourage broadcasting policy. Although television services began in 1947, there were still only a million viewers in 1958. Under de Gaulle's Fifth Republic, control of broadcasting was centralised further (Smith, 1995: 68-69). In the Federal Republic of Germany, a federalised public monopoly was introduced partly to banish all traces of centralised dictatorship and partly to act as a bulwark against the future resurgence of centralised powers (Smith, 1995: 78-79). In Britain, the ITV system provided some form of commercial and regional relief to act as counterweight to the centralised BBC (Curran and Seaton, 1988: 179). Finally, other countries with multi-ethnic populations introduced multi-lingual public service broadcasting to cater for each ethnic group (Belgium - Walloon and Flemish, and Switzerland - German, French and Italian) within the national fold. Other countries also introduced limited provisions for their ethnic minorities (Euromedia Research Group, 1992: 102-103). Of the other western European countries not mentioned, there were public service monopolies in Austria, Ireland, Netherlands and the Nordic countries (Denmark, Norway and Sweden) (Euromedia Research Group, 1992: 102-104).

Public service broadcasters were protected from commercial operators in part because of the scarcity of herzian frequencies. The broadcasting monopolies were legitimised because they were held ultimately accountable to democratic representatives and not to unaccountable state power or market forces. Where limited commercial operations were permitted (Britain, 1955), they too were regulated to provide services for the whole community. Also, the dual system was harmonious to the extent that broadcasters competed for viewers but their sources of finance were kept separate, thus preventing cut backs in service provision. Most public service broadcasters relied on some form of public funding, either through a licence fee only (Denmark, Norway and Sweden), a mixture of licence fee with some advertising revenue (Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Portugal and Switzerland) or a dual system (Britain) (Euromedia Research Group, 1992: 103).

Protected from commercial operators and with a guaranteed source of income - the twin Reithian ideas of assured finance with the brute force of monopoly - allowed broadcasters to offer a universal service and target a unified audience, largely unrestrained by audience figures, commercial pressures, etc. The operation of public service broadcasting concentrated on offering a service to the whole of society rather than sections of it. That is, broadcasting allowed the public to recognise itself as citizens of the nation-state. It promoted a sense of communal belonging. That is not to say that different tastes were not catered for. Many different types of programme were produced across a whole range of subjects. But ultimate responsibility resided with the broadcasters under orders from regulators to offer a breadth of programming to entertain, inform and educate. This allowed broadcasters to be the ultimate arbiters of national taste.

Above all, governments sought to use broadcasting as a means by which to educate and inform society. In terms of education provision, broadcasters could, for instance, produce a whole body of documentaries for a general audience relating to a wide range of topics including science, the arts and nature. But education also extended towards dramatising great literary works or presenting classic social dramas. Also, minority groups could be targeted for special broadcasting provisions. The obvious example to give is childrens' television but others include regional television or linguistic minority provision. In terms of information provision, broadcasting became the primary medium for political communication and electoral coverage. Political coverage was accompanied by guidelines to ensure that a range of public opinions were heard. Finally, public service broadcasting also included entertainment provision. Whether it was purer forms of entertainment - quiz shows, chat shows, soap operas, films - or more high-brow forms - fiction, drama, plays, documentaries, such shows could attract a general viewing audience and encourage citizens to talk to each other.

At the same time, this policy of 'pedagogic enlightenment' (Bettetini, 1990: 238) not only reflected and promoted the wider hopes of renewal, but was also used as a central instrument to mediate the atomistic and dynamic effects of the postwar economic boom.<sup>13</sup> From the 1950s onwards, large parts of western European experienced an economic upturn which created its own problems and had unintended side-effects. The large increase in social migration across the continent was one such effect. And one consequence of the migratory flight towards economic hot-spots was the need for more

social provision, for more housing and better education. As a result of the economic boom, new patterns of social consumption began to emerge. The development of the modern privatised family, living in new urban tenements, increased the pressures for new cultural and leisure pastimes. A major cultural form was, of course, television. This form of broadcasting became the primary medium through which citizens could make sense of their lives and understand the nature of economic and social change affecting them. Other traditional forms of media were slowly relegated to a secondary role. The rapid fall in cinema attendance was one example, although in some countries its presence continued to be felt until the late 1960s (Gundle, 1990: 212). Television therefore acted as a unifying agent to maintain social cohesion and stability at a time when many countries were experiencing rapid economic expansion and social mobility.<sup>14</sup>

Yet, for all its positive aspects, most public service broadcasters were also state broadcasters and therefore liable to political pressures. The degree of political subservience varied from institution to institution, from country to country. In the worst case scenario or in times of national emergencies, broadcasters came under direct control of the state. In such cases, broadcasting was used as an instrument of wilful propaganda in support of government action, normally in periods of extreme political or social tension. But such occurrences were relatively infrequent even in countries with a strong tradition of centralised political interference; RAI during and after the 1948 Italian General Election (until about 1954) or the ORTF in the early years of the French Fifth Republic constitute two examples.<sup>15</sup>

The result was that state broadcasters, at times, prevented access to certain political and social groups. In Italy, for instance, the Communists were prevented from occupying any internal RAI posts. In the immediate postwar period, the party could only use its parliamentary voice to seek influence in broadcasting issues.<sup>16</sup> In France, a similar

situation existed, especially after the downfall of the Fourth Republic in 1958. The expansion of television services in France took place within the strict measures imposed by the De Gaulle government that controlled news and current affairs programmes (Smith, 1995: 68-69). Even in countries with no major Communist party, the authorities became suspicious of possible communist infiltration. In Britain, both Labour and Conservative politicians complained of possible left-wing infiltration at the BBC (Manning, 1991: 169). For many years the Secret Service (M15) vetted senior employees on behalf of the government. This still did not stop leading politicians talking about the 'Bolshevik Broadcasting Company' (Manning, 1991: 169). In West Germany, where a federal system of broadcasting had been imposed by the allies, the *Proporz* system developed whereby local political appointees gained substantial powers over broadcasting planning.<sup>17</sup> Broadcasters therefore hindered the development of the same democratic values they sought to develop, promoting a culture of mistrust.

Cold War tensions ensured that state broadcasters fell into line with the wishes of the political authorities to limit access to groups or individuals associated with Communist sympathies. Not surprisingly perhaps, many on the Left viewed broadcasting and television as a 'Capitalist Conspiracy'.<sup>18</sup> Communists appealed to their supporters using other forms of mass media: newspapers, public rallies, workers clubs, etc. Yet, such an analysis was, and remains, too simplistic since it equates an anti-communist position to that of a pro-capitalist stance.<sup>19</sup> Without wishing to imply that television was somehow anti-capitalist, it is nonetheless incorrect to say that public service broadcasting promoted unfettered conspicuous consumption. Whilst the medium of television developed in an era of increasing social privatisation, public service broadcasting promoted a wide range of ideas and values central to the reconstruction of a shattered continent and the (re)introduction of democratic life. M. Schmidt has noted that public services in postwar Germany were so pervasive because they were established on the premise of 'traumatic historical experiences and processes of learning

from political catastrophes' (quoted in Humphreys, 1994: 315). I think this was probably true, although to varying degrees, for most of western Europe.

Public service broadcasting therefore summed up many of the hopes of the postwar period. Throughout western Europe, broadcasters made genuine and lasting attempts to promote political and cultural citizenship. The assured means of funding to provide mixed programmes, and the major financial sums required for capital projects (especially to build up the whole broadcasting infrastructure), presupposed a degree of financial stability, if not actual prosperity. Its undoubted success therefore relied on a wider economic and social revival. But public service broadcasting also contributed to this revival. It helped to educate, inform and entertain (in that specific order) a continent of people, promoting civilised and democratic values. Rather paradoxically, it was also a victim of its own success. It did not always practise what it preached and was compromised by Cold War *realpolitik*. Although public service broadcasters continued to promote many of the admirable policies outlined above, cracks began to appear in the old models of public service by the 1970s. The reasons for this are twofold: 1) internal developments in the communication industries, and 2) external events, which undermined the central tenets of the postwar peace.

#### The Reform of the Broadcasting Industry

The internal threat to the old broadcasting order came from advances in technology. Public service broadcasting had been founded on the clear premise that there were too few herzian frequencies to ensure a fully pluralistic commercial system. Ever since the very beginning of radio broadcasting, Governments have acted as both negotiators of international agreements and arbiters of national wave-band allocation and distribution. Any further development or any modification of international agreements concerning the distribution of wave-band frequencies were subject to tight control at a national level. The herzian system was therefore closely bound to political judgements and national requirements. One side-effect of this was that those who advocated greater commercialism were forced to look at other technological possibilities. Such advocates found a ready-made solution in the advent of new technologies: cable and satellite.

When the first satellite broadcasts were transmitted and cable systems were laid - both in the 1960s - a new and exciting future was predicted for the international telecommunications industry. Other inventions also came to the fore in the late 1970s promoting the ideal of unlimited consumer choice (video-recorders, remote-control). Whilst the undoubted promise of new technologies was soon realised in many industries they had a rather uneven impact on the subsequent development of the European broadcasting industry. The discovery and development of new satellite and cable technologies may have undermined the consensus for the status-quo, but neither played the central role in the subsequent reorganisation of European broadcasting. Such a redevelopment was largely terrestrial in character in that it affected the internal management of herzian frequencies.<sup>20</sup> Technological developments therefore acted as a type of 'Trojan Horse' hiding other potential pressures for change. The unlimited promise of technological advances was therefore an important, but by no means, the only pressure for change. These other pressures were the external ones: the change in economic thinking in the mid-1970s marked the beginning of a new ideological era; and the rise of neo-liberal politics. It was this ideological revolution that undermined the political and cultural arguments for retaining public service broadcasting in its current form (Richeri, 1993: 52-54).

As we have seen, the implementation of the postwar peace in Europe was greatly facilitated by this sustained period of economic growth. By the early 1970s, however, the period of continuous expansion had come to an end and much of Europe began to experience fluctuating economic cycles of boom, stagnation and bust. The economic

crisis of the mid-1970s, precipitated as it was by the 1973 Oil Crisis, was the first sign of deeper structural problems for European economies. For many European Governments, one possible solution to the economic ills was to commercialise those industries that had formally been under-utilised. A prime example of this was the telecommunications and broadcasting industries. In many parts of western Europe, broadcasting was somewhat of a 'Cinderella' industry, especially compared with its American counterpart. The industry was not run on economic criteria but linked to political and cultural needs. European broadcasting systems were also national-based with no substantive international dimension to their operations. As a result, broadcasting was uncommercial and remained largely untapped by business capital, except for hardware sales and advertising where permitted (Euromedia Research Group, 1992: 103).

Governments had been aware for many years about the potential economic profits to be reaped from broadcasting. They only had to look across the Atlantic for further evidence of such commercial potential. In the immediate postwar period the question of commercial viability of broadcasting did not arise (except in Luxembourg and Britain) because of various technological obstacles and potential social side-effects. For many, the prospect of commercial television threatened the cohesion of the viewing public (a top priority in the postwar period), with the explicit fear being that this would cause social fragmentation (and the loss of an homogeneous audience). The introduction of advertising had long provoked many disparate groups to unite against what they perceived as crude promotion of consumerist ideology. Where commercial broadcasting was allowed, therefore, it was heavily restricted by government dictates. Whilst European economies were buoyant in the postwar period, advertising and marketing opportunities were under-utilised. With the onset of economic troubles, this situation began to change.

Furthermore, by the 1960s social conditions were evolving fast and this impaired the

ability of government to keep close control on the broadcasting industry. The postwar boom had produced very different social and economic conditions to those existing in the immediate postwar years. The 30 years from 1945 to 1975 saw massive social upheavals across Europe. The allocation of resources to fund welfare systems ensured that people, on the whole, were healthier and better educated. Economic growth had also led to significant increase in living standards. In many ways, the public had simply matured, especially in their broadcasting tastes, and no one company could fulfil all their broadcasting needs (Richeri, 1993: 52-54). In short, there were greater and greater demands being made on an industry which had been traditionally supply-led. In the mean time, half-way measures were taken to allow greater viewing choice whilst maintaining strict broadcasting standards and social cohesion. The decision to commence a second public service channel in the early 1960s (in Britain, Italy, Germany) created greater segmentation of the audience and greater viewing choice, but in a controlled, complementary and coordinated manner.<sup>21</sup>

Therefore, by the 1970s there were numerous interlocking but distinct pressures in favour of broadcasting change: the advent of new distribution technologies; the reemergence of political thinking welcoming greater commercial intervention; the demands of the public for more programming and services; and the constant search for economic expansion and renewal. Broadcasters could have produced one or two counter arguments; after all, limited commercial intervention did exist in most countries in the form of advertising and spare herzian capacity had allowed the advent of new public channels in the 1960s. But faced with so many compelling arguments for change, Governments gradually dismantled the old broadcasting systems. With hindsight therefore it is hardly surprising that the public service monopolies would, one by one, succumb to a commercial logic that would dominate broadcasting policy for the next two decades.<sup>22</sup>

The strategic response of broadcasters, in order to combat the liberalisation process, took different forms according to the particular relationship between the media, state and market in each country. There were three possible ways in which each organisation could deal with the onset of commercial competition. The first possible strategic response was the process of adaptation whereby the public service company would fight the private channels on commercial grounds (Euromedia Research Group, 1992: 117-118). This would entail a complete realignment of programming from the traditional emphasis on (1) education (2) information (3) entertainment to the commercial format which prioritised (1) entertainment (2) information (3) education (Achille and Miège, 1994: 33). The second strategy which could be adopted would be 'purification', that is to remain loyal to the non-commercial tradition of public service broadcasting and therefore continue and maintain the same format of programmes as previously (Euromedia Research Group, 1992: 117-118). The last strategic possibility was to search for a middle way, to compensate for the general move in a commercial direction by placing renewed emphasis on certain elements of public service provision (Euromedia Research Group, 1992: 117-118).

Of all these possible reform strategies, no European public service broadcaster chose to remain tied to the old or pure model. To remain tied to the pure model was widely viewed as untenable. Yet, only two companies chose the adaptation model or the full commercial route, Spain's RTVE and Italy's RAI (Achille and Miège, 1994: 32). The Italian case certainly denotes strong and distinct features that place it apart from many of its European rivals. Other European broadcasting companies chose the middle route between partial commercialisation and partial maintenance of their public service commitments. The overall effects for all public service broadcasters across western Europe were threefold: there was a renewed emphasis placed on audience figures; there was a net reduction in expensive programmes (especially fiction); and these were substituted by more low-cost programming.

At the same time, a series of measures were adopted to boost traditional income. The real value of the licence fee fell throughout the 1980s due to the steep increase in international programme costs and the failure to peg the licence fee to these costs rather than the more general inflation rate. The decision by various governments to peg the licence fee to the inflation rate was, in the first place, an act of political expediency: no government was prepared to countenance large increases in licence fee when other public services were being cut back. But there were practical problems that curtailed the promise of greater income from this area. A financial ceiling or upper limit for total advertising revenue was sometimes placed on state broadcasters, partly to protect commercial broadcasters who could not rely on a licence fee (Ireland), and partly to protect other (weaker or struggling) mass media such as newspapers and cinema (Italy) (Euromedia Research Group, 1992: 125). Finally, for state broadcasters who did not have advertising - the BBC - intense pressures existed to actually maintain the status quo in order to protect the interests of the commercial broadcasting industry.

All European public service broadcasting companies were therefore forced to look for new sources of income and ways in which to reduce their overheads. This was done by employing a number of different strategies. The first was to alter the structure and organisation of the schedules. In addition to exploiting parts of the daily schedules not previously utilised (day-time and night-time programming), the main tactic used here was to maximise financial revenue in relation to total programme costs with the explicit assumption that peak-time viewing would be reserved for programmes that were likely to maximise income, reduce costs, or both (ie. commercial programmes).<sup>23</sup> A second related tactic involved shifting the focus of programme acquisitions. Once again, this involved the relegation of cultural or education provision in order to cater for more popular formats such as imported fiction that could give a better audience/finance ratio. Other popular formats were music in the form of videos which were produced by music

companies to market and advertise records and compact discs. A third tactic involved extending the logic of maximising financial and audience ratios to internal company structures.<sup>24</sup> The advent of resource utilisation schemes resulted in a complete internal reorganisation of many public service companies. Such schemes are too numerous to list completely, but included: contracting out personnel and administration tasks to outside agencies; more efficient coordination of production resources (via computerisation); tendering or sub-contracting programmes out to internal departments and external production companies in order to reduce costs; and finally, to the commercialisation of the company's back-catalogue of programmes and shows via increased video sales. The effect of this policy was to restructure public service broadcasting into commercial-style companies that relied less on big in-house production centres and more on external production companies (Burgelman, 1997: 130).

Yet these solutions could only provide temporary relief for public service broadcasters. The voracious financial pressures threatened to undermine the whole ethos of free, accessible quality programming. In the prevailing political and economic climate, commercial operators were given greater freedom to run lower common-denominator programmes maximising audiences and potential advertising returns. Programmes that could pay their own way and make a handsome profit were pushed to the forefront of television schedules at the expense of the loss-making or minority interest programmes. For many commercial operators, the level of profit margin became the top priority. Even in countries where commercial television had been previously obliged to maintain a range and quality of programmes, re-regulation loosened these rules and deliberately blurred the guidelines governing programme formats.<sup>25</sup>

The effect of this competition on public service was far-reaching. On the one hand, public service broadcasters had to remain popular in order to justify licence fee revenues

and represent all its constituents, the general public. On the other hand, and in order to maintain its audience share and the legitimacy that flowed from gaining big audiences, public service broadcasters played commercial operators at their own game: increasing the output of popular programme formats at the expense of other less popular formats. It was a classic Catch-22 situation which afforded no easy or ready-made solutions (Burgelman, 1997: 129).<sup>26</sup> The need for broadcasters to maintain a public service could not always be reconciled with the (financial) pressures to attract a mass audience.

And yet, whilst there has been an undoubted decline in the 'pedagogic' public service in favour of a more 'commercial' public service approach, public service broadcasting remains a central institution and fundamental tenet of broadcasting policy throughout Europe. One might ask why this should remain so especially when the prevailing ideological wind is so anti-public service. In part, this is due to the failure of the commercial sector to provide the full range of public service provisions. Instead of reducing overall costs, the commercialisation of broadcasting has tended to increase costs for all players and created an uncertain and highly fluid market-place.

In retaining and restructuring public service broadcasting, governments have shown a less ideological and more practical hand in assessing future broadcasting needs. It may be the case, as Burgelman argues, that in adopting the middle-way strategy, most Governments have accepted the inevitability of the Reithian notion of public service being split into two sub-concepts: the media centric and non-media centric concepts of public service broadcasting (Burgelman, 1997: 129-131). The first concept is linked to the operational and organisational uniqueness of public service. Public service broadcasting is said to be organised and managed in such a way as to provide broadcasting excellence and a range and quality of programming unsurpassable by unregulated or commercial competitors. This is deemed to be no longer feasible and has effectively been displaced because of commercial pressures.

The consequence of accepting this *fait accompli* is to tacitly acknowledge that the future of public service provision depends heavily on its accomplishment of non-media centric functions. These functions relate to the role of public service broadcasting encouraging citizenship and full membership of the community. In other words, the principal role for public service broadcasters must be to encourage social togetherness: the basic human values of tolerance and understanding in order to promote a multi-cultural and multi-ethnic society. This may well be possible but it is highly unlikely unless the commercial sector is reined in to share the burden of public service broadcasting provision. Otherwise, public service broadcasting will continue to find itself in a no-win situation of either compromising its programming output to maintain audience legitimacy or financial stability (depending on the source of revenue) or becoming a peripheral broadcasting provider *all'americana*.

The development of a new era for public service broadcasting has therefore begun. RAI's experience mirrors the general development of public service broadcasting in western Europe. Furthermore, Italy has been deeply troubled by the end of the postwar consensus and changes to the European broadcasting market. But it should also be stressed that RAI has developed in line with political, economic and social development in Italy. It is therefore in a unique position. The historical development of RAI in relation to the Italian broadcasting market and its particular institutional role make comparison-making a useful, but ultimately limited means of analysis. However, two important questions have been raised in this chapter, and will therefore be addressed in the next two chapters: 1) why was the Italian broadcasting system hampered by political interference in the immediate postwar period; and, 2) why did RAI choose to downgrade its public service remit when other European broadcasters held more steadfast? At this point, therefore, we will start our analysis of Italy and RAI.

<sup>1</sup> This policy was helped by a tacit agreement between the British and Americans which prevented commercial systems being introduced in the postwar years. In non-European countries where American influence was predominant (such as Japan), commercial systems were introduced.

<sup>2</sup> Interview given to Steven Lukes in *The Daily Telegraph*, 21 September 1997, Review Section, pp. 1,2 and 4. Also, see Berlin (1956: 11).

<sup>3</sup> A good example of this neo-liberal position can be found in Del Debbio (1991).

<sup>4</sup> Although Italy's cultural heritage may been broadly defined, the country had been increasingly hindered over the centuries by fragmentary political rule and the stark inequalities in social and economic conditions across the peninsula. The political and cultural difference in 19th Century Italy should not be underestimated, therefore. See Chapter Three for this analysis.

5 Works cited in this thesis include: Curran and Seaton (1997); Euromedia Research Group (1992 and 1997); Scannell (1989); Scannell and Cardiff (1982); and Weymouth and Lamizet (1996).

<sup>6</sup> According to Habermas (1989: 185-251), it was at this point that the forces that were responsible for the growth of public sphere in effect destroyed it. It is rise of capitalism which is responsible for the emergence of the public sphere; but it is also the subsequent development of monopoly capitalism that causes the uneven distribution of wealth within society and the resulting unequal access to the public sphere. However, the adaptability or flexibility of the core ideas have allowed many academics to apply the term to modern-day media and state relations countering Habermas' own pessimism. Amongst the most pervasive arguments that the theory of the public sphere continues can be found in accounts of the history and functioning of public service broadcasting. See Garnham (1986: 45).

7 This, of course, is applicable to the Italian case and forms an integral part of Chapters Three

to Six of this thesis.

8 The extent to which these provisions differed from country to country will be discussed in the next section.

<sup>9</sup> The Second World War resulted in civil war, occupation or humiliation for most European nations. There was therefore a wide-spread sense of defeat, one that led many countries to suppress the past memories and concentrate on building once again from scratch. See Judt (1997: 26-27).

10 For reasons which have been outlined in the previous chapter.

11 In Germany, the presence of Hugh Greene in Hamburg as head of broadcasting in the British occupied section of West Germany undoubtedly influenced postwar German broadcasting policy. See Greene (1969: 42-57), and Tracey (1983: 100-107). In Italy, Monteleone quotes the Reithian definition of public service broadcasting made by Arturo C. Jemolo, the postwar President of the Parliamentary Commission for Culture, quoted in Monteleone (1992: 224).

12 See Chapter Three for a broader outline of this argument.

13 This term is taken from Bettetini (1990: 238). See Chapter Four for a full analysis.

<sup>14</sup> For Italy, this is discussed in Chapter Four. See Bettetini (1990: 238) for further argument.
For Britain and Germany, see Curran and Seaton (1988: 207), and Humphreys (1994: 321).
<sup>15</sup> I intend to develop this argument in Chapter Four.

16 See Chapter Four for further discussion.

<sup>17</sup> The Germanic Proporz system also exists in Austria and the Scandinavian countries. See Smith (1995: 79), and Humphreys (1994: 321).

<sup>18</sup> It was this kind of dismissive thinking that retarded academic debate in many European countries. For the Italian case, see Chapter Four. Paradoxically, the most vocal advocates of public service broadcasting in Europe today are the political left, chastened by the rise of the New Right and the spectre of full-blown consumerism.

19 The 'Mass Manipulation School' has always had an international line-up from the Frankfurt School onwards: In Britain, Ralph Miliband declared that the mass media provided: 'a crucial element in the legitimation of capitalist society' (1973: 197); in Italy, Giovanni Cesareo argued that the public service model of television had developed in line with the ruling bloc that created it. This system, he argued, increased the level of individualism of the consumer and atomised the audience. (1974: 157); in America, Noam Chomsky has recently reaffirmed a long-held view that broadcasters are too closely tied to state authorities and economic elites to afford any real independence (1994:110).

<sup>20</sup> In some countries satellite and cable channels have finally enjoyed notable success, including the Scandinavian countries, the Low countries and Germany. But overall, terrestrial television channels have retained the majority of the market share. Also, by the mid-1990s there were 96 nationally-based television channels in the European Community. Just 12 of these were pan-European, mostly satellite, channels. This has also exposed another myth that the advent of transnational channels would have major repercussions for national broadcasting systems. Whilst some smaller European countries have seen major encroachments of their audiovisual space by foreign satellite or cable channels, normally belonging to one of the larger European nations, there is little evidence that such channels enjoy prolonged success outside their language borders. See Burgelman (1997: 135).

21 And yet, the coordination of output still had a long-term detrimental effect on the ideal of the unified public. In Britain, television went through a golden age, and 'yet the attempt to reach a big audience (especially the working classes) while meeting public service criteria has been a creative tension' Curran and Seaton (1988: 207). For the Italian case see Monteleone (1992: 340-341) and Sartori (1993: 238).

22 Throughout the 1980s and early 1990s, barely a year passed without the liberalisation of one or more of Europe's broadcasting systems: Norway (1981 Broadcasting Act); France (1982 Audiovisual Communications Act); Switzerland (1982 Ordinance on Experimental Broadcasting), Germany (Land-based regulations from 1984 onwards, ratified by the Constitutional Court in 1986), Italy (the 1984 Berlusconi Decree, ratified by Parliament in 1985); Finland (The 1985 Radio Act); French-speaking Belgium (Decree, 17 July 1987), Wallonia (Decree, 28 January 1987), the privatisation of the French public service broadcaster TF1 (1987), Denmark (the 1987 law establishing TV2) and Spain (the 1987 telecommunication regulation law); Ireland (The Radio and Television Act 1988) and The Netherlands (The 1988 Media Act), Italy (The 1990 Radio and Television Act - the Mammì law); Britain (The 1990 and 1996 Broadcasting Acts); Sweden (The 1993 Radio Act), and finally, Austria (The 1993 Regional Radio Act).

23 This meant that education and information was sidelined from peak-time schedules in order to exploit the possibility of reaching large audiences. Any expensive fictional or drama output required a large audience. A more optimal solution was the utilisation of low-cost but big revenue programme formats, quiz shows, soap-operas, telenovelas, etc. These could be mass-produced on an industrial scale to reduce overall costs. See Achille and Miège (1994: 36-37).

<sup>24</sup> Whereas RAI had adopted the first two tactics in the 1980s, the current reform process constitutes the first sustained attempt to reform its internal structure. This is discussed in chapters five and six.

<sup>25</sup> For example, the 1990 British Broadcasting Act changed the way in which ITV was run and organised. A new franchise system (which awarded a licence by tender) intensified pressures on most commercial broadcasters to maximise their financial returns.

<sup>26</sup> At least whilst there was such reliance placed on market mechanisms.

# CHAPTER THREE

# State and Society Relations in Italy

#### **Introductory Remarks**

In the last chapter I outlined the common social conditions which facilitated the development of public service broadcasting in postwar Europe. It is also true to say, however, that each nation-state developed different broadcasting systems in line with its own internal political and social conditions, market imperatives and institutional practices (Corner et al, 1997: 5). This is clearly illustrated by the development of public service broadcasting in Italy where political elites have played a major role in governing RAI and where a unique broadcasting market has developed in the last 20 years. Given the importance of the state and market to the development of RAI and public service broadcasting in Italy, my analysis of the Italian case will start with an examination of the country's political, economic and social development. This chapter aims, therefore, to provide the reader with a broad historical appraisal of Italy in order to facilitate an analysis of RAI and its political, economic, social and institutional development.

This chapter is split into five sections. The first section traces the history of Italy and the Italian people from Roman times to the Unification of Italy in 1861 and looks at the difficulties of uniting a politically and economically divided country. Section two discusses the problems faced by post-unification governments in reconciling the new Italian state to its people (and vice versa). The third section looks at the period of Fascism and will draw attention to the Regime's terrible political and social legacy. The fourth section will highlight the positive and negative features of the First Italian Republic as it struggled to forge a democratic system from the ashes of political repression, occupation and civil war. Finally, section five will look at the political, economic and social background to the downfall of the Christian Democrats.

### Italy: The Making of a Political Union

The concept of a united Italy is more ancient than that of England or France (Hearder, 1983: 156). In the third century BC, the Peninsula up until the Arno River was unified by the Romans into a political confederation. Between 220 B.C. and 118 B.C., the Ligurian peninsula was conquered. The whole of Italy, south of the Po river, was incorporated into part of the Roman State by 89 B.C. Finally, in 27 B.C., the Emperor Augustus incorporated the rest of Gallia Cisalpina as far north as the Alpine foothills. Although political unity did not survive the fall of the Roman Empire, its legacy did (Hearder, 1983: 156). The idea of a united Italy as a political concept (roughly encompassing its current geographical borders) and as a unitary culture was understood by Dante in the 12th Century.<sup>1</sup> Dante was a key figure in shaping the idea of Italy as a nation based on a homogeneous language and culture (both heavily Florentine in influence). If the Age of Dante and the subsequent period of the Renaissance did not lead to the direct Italianisation of Europe, it left a considerable cultural and artistic legacy and certainly contributed to the Italianisation of the towns and villages within Italy itself (Burke, 1990: 14).

Yet, while the country enjoyed such breathtaking cultural and artistic developments, the political climate actually took a turn for the worse. Dante certainly despaired of the constant civil wars, especially in contrast to the cultural development. The situation had not improved nearly two hundred years later when Machiavelli wrote *The Prince*. For Machiavelli, the date of the French invasion in 1494 marked the beginning of a new period of foreign despotism in Italy. When he wrote *The Prince* in 1513, Machiavelli wanted the foreign barbarians expelled from Italy and saw the possibility of greater unity of Italian states. In the last chapter, he advises Giuliano dei Medici to lead an Italian army to force the invading French out of Italy (Machiavelli, 1991: 223-231). This was, at least, an advance on Dante's earlier notion that a German prince, as the

then leader of the Holy Roman Empire, should unite the country. The idea of seeking help from a foreign monarch was anathema to Machiavelli. Neither could he foresee intervention from the papacy in the cause of wider political unity, hence his call for Florence to spearhead the charge. But Machiavelli talked more about the possibility of unitary political action rather than any concept of nationality. Also, he never proposed (unlike Dante) that Florence should become subjected to a higher political authority (ie an Italian state).

The 16th and 17th Centuries also saw the idea of a united Italy lose ground to the rise of 'a scientific and philosophical movement espousing universal, immutable truths and ideals' (Berlin, 1956: 17). The Enlightenment movement was international in both membership and outlook. It was most closely associated with the philosopher Descartes, who urged that enlightenment thinking should purge human societies of everything that was irrational, built on superstition, or reliant on groundless foundations and replace it by reconstituting human thought and practice on rational foundations.<sup>2</sup> But whilst European monarchs from Catherine the Great of Russia to Frederick the Great of Prussia promoted the use of the French language and a cosmopolitan culture, the seeds of a nationalist push in the 18th and 19th Century were being sown. The ideas of this period ultimately undermined the whole basis of government across Europe, questioning the absolute right of monarchs to rule in the name of God and brought into the public sphere ideas supporting rational and truthful debate.<sup>3</sup>

The Nationalist movement of the 18th and 19th Century was also a reaction against much of the Enlightenment thinking (Hearder, 1983: 160). Whilst the Enlightenment emphasised the limitless potential of Man through scientific observation and experiment, the Romantic movement retreated into local and subjective cultures; the feeling of instinctively belonging to a group, community or nation. The movement

owes much of strength to the writings of Rousseau, but he also included elements of Enlightenment thinking in his philosophy, including the belief in human goodness and in a social contract. In Germany, the Nationalist movement was associated with promoting a language, rural-based 'Volk' culture inspired through the writings of Herder. It is true to say that Herder was the most influential exponent of Romanticism; this was certainly the case in Italy, where Mazzini was later heavily influenced by his writings. But even Herder was not exempt from the attitudes of the previous age. He was strongly anti-militarist and anti-Prussian. He developed his ideals in a theory of language arguing that a diversity of languages embodies a diversity of forms of common life amongst human identities (Gray, 1995: 130-133).

Italian writers of the period were less concerned with thoughts of nationalism or political independence. So when a nascent Italian nationalist movement did develop, it is not surprising that it was very different to its German equivalent.<sup>4</sup> The main difference was that the construction of Italianism as a cultural identity was based on the social customs of a small minority of people. For one thing, Italian was only spoken by educated elites. The majority of Italian people spoke in the vernacular, lived in rural and remote areas, were tied to a feudal farming agreement of tenant and landlord, and enjoyed different social customs. Therefore, the Italian movement was not born out of the vestiges of feudalism, as in Germany. In many ways, the problem of Italianness or *Italianità*, what it constitutes and who actually possesses it, has remained a salient one throughout the period of Italian unity.<sup>5</sup>

The first push towards reunification came through the efforts of Napoleon Bonaparte in the 1790s. Napoleon's march through the peninsula resulted in the creation of the Cisalpine Republic in 1797. Although the size and name of the Republic chopped and changed (according to which country France was at war with at any given time), the majority of northern Italians and the Kingdom of the Two Sicilies were organised into a

unitary political state. In the areas covered by the Republic, Napoleon's appointees imposed the French system of government: a highly centralised administrative and legal system. During the years of Napoleon's reign, the Republic benefitted from the many material improvements carried out: road and transport links, bridges, buildings, schools, etc. In addition, a new financial regime was organized (taxes, banking). Finally, the implementation of the a new administrative system and the Code Napoleon centralised the system of law-making, introducing the idea of equality for all before the law. In effect, therefore, the period of French rule swept away some of the vestiges of feudal society.<sup>6</sup>

#### The Liberal Years, 1861-1922

When Italy did achieve unification in 1861, the Italian state became an extension of the Piedmontese state. The Constitution was an extension of the Piedmontese (the 1848 Albertine Constitution), introduced by Carlo Alberto in the aftermath of political and social unrest in 1848. In turn, the Albertine Constitution was modelled on the British political system: a Constitutional Monarchy with a Parliament composed of members of the upper classes. The administrative system however was French inspired. It was a highly centralised system based on the Code Napoleon. The system introduced French-style penal and civil codes and an administrative system where local prefects were appointed by the government. Few powers were therefore devolved to the regions and provinces. The political franchise was extremely limited, and there were no mass parties in the new Italian Parliament, only loose political formations. In 1882, there were further reforms which extended the vote to about two million citizens out of a total of 30 million citizens living in the united Italy.

The problem of unification was that it had resulted in the creation of two Italies (Seton-Watson, 1968: 96). Firstly there was the 'legal' Italy: the centralised political state put

in place by the Piedmontese. The second Italy formed after unification was the 'real' Italy, corresponding to the wide social and economic disparities which existed along the peninsula and Islands and to the vast majority of Italians who enjoyed no formal civil or political rights. Massimo d'Azeglio, the Piedmontese statesman, declared in the aftermath of the unification that 'the Risorgimento has made Italy, the task now is to make Italians' (Clark, 1984: 2). It was a sentiment echoed half-a-century later by Antonio Gramsci in his famous prison notebooks. For Gramsci, the Risorgimento was a revolution *passiva* and *mancata*; it was not a truly nationalist revolution since large swathes of the agricultural masses had been bypassed completely in the process of unification. Essentially, the Risorgimento had produced a political union, a state, before it had created a nation (Clark, 1984: 2).

Therefore, the main problem was how to reconcile state to society and instil a minimum of *sensus communis* - a common civil and political culture. The majority of Italians never spoke the language and could neither read nor write. Minority groups found themselves on the wrong side of the border after Unification, and these groups continued to live and work along the length and breadth of the country: there were, and remain, Germans, French, Greeks, Albanians, Slovenians and Ladins. Geographically, southern Sicily is as far south as Tunis and Algiers (36 N), whilst in the North, Milan is closer to London than it is to Reggio Calabria (45.5 N). With such disparate social conditions, exacerbated by the long periods of foreign domination, international partition or isolation preceding unification, it is not surprising that 'making Italians' would become a long, difficult and drawn out process.

The major task facing the Italian political establishment in the post-Risorgimento period therefore was to reunite the country. The truth is however that in the immediate post-unification period, social, cultural and economic differences became worse. This is made clear by examining the relationship between the north and south. Northern Italy,

but especially Piedmont, had been the home for many of the leading liberals of the Risorgimento. The North possessed many of the expanding industrial and agricultural sectors.<sup>7</sup> It was an area rich in minerals and good quality farming land, so with the help of modern technology and the latest farming methods it became highly successful. And it was this development that influenced many progressive (liberal) thinkers who prescribed the same treatment for the south. The south however only had an abundance of sulphur mines in Sicily, which suffered from competition with the North after 1870.<sup>8</sup> The farmland in the South was poor due to deforestation, erosion and neglected by absentee landowners.

There is also a similar picture in terms of cultural competence. At the time of unification, it has been calculated that between 2.5% and 10% of the Italian people spoke the national language, based on the literary dialects of Tuscany and Rome (Forgacs: 1990a: 17). In 1861, the first census was undertaken in Italy confirmed the idea of the north/south divide. For example, the illiteracy rate for Italy as a whole was 74.7%. In the south, the numbers of illiterates surpassed their northern counterparts: in Sardinia the figure was 90%; in Sicily, 89%; and in the mainland south, 86%. This compared to the figure in Piedmont, 54%; in Lombardy, 54%, Emilia-Romagna, 78%; and Latium, 68% (Forgacs, 1990a: 18). It is not surprising therefore that profound social and economic inequalities would lead to civil unrest and social turmoil. The post-1870 period saw sporadic outbreaks of civilian unrest which cost more lives than the Risorgimento itself. The Brigand wars was the main example of southern rebellion against northern rule.

government coalitions in the years after unification tended to be fragmentary, due in part to this lack of social or economic cohesion. Political groups were therefore more interested in their own sectarian interests rather than the wider goal of Parliamentary rule in the national interest. It was a system institutionalised and recognised by the term

*trasformismo*, a term coined by the prime minister Agostino Depretis in 1876, who hoped for a 'fertile transformation of parties and the unification of all shades of liberal in Parliament in exchange for those old party labels so often abused' (Joll, 1983: 124). The transformation did not end the fragmentary political process, since politicians found that to win and retain political power precluded any possibility of dissolving political groups.

Indeed, *trasformismo* resulted in a system of politics where the retention of power was the end in itself. Any parliamentary action required a large degree of consensus, or failing that, corruption.<sup>9</sup> Difficult social and economic measures were often too difficult to introduce without numerous concessions being made. This meant that vital economic and social reforms central to the process of modernisation and encouraging the development of Italian cohesion were watered down or not implemented. Education provision is a prime example of this. The first and second Education Acts (1877 and 1911) were neither properly considered nor ever fully implemented (Clark, 1984: 50; Forgacs, 1990a: 19). This in turn hampered the development of linguistic and cultural advances. For example, illiteracy levels remained high and associated benefits never properly developed.<sup>10</sup> Newspapers, one associated benefit of increased literacy rates, tended to be read by very few people with pronounced social and regional differences in newspaper sales due to major socioeconomic disparities (Forgacs, 1990a: 23). Their subsequent development, even in the post-Second World War period, was comparatively slow.<sup>11</sup>

Other social reforms, whilst forthcoming, tended to be voluntary measures or piecemeal. Only major investments made in railways mitigated the lack of social development. The result bred public apathy towards the parliamentary system and discontent throughout the peninsula. The cumulative effect of corruption on such a

grand scale and of such an ineffective legislature was, in the words of one historian, highly detrimental:

'The result in the generation which grew up after the achievements of the Risorgimento was a growing disillusionment about Italian life and politics and a growing desire for a radical change, whether by revolution or by a war for national expansion.' (Joll, 1983: 126)

If radical change or revolution was unlikely, national renewal through warfare resulted in further misery for Italy. The development of a belligerent Italian nationalism in the post-unification mirrored the wider rise of national demands at the end of the 19th Century. In the Italian case, however, plans to expand and create an Empire were intimately linked with internal problems and social discontent. But the defeat at Adowa in 1895 thwarted Italian plans for expansion along northern Africa for years. Italy's inclusion in the First World War on the side of the Alliance powers proved disastrous (even though it won the war). The Battle of Caporetto in 1917 was a national humiliation and the subsequent peace treaty, which denied Italy the spoils of war promised by the Alliance, compounded the humiliation. There were none of the African colonies nor expansion along the Istrian coast as promised by the Alliance; it was called the 'mutilated peace'. The question of the vittoria mutilata was a continuous thorn in the side of successive governments in the postwar period. Indeed, it was one reason for the failure of liberal democracy in Italy. The campaign by the leading poet Gabriele d'Annunzio led to the occupation of Trieste in direct contravention of the peace accord. It was left to the Fascists to exploit national insecurity to the full: the African campaign in 1936 ended with a victory in Abyssinia that secured Italian national pride for a short period prior to the calamitous war and civil war between 1943 and 1945.

# The Fascist Dictatorship

The meteoric rise of an ex-socialist newspaper editor, Benito Mussolini, was built on the widespread discontent felt by many Italians in the postwar years, and also on the ideological battles taking place throughout Europe after the 1917 Russian Revolution.<sup>12</sup> The inability of the political system (due to its instability and large-scale corruption) to solve Italy's chronic economic and social problems, led to the rise of new parties on both extremes of the political spectrum. In the aftermath of 1917, socialism made inroads into the northern industrial areas. But the formation of the Fascist party had a wider support base amongst Italians. Mussolini was backed by a disparate coalition of groups including big business and petite bourgeoisie. The inability of Liberals to form a new government led to the so-called march on Rome of October 1922, which brought the Fascists on an overnight train from Milan to Rome. The King appointed Mussolini head of a coalition little changed from its predecessor. But what followed was the gradual erosion of the parliamentary system of government in Italy.

Whilst essential political rights were abolished under the Fascists, one feature of Mussolini's political policy was his promise to modernize and renovate Italy in the style of the Roman Empire. It was this sense of *sacro egoismo* that pushed Fascist nationalism. The plans to expand along the North African coast was a direct appeal to the greatness of Roman past and the promise of a great Roman future. Yet, beyond the nationalist rhetoric of modernisation and expansion, what Mussolini understood by the term modernity remains somewhat ambiguous. He was somewhat suspicious of committing the regime to the urbanisation of society or the industrialisation of society. Under the Fascists the structure of industrial output never altered significantly. One reason for the hostility towards pushing industrial production at the expense of agricultural production was the threat of Communism. Yet, at the same time, the industrial north and the business community were important constituents for the

Fascists. So the government was not totally against industrial growth partly for fear of losing powerful supporters. However, all this meant that the government turned away from the economic liberalism of the early years and became more interventionist. The interventionist policy preached by Fascists was overtly militaristic not social (Clark, 1984: 263-268). There was little productive social legislation and in many ways Italy remained a backward country.<sup>13</sup>

In the field of industrial policy area, however, the Fascist government had a longer and more enduring legacy. The move from a liberal economic policy to an interventionist policy brought about a rise in state involvement. In order to aid private companies struggling in the years of the Great Depression, Mussolini instituted a number of plans whereby state industries would take over ailing commercial companies. The formation of IRI (Industrial Reconstruction Institute) in 1931 was the major body handed the task of reforming Italian industry. To enjoy full flexibility in its commercial operation, IRI was classified as a state-holding company, part of a wider para-state: companies that would be wholly owned by the state but which would enjoy company status in order to operate in commercial activities. The advantages of such companies were that state help could be sought in times of crisis. This happened to the radio company EIAR (*Ente Italiana Audizione Radiofonica*) in 1933. IRI therefore took over the operations of the radio company and was also charged with the rebuilding of the newly formed RAI in the postwar period. This helps explain the particular institutional position of RAI and other para-state companies (See Aims and Objectives).

The colonial war in Africa (1936), Italy's first post-Risorgimento military success, and the defeat of the Communist threat won Mussolini many admirers in Italy and abroad. But the political repression of opposition parties, the denial of basic civic and political rights, and the delay in implementing many vital economic and social policies, all ensured that large parts of Italian society would never become reconciled to the Fascist

state. Under such circumstances, it was not surprising that Italy should implode into bitter internal fighting after the downfall of the Fascist regime in 1943. The subsequent invasion of a foreign army in the north (Germany) and south (the Armistice with the Allies) brought Italy back to the dark period of the Middle Ages; a country under foreign occupation with compatriots conducting a bitter civil war, split by irreconcilable differences: a bleak situation which Dante Alighieri would certainly have recognised.

#### The First Italian Republic

In 1945, the Italian nation was at a low ebb. The very concept of nationhood entailed explicit overtones associated with the regime of the 1930s. Yet, at the same time the reconstruction of Italy (along with the rest of Europe) would require the presence of a strong social cohesion and sense of collective identity. Ties of allegiance extending beyond familial bonds to wider cultural symbols were required for renascent political and social bridge-building. The destruction wrought on France, Italy, Germany, etc did not entail the dissolution of the nation as a political, economic and social reference point. Instead, their revival was deemed essential to the Allies in order to combat the new declared enemy, Communism. Identity and allegiance in Rome, Paris, Bonn, therefore, became synonymous with differentiating against the communist enemy in the era of Cold War.

In Italy, however, the situation was made even more difficult because the task of renewal was hampered by traditional problems, notably the struggle to reunite the diversity of groups and communities to the country's political institutions. The Italian people had suffered years of occupation, hunger and disease. There was much anger directed to the state institutions for their collaboration with the Fascist party. In 1946, for example, the Monarchy was ousted in a popular referendum that brought in Italy's First Republic. So the problems facing the new postwar government required urgent attention if serious social unrest was to be avoided. The immediate postwar years saw the anti-Fascist alliance tending to the more urgent needs whilst convening a Constituent Assembly to construct a new Constitution. The restoration and reconstitution of basic political and civic rights denied by the previous regime constituted an improvement in itself. The provision of basic social and economic norms and responsibilities also constituted a qualitative improvement in the formal rights of Italian citizens.<sup>14</sup>

Once the work of the Constituent Assembly had been completed, few doubted that old battles would reemerge. When the Christian Democrats (aided by the Church and the Americans) gained victory in the 1948 elections, they were able to undermine the power of the many state and para-state institutions and turn them into fiefdoms of political patronage (Spotts and Wieser, 1986: 2-4). The Christian Democrats were helped in this task because many elements of the pre-Republic state machinery still remained and because a majority of civil servants supported the party. There were a number of historic reasons why the civil service supported the Christian Democrats en masse in the post war period. To start with, many civil servants originated from the south of Italy, one of the heartlands of Christian Democrat support. This was a legacy of the Giolitti government which used the civil service as a means of stimulating job prospects for the otherwise impoverished south. It was a system continued by the Fascists to gain political support. They were further helped because the average pay of the civil servant remained poor, dissuading northerners from entering into the profession. The rates of pay in the northern industrial zones were a lot higher in comparison to the civil service.

Furthermore, the policy of *epurazione* - the purging of the old Fascist state apparatus - in the postwar years had failed because Fascist membership had been obligatory for all civil servants in the prewar period and to sack the whole civil service was seen as being impractical (Ginsborg, 1990: 92). At the same time, however, many argued that the consequences of such purges would be further civil conflict. The decision was

therefore taken to curtail this policy. The role of the state institutions in Fascist crimes became buried in order to promote the new Italian order (Judt, 1994: 2). Talk about the policy of purging the old system, however, gave rise to the first myth of the new Republic:

'In republican Italy... administrators, policemen, and others who had served the old regime and its foreign paymasters were often left in place, the reality of the continuity they represented overlain by a myth of renewal and revolution.' (Judt, 1994: 3)

Many civil servants were therefore content to transfer allegiance from Fascism to the Christian Democrats in the postwar period. The postwar period also saw the continued development of government special agencies controlling many of the major social and economic institutions (railways etc), each constituting a separate and autonomous bureaucracy, and which resulted in separate enclaves of influence and power within the state (Ginsborg, 1990: 147). An example of a parallel bureaucracy was EIAR. Here too, the old management had not been purged (Cavazza, 1979: 84-85). At the end of the war the management hierarchy of renamed RAI (*Radioaudizioni Italia*) broadly supported the Christian Democrats. This is, in part, why the Christian Democrats were able to use RAI so effectively in the 1948 election.

Despite these obvious parallels with its predecessors, the Italian state enjoyed considerable success in the postwar period. Successive governments undertook substantive industrial and agricultural reforms, which resulted in Italy becoming an industrialised country. Often, it was state industries that took the economic initiatives that led to increasing growth. It was state intervention in the south that secured more jobs and investment for the people of those lands. Finally, the Italian government was at the forefront of negotiations between European partners which culminated in the formation of the EEC in 1957. Economic expansion had immediate and positive spin-

offs for social provision. The increase in educational provision, cultural provision, health spending, social housing, etc., ensured that there would be major improvement in the living standards and the quality of life in Italy.

Italian society therefore enjoyed many of the benefits accrued in the postwar years. But social unrest remained. In part, such unrest was caused through government failures to deliver long-held and legally entrenched promises (across a range of social issues). In the new Republic, groups within society could unite to demand that civil rights be respected and that social provisions be implemented. Even the Communists remained key political operators at a local level and played a positive role in ensuring that governments stuck to the letter of the Constitution. Yet, in the background, many problems remained. The upsurge in terrorism and Mafia crimes in the 1970s and state involvement in numerous scandals undermined its integrity. The downturn in the economic cycle also highlighted the woeful inefficiencies of state administration, especially at RAI. Finally, the fall of Communism undermined coldwar allegiances in Italy. Italian society then turned on the Italian state and major political parties with major consequences for all.

#### **Political Troubles and National Tensions**

The collapse of the old political regime and the resulting winds of change blowing across the Italian peninsula since 1992 were both unforeseen and dramatic. The downfall of Christian Democrats governments in Italy after almost forty five years of continuous political leadership made it the first western government party to resign, dissolve completely and then reform under a new name. In the post-1989 period, this was a practice associated with fallen Communist regimes, but not western governments. There was no one cause for the collapse of the Christian Democrats and their allies. Instead, there are a number of interlocking reasons: some are more historical in nature and include the continued absence of a viable or alternative

opposition which could take over political control. This was also a major problem in previous Italian regimes whereby opposition was continually absorbed into the governing elite. Yet, this alone does not explain the nature or timing of the crisis. Nor was the crisis inevitable in the way some commentators argue (Ginsborg, 1996: 19-20). Instead, there are a complex set of events which together best explain the details thus far known.

The end of the Cold War was a direct causal factor in the downfall of the five government parties in Italy. The Christian Democrats buoyed by the defeat of their great enemy (the Italian Communists having changed the name of the party months before the collapse of the system in the eastern bloc) continued to rule the five-party coalition. But under the surface the problems suppressed for so long began to grow, including a deepening of resentment felt in the north against the central government in Rome. For example, taxes raised from the industrially rich North paid for projects in the poorer South or for state-controlled industries dominated from Rome. By the late 1980s, federalist and separatist parties had sprung up demanding economic independence from Roman interference. Oft-repeated claims included allegations that taxes were being squandered by the Christian Democrats for their own political reasons and that money was being paid into Mafia-controlled regions in the south. People were no longer constrained to vote Christian Democrat purely to keep the Communists out of power, especially in the North, and were better able to protest against the Roman political hegemony. In short, the electorate responded with a new found freedom.

Even politicians and other leading state officials openly expressed contempt for a democratic system in urgent need of reform. Firstly, there was the system of proportional representation used in Italy which constantly resulted in weak and fractious governments and was responsible for much of the political clientelism. In an attempt to change this system, a leading Christian Democrats politician, Mario Segni, set up a referendum campaign to abolish the multiple-choice preference vote. Segni, who had

fallen out with many in his own party and also with the Socialists, led a lone battle against the established parties and much of the mass media. It was therefore a triumph for Segni, when in a referendum held in June 1991, Italians voted to change the voting system. This was the first sign of public discontent. It was the start of a series of events which would eventually bring down many of the country's ruling elite.

The vote in June 1991 was, of course, a sign of wider displeasure. It did not only represent discontent about the mechanics of the electoral system, but discontent with the workings of the state in general. The state institutions had become hardly more than a series of fieldoms governed by the political appointees. In many sectors, jobs were only given to those holding the party card with the result that state power was essentially dispersed to the parties and it enjoyed little effective autonomy or independence. The state became a despoiler of citizenship instead of promoting it. The bestowal of state patronage created wider disparities in the quality and level of state services throughout the country. Also, such disparities extended beyond state services to include the question of state income. Politically orchestrated tax avoidance was seen by many as a another example of a corrupt state. For many Italians, left with a highly complicated and unequal tax system, an expensive but ineffective state health-care system, unfinished public projects, crumbling buildings, confidence in the whole political process waned.

Yet, there were other reasons for the discontent, including a deepening economic crisis. Italy's economic performance in the period after the oil crisis of the mid 1970s had been good. Performance indicators show that throughout the 1980s the Italian economy continued to grow at a healthy rate. For example, between 1979 and 1990 GDP (Gross Domestic Product) rose by 50%, well above the average for the rest of the EC (Ginsborg, 1996: 21). But there were negative consequences of the economic boom. To begin with, much of it had been financed by loans, resulting in an explosion of public debt. The main culprit here was the Italian government. In the 1980s, public

debt rose as the government produced a budget deficit year on year. This situation may not have become so serious, however, if it had not been for international pressure. The negotiations leading to the Maastricht Treaty in 1992 outlined the framework for European Monetary Union, including stringent convergence criteria for aspiring entrants. The two economic requirements of the treaty for Monetary Union were that public debt should be no more than 60% of GDP, and that the budget deficit should be no more than 3% of GDP.<sup>15</sup> If we consider the position of Italy in 1992 when the Treaty was signed, her precarious economic plight can be understood: public debt stood at 103% of GDP, and the budget deficit stood at 9.9%. In addition, the Inflation Rate was at 6.9%, well above other leading EU members (Ginsborg, 1996: 22). The result was increasing international pressure on the government to rectify the errors of the late 1970s and 1980s in allowing public debt to spiral. The pressure resulted in the start of a prolonged crisis of confidence which culminated in Italy's withdrawal from the ERM in September 1992.

The period of greatest political turmoil came in the period 1992 and 1993. The first trigger point was the news of the investigations conducted from Milan into political corruption and from Palermo into links between the Mafia and the political establishment. Both investigations heavily implicated the Christian Democrats and their allies. The elections that followed shortly afterwards in April 1992 signalled the beginning of the end for the five-party government coalition. Deprived of their overall majority, a period of political instability followed. Within a year of the vote, Craxi, Forlani and Andreotti would all become victims of the corruption and Mafia investigations.

May 1992 saw a rise of civil discontent sparked by a Mafia atrocity, but symptomatic of wider concerns. On this occasion, the protest was part of wider Italian and international outcry at the savage murder of Judge Giovanni Falcone. A little over a month later,

another anti-Mafia Judge, Paolo Borsellino was blown up in the centre of Palermo. A palpable sense of shock and grief led to a wave of civic protest, especially in the South and the atrocities spurred on the wider Mafia and corruption investigations.<sup>16</sup> And when the Amato government tried to curtail the corruption investigation, public opinion remained hostile to any form of amnesty for corrupt officials. The fall of the Amato government, brought to power a government consisting of 'technocrats', under the leadership of the Governor of the Bank of Italy, Carlo Azeglio Ciampi. The Ciampi government marked the end of 45 years of continued Christian Democrat dominance. The task of the new government mirrored that of other 'crisis management' governments in Italian history. The two main tasks of the new government were to introduce new institutional reforms that would satisfy and restore public confidence in the political process, and to decide the best set of economic and social policies to repair the damaged fabric of Italian society. As in the postwar period, the role of broadcasting would assume particular responsibilities in achieving these aims.

<sup>1</sup> Dante's own pessimistic oratory on the state of 13th Century Italy is summed up by some famous lines from Canto VI from *II Purgatorio*.

<sup>2</sup> In line with this strand of thinking, Italian writers of the Enlightenment, for example, Cesare Beccaria and Pietro Verri, identified themselves more with their European counterparts rather than with the peasant masses spread along the peninsula, and promoted the idea of reforms in Lombardy under the Austro-Hungarians rather than independence from Empire.

<sup>3</sup> Hence, the rebellion against the twin powers of Feudal Europe, Monarchy and Christianity and the subsequent emergence of the liberal state, forerunner to the democratic state. See Chapter Two.

<sup>4</sup> The earliest exponent of a political revival was a Piedmontese dramatist Vittorio Alfieri who used the word Risorgimento to express these demands. Yet, Alfieri's audience was drawn from social elites not the rural masses. Also, there were other elements of thinking in his work and other important novels of the era that attached the dream of the Risorgimento to ideals of freedom and liberty for the people. The Piedmontese writer Carlo Denina in his book 'Revolutions of Italy' also wrote in the tradition of the Enlightenment, although influenced by Herder. Finally, the greatest Italian writer of the 19th Century, Alessandro Manzoni was a grandchild of the Italian Enlightenment thinker, Beccaria. Although Manzoni played an ambiguous part in the Risorgimento, he too could not fully escape the ideals espoused by his grandfather nor escape the ideals of egalitarianism prevalent in the early 19th Century. See Hearder (1983:161-162).

<sup>5</sup> In many respects, RAI inherited this problem. In order to target a mass television audience, RAI had to educate Italians. This, in part, explains why so much emphasis was placed on providing a pedagogic television service from the late 1950s through to the 1970s. See Monteleone (1992: 302).

<sup>6</sup> Despite the fact that the Congress of Vienna restored the pre-Napoleonic political borders, the Napoleonic era had a profound effect on the long-term political development of Italy.

<sup>7</sup> In some respects the use of the North - which usually includes the Central Duchies and Emilia Romagna- and South dichotomy to explain away the social and economic disparities by making large sweeping statements over two different, but homogeneous areas, is misleading, for it overlooks a number of historical developments of its own. To say that the North and the South have their own uniform political, social and economic histories is wrong. There has never been a 'North' Italian language and a 'South' Italian language. The process of making Italians would undoubtedly been made simpler if there were just two sides to the story. See Forgacs (1990a: 18).

<sup>8</sup> Not only was the south damaged by the more industrially and agriculturally-developed north, but also international trade and trading disputes often conspired against the south. One example is the Italian-French trade dispute which cut the south out of the lucrative French wine market.

<sup>9</sup> Many parallels have drawn between the system of *trasformismo* and the system of *partitocrazia*, the rule of parties. See Chapter Four for further discussion.

<sup>10</sup> If we compare the illiteracy rates at the time of the Second Education Act, there were some notable improvements, but regional disparities continued: Piedmont, 11%; Lombardy, 13%; Emilia-Romagna, 33%; Latium, 33%; mainland south, between 58-70%; Sicily, 58%; Sardinia, 58%. See Forgacs (1990a: 18).

11 A situation that never improved greatly. The emergence of a national press never took place until the 1970s. Even today, provincial titles tend to have small numbers of readers outside of their place of origin. The numbers of readers remain low. see Clark (1982: 35-41), Forgacs (1990a), Guglielmi and Balassone (1993), Chapter One and Castronovo and Tranfaglia (1995).

<sup>12</sup> See Joll (1983), Chapter 11 for a wider discussion on the nature of Fascism.
<sup>13</sup> For a social analysis of the south, Carlo Levi's *Christ stopped at Eboli* still remains a classic text.

14 Like all major statutes and laws, the 1948 Italian Constitution has been subjected to a long academic debate and different interpretations. By highlighting its core elements an overall picture can be made of its primary political and social principles. Article Two contained a declaration of Human Rights whether as an individual or association. Article Three of the Constitution was a declaration of equality for all, 'that all citizens have equal social dignity and are equal before the law, without distinction of sex, of race, of religion, of political opinion, of personal and social condition'. This was a classic liberal statement. The next paragraph of Article Three goes beyond this towards a more socialist standpoint, 'It is the task of the Republic to remove obstacles of an economic and social nature which, limiting in fact the liberty and equality of citizens prevent the full development of the human personality and the effective participation by all workers in the political, economic and social organisation of the

country'. Democratic rights were enshrined by the election of a Parliament based on Proportional Representation (changed in 1993 to a different version of PR), the election of Regional Assemblies (not enacted until 1970), and provisions granting the use of direct Referenda. The Lateran pacts of 1929, whereby the Catholic church formally recognised Italy's right of self determination in return for the recognition of Catholicism as the official state religion, were included in the Constitution. The Constitution symbolised the compromise

between liberalism, socialism and the Catholicism (Sassoon 1986b: 195).

15 Quoted from the Treaty of Maastricht, abridged and annotated version, published in the *Independent on Sunday*, 11 October 1992, p. 11.

<sup>16</sup> Ginsborg (1996: 27-32) points out that the level of civic unrest was far more widespread in the South than it was in the North. He compares the lack of active support for the Tangentopoli investigation in the North due primarily to a clash of values. Temporarily at least, Robert Putnam's geographical and historical location of Italian civic virtue seemed to have been turned upside down.

# **CHAPTER FOUR**

# Public Service broadcasting in Italy: An Historical Appraisal

#### Introduction

This chapter is split into six sections. The first section looks at the development of RAI in the immediate postwar period under Christian Democrat control. Although the Christian Democrats sought to exert tight political control over RAI, their efforts were increasingly frustrated by damaging rifts within the party. The second section looks at the role of the Catholic Church in RAI's affairs. It can be reasonably argued that the Church's influence over broadcasting affairs was also progressively undermined by splits within its own ranks. The third section looks at the position of the Communists in relation to public service broadcasting. Relations between the Communists and RAI were marked by mutual distrust, although the Communists ultimately softened their attitudes to broadcasting partly as a response to the decline of other 'traditional' working class pastimes. Section four shows how RAI was able to take advantage of prevailing political, economic and social conditions in order to expand and improve its broadcasting services during the 1960s. Section five examines the gradual downfall of Bernabei and attributes this to a rise in social unrest in Italy and the failure of the company to satisfy its critics' demands. Finally, section six looks at how public service broadcasting was compromised by the rise of commercial competition in Italy and by a new form of political tutelage over RAI: lottizzazione.

# **RAI** in the Postwar Period

The management of European public service broadcasting in the Cold War era closely mirrored the positive and negative aspects of the wider postwar settlement. In Italy, RAI played a central part in promoting the postwar idea of hope and renewal. It did this through the promotion of particular forms of social togetherness or national inclusion. Radio and television programmes promoted a plurality of ideas and discussions on a whole range of important issues.<sup>1</sup> The company also followed the classic Reithian idea of presenting in broadcast form the best of human achievement (Bettetini, 1990: 238). During these years there was also a deliberate and concerted attempt by the government and broadcasting authorities to target a 'unified' Italian public (Monteleone, 1992: 196; Cavazza, 1979: 96). Public service was 'progressive' therefore insofar as it promoted the policy of educating the Italian public through the provision of a universal and accessible service. RAI covered a wide range of programme formats that played a formative role in Italian cultural development. The result of this model of broadcasting meant that the Italian people developed and nurtured collective or familial viewing habits over an extended period (Monteleone, 1992: 426).

Of course, whilst the authorities encouraged a unified national culture, this did not equate with an inclusive culture. Acts of inclusiveness were also accompanied by instances of political and social exclusion. Firstly, RAI was dominated from Rome at the expense of its regional centres. This was despite repeated demands for greater devolution in line with wider constitutional and legal provisions. RAI also excluded key political groups from broadcasting activities. The main political party excluded from the levers of broadcasting power was the Italian Communist Party, despite the fact that the party had long argued for democratic not revolutionary change.<sup>2</sup> But the policy of exclusion extended itself at various times to other political parties, social groups, and even, at times, to *correnti* (factions) of the predominant coalition partner, the Christian

Democrats. Arguably, therefore, RAI hindered the same democratic process it was seeking to promote.

The whole ethos for publicly-run broadcasting services in Italy was compromised by two developments in the 1970s: the 1975 Broadcasting Act that, arguably, reinforced the political control of RAI and the formal ending of RAI's monopoly by the Constitutional Court in July 1976. In the face of competition, RAI could no longer force the pace of broadcasting change and development. This has had a damaging effect on the management of public service broadcasting in Italy. RAI took the conscious decision to disregard much of its previous broadcasting philosophy in order to chase audience revenues. Instead of treating the audience as political and cultural citizens, RAI treated the audience more as consumers. And although other public service broadcasters in Western Europe were placed under similar commercial pressures, RAI was the first public service to head down the commercial route.

One of the first decisions made in the liberated parts of Italy was on 26 October 1944, when EIAR changed its name to RAI in an attempt to break with its Fascist past (Forgacs, 1990a: 96). Such a symbolic change did nothing to improve the dire condition of the Italian radio network. The immediate priority for the Italian government post-1945 was to ensure a swift reconnection of the basic social services required for the proper functioning of society: communications, education, fuel-supplies, health and housing, etc. Radio communications in 1945 were dispersed amongst different anti-Fascist groups. Hence, one immediate motive for the rejection of a commercial radio system in Italy was the general disrepair and fragmentation of the liberation on 25 April 1945 was to reunite the fragmented radio network and reconstruct a national network based on the notion of providing a public service to a national community (Monteleone, 1992: 196).<sup>3</sup> This was carried out by successive coalition

governments comprising all the main anti-Fascist parties.

The decisive break within the anti-Fascist alliance came in March 1947. Alcide De Gasperi, the Christian Democrat Prime Minister, under intense pressure from both internal and external forces ditched the Communists and the Socialists from the government. Internally, the Catholic hierarchy had warned De Gasperi that the Church could no longer countenance any further cooperation with the 'atheist' enemy. Externally, the American government, especially after the publication of the Truman Doctrine in March 1947, had made plain its belief that De Gasperi should adopt a strict anti-Communist policy. Another factor in the timing of De Gasperi's decision to exclude the left-wing from power in May 1948 was that by that time the work of Constituent Assembly, which had been elected in 1946 to draw up a new Constitution, had nearly been completed. De Gasperi could therefore dismiss the opposition without jeopardizing this historical constitutional agreement.

Constitutional provisions for the mass media were contained in Articles 21, 33, 41 and 43 of the Constitution.<sup>4</sup> The importance of these articles will become apparent as this chapter progresses. In addition to the constitutional provisions for the media, specific legislation for the new RAI had been set out in a government decree, No. 428, dated 3 April 1947. The aim of the decree was to ensure the proper democratic management of broadcasting. The effect of the decree was anything but the democratisation desired. Responsibility for overseeing RAI was given to two watchdog authorities: a consultative committee overseeing cultural, artistic and educational policies; and a parliamentary committee, set up to oversee the political independence of broadcasting and the objectivity of news coverage. The parliamentary committee, which was made up of 30 members chosen equally by the two Presidents of the two Houses of Parliament, passed on decisions and recommendations to the President of the Council of Ministers (the Prime Minister) to implement. This made the role of the President of

the Council of Ministers, who until 1953 was De Gasperi, crucial in two respects: first, he acted as a filter for all the Commission's decisions; and second, he acted as a buffer between the Commission and RAI (Cavazza, 1979: 87). In reality, the decree gave extensive powers to the executive.

These extensive powers were supplemented by the rules governing the appointment of RAI's Administrative Council as defined in RAI's Charter. The Council members were appointed by the executive and RAI's parent company IRI, whose own board were political appointees. The Council had the responsibility of managing the day-to-day affairs of the company (Pinto, 1980: 87). After 1948, therefore, the Christian Democrats, aided and abetted by the old guard inside RAI and the legislative powers of the executive, was able to occupy and take effective control of broadcasting.<sup>5</sup> The Christian Democrats, under the leadership of De Gasperi was relatively united party and was therefore able turn RAI into a vehicle of anti-communist propaganda, which was the hallmark of these years (Monteleone, 1980: 161). The period 1948-1954, before television transmissions began, and when Cold War fervour was at its height, was the time when the Christian Democrats had their greatest hold over RAI (Forgacs, 1990a: 114-116).<sup>6</sup>

Television broadcasting began in January 1954. The first effect of television on RAI was the change of name it provoked. RAI now became *Radiotelevisione Italiana* instead of *Radioaudizioni Italia*. The start of television broadcasting also coincided with a campaign by the Christian Democrats to expand its membership base. This came after stinging local election losses suffered by the Christian Democrats 'n 1953. De Gasperi wanted to construct an identity for the Christian Democrats as a modern and dynamic liberal-democratic party and curb its over-reliance on Catholic associations. The Christian Democrats had good reason, therefore, to maintain the levers of control over RAI. The party was facing, however, major internal problems. De Gasperi, who

had been a great unitary figure for the party, resigned in 1953 due to an illness which was to prove terminal. He was unable, therefore, to prevent the gradual fragmentation of the party into *correnti* or factions. The arguments, as to what direction the party should take, came to a head at the Naples Congress in 1954.

The two main groups to emerge from this conference were the right-wing Nationalists led by Mario Scelba and Giuseppe Pella, who supported a strictly Catholic stance, and the moderate Progressives led by Amintore Fanfani which favoured pursuing a more modern and dynamic agenda. Therefore, as Ginsborg points out, permanence in power did not necessary equate with unity of purpose (1990: 154). Permanent tensions could be identified on at least three levels: first, at an ideological level, the traditional social theory of the Catholic hierarchy lay uneasily alongside an ever increasing stance of some factions of the Christian Democrats towards liberal consumerism; second, the interclassist make-up of the Christian Democrats ensured that there were always battles over resources and the direction of state action; third, the death of De Gasperi led to greater fragmentation. This did not mean that the Christian Democrats could not act in concert. The party was undoubtedly united by a common loathing of the Communists. Also, a majority of the party was in favour of modernisation and economic growth. It was Fanfani who emerged from the Naples Congress strengthened. His ideas were to encourage political activism in all social areas, including communication, with the need to educate and meet the aspirations of the people in creating a liberal-democratic Italy. Such activism was promoted with the specific aim of creating a modern Catholic culture (Ginsborg, 1990: 167).

The long-term effect of Fanfani's policy was to undermine a united Christian Democrat strategy on broadcasting issues. From the mid-1950s onwards, there was a small but discernible shift in political thinking which had a major impact on the management of public service broadcasting in Italy. This change in political thinking eventually led to

RAI enlarging its programming remit to encompass a greater plurality of ideas covering a wider range of social and political issues. Whilst such changes took years to fully materialise, by 1960 even the Communist leader Palmiro Togliatti had made his debut on television in a new political programme, *Tribuna Elettorale* (which became *Tribuna Politica* in 1961). But whilst RAI did become more receptive to wider political and social opinions because of Fanfani's influence, the change in political thinking was also facilitated by a change of attitude on the part of other religious, political and judicial institutions in Italy: the Catholic Church, the Italian Communist Party and the Constitutional Court.

# The Catholic Church and Broadcasting

The Catholic Church had a two-pronged strategy in its media relations. Firstly, it could assert influence on RAI by virtue of the strong position of the Christian Democrats party. But like the Christian Democrats, the Church also wanted to create outlets for Catholic opinions in civil society by occupying key positions in the mass media and beyond. Indeed, television and radio were not the only media that concerned the Papacy. In 1948, the Papacy set up a Commission to monitor cinema output in Italy. This Commission was often highly critical of the corrupting influence of Hollywood films as well as Italian Neorealist cinema. In 1954 this Commission was extended to cover television and radio. The Commission had an advisory role and monitored media output (Monteleone, 1980: 215).

Under the leadership of Filiberto Guala (1954-1956), RAI's Adminic rative Council helped in the Church's aim by promoting the policy of self-censorship within RAI, which prevented any programmes being shown which were considered unsuitable. Many on the political left thought that RAI, under Guala's direction, was an arm of *Azione Cattolica*, the main Catholic organisation (Monteleone, 1980: 215). To portray

Guala as merely an instrument of the Catholic hierarchies (or clerico-fascism as Nowell-Smith calls them) would be somewhat one-sided, however.<sup>7</sup> Indeed, Guala in his two years at the helm of RAI could also be described as mildly progressive in two respects: first, he attempted to modernise RAI instilling more professional ethics; and second, he tried, albeit unsuccessfully, to purge the *ancien régimé* (who were against the plans of modernisation) from their posts.<sup>8</sup> By pursuing these two policies Guala was clearly following the lead of Fanfani. The wider political project to make Italy a modern democracy necessitated greater links with the parties of the centre-left, including the Socialists who were equally despised as the Communists by the Church.

In fact, the Church hierarchy was very hostile towards television and resisted all attempts to commercialise its operations. The very nature of the medium, the equation of television *equals* consumer capitalism (which was deemed as being inherently atheist), perturbed many clerics (Ginsborg, 1990: 241). One example of the Papacy was the perceived corrupting influence of television advertising upon Italian society. Initially, television services in Italy were funded by a licence fee. It was soon realised however that the licence fee was insufficient as the only source of income. The government was reluctant to pump extra funds into a service which could gain a significant income from advertising. But there was stiff resistance to the plan from the Church which feared the consequences of the American system.

A compromise, perhaps unique to Italy was struck. Advertising would only be shown during one half hour show each evening, which was entitled *Carosello*. The show consisted of short cartoons and other short programmes. It was very popular with children as well as adults, and by 1960 was the top-rated television programme. It became an institution which was to last until 1977 (Ginsborg, 1990: 240-241; Grasso, 1992: 161-163). For RAI, Carosello ensured that the company received a secure means of funding (licence fee) plus some additional income. The programme raised

considerable funds for RAI, allowing it to expand its public service provisions, and it also allowed the state to divert funds to the ailing newspaper industry (Sassoon, 1986b: 154). Yet, the introduction of advertising demonstrated that the Church did not have all its own way in shaping broadcasting policy, and its aims and objectives became increasingly frustrated in the 1960s. The introduction of television in Italy coincided with an economic and social transformation and it was this transformation which was to undermine the authority of the Church more than anything.

In 1958 Pope Pius XII died. He was succeeded by Archbishop Angelo Roncalli, Pope John XXIII. A man of conservative habits in many respects, he was already an old man in 1958, and his papacy was only to last until 1963. His opinions on television highlighted his traditional outlook. He disliked television and condemned it for being too feminist! He also sought to tightly control the viewing habits of the clergy (Ginsborg, 1990: 259-261). The Papal commission, which advised the Church hierarchy on film and media issues and which monitored television programmes in Italy was turned into a permanent office under his orders. But John XXIII was also a visionary in many respects. He understood, for example, that the tremendous social and economic changes taking place in Italy and elsewhere in the world would eventually necessitate a change of direction on behalf of the Church. The 'Economic Miracle' was leading to mass migrations and undermining the traditional rural Catholic authority. What he was hinting at was an accommodation with modern capitalist democracies thereby declaring an end to almost 200 years of open hostility towards modernity (Allum, 1990: 90).

As Allum points out, this signalled a return to a plurality of traditions which characterised the Church before the French Revolution. As a result of the latter, the Church was forced to retreat and defend its position, developing as a result a new conservatism tied to the magisterium of the Roman hierarchy which translated into forms of apologetic literature against all the new ideologies (1990: 79). A second

Vatican Council (the first Vatican Council having taken place in 1870) was convened to debate the future direction of the Catholic church. The outcome of the Council was a period of turmoil for the Church and the fracturing of ideological and cultural values (Allum, 1990: 92). This fracturing weakened the ability of the Church to show a united front. More progressive elements of the Church hierarchy welcomed the acceptance of a more tolerant attitude in relation to other creeds and beliefs (including the centre-left coalitions). The traditionalists remained hostile to these trends. Therefore, the effect of the changes on the maintenance of a Catholic hegemony over broadcasting policy was not immediate. RAI continued to listen to, and follow a broadly Catholic viewpoint. But the damage caused by the bold step of John XXIII towards greater pluralism in Church relations meant that the boundaries of what was acceptable became ever more blurred.

#### The Communists: Inheritors of the Gramscian Spirit

Despite the internal strife within the Christian Democrats, and the Catholic hierarchy's worries (such as the worries about conspicuous consumption), it is evident that there was a united approach on one level; a vehement anti-Communism. In fact, the Communists, the pariah in so much of the Cold War propaganda, were also defenders of the Constitution (Sassoon, 1986b: 233). For example, in Parliament they defended the country against the excesses of the Christian Democrats. When the Christian Democrats attempted in 1953 to change the electoral system - known as the Swindle law - it was repelled by the opposition parties led by the Communists. The Communists took part in much of the political horse trading, making agreements on legislation and defending their own interests.<sup>9</sup> The PCI was, however, excluded from influence in RAI because the Catholics, the Americans and the Christian Democrats vetoed any Communist involvement in the management of RAI. This was also true of other European public service broadcasting systems.<sup>10</sup>

At the same time, the Communists were lamentably slow in acknowledging the potential of television and were somewhat hostile to the new medium. The hostility stemmed from seeing television as an essentially capitalist medium which atomised and privatised the audience shaping them into capitalist consumers. Many Communists shared the same suspicions as the Catholics. The Communist policy on television was somewhat paradoxical in comparison to their overall strategy which relied heavily on Gramsci's argument that proletarian hegemony in civil society was likely to be a necessary precondition for a communist revolution in western capitalist countries (Lumley, 1990: 11-12). This strategy was developed after Gramsci's death by academics who sought to promote a popular culture based on class-based traditions (Forgacs, 1990b: 99).

The Communists concentrated on print cultures which although they helped to sustain working class solidarity, had little influence in wider society. It was an overtly paternalistic policy to teach the masses 'high culture'. Togliatti, himself was a cultural conservative who had little time for the electronic media (Gundle, 1990: 207). So whilst the Communists had other spheres of influence in civil society they never showed a major interest in state television. It was only when such spheres of influence began to decline in the 1960s that the Communists took stock of the situation and formulated a more positive stance to broadcasting. Such a decline caused a sharp decrease in the membership of the party itself, which had, incidentally, peaked at 2.2 million in 1954, the year television broadcasting began (Ginsborg, 1990: 195).

The main threat, therefore, to RAI's monopoly in the early years, did not come from the political opposition. Instead, the threat came from a group within the state apparatus: the Judiciary. In July 1960 the Constitutional Court adjudicated on the legal status of the monopoly in relation to the 1948 Constitution after a private operator, Tempo TV, owned by the Angiolillo-Lauro group, had been refused a television licence by the

authorities. RAI, not surprisingly, was highly critical of any attempt to break its monopoly. But the company was also highly embarrassed by such a court case, because its poor record of impartiality, a key component of its overall public service, would inevitably come under closer scrutiny (Pinto, 1980: 13). The Court's decision was that RAI's monopoly was legal, citing Article 43 of the Constitution, that stated 'broadcasting should be considered to be of especial public interest' (Cavazza, 1979: 88). Furthermore, the Court argued that a monopoly was also required due to the technical shortage of terrestrial frequencies. At the same time, however, the Court issued a veiled warning to RAI stating that a public service must be both impartial and objective (Cavazza, 1979: 88-89). The Court's decision was a turning point for RAI.

#### Television and the Bernabei Revolution

Television rode the wave of the 'Economic Miracle' of the late 1950s and early 1960s; the era of rapid and dynamic economic growth and massive social transformations that swept across Italy. Between 1959 and 1962, the years that marked the high point of the economic expansion, GDP grew by at least 6% annually. In the longer term the GDP grew by an average of 5.3% in the 1950s and by 5.7% in the 1960s. Average incomes grew more in two decades than they had in the previous seven decades put together (Hine, 1993: 42). The political and social consequences of this rapid rate of growth were explosive. Mass migration from southern to northern Italy and from the countryside to the city produced overwhelming social demands on housing, health, education. Politically, this rapid expansion led to a gradual shift to the left in voting habits, prompting Amintore Fanfani to formulate a policy which would bring the Socialists into government.

Television became one of the main symbols of the age and was both loved and reviled intensely. Either way, it could not be ignored. Monteleone calculates that in 1956, two

years after television services began, there were 1.5 million domestic viewers and 366,000 televisions in communal use (1980: 177-199). The impact of television on Italian public life was noted in the late 1950s (Gundle, 1986: 576, quoted in Forgacs, 1990a: 25). In 1960, 20% of Italian households owned a TV licence; by 1965, the figure had risen to 49%; and by 1971, the figure had risen to 82%. Many more people had access to televisions via bars, clubs and friends. By 1968, the first channel could be seen by 98% of the population and the second channel, which had begun transmissions in 1961, could be seen by 90% of the population (Ginsborg, 1990: 432). It was the 1960s, therefore, that saw the true arrival of the television.<sup>11</sup>

For RAI, the 1960s were to be no less amazing, seeing massive modernisation, expansion and centralisation. Ettore Bernabei, former editor of the Catholic newspaper *Il Popolo* was appointed Director-General of RAI in January 1961. From the very start it was clear that Bernabei was going to undertake a thorough shake up of RAI's internal organisation and outside political relations. Internally, his aim was to purge the company's old guard who were resistant to any large scale changes and who had enjoyed a resurgence in influence as a result of Guala's resignation in 1956. Bernabei had a distinct advantage over them in that he had a political patron, Amintore Fanfani, whereas they did not (Pinto, 1980: 27). Bernabei wanted to uncouple the overt political links between the Christian Democrats and RAI, developing a public service in tune with a modern Italy; more professional and autonomous, but still firmly anti-Communist.

So Bernabei was able to wield power by virtue of his own position and that of Fanfani. This did not mean, however, that he was able to overcome all the resistance to change. A pertinent example is the restructuring of the news service, *telegiornale*. The news service under the previous regime had been overtly propagandistic in content. Bernabei argued that such a news service lacked any political credibility and as such was an embarrassment. It was too attached to the Christian Democrats and any attempt to bring the Socialists into government would necessitate a change. In 1962, therefore, Bernabei appointed Enzo Biagi to construct a modern and professional 'magazine style' *telegiornale*. The process of change was slow and Biagi himself resigned due to the internal and external resistance to his plans. In time, the change was made with the net result that news programmes contained fewer references to members of the Christian Democrats and contained a wider spread of opinion (Pinto, 1980: 29-31; Monteleone, 1992: 102).

It is important to note that underlying the expansion of broadcasting was a broader pedagogic strategy. It is worth remembering that in postwar Italy, the deep regional disparities in educational and cultural knowledge were still present. Taking illiteracy rates in 1951, Italy still had a persistent minority of illiterates in many parts of the south and on the islands.<sup>12</sup> For a country embracing industrialisation and modernity, such rates were unacceptable. The policy of pedagogic enlightenment was facilitated by the favourable economic climate and secure means of funding. It allowed the company to activate a series of policy initiatives that would strengthen public service provision. In addition to the concerted effort to provide a blanket or universal service, the company was also keen to promote a programming remit that raised cultural knowledge, as Bettetini argues:

'The project of 'pedagogic enlightenment' encouraged television production in the 1960s and early 1970s. The role of the broadcaster was to provide a 'common-denominator' of programming, thereby appealing to all social groups and unifying its viewers. The emphasis was placed on providing a range of programmes pitched at a medium level of understanding. This included targeting groups furthest from this average level and promoting an empyrean culture, regarded as the minimum level required to uphold civil values and societal cohesion.' (1990: 238)

All programmes in the early years of RAI were therefore aimed at offering education, information and entertainment in line with a strong pedagogic remit: education in the Italian context meant programmes for schools, farming programmes as well as other forms of education such as plays; information, in this context, meant news services, but also political, economic and social documentaries dealing with controversial subjects such as the south and working women; entertainment in this context meant quiz shows, variety shows and light musical offerings. The promotion of such a policy required competent and professional staff throughout the organization. Many young staff and university graduates were drafted into the company, some of whom went on to achieve notable success in public service broadcasting, journalism and in wider academia (including Angelo Guglielmi, Furio Colombo and Umberto Eco).<sup>13</sup>

The role of television in this context took on a strong social role, separate from the overtly manipulative political role. The (upward) social mobility of many Italians, matched also by the numbers migrating, created a society in rapid transition. RAI had to shape its programme output according to the perceived needs of a country changing so rapidly. By appealing to a broad economic and social church, by highlighting the changes taking place within society and by identifying itself with those changes, RAI had an undeniable unifying influence. There was also a strong sense of belief on the part of many within the company that one of the best ways of developing the country was by expanding television.<sup>14</sup> This sense of self-belief of many within RAI was born out of a knowledge of the medium itself and the developing relationship between the audience and television (Monteleone, 1992: 339). By 1968, RAI under Bernabei had been built into a formidable political, cultural and economic industry. The major  $\epsilon$  ms of reorganisation, remodernisation and the consolidation of a new power regime in line with the aims of Fanfani had largely been achieved (Cavazza, 1979: 90).

### Bernabei and the Crisis Years

1968, however, was to mark the high point of the Bernabei years. For RAI's hierarchy, the next six years were to be characterised by a succession of bruising encounters. Externally, the post-1968 years saw the relationship between RAI and the main political parties take a nose-dive. The main political parties themselves became very unpopular in the face of an explosion of unrest within civil society. The students' movement was joined by sections of the working class acting outside of the traditional trade unions' authority. Lumley characterises the first reactions to the student movement as being a moral panic, akin to the reporting of mods and rockers rioting on the seaside beaches in Britain during the 1960s (1990: 12). The students were therefore demonised by large sections of the press and television.

In turn, the students were not particularly well disposed towards the media. They were themselves protesting against the 'atomising effects' of the miracle years and for them much of the blame for this fell at the door of the media (Ginsborg, 1990: 242).<sup>15</sup> Established trade unions and political parties were stung into being more proactive proponents of political and social change. This more proactive stance manifested itself in the constitution of an all-party Reform Front group (which was also led by the regions and provinces) which campaigned for a new law on broadcasting. The mobilisation of a reform front on the future of broadcasting sprang from 'a polemic base of rare strength and breadth, not to mention continuity and determination' (Iseppi, 1980a: 340).

From 1968 onwards there was also a rapid growth of internal dissent at RAI. As we have seen, RAI underwent a major expansion in the mid 1960s as a result of the new channel and an overall increase in the amount of transmission hours. But this rapid expansion also resulted in an increased consolidation of power at the top of the

organisation. As Cavazza argues 'new posts were added to those already in existence, rather like a new multiplication of the loaves and fishes' (1979: 91). Bernabei was an arch exponent of patronage in order to retain his power base. He was able to keep a firm grip on the levers of power during the crucial stages of the expansion and modernisation. In the long-term, however, such a policy had negative consequences for RAI and undermined its public service provision for the next 25 years.

The first problem was that of 'creeping centralisation'. When implementing his ambitious expansion plans, Bernabei created the vast majority of new jobs at central headquarters in Rome. Regional centres were therefore expanded at a much slower rate in comparison to the Rome headquarters (Cesareo, 1974: 22). Of course, the problem of apportioning powers between Rome and the regions was not a new one. Complaints of increasing centralisation went back to the immediate postwar period, when there was furious resistance to the merger of the two RAI radio networks (Milan and Rome) in Rome (Forgacs, 1990a: 108-110; Monteleone, 1992: 221). Once again, therefore, regional headquarters became resentful of the one-way traffic of power and could not be easily pacified (Pinto, 1980: 126).

And yet, there was a crucial difference between the political situation of late 1940s and late 1960s. As already discussed earlier in this chapter, Italy was a deeply divided country at the end of the war. There was a general consensus that major political and cultural sovereignty should reside in Rome. The Communists supported such a policy. Even the Christian Democrats, who supported plans for greater regional devolution in the Constituent Assembly (Regional Assemblies), reversed this policy once they had gained power in 1948. By the late 1960s, however, this consensus was no longer sustainable. The direction of power within RAI was therefore going against the flow of power in the country as a whole. This was due to intense political and social pressures for change and resulted in the decision to enact provisions contained in the Constitution for Regional Assemblies (1970).

The second problem for RAI, which was to have extremely damaging consequences for the company in future years, was the gradual partition of the company along political lines. Bernabei, in undertaking the vast expansion and remodernisation of RAI, needed to gratify larger and larger numbers of people to maintain his own authority. This large number of people included writers, intellectuals, as well as political appointees from the broad centre-left. By attempting to absorb such a vast plurality of representatives, and buy out potential trouble-makers, Bernabei hoped to minimise the criticism aimed at RAI. By and large he was a successful practitioner of this policy. But in the long term, he only succeeded in achieving the opposite, creating a division of RAI into politicised groups which ultimately led to the *lottizzazione* of RAI.<sup>16</sup>

A new bureaucracy was created which rather than rationalising RAI caused the whole internal structure to become increasingly paralysed (Cavazza, 1979: 94-96). Worker discontent involved the usual issues of pay and conditions, but was also affected by the wider discontent in society which was moving against the government. For example, strikes were called in 1969 by the unions in RAI demanding more worker participation in the decision making apparatus. The response from the management was to offer concessions in the hope of splitting the consensus of opinion amongst the unions. In this, the management partially succeeded and some semblance of order was brought about (Pinto, 1980: 100-111). The chaos occurring within Italian society was therefore reflected by the internal dissent taking place in RAI. The main aim of the opposition forces to reform RAI would only succeed, however, when the time was ripe; that is, when RAI's Charter was due to expire in December 1972.

When inter-party negotiations did start over the future of RAI they were tortuously slow and RAI's Charter was twice extended. In public the parties seemed to have very similar policy objectives. Among the core tenets of agreement was: first, the widespread desire to maintain the monopoly; second, to strengthen the public service ethic, by allowing wider access amongst groups and through a more regionalised RAI (Cavazza, 1979: 98). A Christian Democrat internal memo (1971) recognised that greater access had to be given to the other parties. The problem for the Christian Democrats was not so much whether to allow such access, but how to allow such access whilst trying to maintain its own hegemony (Cavazza, 1979: 99). The discussions on the future of RAI took place in an increasingly fraught political climate and worsening economic position.<sup>17</sup> The Historical Compromise took four years of continual negotiation before the Communists reached agreement with the Christian Democrats. Therefore, in negotiations over the reform of RAI, during the early to mid 1970s it was always likely that the Socialists and the minor parties were going to gain more than the Communists (Cavazza, 1979: 106).

#### Public Service broadcasting and commercial competition

Public service broadcasting in Italy was irrevocably changed by two decisions of the Constitutional Court in 1974 and 1976. In July 1974, the Court was asked (once again) to adjudicate on the legality of RAI's monopoly in response to a case where a foreign television service was broadcasting into Italy, taking valuable advertising revenue from RAI. The Constitutional Court passed two judgements, Nos. 225 and 226. Judgement 225 upheld the legitimacy of the terrestrial monopoly citing Article 43 of the Constitution, the public interest article, due to technical scarcity of frequencies. The Court also launched a broadside against the government (in doing so the Court showed once again that the Judiciary was not at one with the government over broadcasting policy). It argued the imperative of a public service monopoly based on objectivity and impartiality. Furthermore, the Court took the unusual step of stating the legal provisions needed to ensure the ideal of a public service. Judgement 226 decided that the monopoly could no longer be justified in respect to cable and foreign-based channels. For the first time, the Court cited Article 21 of the Constitution, which states that 'everyone shall have the right to express freely his own thoughts in words, writing or any other medium'. This was a liberal interpretation of the Constitution. With hindsight, therefore, Judgment 226 opened a new historical phase in Italian broadcasting (Ortoleva, 1994: 108).

Many of the provisions recommended by the Constitution Court in Judgment 225 were included in a new parliamentary bill which became law in 1975. Responsibility for the overseeing of broadcasting was transferred from the Executive to Parliament. These powers included appointing RAI's Administrative Council, therefore allowing Parliament a large amount of influence in the running of the Company.<sup>18</sup> The Christian Democrats were, however, able to hold on to much of its influence by virtue of being the largest party in Parliament. The remainder of the power fell to the Socialists because the Communists had not come to a political accord with the Christian Democrats (Cavazza, 1979: 103-105). It is interesting, however, to note that the Communists abstained in the final vote on the Bill and within two years of the vote the Communists were represented inside RAI. Therefore, despite the good intentions of the groups demanding reform and the Constitutional Court, little had actually changed. Instead of the Christian Democrat-centred Parliament decided policy.

The 1975 Broadcasting Act contributed to the formal carve-up of RAI by political parties: the system of *lottizzazione*. The 1975 Broadcasting Act explicitly states that RAI should be split into two separate network directorates 'responsible for devising and producing radio and television programming' (Esposito and Grassi, 1975b: 53). This facilitated the creation of two broad ideological camps: the first network being for a broad Catholic culture and the second network for a lay culture.<sup>19</sup> But the undeniably good intentions of the reforms were to last for a short period, with the result that the

broad ideological camps were gradually subjected to political dogma. The partition of the company along party lines ran from the President (Socialist) and the Director-General (Christian Democrats) down to the networks, Raiuno (Christian Democrats) and Raidue (Socialists), and finally to journalists and administrative staff. Few escaped political scrutiny. The whole structure of RAI became more geared to a perverse political logic rather than providing a public service. With the system of *lottizzazione*, Italy's premier media institution lost any ideas of political autonomy and impartiality it may have harboured before the reform process began. What should have been a key institution of the public sphere became a privatised sphere of political patronage.<sup>20</sup> The system of *lottizzazione* constituted the first weakness of the 1975 Broadcasting Act and the reform process.

With the separation of the two television networks (this became three networks when Raitre started transmissions in 1979), and the precise political partition of the whole company, further problems quickly manifested themselves. The first problem was that each network constructed near-identical production and editorial departments and managed its own financial affairs with a large degree of autonomy from the Administrative Council. One effect of having three identical networks was that the television-making process was virtually triplicated. It therefore created unnecessary additional costs (Rizza, 1990: 527). The system of allowing network autonomy also led to open internal competition between the three RAI networks; a situation which ultimately led to damaging rifts within the company. This, in turn, led to more time and funds being squandered as RAI embarked on a period of 'navel-gazing'. The company was too often preoccupied with internal squabbles rather than sticking to its remit of providing Italy with a comprehensive public service. Arguably, the new tripartite system constituted the second failure of the reform process.

This led to other, more positive measures of the 1975 Broadcasting Act, including

provisions for greater regional production and the decentralisation of RAI being watered down by governing parties (Sassoon, 1986a: 67-72). The demands for greater regional participation in broadcasting were also a key part of wider political and social demands. But the *lottizzazione* of RAI actually worked against the constitution of a proper autonomous regional network. The two existing networks and political authorities fought a rear-guard action against full implementation of the Act's provisions. This was due mainly to a pervasive centralised management culture at RAI and the reluctance of Roman politicians to grant greater devolution. When Raitre was introduced (1979), it constituted a marked improvement in RAI's service to the regions; but it provided little more than a regional news service and some minority language programmes. The subsequent cash injection in Raitre (1987) was made in order to bolster its national ratings with national programmes.<sup>21</sup> In fact, Raitre's provision for regional programmes progressively decreased in the late 1980s and early 1990s (See Appendix 1.2 and 1.3). RAI's inability to create a fully regional channel constituted the third failure of the reform process.

But if RAI and the political authorities hoped for a period of relative peace and calm after 1975, they were badly mistaken. In July 1976, the Constitutional Court (Judgment 202) ended RAI's monopoly over local terrestrial broadcasting. The national monopoly was confirmed, however. It was this decision, above all others, that effectively shaped broadcasting development in Italy for the next 20 years.<sup>22</sup> The reason cited by the Court was that technical advances meant that television frequencies were no longer as scarce as they once were and commercial broadcasting could be permitted at a local level. In fact, local television channels in Italy had been growing rapidly in number since the early 1970s.<sup>23</sup> The increasing economic importance of television, which had first manifested itself in Italy as a result of the 'Miracle' years, had created a booming cultural industry leading to the ever-increasing importance of

television as a popular form of entertainment (Macchiatella, 1985: 12).24

The introduction, by the late 1970s, of hundreds of new and unregulated channels threatened RAI's predominance in every sphere of broadcasting such as advertising, programming and personnel. Added to this was the lack of a political consensus to regulate the new commercial sector. In the late 1970s and 1980s, apart from a few *ad hoc* decree laws, the commercial system was allowed to run completely unimpaired by regulations despite over 100 proposals for reform being presented, either in Parliament, or by the political parties. Until the passing of the 1990 Broadcasting Act (known as the Mammì law, after the then Minister for Post and Telecommunications), the Italian system became the 'Wild West' of all broadcasting systems. Although the full effects of the Constitutional Court decision were not immediately apparent, by the early 1980s commercial channels operating on a quasi-national basis had become an everyday reality.<sup>25</sup>

The end result of this idiosyncratic system of broadcasting was the emergence by the early 1980s of three quasi-national commercial networks consisting of groups of syndicated channels offering the same programmes. The simultaneous broadcasting of programmes by these channels had been banned by a decision of the Constitutional Court in 1981 (Sentence No. 148, July 1981). At the same time, the Court never banned these commercial channels and they were allowed to continue national broadcasting by using a legal loophole. This was achieved by pre-recording all programmes on video cassettes and then showing them at slightly staggered times across the country. In this way, and through the use of a legal technicality, commercial channels continued broadcasting. In one respect, however, the commercial sector was disadvantaged in relation to RAI because it was unable to show live programmes.

The decision of the Constitutional Court demonstrated how precariously close the new

channels were to being declared illegal. Due to the lack of a parliamentary law, the decisions of the Court were now taking on a distorted value. This was because each decision was being treated as a law (which could have spelt the end for commercial channels, for example). In Italy, it is Parliament which makes laws, with the Constitutional Court judging their legality in relation to the 1948 Constitution. The inability of Parliament to carry out the explicit request of the Constitutional Court showed that events were being dictated by commercial imperatives. Once again, it also showed how the state itself was split, with the Constitutional Court abiding by the spirit of the Constitution and the Parliament participating in the murky world of Italian backroom politics.

The lack of regulations allowed one player, by a mixture of entrepreneurial skill and close political ties, to gain a monopoly over the three commercial channels. This man was Silvio Berlusconi. Berlusconi started his own quasi-national channel, Canale 5 in 1980. In January 1983 he bought Italia Uno and in August 1984 he bought Retequattro (Grasso, 1992: 412 and 428). By 1984 Italy had a television duopoly. RAI controlled three channels and Berlusconi's Fininvest controlled three. Political approval for this duopoly came in the same year when magistrates in various parts of Italy closed down Berlusconi's channels on the grounds that they broke the broadcasting monopoly. Within three days, the Socialist Prime Minister, Bettino Craxi, an old friend of Berlusconi's, introduced an infamous decree reopening the stations. Not surprisingly the decree became known as the 'Berlusconi Decree' (Decree Law 694, 29 October 1984). The decree was an overtly political decision and is still the only decree named after the beneficiary, not the subject in hand or the politician responsible for drafting it, as is the usual custom (Menduni, 1993: 437).

The main advantage of Fininvest's arrival was that it promoted Italy's developing advertising industry rather than the television system *per se*.<sup>26</sup> The company made

relatively few programmes that required more than a studio and audience (game shows, quiz shows); it made few dramas or documentaries. But within a relatively short space of time the company became one of Italy's foremost commercial operators. It stimulated a new commercial sector and brought new jobs and material benefits. That was the main advantage of commercial television in Italy. The emergence of a television duopoly also brought about a retrenchment of political, economic and cultural power in two places: Milan (Fininvest) and Rome (RAI).<sup>27</sup>

The programming strategy of the commercial channels did, however, have some positive hallmarks. In the words of one commentator: 'the early years of commercial broadcasting represented, undoubtedly, a moment of redemption and rejuvenated the entire broadcasting system' (Sartori, 1993: 280). Whilst talk of redemption is overstating matters, somewhat, the commencement of broadcasting services during times not traditionally covered by RAI (such as the afternoons and late evenings) allowed greater access for groups such as pensioners, housewives, who were not traditionally catered for during the monopoly years. Also the emergence of hundreds of new local channels, following in the footsteps of wider powers for the regions, gave a new angle from which to view local events.

On the whole, however, Fininvest and other commercial operators offered a questionable diet of quiz shows (the non-striptease as well as the striptease variety), talk shows, TV movies, cartoons and soap operas, bought in an ever-increasing abundance on the international market (European Task Force, 1988: 28-29). The constant flow of such programmes was made on the twin premise that they were cheap and also because they were popular. The popularity question was obviously important to maximise advertising revenue. In order to monitor audience figures, the introduction of Auditel, the audience research agency, owned by a consortium made up of RAI and Berlusconi's Fininvest, began in 1984. The increasing importance of audience ratings

changed the whole relationship between the broadcaster and the public. Broadcasting in Italy was fine-tuned to the wishes and desires of advertisers as never before. Advocates for the new system envisaged the age of the 'sovereign consumer', whilst detractors hailed the era of '*TV spazzatura*' (rubbish TV / trash TV). In many ways, both statements were true.

The emergence of a new and vibrant commercial broadcasting industry was not restricted to Italy alone. In many western European countries, including Italy, public service broadcasting continued to be given some degree of shelter from direct competition (primarily via the continuation of the licence fee). But unlike many other public service broadcasters, RAI took a conscious decision to fight its commercial competitor on its (the commercial operator's) own terrain. There were two principal reasons for this: 1) commercial operators, unhindered by comprehensive regulations, targeted RAI's core audience with popular and cheaper television programmes, and; 2) RAI was too divided to coordinate an effective or strategic response. Therefore a ratings battle started, inflating programme costs, leading to the mass-importation of fictional programmes and the sharp reduction of quality drama. The result was that broadcasting policy became geared to audience figures causing a loss of a comprehensive television service. There was a decisive and discernible shift from viewing the public as citizen, to the audience as consumer. RAI took a clear step downmarket in order to match its commercial competitor. As already discussed in Chapter Two, no other European public service broadcaster, with the possible exception of the Spanish RTVE, was forced to break so clearly with its old programming formats. The damaging impact of commercial broadcasting on RAI constitutes the fourth weakness of public service broadcasting in Italy.

Despite the continuous process of legislative proposals in the late 1970s and 1980s, the duopoly system was officially sanctioned in law in August 1990 (Law No. 223, 6

August 1990). The torturous parliamentary passage of the Act and the constant list of amendments, produced not surprisingly perhaps, an act described by its author as: 'the best that was possible at the time' (quoted from introduction to Giacalone, 1992: xiii). The best was very little. There was no legal obligation for commercial channels to provide a public service, expect for a national news service. Whilst there were provisions to safeguard standards of taste and decency, there were no provisions for quality thresholds or standards of programming. The crucial Article 15 states that no group should control more than 25% of the national channels. The law did not specify the number of national channels, but no-one was in doubt that twelve licences would be allotted, allowing RAI and Fininvest to retain three channels a piece. The licences were not announced until August 1992, formally entrenching the duopoly in statute. Therefore, commercial broadcasting remained just that, commercial.

The 1980s were, overall, marked by continued strong political control but also by a rapid liberalisation of RAI's operations as a reaction to its competitors strengths and the company's own weaknesses. On one level television was clearly following a path dictated by wider political, economic, and social norms. The greater reliance on free trade had been a key feature in the 'Miracle' of the 1950s and early 1960s. In those years, however, television was both politically controlled and with a more pronounced pedagogic remit. By the 1980s, however, with intense competition from Fininvest and with a far less explicit public service remit (at least in the pedagogic sense), RAI, mainly through the need to avoid complete financial breakdown had to court the financially lucrative markets. The values being extolled were more overtly consumeristic.

<sup>1</sup> Albeit in a restricted manner. Or as Fabio Luca Cavazza (1979: 85) eloquently describes the relationship between RAI and government: 'It is always the cook who controls what is served up on the table; all he has to do is to learn the tastes of the master'.

<sup>2</sup> A decision that dates back to the 'Svolta di Salerno' - a speech delivered in 1944 by the then Communist Party leader, Palmiro Togliatti, renouncing revolutionary tactics.

<sup>3</sup> Monteleone also quotes the following Reithian definition of public service broadcasting made by Arturo C. Jemolo, the postwar President of RAI and the Parliamentary Commission for Culture: 'in a liberal regime, characterised by the coexistence of different political parties and by the possibility of an alternation of power, the radio cannot be the instrument of government power or of the parties of opposition, but must remain a public service of dispassionate and impartial information, to which all listeners, whatever their beliefs, can draw upon.' A.C. Jemolo, *La radio come servizio pubblico*, RAI, Annual (1952: 23) quoted from Monteleone (1992: 224).

<sup>4</sup> Article 21 states that 'everyone shall have the right to express freely his own thoughts in words, writing or any other medium'. Article 33 states that 'Art and Science shall be free and their teaching likewise'. Article 41 states that 'Private enterprise shall be permitted insofar as it does nor run counter to the social utility nor constitute a danger to freedom or human dignity. The law shall determine appropriate programmes and controls to enable public and private economic activities to be run and coordinated for social ends'. Finally, Article 43 states that for purposes of general utility, 'the law may reserve to the state, to the public institutions, or to workers' or consumers' associations, *ab initio*, or transfer to them by expropriation, subject to identification, certain undertakings or category of undertakings involving essential public services... important to the community'. Esposito and Grassi (1975a: 44-45).

5 See the last chapter for an historical appraisal.

6 See Forgacs (1990a: 114-116), who highlights the Christian Democrats' overt control over RAI news content in the early 1950s.

7 Nowell-Smith (1990: 60).

8 See Grasso (1992: 85). In fact, Monteleone (1992: 289) argues that Guala was the first great manager at RAI. He introduced new journalists and intellectuals and strengthened RAI's educational remit.

<sup>9</sup> Between 1948-1971, 75% of all Parliamentary legislation was agreed with votes of the Communists.

10 See Chapter Two.

<sup>11</sup> Many of the organisational, administrative and technological advances were initiated by Marcello Rodinò. See Monteleone (1992: 299).

<sup>12</sup> In Piedmont, only 3% of the population were judged illiterate; in Lombardy, 3%; in Emilia-Romagna, 8%; in Latium, 10%; in the mainland south, between 19 and 32%; in Sicily, 25%; and, in Sardinia, 23%. Forgacs (1990a: 18).

<sup>13</sup> Once again, this policy can be dated back to the mid 1950s and to Guala's leadership. Monteleone (1992: 299).

<sup>14</sup> Franco Monteleone (1992: 387) argues that RAI was a crucial reference point for Italians during this period.

15 The increasing affluence of Italians coupled with the greater choice and availability of broadcast services meant that the television moved from being, in part at least, a communal activity watched from bars and other public places, to being a familial activity. The 1960s witnessed, therefore, an increasing differentiation of the audience. Many studies have also supported the argument of the students in highlighting the atomising effects of the media, especially television in Italy. Cesareo (1974: 157) for example, argues that the development of a television system controlled by a capitalist ruling-block promoted all things individual and atomistic. Ginsborg (1990: 242) too, argues that although the television was initially a collective pastime, with many people watching from bars and clubs, the effects of the 'miracle' atomised society increased the tendency towards passive and familial use of leisure time, as more and more people could afford to buy their own sets. Yet, the theory that television has been directly responsible for the atomisation of Italian society was, and remains, somewhat problematic. Whilst there was undoubtedly a decline in communal pastimes in Italy. this argument ignores ways in which television may have helped to reintegrate and reinvigorate civil society. For example, Cavazza (1979: 94-96) points out that those who followed the telegiornale reports would have been struck by two conflicting impressions: first, the celebration of the achievements of the government, which helped those in power; second, the determination of the government to find solutions to serious problems of which the viewer

had been, until then, hardly aware. The protests of 1968 were, at least in part, due to the failure of the centre-left coalitions to meet the needs of an increasingly dynamic society. The problem, as Ginsborg (1990: 98) points out, was that the political majority had done both too much and too little; they talked endlessly of reform, but left expectations unfulfilled. The argument that RAI fragmented Italian society in the 1960s is unproven, as Franco Monteleone argues: 'RAI's strategic priorities were directed to increasing the production and consumption levels independently from any desired social demand. Under the aegis of a broadcasting monopoly, the main principle was to control the cognitive process of socialisation, to satisfy the majority of viewers and gain a consensus'. (Monteleone, 1992: 345).

<sup>16</sup> The term in a literal translation means to divide into lots, to lot. In its political sense it means patronage by the major parties. The term is normally associated with the tripartite partition of RAI in the mid 1970s. But the first recorded use of the word in this context was by Alberto Ronchey in 1968. See Ortoleva (1994: 116).

<sup>17</sup> The need for the *lottizzazione* of RAI resulted above all else from a wider political crisis. The advent of severe political violence in the early 1970s was a manifestation of wider economic and social instability affecting Italy. Gone were the days of Christian Democrat dominance, undermined from within and outwith and forced to look elsewhere for electoral and coalitional partners. Gone also were the days of heady economic growth which had, in part, hidden the manifest regional, social and economic disparities in Italy. The inclusion of the Communists as a 'sleeping partner' in successive coalition governments in the 1976-1979 period was widely regarded as a 'Historical Compromise': the union of Catholics and Communists supporting the same government.

<sup>18</sup> The new Administrative Council consisted of 16 members, of which 10 were elected by the Parliamentary Commission in charge of supervising broadcasting and 6 were elected by IRI. For a review of the parallel radio reforms, see Monteleone (1992: 396-402).

<sup>19</sup> There were two competing plans to ensure greater access to political and social groups. The first plan, supported by the small radical party under Marco Pannella proposed equal access to all political groups irrespective of their size or level of parliamentary support. This plan was rejected in favour of a second plan that proposed that access for political groups should remain proportionate to their parliamentary support. This plan, perhaps not surprisingly, had the approval of the major parties. In order to implement this plan, a new body within RAI, VQPT was established to monitor news bulletins and other current affairs programmes. Interview with Nicola De Blasi, Rome, 7 June 1995. 20 The partition of RAI constituted an original, but highly erroneous interpretation of the public service broadcasting concept. Although 70% of the total electorate may have been represented within RAI by one of the major political parties, the failure to ensure political independence for the company had adverse effects for the overall running of its public service. This became all too clear when the Christian Democrats' and Socialists' vote collapsed in 1992. RAI was still organised and controlled in line with the needs of political parties that had been given an electoral hiding. RAI, which had relied on political parties to bail out the company in bad times, could do little when it saw its power base crumble. The company was left carrying major debts without its political backers.

<sup>21</sup> For a summarised assessment of Raitre between 1987 and 1994, see Balassone and Guglielmi (1995: 7-10).

<sup>22</sup> A long-standing debate has been why the Court changed its mind in the space of two years. After all, technological developments had not advanced significantly in the meantime. Cavazza (1979: 112) asks whether the Court wanted to upset the *lottizzazione* arrangement. It was more likely that the Court was reacting against the provisions in the 1975 Broadcasting that effectively curtailed development of cable channels in Italy. Other wise, the Court was perhaps reacting to economic pressures coming from commercial lobbyists. It is worth recording that Italy underwent a deep recession between 1975 and 1979.

<sup>23</sup> Monteleone (1992: 428) argues that public opinion underwent a sea change in the early 1970s. The demand for more television fuelled the numbers of local channels. See Chapter Two for further discussion of social changes.

<sup>24</sup> In fact, the 1976 Constitutional Court decision acted as a catalyst for the subsequent break up of other broadcasting monopolies and the general relaxation of strict regulatory principles governing western European broadcasting that became accepted practice in the 1980s. With a sharp downturn in economic activity throughout Europe in the mid 1970s, brought on as it was by the 1974 Oil Crisis, and with a strong resurgence of *laissez faire* economics favouring greater commercialisation, public service broadcasters were given notice to change their ways and practices. The commercialisation and deregulation of broadcasting therefore symbolised the gradual break down of the postwar settlement which had been premised on social and economic renewal via state intervention. The postwar settlement would only become fully unstuck with the downfall of the great Cold War enemy: Communism. This break up would play a major role in the eventual downfall of the Christian Democrats, and, hence, the reform of RAI. See Chapter Two for a full discussion.

<sup>25</sup> Gambaro and Silva (1992: 148-150), point out that the growth of commercial television channels was slower than that of their radio counterparts principally because the costs involved in opening a TV station were 10 times the cost of a radio station. Attempts by many operators failed simply because they operated over too restricted an area to recoup the advertising revenue. Also, early attempts at creating nationwide chains linking various local stations failed because of the dislocated nature of the network (different names, genre of programmes, etc.). It was only when Berlusconi created a brand name nationally recognisable, offering nationwide programming packages to franchise holders *and* even the advertising agency which acted as agent between potential advertisers and local TV stations, that a quasinational commercial system began to take shape.

<sup>26</sup> In fact, Fininvest cornered 33% of the total advertising market in Italy in the space of a few short years in the mid-to-late 1980s. See Appendix 1.4 to 1.7.

<sup>27</sup> This was another reason why Raitre concentrated on building a national audience after 1988. In order to fight Fininvest's three channels, RAI invested money into Raitre to fight Berlusconi's weakest channel, Retequattro.

# CHAPTER FIVE Background to the Reform Process

#### Introduction

The intention of this chapter is to focus upon the problems faced by RAI in the years leading to the reforms initiated in June 1993. Its specific aim is to outline the four major weaknesses in RAI's public service operations prior to the start of the reform process. The first section highlights the nature of RAI's financial crisis in the early 1990s and its duopoly with Fininvest. It is suggested that the particular structure of the Italian system is responsible for the very high quantity but generally low quality of programmes. The second section involves an analysis of the political occupation of RAI. The concept of *lottizzazione* cannot merely be explained in conspiratorial terms of political occupation without the acknowledgement that it encompasses wider implications. Indeed, the concept of political occupation also entails a degree of political obligation to protect a valuable state institution. The third section deals with the (related) problem of RAI's internal structure. It outlines how, with political backing, each of RAI's three networks was able to assert its own financial, productive and editorial independence. The result of network autonomy was that RAI found itself divided at a time when it needed to be united in order to fight commercial competitors. The fourth section concentrates on the failure to implement a more decentralised broadcasting system. The last section of the chapter looks at the piecemeal reforms undertaken in the 1980s and early 1990s. It will be argued that there was insufficient political consensus to make any substantive reforms during this period. Instead, key RAI personnel talked about the reforms required to bring about real change, but lacked the political agreement to go ahead with such ideas.

## The Financial Crisis at RAI

In September 1992, Italian newspapers ran the front page headline declaring: 'RAI is dying'. The news of the imminent demise of a national and cultural institution could have caused a certain amount of anguish amongst the general public. Behind the dramatic headlines, however, a story unfolded which quickly dispelled any rumours of an imminent death. The words were quoted from the President of RAI, Walter Pedullà, who in a speech to a television conference argued that without the necessary funds to produce fiction programmes, RAI would be unable to attract the viewing public. The consequence of this would be the increasing marginalisation of RAI as a cultural and national institution. The speech was directed as an appeal for more funds from the government. It was not, therefore, the first nor last speech by a President of RAI lamenting their financial situation.

On closer inspection of the Italian broadcasting system, it becomes clear that the industry is not cash starved. Indeed, taking figures from a book published in 1993 by the then Director of Raitre, Angelo Guglielmi, and his colleague, Stefano Balassone, the evidence is that the Italian system is, in fact, cash rich (1993: 25-26). As the authors point out, on the basis of the 1991 figures, total annual income for the television system stood at 6,500 billion lira (roughly £2.6 billion pounds).<sup>1</sup> This was the third highest national figure behind America and Great Britain.<sup>2</sup> RAI and Fininvest together controlled some 90% of the total television market and about 87% of television advertising revenue (Gambaro and Silva, 1992: 147). Appendix 1.4 to 1.7 show the massive expansion of advertising revenues in the 1980s for the mass media industry as a whole, and for Fininvest in particular. In 1980, RAI (television only) received 148 billion lira (£59 million) in advertising revenue. The entire national commercial sector (before the formation of Fininvest empire) received 77 billion lira (£31 million). Total advertising revenue for television in 1980 was 333 billion lira (roughly 133 million

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pounds). By 1992, RAI reaped 1,379 billion lira (£552 million) and the commercial sector 3,358 billion lira (£1,343 billion). RAI's total funding by 1992 consisted of 31% through advertising and 50% through the licence fee (RAI Annual, 1993: 155). The 1980s saw, therefore, an explosion of advertising receipts for the industry as a whole.

Such figures should, of course, be placed in some form of context. Not all sectors did as well as the television sector. For example, one reason for the high income for broadcasting is the traditional weakness of the newspaper industry in Italy. The press in Italy has suffered various setbacks in the post-war period. Amongst these has been the lack of government investment in the industry compared to that of television, despite each of the major parties controlling their own newspaper titles. Historically, the regional character of the industry means that Italy has been slow to develop national titles, hindering the development of a mass readership, and allowing broadcasting to reap national advertising revenues. Italy, therefore, has a situation, unparalleled anywhere in western Europe, where broadcasting takes a bigger share of advertising revenue than newspapers (Balassone and Guglielmi, 1993: 12). The total amount of advertising invested in newspapers and magazines as a percentage of overall investment in the media slowly declined from 1980 through to 1992, from 57.6% to 40.4%. It should be noted that although the press continued to attract a smaller percentage of total advertising revenue (see Appendix 1.4 to 1.7), it still enjoyed the fruits of wider expansion in advertising investment in the 1980, expanding from 717 billion lira (£287 million) in 1980 to 3,896 billion lira (£1.559 billion) in 1992 (RAI Annual, 1993: 156-157).

Furthermore, the statistics from Appendix 1.4 and 1.7 show that since 1982, Fininvest has been able to take a larger proportion of advertising revenue despite enjoying lower audience ratings than RAI. The main reason for this is because RAI has always operated with an advertising 'ceiling', which has limited the time allowed for

advertising and, therefore, the income derived.<sup>3</sup> One of the reasons the financial ceiling for advertising revenue was introduced was to protect the newspaper industry (Menduni, 1993: 431). To illustrate this point, in 1991 RAI enjoyed a 10 per cent audience advantage over Fininvest during the prime time slot (8pm-10.30pm). Gambaro and Silva, calculate that without the financial ceiling, RAI could have expected to enjoy a 5-7% advantage in total advertising income over its main competitor for this prime time period. Instead, RAI in the early 1990s, received 29-30% of prime time advertising revenue. The figure for Fininvest was 57-58% (Gambaro and Silva, 1992: 155).

With the domination of RAI and Fininvest, potential competitors found themselves caught in a vicious circle. Many operators lacked the technical means, especially the lack of frequencies, to attract a sufficient national audience. The lack of audience led to problems in attracting advertising revenues. Without the advertising revenue, private operators could not invest in production facilities or buy programmes. Often, those channels that could buy programmes never had nationwide frequencies to attract sufficient advertising. Some national channels therefore provided niche markets not covered by the main two players, typically thematic channels, such as Videomusic or the shopping channel, Rete A. Other private operators became dependent upon support of RAI and Fininvest through their respective advertising subsidiaries, who provided the know-how to market and sell advertising space. They consequently held enormous power over those private operators because they lost any effective control over their own programming schedules (Gambaro and Silva, 1992: 155).<sup>4</sup> The end result was a consolidated RAI and Fininvest duopoly.

The major advantage in terms of income for RAI/Fininvest duopoly was the sheer quantity of channels, therefore maximising total television hours. Each company has three channels - all funded through advertising. The sheer size of the duopoly was also

its major weakness.<sup>5</sup> Whilst income is maximised through the large numbers of channels to make the Italian system one of the richest, the resources available per hour of television are relatively low. In this respect, Italy comes bottom of the table in comparison with Western European countries and USA (Balassone and Guglielmi, 1993: 25-26). The sums of money given over to fund programmes were relatively small, creating a greater dependence on cheaper genres of programming, imported programmes from America, Latin American countries and Japan. For Fininvest, such provision was allowed because of the lack of statutory rules regarding programme content. From the very beginning it sought to cater for lowest common-denominator, popular programming, to boost audiences and maximise advertising revenues. A report by the European Task Force calculated that 75% of Fininvest schedules were made up of films, variety shows and quiz shows. It is also not surprising therefore that Fininvest captured 60% of advertising revenue between 1980 and 1988 (European Task Force, 1988: 28-29).

RAI could not simply follow the example of Fininvest because of the obligations to provide a diversity of programming output, under the aegis of its public service commitment. For example, Fininvest was not under any obligation until 1990 to provide a news service, stemming from the fact that Fininvest was banned from providing any simultaneous or live national broadcasts in the pre-1990 period (see the decision of the Constitutional Court 1981). Fininvest did not have to provide regional services or educational and cultural provisions. These were expensive investments RAI was obliged to make. RAI was therefore caught in a hopeless situation: either to maintain its recognised service with the risk of becoming increasingly less popular with audiences and advertisers; or to follow (as far as would be deemed possible) Fininvest down-market. RAI's strategic planning veered towards the latter option and so began a number of fierce battles to acquire the genres of programming deemed to make the system commercially viable, that is cheap and popular material. Consequently,

domestic drama production for the two RAI networks dropped between 1975 and 1985 by 50% and 77% respectively (European Task Force, 1988: 78). The first of these was the mass importation of fictional programming (soap operas, telenovelas, TV serials), intensifying the battle between the two main competitors and resulting in a bidding war. Italy became a major market for television and film producers worldwide. With the two major broadcasting players giving no quarter in a war of attrition, prices were artificially inflated.

Much the same also happened to the star-system in Italy. RAI found itself waging a battle to keep its main presenters from taking lucrative offers from Fininvest. Provision of entertainment-based programming fronted by a long-established personality was a major strategic ploy for Fininvest. Mike Bongiorno was the first of many house-hold figures to leave RAI for Fininvest. RAI's hand was forced therefore, and it came under intense pressure to keep other stars from literally 'going over to the enemy'. The contracts for such presenters also increased, adding to overall costs, and even infuriating leading politicians.<sup>6</sup> With such inducements, however, some leading personalities who crossed over to Fininvest later rejoined RAI.<sup>7</sup>

The point to make is this: the system grew not according to any rational logic or to any set principles. Instead, it grew through an explosive mixture of a new and dynamic political and economic climate coupled with sheer opportunism on the part of the private sector. The system, to quote one source, was 'expansion as the result of a Czarist-style military campaign' (Balassone and Guglielmi, 1993: 26). Instead, as in other European countries, of adopting some form of deregulation, or re-regulation, Italy found itself operating two parallel systems: a regulated public service and an unregulated commercial system (Ortoleva, 1994: 88). Both systems relied heavily on political patronage for their survival, but at the cost to RAI of its impartiality and independence. It is the inability of a regulated public service to function properly in the face of an

unregulated commercial sector that helps explain why RAI went down-market in the 1980s.

To characterise the Italian broadcasting system as the 'Wild West' of the world broadcasting however would be misleading. To start with, the system was never completely lawless, and the term equates too closely to the purest form of *laissez faire* development. Political decisions may have been running behind the speed of events, but they were made. To say the system was completely ungovernable is wrong. The duopoly was a classic result of *consociativismo*, an old method of linking political decisions to a consensus of social and economic elites stretching back to the dawn of Italy. Governing elites were intimately linked at every stage of development in the Italian system, both in RAI and the private sector.<sup>8</sup> However, the fact that over 100 legislative proposals were formulated by political and social groups between 1976 until a law was finally passed in 1990 should not be accepted as evidence that politicians were unable to regulate the system. Certainly a consensus was unattainable, at least as far as a comprehensive legislative package is concerned. Instead, the system was governed, but by *leggine*, small, piecemeal laws, which could command sufficient consensus.

The rapid growth of the duopoly in the late 1980s has caused one commentator to declare that RAI and Fininvest had created, whether intentionally or not, a form of codependence (Giacalone, 1992: 23-25). It is argued that Fininvest needed RAI to justify having three channels. In other words, if you take one channel from Fininvest one must also take one from RAI. RAI, so the argument goes, could justify, in return, its expansion and shift to popular programming in terms of pointing to Fininvest and claiming it was acting in self-defence. But the idea of co-dependence, although partly valid, is also highly misleading. RAI was of inestimable value to Fininvest in two ways: firstly, Fininvest was allowed to expand and control three channels, simply

because RAI controlled three channels; and secondly, Fininvest was able to exploit the unpopularity of RAI's monopoly within Italy. But in return, commercial TV gave RAI relatively little. Yes, commercial broadcasting did create extra day-time and night-time services, and yes, it was forced to adopt a less 'paternalistic' outlook. But a stronger, predatory commercial opponent, unfettered by law, was always likely to make the running, with the sluggish public competitor struggling desperately to keep afloat. It is no coincidence that between 1985 and 1989 the ratio of RAI's assets to its total debt provision fell from 37.3% to 7% (Gambaro and Silva, 1992: 88). In short, Fininvest made its profits, but RAI sacrificed much of its public service and became heavily indebted.<sup>9</sup>

The response of Professor Pedullà, and of every other President of RAI since 1976 to was to appeal for financial help. These appeals had mixed results. The value of the licence fee actually decreased in the 1980s and by 1990 was roughly 30% less than it had been in 1980 (Balassone and Guglielmi, 1993: 58). One reason for this loss of value was that any increase in the licence fee was outstripped by the rate of inflation, and especially the sharp rise in costs within the broadcasting industry. In 1980, inflation in Italy peaked at 21.1%. Secondly, in the 1980s and early 1990s there was a reluctance on the part of successive governments to sanction increases in the licence fee, in line with a wider economic management emphasising attempts to curb inflationary pressures. RAI also had the added difficulty that by the mid-1970s, the large year-onyear increases in the numbers of people paying their licence fee had all but dried up. The problem was compounded by a small but stubborn problem of non-payment, especially in the southern regions of the country. Extra income therefore came through increases in advertising revenue, through the expansion of sundry activities, such as better marketing of video sales, book sales, etc., and through other miscellaneous payments (through Ministries, etc.) (Richeri, 1990: 259-260).

#### The System of Lottizzazione and its Shortcomings

The problems identified by successive RAI Presidents also have their origins in the confused and overlapping responsibilities in the control and the management of RAI, and in the heterogeneous nature of the internal organisation in the post-1976 period. The main culprits were the political parties, who sought control not only over RAI, but also over the day-to-day management and operational decisions. Often, therefore, narrow party, or even factional needs took precedence over the broader interests of the company, subverting the democratic intentions of the 1975 Broadcasting Act which passed supervisory control over RAI from governmental control to parliamentary control, and left in place a system widely criticised even by the parties themselves.

The main example of RAI's subjugation to needs of the governing parties came about in the development of the system of *lottizzazione*.<sup>10</sup> The full story of the process of *lottizzazione* is long, complicated, and involves questions of internal organisation, which extend beyond RAI to any major organisation. Under the terms of the 1975 Broadcasting Act (Law 103), overall responsibility for directing and overseeing RAI was given to a parliamentary commission with extensive powers, which included: 1) an annual decision fixing the level of RAI's licence fee and total advertising revenue; 2) appointment of the members of the Administrative Council, which had day-to-day control of the company; 3) providing the overall aims and objectives upon which the public service should be premised; and, 4) outlining the principles by which the company should be structured and organised.

These powers therefore allowed Parliament via the Commission certain controls that bore directly upon the operations of the company, allowing an overlapping of responsibilities to develop with the Administrative Council. The net result was that in the following years the distinction between the powers of the two bodies became

increasingly vague, with the principal problem being the difficulties in defining the differences between responsibility for directing policy matters and responsibility for the operational, day-to-day decisions within the company. The Commission and the Board were both responsible for policy decisions. This brought about a need for both parties to discuss and to cross-refer decisions, thus leading to an overlapping of duties. The decision making process was slow and caused confusion.

The problem of operational responsibilities was slightly different, but equally complex. The reforms reduced the powers of the office of the Director-General, which had expanded as a direct consequence of the Bernabei years. The consensus was that the office of Director-General had become something akin to the dictatorship of national cultural output. Law 103 attempted to spread the load of responsibility over operations and management from the Director-General to the whole Administrative Council. Added to this power-sharing agreement was, of course, the involvement of the Parliamentary Commission. What were the exact powers taken away from the Director-General? This has been the source of some conjecture and disagreement, with different commentators unable to decide who precisely had the final say, the Director-General or the Administrative Council.<sup>11</sup> What is clear, however, is that the overlapping of responsibilities was one reason for the mini-reform of RAI in 1985, which reinstated the powers of the Director-General to assume a clear operational responsibility of the company, over and above that of the Council or Commission. It also allowed the Christian Democrats, by virtue of their control over the office of Director General, to reassert their grip over the company. For De Vescovi, it was at this point that the 1975 Broadcasting Act was fully betrayed (1986: 45).

The positions of the Administrative Council and the Director-General were the highest level at which the system of *Lottizzazione* operated, and date from a decision made by the governing parties at the time of the reforms in 1975. The President of the

Administrative Council was an appointee of the Socialists, the Director-General was an appointee of the Christian Democrats. The whole Administrative Council was compromised by its political associations.<sup>12</sup> Political influence also filtered down through the organisation. The appointment of all Deputy Directors-General, Directors, and other senior management were taken at Board level. This therefore facilitated the carve-up of the networks into strict political spheres and producing a system where journalists had little choice but to classify their political allegiances in order to find work. The whole bureaucratic apparatus was subjected to the requirements of the parties. So when, for example, the Communists were brought fully into the political mainstream in the aftermath of the formation of the national government in 1976, senior positions were made available within the company for the party. The process of absorbing different functions under party control became the norm.

The system of *lottizzazione* existed at an institutional or macro-structural level. But the system also operated at a more personal or micro level, especially in the politically sensitive area of news and current affairs. One good example was the system of *'Editore di Riferimento'* (Ortoleva, 1994: 89-90): the special relationship between individual journalists or senior management and particular politicians. The historical precedents for this type of relationship do exist, most famous amongst these being the agreement between Bernabei and Fanfani.<sup>13</sup> The most famous exponent of this system, and the person to whom it owes its name, was Bruno Vespa, director of Tg1 (Raiuno news) between 1989 and 1992.

Vespa was appointed in the aftermath of the wider political upheaval in 1989 which saw the political agreement reached between the Socialists, and the centre-right factions of the Christian Democrats. The new alliance became known as the 'CAF': CAF stands for the initials of the three architects of the deal, the Socialist Craxi, and two Christian Democrats, Andreotti and Forlani. Within RAI, the Director-General Biagio Agnes was

replaced by Gianni Pasquarelli, who was deemed more sympathetic to the new political leaders. Bruno Vespa was promoted to the directorship of the main television news as part of the wider political deal. During his period as Director, Vespa never made any particular secret of the fact that he had an '*Editore di Riferimento*', namely the new Secretary of the Christian Democrats, Arnaldo Forlani. In October 1992, the journalists and staff under Vespa passed a vote of no confidence in him, citing as a reason his continual interference in editorial policy and his preference for always having the party's spokespersons interviewed.

Bruno Vespa was, however, neither the first nor last director to have a vote of noconfidence passed against him. But it does show that RAI under the system of *lottizzazione* paid scant attention to the provisions and principles upon which the public service should be based. RAI has always had close identification with ruling elites, news content has always been a coveted area of political protection, senior appointments may have always been made according to the relative strength of each Christian Democrat faction, and other political groups may have been accommodated into the system, but the difference now was that the company was formally split as a bureaucracy according to political allegiances.

The system of *lottizzazione* therefore was not only the political occupation *per se* of RAI. The system of *lottizzazione* was, instead, the precise bureaucratisation of the company based on political allegiance (Ortoleva, 1994: 92). Questions of internal organisation - the division of complex tasks to senior and junior management, the precise nature of the functions and structure of various departments - often required the involvement of the politicians or party functionaries. Organised groups within RAI, such as senior management, trade union representatives, required the help of the different parties to find solutions to the everyday questions affecting a major organisation, and, which, were normally outside the remit of overt political

interference, as Peppino Ortoleva cogently argues:

'The fact that all production and managerial responsibilities were subdivided, especially after 1975, on the basis of political affiliation did not derive exclusively, as is often thought, from the wishes of the political parties to occupy key positions in the television system; it also derived from the needs of the company to regulate the management structure and the division of tasks amongst middle and senior ranking management that, in an organisation as large and complex as RAI, threaten the everyday functioning of the company.' (1994: 92)

The idea of RAI as a company politically bureaucratised should not conceal another aspect to the concept of *lottizzazione*: that the policy was a one-sided relationship or a relationship of master and servants. It was not that simple. The flip-side of the process of political occupation has been a creeping awareness that political involvement has brought with it certain liabilities. The disadvantage of adopting the explicit policy of interference is that the political parties have been held accountable and responsible for these organisations to a far greater extent than if these companies had maintained a large degree of autonomy (as foreseen in law). It is true that unlike the state bureaucracy, companies like RAI could exploit these political links in order to promote corporate aims and policies. And this is what happened.

The first effect of this was that the political parties found themselves open to demands, however capricious, of these companies. In other words, the parties were being lobbied by the para-state they sought to control. Often, such lobbying involved requests for some form of mediation in connection with bureaucratic functions. But mediation also extended to providing financial assistance when required. During the late 1980s especially, the company as a whole would regularly depend on extra financial handouts from the politicians as a result of exceeding budgetary limits. The system of *lottizzazione* did not only involve the process of 'political partition', but also

involved the process of 'political obligation': this denotes the active involvement of political parties in order to resolve the day-to-day problems of keeping a large organisation functioning properly (Ortoleva, 1994: 92).

#### **Organisational Flaws**

It is in this context that the relationship between the three RAI networks developed in the post 1975 period. The provisions under the 1975 reform for the emergence of two separate television networks and news services, and the formation of separate identities, were intended to allow a greater degree of plurality within a broadcasting system which was still operating under a strict monopoly. The formation of two state networks within one company would allow wider access to political and social groups that had campaigned for greater representation in state broadcasting in the late 1960s and early 1970s. The new system did have certain advantages. Firstly, the division into the networks introduced a new competitive edge into RAI. The increased access and differentiation of the programming resulted in an upturn in audience figures. To counter the separation of the two networks, the reforms made provisions that stated that the two networks, whilst enjoying a large degree of autonomy, would also remain coordinated with respect to scheduling and production facilities.

A degree of coordination was provided mainly through the auspices of the office of the vice-Director-General which received the programme schedules from the two networks. Its main role was as a gatherer of information (schedules) from the networks and as an arbitrator between the two networks in case of obvious clashes in the schedules. There was, however, a major flaw in the operations of this department. As Rizza argues:

'from the moment that budgetary controls are given to the networks, each one automatically devises its own schedules. So the Vice-Director for Coordination cannot affect the strategic planning of the

editorial policies, but only present the schedules already defined by the networks.' (1989: 26)

By setting in place such mechanisms, the Commission and Administrative Council sought to keep a firm hold over the overall direction of the company. From the start, the mechanisms were not sufficient to rein in the networks. Once the decision allowing organisational, production and scheduling freedom had been taken, senior management within the company were unable to claw back these powers. By allowing such powers, the networks were given a large amount of freedom to run their own show. Each could buy or commission productions without wider consultation. Scheduling discretion also gave the networks the ability to plan not in a coordinated fashion but according to their own particular needs.

The effects of this lack of strategic cohesion between the networks became increasingly detrimental to the overall operations. The first problem was in defining each network's identity. The network commanding the major resources was the older network and 'flagship' of the company, Raiuno, which covered major national events, etc. The second network therefore commanded less resources and was given the remit to schedule social and cultural programming. In the post-1979 period, the third network took over some of these programming commitments as well as providing a more regionalised network. Nevertheless, in the post-1976 period, both Raiuno and Raidue became identified not for the types of programming they screened, but for their political affiliations! What each network represented in terms of television production became increasingly blurred.

In addition to its own internal bureaucracy - which controlled a whole range of strategic and policy issues - each network enjoyed the powerful backing of national politicians. As a result, each network began operating to suit its own needs and the two networks became increasingly estranged from each other. In turn, this estrangement did RAI incalculable damage. Faced with an increasingly bullish private sector (which subsequently became monopolised by Fininvest in the post-1984 period), RAI was content for the most part to fight internal battles. As Rizza argues:

'Fininvest chose to proceed with a 'global programming strategy', coordinating the schedules for the three channels in order to eliminate the risk of internal competition and facilitate greater integration and synergy. The company devised a policy of 'cross-scheduling' to guide the audience to the range of programming offered and to affirm the company's own complete corporate image. Regarding the model of organisation adopted, however, it should be noted RAI presented elements of weakness from the moment it was decided not to mount a unitary and orchestrated programme schedule, instead assigning organisational and financial autonomy to each network.' (1990: 527)

The effect was this: instead of uniting to fight the commercial sector, RAI became more like three separate networks, each fighting each other and each fighting the better coordinated commercial sector. The company was too blinded by its own internal upheavals to take the fight to Fininvest. The duopoly was commercially led, with the older-established RAI fighting a losing battle to shape events within the television sector. Instead of being at the cutting edge of programming excellence or taking the initiative, the plans of RAI were largely defensive, and consisted in the continued redrawing of the lines of defence.

### The Reform of Regional Broadcasting<sup>14</sup>

In addition to the political and organisational shortcomings of the 1975 reforms, there was also the failure to bring about a decentralised system. Many reformers argued that decentralisation would further strengthen participation of the regions in the decision making and production process, as well as generating a greater degree of access for social groups to RAI. And yet, the planned decentralisation never materialised in the ways hoped. From 1979 until 1987 Raitre had only a very marginal impact upon the wider television system, broadcasting a regional news and also cultural and educational programmes. In 1987, the restructuring of the third network completely reinvigorated not only the network, but also the whole Italian broadcasting system (Gundle, 1996: 213). Its effect was something akin to the impact of Channel Four in Britain. A injection of cash, new innovative programming formulae, brought the viewing figures for the third channel up from a meagre 3.6% in 1987 to a respectable 8.4% in 1989 (Monteleone, 1992: 475). But this new expansion was based upon the provision of national programming, not regional programming.

In Italy there are 19 regional broadcasting centres, one for each region, plus two centres in Bolzano and Valle d'Aosta (this is in addition to the four regional production centres in Rome, Milan, Turin and Naples). In 1992, Raitre provided 6,156 hours of regional programming. News and information programmes based around two daily bulletins in each region accounted for some 5,355 hours. Regional cultural and entertainment programmes accounted for 757 hours. Included in these figures were provisions for minority language programmes for Bolzano (566 hours of German language programmes), Valli Badia, Gardena and Frassa (25 hours of Ladin language programmes), and Valle d'Aosta (36 hours of French language programmes). Outside of these areas, regional entertainment and cultural programmes were produced in Trentino-Alto Adige, Friuli-Venezia Giulia, Sicily and Sardinia. No such programmes were produced in the following regions: Piedmont, Lombardy, Emilia-Romagna, Tuscany, Umbria, Marche, Latium, The Abruzzo, Molise, Campania, Puglia, Basilicata and Calabria (RAI Annual, 1992-1993: 48-49).

The overall picture is made even worse if these figures are compared to regional and national broadcasting trends in the early 1980s (see Appendix 1.2 and 1.3). In 1983, for example, regional broadcasting accounted for some 6,384 hours, a slightly higher figure than in 1992. Total national broadcasting hours in 1983 were 12,094. In 1992, this figure was 25,083. Therefore, in the intervening decade or so, whilst the total amount of national broadcast hours actually doubled, the amount of regional broadcasting decreased. This came as a direct result of commercial competition on a national scale and RAI's inability to rise to the challenge. It comes as no surprise, therefore, that the small emollients offered in order to increase minority language provisions (a French minority language service began in 1988), were completely overshadowed by the renationalisation of broadcasting which took place in the mid-to-late 1980s. Once again, a laudable project had been hijacked by wider problems facing the company and the Italian broadcasting system in general.

So although the third network provided substantial regional news output, and programmes to minority language groups, the provision of only 757 hours of entertainment and cultural programming in 1992 highlights the lack of programme production in the 21 regional centres. The argument is not that these centres are unproductive, rather the aims of the 1975 reforms clearly have not been met when most regional centres produce only a news service. The reasons for this are various. Firstly, there was a resistance from Rome to funds being allocated to the regional centres. The regional production centres and the smaller regional centres lacked the technical facilities to plan any large scale productions. The lack of resources ensured that technical and production facilities would remain centralised in Rome with the specialised staff.

Consequently, a structure was never put in place to allow for a fully regionalised network. The legacy of a centralised structure is not a new one. The company's expansion in the 1960s, under the stewardship of Ettore Bernabei, who paid lip-service to demands for greater decentralisation, provided the basis for the initial calls for reforms in the late 1960s (Pinto, 1980: 129; see Chapter Four). In the late 1970s, however, the leading political parties effectively scuppered the reform; after all, they controlled the two national networks.

The inability to construct a regionally based television network also stems from the failure of commercial television at a local or regional level. The decision of the Constitutional Court in 1976 to end RAI's local broadcasting monopoly held out the promise of providing a regional service RAI had failed to deliver. The post-1976 period did indeed see a huge expansion in the local television and radio market. The evident enthusiasm displayed by hundreds of operators to set up local channels should not conceal the reality, however, that Italy has no coordinated local broadcasting system.<sup>15</sup> Behind this state of affairs are tales of political skullduggery leading to a lack of commercially viable operators. The licensing of commercial frequencies in the late 1970s, by the Ministry of Post and Telecommunications, on a non-discriminatory basis (first come, first served) of *farsi spazio da se*, simply created too many operators. The low-quality signals covered too small an area to attract sufficient advertising and commercial viability. The result was an uncoordinated and inefficient system spawning an active black market. Operators were therefore encouraged to lease or sell their frequencies to advertising agencies, who in turn created quasi-national channels to encourage and attract advertisers. The most successful exponent of this policy was Berlusconi. With the aid of his advertising company, Publitalia, his company was able to acquire long-term leases at low-cost. The next move was the emergence of a brandname for the leased frequencies, and the introduction of simultaneous broadcasts throughout large parts of the country. This allowed operators to maximise national and

local advertising revenues. The first such channel of this type was Canale 5 owned by Fininvest and a national commercial system was born instead of the local system as envisaged by the Constitutional Court (Gambaro and Silva, 1992: 78 and 148).

The failure to set up a comprehensive regional system of broadcasting in the last twenty years cannot be blamed solely on the failure of RAI or commercial operators. One reason for the continuance and maintenance of a centralised Italian state rather than a federalised structure has been the perception that it did help to knit together disparate regions, each with its own political system and social customs and linguistic differences. In broadcasting also, a regionally organised RAI would be the antithesis of what its traditional role in the post-war period had been: to encourage and promote the cohesion of Italy. The formal centralised nature of political rule has always been at odds with the disparate economic and social make-up of the real Italy. So although fine speeches have been made by politicians in the post war period to achieve greater regional involvement in all areas of life, the task of carrying out this instruction has always been given to political agents whose natural instincts had been one of distrust for the regions. The 1948 Constitution, for example, contained a specific pledge to a system of regional government. Such a system was only set up in 1970. The problem of regionalising the broadcasting system was part of a far wider problem. Asking Rome, therefore, to devolve its powers to regional production centres would need a strong political will to follow through the plans to full fruition.

There is also one more factor that militates against the development of a regional broadcasting system in Italy. That is, there is little historical precedent of decentralised media development. In Italy, the historical organisation of different media have been more of a polycentric rather than decentralised nature. The media system in Italy in the last thirty years has seen a progressive move away from a polycentric system to a more polarised system. The polycentric system was characterised by the predominance of particular media in different Italian cities and regions:

'In the first half of the twentieth century, the media industry in Italy grew, developing a peculiar organisational structure, which could be described more as a polycentric rather than of a decentralised nature, characterised by an explicit division of labour between the primary localities of the peninsula: an organisation that, probably, has contributed significantly towards the cultural unity of the country.' (Ortoleva, 1995: 222)

This process can be highlighted by giving the following examples: the historical link between the development of the monopoly telephone (STET) and radio company (the pre-war EIAR, and, from 1945, RAI) and Turin; the enduring importance of Naples in representing a national popular culture; Roman dominance over the film industry, best highlighted by the opening of Cinecittà in 1937; and, finally, the concentration of the publishing industry in Milan. The first cracks in the polycentric system came in the late 1950s. The increasing dominance of national media in the postwar period, partially as a direct result of the policy of the day to unify and homogenise cultural output, created tensions in the way these media were organised.<sup>16</sup>

One such example is television, where the battle between executives based in Turin (the traditional base of RAI) and Rome raged on during the 1950s and early 1960s, until Bernabei centralised RAI's operations in the capital. Even media traditionally controlled in the regions were affected by centralising pressures. The newspaper industry, for example, remained (and in many cases still remains), until the 1970s, regionally based. With the inception of new production and distribution technologies, (exemplified by the birth of *La Repubblica* in 1976), some newspapers have built a 'national' audience (even though that particular newspaper has regional supplements in Milan, Turin, Florence, Bologna, Rome and Naples). One response of successive governments in the 1970s, as a direct result of this process, was to look for ways to increase access and media use for minority groups, whether social, cultural or regional.

## **Refocussing Company Strategy**

Although there were repeated attempts to modify RAI's strategic response to the changed broadcasting climate, any successes were invariably piecemeal and hardearned, due primarily to the fractious functioning of the company, and in particular the number of political factions who needed to be consulted, both within and outside the company. Therefore, measures were often taken (for example, to raise extra income to counter the sharp rise in costs in the industry) which were uncontentious. From the early 1980s onwards, and in line with other European public service broadcasters, RAI also sought to adapt its planning strategy to curb the lack of a concerted and coordinated response to the threat of the commercial sector.<sup>17</sup> Important developments included: the need to raise the levels, both quantitative and qualitative, of domestic production output; more vigorous promotion abroad of RAI's programming; RAI's involvement in wider moves to bring a greater convergence and coordination between the broadcasting and film industry; and finally, the first tentative attempts to explore the commercial potential of new technologies (Richeri, 1990: 262-265).

The success of these initiatives, however, was very limited. The attempts to raise the standards of domestic fiction and film production through placing fiction on an industrial footing (by better training of scriptwriters, directors, producers, etc), and to encourage greater sales potential to America and European countries, met with limited success. High quality drama and films have certainly resulted from such initiatives. Films such as *Cinema Paradiso* and *Il Postino*, and dramas such as *la Piovra* have won high critical acclaim in Italy and abroad. But whilst there has been success, the quantity of film and fiction production has remained low. The problem was, as Giuseppe Richeri argues, that:

'Instead of reducing the pressure on typically commercial programmes, and dedicating itself more to its institutional functions, the RAI continues to be convinced that its main sphere of activity is one that puts it in direct competition with the private sector.' (1990: 265)

By looking at Appendix 1.8 and 1.9 (which give the the production levels for the different genres of programmes in 1991 and 1992), the marginal impact of RAI's strategy to increase fictional output is clearly shown. In 1991, RAI produced three hours of film, a figure equalling 0.2% of total film transmission hours (films purchased totalled 1,355 hours, and co-produced totalled 49 hours). In 1992 not a single film was produced internally (films purchased totalled 1,948 hours, and films co-produced totalled 72 hours). The figures for drama and television fiction do not make much better reading. In 1991, RAI produced seven hours of television drama, a figure equalling 0.5% of total transmission hours for drama (drama purchased totalled 1,123 hours, and drama co-produced totalled 175 hours). In 1992, RAI produced six hours of drama, a figure equalling 0.4% of total drama transmission hours (drama purchased totalled 1,369 hours, and drama co-produced totalled 239 hours). These are rather lamentable figures for a major public service broadcaster.

Although these statistics provide no basis on which to pass a definitive judgment on the level of RAI's domestic production targets (for example, the statistics do not say what RAI's targets actually were, and there are no long-term comparative figures presented), they illustrate the way that two important strategic aims have become marginalised. The same tables do show where the majority of RAI's internal production resources were directed: to light-entertainment programmes, and cultural and educational provision, both of which constitute important elements of the public service commitment. Walter Pedullà lamented the low level of drama and fiction production in one of his last keynote speeches. One of the most interesting elements of his speech was the statistics he uses, and which are not all available in RAI's Annual Report.

Pedullà points out that in 1992, RAI transmitted 9,500 hours of fiction equal to 36% of total transmission hours. Only 10% of this was internally produced. Furthermore, of the 80% of drama and television series purchased in 1992 (1,369 hours, see above), 65% came from America and other countries outside the E.C. He concludes that: 'RAI is therefore making less fiction than previously, and less than what is necessary' (1993: 8-9). His solutions to remedy this are two-fold. Firstly, he argued that RAI had to compete with the American imports by supporting the convergence of the European media production and the film industry. The most interesting comments were his proposals for the reorganisation of RAI:

'we have an organisational model that threatens to double production costs because of the unsuccessful policy of buying external productions, or rather, for renouncing a more calculated and optimised balance between internal productions and ones externally purchased...I have been repeating for at least a year that RAI must be reformed and reorganised. Only with a new and complete restructuring of RAI will it then be possible to find the resources that can contribute to a major relaunch of national fiction production.' (1993: 8-9)

The speech constituted a clear outline of RAI's senior management thinking on a possible reorganisation of the company. This was confirmed by a succession of articles and interviews given in *Prima Comunicazione* magazine in the early 1990s. But by April 1993, the political eruptions in Italy had overtaken all other events. The referendum on 18 April to reform the electoral laws was widely seen as marking the definitive end of the First Republic (Braun, 1995: 11). By then, leading politicians had already been tainted or discredited by the political corruption scandals. Also, the governing parties had seen their vote collapse after the defeat in the 1992 elections, defined as 'the Waterloo of the First Republic' (Braun, 1995: 13). An immediate consequence of the vote was the election of a new Parliamentary Commission

supervising RAI. This new Commission was no longer controlled by the once allpowerful political coalition of the Christian Democrats and the Socialists. The Commission published a report in December 1992, which acted as a catalyst for opposition demands to reform RAI. A bandwagon for reform started to roll and within six months, the new government under the former Governor of the Bank of Italy had initiated the reform process. <sup>1</sup> I have taken an exchange rate of £2,500 lira to £1 sterling.

<sup>2</sup> These figures have been flatly contradicted by De Vescovi (1997: 115). De Vescovi puts Italy behind both Germany and France (although in all countries, television system represents 0.4% of total GDP). It is difficult to account fully for such differences, although De Vescovi's figures come from 1995, and are therefore more recent. However, whether or not Italy has a bigger television system than Germany or France, it still generates considerable resources. <sup>3</sup> The advertising ceiling has worked in various ways. From the late 1950s until the mid 1970s, advertising was severely restricted due to *Carosello* (See Chapter Four). Thereafter, two different 'advertising ceilings' have been used to restrict RAI's income. The first method was to restrict the total amount of income raised through advertising (ie. a maximum figure). This was abolished at the end of 1993. The second method (which is still in force) is the morecommon 'quota system'. RAI can advertise a maximum of 12% per hour (14% in prime-time). This is compared to commercial broadcasters (Fininvest-Mediaset) who can advertise a maximum of 18% per hour (20% in prime-time).

<sup>4</sup> This practice was finally outlawed in 1992.

<sup>5</sup> For example, Tino Iscra compares the Italian television system with the American system. In Italy there are nine national channels and 793 local channels; in America there are four national channels and 400 local channels. In America, the total revenue for television equals 1.36% of Gross Domestic Product; in Italy this figure is 0.56%. This demonstrates two things: Italy's television system attracts less less revenue as a percentage of Gross Domestic Product; but it also shows that the Italian system supports double the numbers of national and local channels compared to its American counterpart. See *Prima Comunicazione*, October 1994, p. 76. <sup>6</sup> Craxi was infuriated by RAI offering its main celebrities such lucrative deals. See Monteleone

(1992: 445).

<sup>7</sup> The former Artistic Director at RAI, the renowned Game-Show guru, producer and presenter, Pippo Baudo is an example of a top personality who left but rejoined RAI. Raffaella Carrà was the other celebrity who took Berlusconi's offer in the mid-1980s. Monteleone (1992: 446).

<sup>8</sup> Hence the argument put forward by Balassone and Guglielmi (1993: 45) that RAI was the public broadcasting arm of the political establishment and Fininvest was its private arm. Also, Gambaro and Silva (1993: 148) point out the extent of political control over commercial local broadcasting. They point out that the number of local broadcasts and channels operating rise markedly before elections.

<sup>9</sup> By 1993, and with the onset of economic recession, even Fininvest suffered a financial crisis. Gundle (1996: 200) points out that the company had outstanding debts of £6,000 billion lira. This forced Berlusconi to bring in new management and end his 'expand at all costs policy'.

<sup>10</sup> See Chapter Four for a definition of the term.

<sup>11</sup> For example, Cavazza (1979: 106) argues against the idea of an all-powerful Director-General. Menduni (1993: 141-142) uses Article 13 from the 1975 Broadcasting Act to highlight the very effective operational powers held by the Director-General. What is not in doubt, however, was that the office of Director-General was strengthened by the 1984 'Berlusconi Decree', in what was seen as a political deal between the Christian Democrats and the Socialists. Craxi relied on the support of his government colleagues to save Fininvest operations. In return the Christian Democrats secured more powers for the Director-General. <sup>12</sup> Bettino Craxi memorised the precise political carve-up of the Administrative Council like a phone number, 643111. See Menduni (1993: 440).

<sup>13</sup> Pini (1979), who was a Socialist member of the Administrative Council, gives a candid account.

<sup>14</sup> For this section of the essay I am drawing on information gained from an interview held with Nicola De Blasi in Rome 6/6/95.

<sup>15</sup> It can be argued that Italy has different local systems, reflecting the economic and social realities. National channels have emerged primarily in the northern industrial cities, where there are larger local operators, attracting large amounts of advertising revenue. In the South, the size of commercial channels is more limited, their outlook in general is more confined, and they attract smaller advertising revenues. See Ortoleva (1994: 123). In a report on the size and structure of Italy's local television system (with 793 channels in total), of the 333 companies who had published financial accounts for 1995, only 8 (eight) companies had a total annual income of more than 5 billion lira (£2 million pounds). Rather unsurprisingly, these were all based in the North (although Sicily accounted for the most number of local channels). 'Osservatorio nazionale delle imprese radiotelevisive private' (1998), supplement with *Prima Comunicazione*, July.

<sup>16</sup> In addition to Ortoleva, see studies by Monteleone (1992) and Bettetini (1990).
<sup>17</sup> See Chapter Two.

## **CHAPTER SIX**

# The Restructuring of RAI, 1993-1996: from Professors to Managers

#### Introduction

This chapter examines the reform of RAI from June 1993 through to April 1996 and is split into seven sections. Special emphasis will be placed on examining the four weaknesses in RAI's public service broadcasting provision outlined in the last chapter. The first section tackles the delicate issue of internal changes and the proposed reform of the Pyramid system. It charts the reforms of the Administrative Council led by Claudio Demattè from July 1993 to July 1994. The second section looks at the 'regional question' and proposals for a new Raitre based on the German ARD system. In the third section, I will look at the attempts of the Administrative Council to depoliticise RAI. These plans were abruptly interrupted by the resumption of party government in May 1994. Section four therefore charts the tumultuous events of Autumn 1994 (RAI's 'Hot Autumn'). Section five will examine the attempts of the new Administrative Council, led by Letizia Moratti to implement the previous Council's unfinished internal reforms. In the same way, section six will examine the RAI and Fininvest-Mediaset duopoly during the reform period.

## The Internal Reforms

The task of the Ciampi government (April 1993 to April 1994) to was to pave the way for institutional reforms, including a new electoral system, leading to new elections. That RAI should have been targeted by the new government was not unsurprising. In the postwar period, RAI had always remained strictly controlled from Rome by the parties of government, especially the American and Vatican-backed Christian Democrats. So when the 'Clean Hands' investigation brought down the curtain on 45 years of Christian Democrat rule, RAI was suddenly left carrying the can for the failings of its political masters. The last years of the regime were especially difficult for the company, and by the time it collapsed in 1992, RAI was heavily in debt, a bloated organisation consisting of three separate and semi-autonomous television networks based on political allegiance.<sup>1</sup>

Mounting debts, increased costs and a voracious commercial competitor meant that RAI should have started the reform process in 1983, not 1993. Its organisational structure was clearly unsuitable for its broadcasting needs. A major study had argued this in 1980 (Iseppi et al., 1980). So when the Ciampi government announced that it intended to reform RAI, no-one could underestimate the difficulty of the task ahead. To make matters worse, the on-going *tangentopoli* investigations had revealed large scale fraud in other public institutions. What would investigators find at RAI - in many ways the main symbol of the failed First Republic?<sup>2</sup> The enormous organisational complexities of RAI and its vast array of operations ensured that any reform would require the work of many dedicated professionals. In RAI's case, any reform would require a high degree of political backing.

Whilst no-one doubted the difficulty of the reform process, the Ciampi government offered the best chance to succeed where previous governments had failed. The

government was formally bipartisan, although with the downfall of the Christian Democrats and its allies, the ex-Communists were in the political ascendancy during the spring of 1993. The government had no particular friends to shield at RAI, although in order to maintain its parliamentary majority it had to tread carefully. The remaining parliamentarians (many from the discredited parties) had to be brought into the negotiation process. Certainly, RAI had much to gain from the reform process, including restoring its credibility after years of political interference. But RAI also had much to lose from such reforms since it owed its dominant position in the Italian broadcasting system to successive political interventions in the postwar years. Any reform package was likely to cost thousands of jobs at RAI and could lead to greater liberalisation of the broadcasting market. Perfect conditions existed for a full-scale attack on public service broadcasting. But the window of reform opportunity would only last for a short space of time, since the reintroduction of party politics after fresh elections would undoubtedly renew old habits.

In June 1993 a mini-reform of RAI was passed by Parliament altering the power structure within the company with a view to dismantling the *lottizzazione* system (Law No. 206, 25 June 1993). The main aspect of the law was the reform of RAI's Administrative Council. The Council was reduced from 16 members to just four appointed trustees plus the Director-General, the most senior employee of the company. Members of the Council were no longer chosen by the Parliamentary Commission, but were instead chosen jointly by the two Presidents of the Parliament. Finally, the Director-General was now to be appointed by the other four members of the Council in agreement with IRI, RAI's parent company, with reduced powers. The rationale behind these changes was clear enough. First, the reform reduced the importance of the Parliamentary Commission, which had been responsible for the formal Parliamentary approval of the carve-up of RAI in the 1970s. The Commission, as discussed in the last chapter, was little more than a puppet for the party hierarchies and enjoyed little

effective autonomy (Vaccario, 1993: 3-5). By giving the power over appointees to senior institutional figures (in Italy, the two Presidents of the Chamber of Deputies and the Senate are the second and third most senior figures, following the President of the Republic himself) the system for controlling RAI became the responsibility of 'non-partisan' institutional guarantors, and theoretically above party politics (Vaccario, 1993: 3-5).

The reduction in the powers of the Director-General was the second aim of the decree. The role of the Director-General has always been the most powerful within RAI. The reform of 1975, which is generally considered to have reduced the powers of the post, still defined the Director General as being responsible to Parliament for the running of the public service. The responsibility of the Director-General was further strengthened by provisions laid down in the 'Berlusconi' decree law in 1985 giving him (then Biagio Agnes) overall responsibility for programme content (Law No. 10, 4 February 1985). The net effect was that ultimately, over day-to-day decisions, the Director-General had the final word. Under the new reform, however, major powers were taken away. For example, the appointment of senior personnel within the company became a collective decision for the Administrative Council. Again the main line of reasoning behind this decision was to strengthen the collective powers of the whole Council and reduce the political links traditionally associated with the post.<sup>3</sup>

With the new reform passed, the two Presidents of the Italian Parliament, Giovanni Spadolini and Giorgio Napolitano, appointed a new Administrative Council. The new members, in line with the non-partisan government, were non-party affiliated experts from various fields of the mass media and academia. Perhaps not surprisingly, the new Administrative Council was collectively called the 'Professors'. The President, elected by the members themselves, was Claudio Demattè, a Professor of Economics and Vice-Principal at the Bocconi University, Milan. The appointments were made for two years and the main tasks were to dismantle the system of *lottizzazione*, resolve RAI's ever worsening financial crisis and restore a system of public service less overtly tied to the political establishment.

The work facing the incoming Administrative Council in June 1993 and any hope of promoting subsequent reforms was heavily dependent upon meeting a series of short-term financial crises which threatened to sink RAI. Figures given by Demattè in October 1993 showed that RAI would lose around 450 billion lira (roughly £180 million pounds) for 1993 (the actual figure for 1993 was 479 billion or £192 million) and 650 billion (£260 million) for 1994 if nothing was done.<sup>4</sup> Added to this were outstanding debts of 1500 billion lira (£600 million) with annual interest payments running at 250 billion lira (£100 million). Speaking in January 1996 about the financial state of RAI at the dawn of his presidency, Claudio Demattè summed up his impressions thus:

'May I state very clearly that when we entered RAI, it was on the verge of bankruptcy... (Therefore), we had two major tasks to perform: one, was to rescue a company that was going bankrupt; second, was to transform the structure of the company, so that the company could perform in a better way, a more efficient way.'<sup>5</sup>

The first course of action for the new Administrative Council, prior to the enactment of a full restructuring of the company which would only come later, was to seek immediate savings throughout the whole company. The threat of bankruptcy stemmed from the rather peculiar constitutional position of RAI. Although RAI is a public institution, by which I mean controlled and administered by representatives of different state institutions, it is nonetheless obliged to demonstrate its continued viability or risk a declaration of bankruptcy in the Court of Accounts.<sup>6</sup> What followed was a series of spending cuts at a personnel level, such as expenses paid to journalists and senior managers (which were also fuelled by allegations of fraud in certain cases) and the review of major employment contracts, especially to personnel who worked for other companies. On a structural level, further staff cuts were made and funding for production and for programming came under the microscope.<sup>7</sup> The effect of such cutbacks was already apparent in October 1993 with Demattè admitting that the savings needed had caused cancellations in programme production.<sup>8</sup> Additional income would come primarily via the abolition of RAI's financial ceiling restricting advertising income on 31 December 1993.<sup>9</sup> In addition, the company continued a vigorous campaign to curb persistent non-payment of the licence fee.<sup>10</sup>

But the problems besetting RAI required further action, and at a meeting on November 29 called to discuss the chronic financial state of the company, a formal declaration of bankruptcy was narrowly averted (Mazzoleni, 1995a: 155). In December 1993, the extent of the cuts was highlighted by the President himself, declaring, 'we have attempted to cut where cuts could be made, pruning expenses by nearly 240 billion lire (£96 million)' (Mazzoleni, 1995a: 158). Despite the immediate cost-cutting measures, however, the level of RAI's total debt required urgent government attention. Without some form of state-led intervention, RAI faced an impossible battle in the short term. One source for plugging shortfalls traditionally came via RAI's principal shareholder IRI, but this was ruled out by its Chairman, Romano Prodi, who argued, 'it's not only RAI that lacks financial resources, so does IRI and the government!' (Murialdi, 1994a: 63).

Yet behind the scenes negotiations were taking place between RAI and the government over possible ways to increase RAI's revenue. And an agreement was required by the 31 December. Failure to agree by this date would result in RAI presenting their statement of accounts to the Court of Accounts and being declared bankrupt. The

Administrative Council's shopping list of requirements from the government included a reduction in the annual fee paid by RAI to the government for usage of the transmission frequencies, the deferment of debts owed to the different ministries, and the increase in the level of the licence fee. Furthermore, the Council asked for the cancellation of debt payments and a reassessment of RAI's property holdings.<sup>11</sup> The intense and hard-fought negotiations continued under intense media scrutiny. The agreement finally came on 27 December 1993 when the government announced a decree, which quickly became dubbed the 'Save RAI' decree (Decree Law No. 558). Provisions contained in the decree included a financial injection from the government via the relaxation of financial debts, totalling 350 billion lira (£140 million). The fee payable for transmission fees dropped from 160 billion lira (£64 million) to 40 billion lira (£16 million).<sup>12</sup> Finally, the Licence fee was raised from 148,000 lira (£59) to 156,000 lira (£62). The agreement therefore allowed the Administrative Council to concentrate on the reform process.

The details for a long-term and extensive remodelling of RAI's organisational model were thrashed out and presented in September 1993. The plan was wide ranging and included the essential framework for the restructuring process. The main aims were to reduce expenditure, primarily in non-programme making areas, through cutting staff, whilst exploring ways of reducing the amount of debt owed by RAI in the middle to long-term. The full restructuring of the company was to be extensive, therefore. In reality it meant a wholesale cut back in most areas of spending with the long term aim of leading to a 'small and pure RAI'.<sup>13</sup> Yet, it was unclear what small and pure meant in this context. Certainly, the Administrative Council would trim the excesses brought about through partition, but did this also mean that the company would review its operations and programme commitments with a view to taking a radical change of direction? The answer to this question would reveal itself over time, but the company was certainly in no shape in 1993 to alter course drastically, especially if this put its

sources of finance at risk.

The aim of the Administrative Council was to adopt a more cohesive organisational structure. Indeed, the restructuring document unveiled the main plans for the complete overhaul and reorganisation of television services. This process subsequently began in December 1993. The primary aim was to revamp the organisation and production structure of RAI in such a way as to support the 'mission' of each channel, as defined by the Administrative Council. Demattè's plan was to subjugate the interests of each network to a single company strategy:

'On closer attention, it is striking that RAI has not succeeded as well as the commercial competition in arranging its own channels in a way that reaches the different needs of the public and maximises the numbers of viewers reached. Certain groups are therefore ignored, especially children and pensioners, with the result that there is an homogenisation of programmes at certain hours during the day and insufficient programming at other times, creating problems that require immediate remedies..... there are different reasons for this less than satisfactory situation, but the principal reason is the fracture of any unitary strategy of the company and the readiness of the channels to follow their own objectives.' (1993: 26)

By way of an example to highlight his arguments, Demattè gave the following explanation:

'If Channel One buys a film, it is Channel One's film. And in order to have that film on another (RAI) channel you needed to fight like hell. So the basic idea was to maintain enough focus on the three channels,... as there were three different ways of capturing, of tackling the market, but at the same time we wanted to explore the synergies coming from managing the three channels in a coordinated way.'<sup>14</sup>

The Administrative Council adopted a twin track approach to the changes: the abolition of the existing bodies of coordination, and the office of the Vice Director-General, and the establishment of two new coordinating structures each of which, potentially at least, created a radically new direction for RAI. The first of the new structures was the Department for the Coordination of Schedules (*direzione coordinamento palinsesti*), which would have the task of coordinating televisual output across the three channels, thereby reducing the powers of the three networks to scheduling autonomy. As already discussed, one of the major problems RAI had in the post-1975 period was a gradual homogenisation of its output. In order to chase and protect audience revenue, each network would often counter-schedule the others. Without effective coordination from outwith the networks therefore, it would be possible to find the same programme running concurrently on all three channels. The aim of this new department was to instil some form of effective coordination between the three channels, backed up with necessary sanctions in cases where the networks dissented.

The second important structure created by the 'Professors' was the Department for Copyright Management (*direzione gestione diritti*), renamed the Department for Acquisitions, Productions and Co-Productions (*direzione per acquisti, produzioni e coproduzioni*, APC) which had as its principal objective the coordination of RAI's fiction and film output. First and foremost, it was foreseen that the new department would become the new proprietor of the budget spent on buying new films and television serials. Secondly, the new department would also take over and coordinate RAI's large film library with the aim of facilitating access for each network to the other networks' films. In facilitating greater coordination in film and fiction production via the creation of a sole proprietor, another anomaly of the old system became potentially obsolete. This minimised the risk of different RAI agents from the various networks counter-bidding against each other for a particular film or a TV package. Therefore, this new department would, at least potentially, deprive the networks of a primary

function (as well as a large chunk of their budget) of commissioning, producing and buying its own films and TV fiction.<sup>15</sup>

The general policy shift was made abundantly clear with the creation of the new internal departments. The old vertical network structure (which saw each network enjoy maximum organisational and financial autonomy as producer and editor, with powers passed through the key power-holders, the directors of each network to the different editorial and production sub-departments) was clearly under threat. The idea for a new organisational structure relied also on the expansion of horizontal or thematic providers. Until 1993, there were only the Sports and Educational departments providing services to all three networks. The APC was the first new horizontal provider to be created by the Professors and more were envisaged, each supplying programmes and operating externally to the individual networks. These new thematic producers would in turn be coordinated by the new department charged with full scheduling controls across the three channels.

The three networks therefore faced being downgraded in importance or even disbanded because they stood to lose substantial production and editorial controls. The new Matrix system, whilst leaving intact the idea of three identifiable channels, each with a defined 'mission', relied on the premise that it was possible to shift the traditional balance of power from the networks via the Administrative Council to the new horizontal structures. Such a shift would be, by RAI standards at least, a radical departure from contemporary practice. Whether such a shift of balance was practically realisable, even in a post-DC RAI, was unknown. The potential to create a renewed enmity within the organisation was not lost on the Administrative Council.

Not surprisingly there was a large degree of internal and external opposition to the proposed changes.<sup>16</sup> One aspect of this resistance was that the criticisms went well

beyond political rhetoric. Many senior journalists and managers were critical of the Administrative Council, accusing the Professors of not being television practitioners and therefore by implication lacking the necessary competence to push through such detailed and controversial reforms. Books published throughout the 1994-5 period emphasised this argument. Perhaps the most vocal critic was Alessandro Curzi, the Director of Tg3 who, after a very public disagreement with the Administrative Council, resigned to direct the news for Telemontecarlo. His book, *Giù le mani dalla tv*, Hands Off TV, produced a cogent critique, while other books and articles by noted practitioners, such as Stefano Balassone and Angelo Guglielmi, Vice-Director and Director of Raitre respectively under the 'Professors', added weight to such criticisms (Curzi and Mineo, 1994: 139; Balassone and Guglielmi, 1995: 125).

Such critics did not take as their starting point the need to defend the status quo, nor did they disagree with many of the aspects of the synopsis provided by Demattè in this report, eg., the limited differentiation of output for each RAI channel, the convergence with the commercial channels to provide the same formulaic programming, etc. These critics desired the same ends as those wanted by the Professors, but they differed over the means by which to bring about such change. Curzi and Mineo, for example, extolled the need for the Italian system to keep its current shape and form, resisting demands for wholesale change. They argued that television in Italy is substantially recognisable by each network and each should have its own legal status and a recognised and autonomous editorial identity. Within this framework, where practically possible, RAI could pool resources such as purchasing films, exploring possible synergies, etc (1994: 139). Balassone and Guglielmi, likewise, argued that each network, within the framework of the public service remit, should have the editorial autonomy which is so vital to construct its own identity. They rejected the idea of having the editorial control imposed from above by the Administrative Council, favouring instead a more hands on approach at the network level (1995: 125).

Balassone, in an interview in July 1994 argued:

'The Professors have based the new RAI on an organisational model used by the BBC, that is organised as one production house that provides for the main channel and a second channel. But RAI is not the BBC. RAI consists of three different channels that function because they have their resources plugged in to the identity of each network. If I unplug this, I would deprive RAI of its principal resource, an innovative capacity. It is this innovative capacity that allowed RAI in 1987, when it had its back to the wall, to develop a brand new network in three or four months. Without such a network identity, RAI would be reduced to a company of superficial proportions, editorially dead.'<sup>17</sup>

The central thrust of the argument made against the Professors was that by stripping the powers of the networks as the traditional site for commissioning, production and editorial control, each channel would lose its own particular broadcasting identity built up over many years. The loss of the editorial policy to the Administrative Council was seen as an unacceptable concentration of power in the hands of non-media professionals driven by the desire to subvert the decision-making process. An overriding company strategy would inevitably compromise the identity of each channel, as future decisions would be passed down to each channel, rather than made within each network. In turn, this would inhibit the development of professional qualities such as innovative material and content, a particular presentational style, all traditionally shaped from within the network. It would therefore bring about a period of confusion not just for the networks themselves, but for the whole company. Furthermore, the undermining of each network would be calamitous because in recent years the commercial sector had used the very same system of cultivating an audience identity for each separate channel. RAI would therefore be throwing away a tried and tested formula which had resulted in a 45% share of audience ratings, a figure envied by many other public service broadcasters across Europe.

It is clear therefore that there were strong arguments and counter-arguments coming from both sides of the debate. From the point of view of the Administrative Council, the internal restructuring of the company was essential in order to restore financial stability and maximise the programme output of the three channels. From the point of view of the dissenters, greater cooperation was fine in principle, but dismantling the Pyramid system in favour of a Matrix system could also have a highly detrimental effects on RAI's operations. The weaknesses of both cases were also clearly evident. Did the Professors appreciate the merits of the Pyramid system or were they too motivated by financial considerations? Otherwise, were the dissenters presenting a rather spurious case for the Pyramid system in order to protect their own jobs and actions over the years? What was undeniable, however, was the fact that RAI had been severely disadvantaged by internal competition and the lack of cooperation within the company. Any moves to encourage greater cooperation were likely to have beneficial effects on the management of public service broadcasting as a whole, and especially on encouraging more choice of programming.

#### The Regional Question

The reform process provided the new Administrative Council with a chance to have another look at the thorny issue of decentralisation. In the policy document published in September 1993, Claudio Demattè argued that:

'A precise request for RAI to address itself to the unsatisfactory level of decentralisation has on the one hand come from the Parliamentary Commission and on the other from intense lobbying, accompanied by offers of financial support, by the Conference of the Regional Presidents. The start of a genuine process of decentralisation, if the normative and economic conditions exist, could also prompt innovative paths such as the transformation of a channel into an inter-regional system controlled by RAI. Such a system would be loosely based on the ARD system in Germany. Decentralisation means both a gradual, but calibrated expansion of broadcasting at a local level, and above all a dispersal

of the commissioning and production centres where there are the available conditions in order that programmes can be produced that as well as reflecting local sensibilities present a strong national interest.' (1993: 29)

In making comparisons with the German system and the Länder-based ARD system, however, care must be taken to specify potential similarities and differences between the German system and any likely Italian system.<sup>18</sup> The similarity would be the continued national distribution of the majority of programming on the third channel, but with regional rather than Rome-based productions. Under the ARD system, about 40% of programming is produced or scheduled centrally, including the national news, movies, sports, etc (Kleinsteuber and Wilke, 1992: 85). The remaining percentage is produced regionally but shown nationally, apart from the early evening slot (6.00 to 8.00pm) when the network becomes a fully regional system. Under the proposed Italian system, the national news would continue to be produced in Rome. Sports rights and movies would also be acquired centrally but only after consultations with the various interested departments. The rest of the programming would be commissioned and produced by some form of agreement, possibly by a Commission consisting of senior management in Rome and the new inter-regional centres across the country (including participation from the Regional Assemblies).

There are, however, obvious differences between the German system and a potential Italian equivalent. The first of these is that the ARD system in Germany is a regional system with its legislative base in each of the Federal Parliaments. Under directives laid down by the German Constitutional Court (whose activity in the broadcasting sphere closely mirrors the role of its Italian counterpart) each Federal state enjoys 'cultural sovereignty' (Kleinsteuber and Wilke, 1992: 85). Each of the broadcasting companies within the system is regional. Some are larger than others and their programme contributions reflect this. Finally, all companies have representatives on the Central

Programming Committee which coordinates the combined national output of the various regional channels. Under any deregulation of the third channel in Italy, however, it would be highly unlikely that the powers to regulate broadcasting would be switched to an inter-regional level. 'Cultural sovereignty' would still reside at a national level. Also, whilst there would certainly be a role for the various regional parties, the inevitable inter-regional character of the channel would weaken any firm links with specific political, social and cultural reference points.<sup>19</sup> Finally, RAI would maintain overall control of the channel (the government would have to intervene with new legislative proposals), thus excluding the involvement of local broadcasting companies and imposing what could be argued to be a centralised regional system.

Negotiations within RAI on the various aspects of the decentralisation question were held between late 1993 and early 1994, and the obstacles to overcome were formidable. A primary task was to ascertain the economic viability of decentralisation, especially to explore where RAI could derive a cash injection at a time when it was suffering financial hardship. Any expansion of production facilities, the realisation of new regional programming and the organisation needed to introduce a regional system would require vast sums of new capital. Part of this capital was being offered, as previously stated, by the Committee of Regional Presidents, but RAI had to explore other alternatives. The task fell to acquiring extra funds through increasing advertising revenues, a traditional means of raising extra cash. As Claudio Demattè observes:

'First of all there was the possibility to promote programming below the national level but higher than the local level. At the same time, I had the feeling, which I sought to test, that there were advertising revenues which could be captured that had so far not been captured by anyone else. This was due to the fact that there were inter-regional companies having a distribution at that level and not at a national level; companies that were spending money for national advertising and throwing away 2/3 of the money used. Furthermore, there were companies who needed advertising for campaigns in a more

limited environment. So I had the feeling that there were resources and at the same time there was the possibility to promote creativity and entrepreneurial spirit at that level.'<sup>20</sup>

The plans for a decentralisation of the third channel therefore gained momentum, despite the major problems besetting the company as a whole, and with the parallel reforms to the infrastructure taking place concurrently. In addition to the feasibility studies there was another area of concern, that is: to what degree and at what time of the day would the new channel become regionalised. On this question, there was a clear divergence of ideas between the senior management in RAI and the Administrative Council in the spring of 1994, leading to the eventual resignation of one of the five Professors, Elvira Sellerio. The first idea was a decentralisation of the third channel between 6.00pm and 8.30pm in the evening, which had the agreement of Raitre senior management and members of the Administrative Council. The rationale behind this idea was to present a magazine-style programme in each area during the early evening period as people were returning home, until the prime-time period began (8.30pm). The added bonus of this plan was that regional programmes would be shown during a period of the day which had proved popular in other countries (including the ARD). The negative point, however, was that at that time of the evening the regional production centres were working to supply stories for the national news broadcasts. There was, therefore, resistance to this idea.

The second plan was more controversial: to introduce the regional system at 10.30 to midnight every evening. One supporter of this plan was the Director-General of RAI, Gianni Locatelli. An advantage of this plan was that the time slot after prime-time has over the years traditionally been (and still is) one of the weaker scheduling points for RAI. The prospect of inserting a fresh idea into the late evening slot therefore enjoyed a certain degree of popularity with many. But, there was one major disadvantage, because, whilst RAI has been traditionally weak in that time slot, Raitre has seen some

notable successes over the years in the late evening. Also, they argued that there was little appetite for regional programming from 10.30pm to midnight. The management of Raitre were resistant to any idea of adopting a regional slot at that time. What followed, therefore, was an internal struggle which soon became a public brawl. The positions of the two sides solidified and RAI found itself split at a time when it was also being publicly attacked by the in-coming Berlusconi government. Neither was this the first time in its history where the company found itself split in the face of an advancing Berlusconi. The result was that at the meeting on June 26th, Elvira Sellerio resigned at the decision to introduce the second plan in the schedules starting in the Autumn of 1994. The decision, however, was delayed because three days later the whole Council resigned in protest at the actions of the government over an unrelated matter.

Yet, behind the public dispute over the precise method and scale of decentralisation, a wider debate was taking place into age-old pros and cons of regional autonomy versus central cohesion. The main problem for many politicians and broadcasters was the potential impact of any plans to devolve powers to the regions. In other words, would any regional extension of Raitre mark an end to the demands for autonomy or would it fuel further calls for greater devolution? Certainly, what Demattè makes explicit in his proposals is the fact that Lombardy would be one of the major economic winners from a new regional system, since any increase in advertising resources would aid the richer north and central belt. The main question was to what extent would northern regions gain fiscal autonomy or would Rome seek to redistribute money to poorer regions in order to promote production levels there?

Not surprisingly, therefore, and in line with its demands for greater devolution, the Northern League adopted a more radical broadcasting policy, which, if implemented, would have changed the face of Italian broadcasting.<sup>21</sup> What the party wanted went beyond what was apparently being considered, namely some form of devolved or

regionalised Raitre. Leading politicians within the party sought a regionalised public service broadcaster, comparable to ARD, thereby turning the traditional centralised system on its head, as Antonio Marano argues:

'Federalism must also be considered within a more general reform of the information and communication sector. This reform must encompass a thorough evaluation of social and cultural realities present in the regions... any subsequent reform of the sector must have a fully federalised system as its primary objective, one which would allow for the wider choice of information that every citizen could receive without discrimination...

Public service broadcasting must undergo necessary and radical modifications in line with the federal reform of the television system. Is it really possible still to think of a centralised system when the country is heading in a federalist direction? The United States and Germany have demonstrated that agreements between public TV companies, operating at federal level, give life to local broadcasting systems.' (1995: 10 and 109)

What the Northern League sought was the full implementation of an ARD-style network, not the watered-down imitation proposed by RAI's Administrative Council. Put simply, the party sought the transfer of cultural sovereignty from a national level to a regional or local level. Furthermore, and this is clear from Antonio Marano's quote, the reform of RAI would take place in parallel with the reform of the whole Italian broadcasting system.<sup>22</sup> Yet, with Fininvest firmly entrenched in its northern (Milan) base, and the majority of local commercial stations already operating in the more affluent parts of the country, it was clear that the primary objective of the Northern League was to undermine Roman broadcasting hegemony. This was, after all, the basis of the League's grievance against Rome: *Roma Ladrona* (Thieving Rome) was the League's principal battle-cry and the party wanted fiscal autonomy. RAI was the main public symbol of bankrupt Roman ideology; destroying the licence fee certificate in public signified a rejection of Roman despotism.

The successful implementation of Demattè's proposals for a new internal structure and for a new devolved Raitre would remain dependent on continued political goodwill. In the past, detailed proposals had been given the go-ahead but had then fallen prey to political obstructionism. In other words, many projects had been undermined during the implementation stage. So the incoming party-led government would have the final say on whether to go ahead with what was bound to be a highly contentious project. It was also clear that the Administrative Council would face further intense opposition from within the company to the proposed changes. Whilst every regional plan must be judged on its particular merits, it was clear that many in Raitre sought to maintain policies that had brought the network success in the previous seven years: national programmes for a national channel. For the moment, therefore, the ideas for an Italian ARD system remained in the planning stage.

# The Political Question and the Delottizzazione of RAI

The Professors also came under wider political criticism for their radical plans. The problems faced by the new management within RAI were considerable from the outset. Firstly, in many sectors of the press, they were themselves accused of being appointees of the ex-Communist PDS (Partito Democratico della Sinistra) who had sponsored the original reforms.<sup>23</sup> In other quarters, the Director-General and to a lesser extent the President of RAI were accused of still serving the interests of the old guard. In other words, one was an unreformed Christian Democrat and the other an unreformed Socialist. The problem with such claims is that they are often impossible to confirm. In a media system as heavily politicised as Italy's, it became very difficult to see through the fog of sectional or party interests.

Statements from three of the Professors described the difficulties faced with the system of *lottizzazione*. Typical is the statement of Paolo Murialdi, who in his diary of a year at RAI wrote:

Tuesday, 3 August: 'All day I see colleagues from the *telegiornali*: Directors, Vice-Directors, Editorial Staff, Reporters, some famous, others less so. I realise that the damage caused by the *lottizzazione* is worse than I feared. It has even blocked the metabolism, paralysing the structure... With everyone I talk about the process of *delottizzazione*, knowing full well that it is as much an individual problem. We can create the general conditions to eliminate the problem: change Directors, allowing freedom over appointments of Vice-Directors, etc. For the rest, the problem lies with all those afflicted.' (1994a: 24-25)

Also, Claudio Demattè, when giving an interview at the time of the appointment of senior personnel, in October 1993, argued:

'For the appointments we had two criteria: professional experience and independence from political forces, whether new or old. Where did we meet with most problems? On the second point, I'd admit it. Also tension was worsened when everyone began accusing everyone else (of political affiliation), often without foundation.' <sup>24</sup>

Claudio Demattè's and Paolo Murialdi's statements are interesting in that they describe the different connotations attached to the concept of *lottizzazione*.<sup>25</sup> On one level, the term indicates an individual relationship: the *lottizzatori* and the *lottizzati*, the political patron and a high ranking subordinate. At this level, the main aim of the new management was to encourage a greater level of effective autonomy from the political elites. There is, however, a tacit reference to a far wider problem in Murialdi's statement: that of institutionalised *lottizzazione*. There is an obvious reference to discussions with a view to dismantle the worst aspects of the tripartite system ('to unblock the metabolism'). But there are also implicit references to the wider role of *lottizzazione* in the post-1976 period. This form of association extends beyond the master/servant styled political relations into a complex set of relationships covering working practices, inter-departmental relations, trade union-management relations.

The existence of a diffuse network of power relations presented a more stubborn and intractable problem. Hence it was possible for Giuliana Del Bufalo, former Director of Raidue and subsequent advisor to the President of RAI, to say (somewhat candidly), in May 1994:

"The old system of *lottizzazione* was ugly, but at least it secured a certain equilibrium. Now that the parties no longer control, the system of *lottizzazione* is maintained by the Trade Union with the agreement of the management. The truth is that the wind of change has not arrived here.'26

Whilst the last part of this statement is clearly at odds with the first part (if the parties no longer control, there must must have been a wind of change at RAI), the first two sentences do shed some light on the importance of political intervention to prop up internal organisation of the company. With the political parties no longer in control, negotiations over the future size and shape of RAI had reverted back to a more normalised system of industrial relations, that is between management and union. So whilst the possible reintroduction of institutional *lottizzazione* remained a possibility and could never be fully excluded, a rapid dismantling of its structures would undo the paralysis caused by the fall of the political parties and normalise internal relations at RAI.

In fact, the task of *delottizzazione* was made slightly easier by virtue of the fact that the political system as a whole was undergoing fundamental change and was in a state of flux. The government was run not by the parties but by 'technocrats', who were

supported by in Parliament by an increasingly disparate majority. The dissolution of the Christian Democrats (January 1994), and other smaller parties (including Craxi's Socialists in October 1993), the formation of other new political formations, including the old rump of the old Christian Democrats in the Partito Popolare Italiano (PPI), made political pressure more fragmented and unpredictable. For RAI, many of the old political reference points had, therefore, disappeared. Taking the example of the three main politicians of the late 1980s, collectively known as the CAF - Craxi, Andreotti and Forlani - all three were forced out due to corruption charges or charges of association with the Mafia.

The direction and speed of change at RAI, therefore, became subject to a set of protracted negotiations between the different vested interests, many of whom had gained much under the system of *lottizzazione*. Yet, the old RAI system had dissolved along with the parties that had sustained it. The question now was whether the new political masters would seek to undo the work of the Administrative Council and the whole reform package. The problem with creating some form of political autonomy would come therefore when a new identifiable political establishment was voted into office, not whilst the political system was undergoing change or whilst a non-partisan government ruled. The real test would be whether the old habits could be changed. This would have a direct bearing on whether RAI could claim to be free of the overt political interference which had done so much to undermine its commitment to public service broadcasting over the years. The answer to this question came in the summer of 1994.

#### **RAI** and the Berlusconi Revolution

By the end of October 1993 the main tenets of RAI's restructuring policy had become clearly defined. The main problem was the general political situation which would ultimately decide RAI's future direction. The Ciampi government had the task of bring in electoral reforms which would take the country through to fresh elections. By late 1993, with a new voting system in place, this task had been completed. Increasing tensions between the government and the fragmented Parliamentary alliance were also strained by the wider economic reforms. With the government losing a vote of no-confidence in January 1994, an election date was set for 27 March. The task now for RAI was to follow through with the internal reforms and await for the wider political situation to clarify itself and the external reforms to the broadcasting system as a whole, if they came.

The whole political climate was turned on its head when on 26 January 1994, Silvio Berlusconi, head of Fininvest, announced that he would be entering the political fray for the forthcoming elections, utilising Forza Italia clubs (grassroot AC Milan supporters' organisations) as the campaign organisation. The obvious question of conflict this posed as a candidate for high political office as well as the controller of a vast media empire was immediately grasped by his political foes. Amid cries that any vote would be rigged by the widespread support for Berlusconi's campaign from his media interests, Italy went to the polls. Within RAI the potential problems created by Berlusconi's decision were immediately grasped. Paolo Murialdi, in his diary entry for 27 January writes about the potential consequences: 'Berlusconi is the historical rival of the public service while today the PDS is its strongest ally. I spoke to Demattè about the problem'. (1994a: 99)

Within two months of announcing his official candidature, Silvio Berlusconi had led a

disparate coalition of sorts to a triumphant election victory. Whilst television was central to the success of the government, it is worth pondering briefly on the findings of the University of Pavia<sup>27</sup>, one of the six universities undertaking research into the 1994 electoral campaign, especially news coverage. In a quantitative analysis, the University found that Raiuno and Raidue gave the most balanced coverage of the electoral campaign (in terms of time devoted to each party in line with their parliamentary strength); then came Raitre and Berlusconi's Canale 5; and the most partial coverage of the elections was from Berlusconi's Italia Uno and Retequattro. The direction of the partiality in the latter two cases were towards Berlusconi's party. On Retequattro, Berlusconi's party gained a massive 68.4% of all news coverage whilst on Italia Uno the figure was 52.8%. The ex-Communist PDS gained just 9.3% and 11.6% of news coverage, despite being the largest Parliamentary party.

The impending victory of Berlusconi had been foreseen by many in RAI. Confirmed reports spoke of many journalists re-establishing links with new deputies from the government coalition. Within RAI hierarchy the picture remained bleak:

Wednesday 30 March: 'The dancing begins for the victors, politicians and journalists at RAI, and it's easy to imagine that it will last some time. Only then will there be retribution and the settling of old scores. Foremost in everyone's mind: the 'Professors' must pack their bags.' (Murialdi, 1994a: 125)

What followed in the two months after Berlusconi's electoral triumph was an uneasy silence. It was the period of the phony peace. The incoming parties of government, busy forming the coalition, spoke little about their intentions for RAI. The complex problems traditionally associated with the sharing of the cabinet posts meant that formal agreement between the three major parties of government was only reached on 9 May. In his outline of the government's major programme objectives on 19 May, Berlusconi

spoke only briefly about the problem of the broadcasting system, stressing his commitment towards a qualified public service and a pluralistic broadcasting system. The phony peace did not last very long, however. For what occurred in the months after June 1994 shocked many, including the President and other institutional figures.

The European elections in June 1994 provided the backdrop for the start of the attack on RAI. The assault at the beginning came sporadically but at the beginning of June the onslaught was sparked by two important events. The first was the election of a new Parliamentary Commission for broadcasting. The new President of the Commission, Marco Taradash, was an adjutant of Marco Pannella, free thinking radical, and member of the government coalition. The two Vice-Presidents were a leading spokesman for the neo-fascist Alleanza Nazionale, Franco Storace, and a leading member of the Green party, Mauro Paissan. The first act of the President of the Commission was to denounce RAI to magistrates for alleged misdemeanours, past and present. The second act was to compare RAI to the Republic of Salò:

'RAI is to the partyocracy what the Republic of Salò was to the Fascist regime. We are free of the first, now we must free ourselves from the second to create a democracy within RAI.'<sup>28</sup>

Taradash's point was that the partyocracy of the First Republic had died but the spoils system in RAI had survived it as a poisoned legacy, like the Republic of Salò after the fall of the Fascist government. Within days of this outburst came Berlusconi's long-awaited thoughts on the system of the public service and the management at RAI, expressed on 7 June:

'RAI has an editorial line which runs contrary to the beliefs of the majority of the people in Italy... The government will commence its examination of RAI; the public say it's seditious, I have the opinion polls here to prove it... I consult them because they are an essential element of a democracy... no

purges, but things will change.'29

Although the importance of a carefully selected quote should not be exaggerated, it does at least show in this case the context in which the elections were held and relentless campaign waged against RAI. Against this backdrop, the elections were contested in a tense atmosphere. The government complaints were that RAI was biased by virtue of its communist sympathies. But the centre-left parties complained bitterly principally against Berlusconi's channels, and on at least one occasion climbed the steps of the Quirinale Palace (the Rome residence of the President of Italy) to denounce the preelectoral abuses. For their part, the President and the Director-General of RAI also went to the Quirinale to complain about the virulent onslaught being waged against the public service. But if the European elections marked the start of an overt political campaign against RAI, things were about to get much worse. The results of the European election were a triumph for the government coalition of Silvio Berlusconi, his party claimed over 30% of the vote.

Further strengthened by the outcome of the elections, the government lost no time in stamping its mark on the public service broadcasting company. Apart from the open calls from the government for the 'Professors' to resign, the bombshell came on 24 June when the Minister for Parliamentary Relations, Giuliano Ferrara, announced that the government had blocked the reconstruction plan, effectively stopping the reforms in their tracks. Added to this came the further blow on 29 June when the government added an amendment to the 'Save RAI' decree, which was going through the various stages of Parliamentary approval, giving the executive direct power to dissolve RAI's Administrative Council. Giving the government direct control over appointees of RAI was a naked attempt to sack the Professors. Paolo Murialdi describes the last meeting of the Professors in candid detail:

Thurs. 30 June: 'The meeting is broken up because the President wants to speak to the Quirinale. He tells us soon afterwards that he has spoken to Scalfaro, who said to him: "I will act according to my conscience. You must do likewise". Demattè confirms that not only is RAI at stake, but also constitutional freedoms. He is right. Is the final curtain about to descend as has seemed probable for days? Can we risk being the grave-diggers of public service broadcasting? And then, would we have any sense of dignity left after the rejection of the plan and the amendment approved by the whole government? These are the questions we ask ourselves. The idea of resigning prevails - moved first by Benvenuti, then by me and then by Gregory - and so the council declares its decision. Demattè reads it to the management and journalists assembled...It is 7 minutes past 6'. (1994a: 171)

In return for the scalps of the Administrative Council, the government dropped the amendment allowing the executive direct power to dissolve the Council and so the procedures were set in motion to select a new board. The two new Presidents of Parliament, Carlo Sconomiglio and Irene Pivetti took two weeks to choose the new Council amid widespread rumours of disagreements between the two Presidents and the government coalition over suitable candidates. Eventually, a new Administrative Council was chosen. This new Council was immediately dubbed 'the Managers', because, with the exception of one academic member, they were all financiers or industrialists. The President of RAI was Letizia Moratti, a respected insurance broker. The arguments prompted at least one commentator to call Berlusconi the 'amateur lottizzatore' (Buttitta, 1994: 16-19). The end result, judging by the newspaper headings was clear: RAI had been relottizzata. But such an argument was too simplistic and too premature: the degree to which politicians really did have renewed control of the company would only reveal itself through appointments of senior personnel and via policy decisions. It was not until after the holiday period that the first concrete policy decisions became to emerge from the new Administrative Council.30

The whole discussion over the broadcasting reforms was further overlooked by the

deeper political mire RAI was plunged into with the announcement of new directors of the three channels and the news services in September and October 1994. The problem for the opposition parties, for one of the major coalition partners, the Northern League, and even for dissenting elements of the Administrative Council, was the appointment of senior personnel with alleged political sympathies to the Berlusconi camp and the Alleanza Nazionale. Appointments which seemed to provoke the most indignation were the promotion of the editor of the Berlusconi-owned *Panorama* magazine, Carlo Rossella, to the Directorship of Tg1, and the promotion from Berlusconi's Canale 5 of Clemente Mimun to the Directorship of Tg2.

The furore caused by the announcement of the appointments had immediate political reverberations. Within RAI itself, one member of the Administrative Council, Alfio Marchini, resigned in protest at the appointments. In an interview given shortly after his resignation, Marchini outlined his reasons for quitting, declaring that there was too much political interference in company decisions and that the Administrative Council had been placed under too much political pressure when debating the new appointments.<sup>31</sup> Within a month the Director-General, Gianni Billia, had announced his resignation from the 31 December 1994. In Parliament, the Parliamentary Commission, despite its pro-government majority, rejected the Administrative Council, primarily on political grounds, with the Northern League voting with the opposition. On the floor of Parliament, the heated discussions about the appointments led to the Vice President of the Parliamentary Commission being physically attacked for accusing the government of *relottizzazione*. Those pictures were beamed around the world.

The strength of opposition to the alleged *relottizzazione* of the company, and to the announcement of the senior appointments in particular, began to build up a head of

steam attracting a large anti-government consensus. The concern expressed, both by Parliament and within the country at large, brought a response from the President of the Republic in the form of an open letter read in Parliament. The contents of the letter included an appeal for the adherence to the concept of the *Par Condicio* (equal treatment):

"... in recent times, on at least two occasions, I have been obliged to bring to your attention a matter which I consider vital for a democracy, that is, of *Par Condicio*, that must be accorded to all political groups. The principle of *Par Condicio* also includes, for all political and cultural groups, the right to express themselves and to be heard, above all, across the broad spectrum of the mass media."<sup>32</sup>

What Scalfaro was reconfirming was the need to abide by constitutional provisions covering the media and the provisions laid down by successive statutes of broadcasting law. There was nothing original or novel in his argument. As the guardian of the Constitution, he was merely appealing to the parties to abide by these provisions. The importance of the letter was that it was an unmistakable attack on the Berlusconi government and this led to further political arguments.

In the wider journalistic world, which was so accustomed to working under the system of political patronage, the response was also one of shock. One of Italy's most senior and respected journalists, Enzo Biagi, supported by many senior colleagues and academics, launched the following appeal to the President of Italy:

'The attack against the public service of RAI, conducted from outside and within the company, now denotes a situation of serious danger to the freedom of information and communication: for democracy in Italy.'<sup>33</sup>

The climax of this fevered debate was the vote of no-confidence passed by the Senate

on 2nd November against the Administrative Council. The reaction of the Administrative Council of RAI to the vote of no-confidence was to announce that it was prepared to resign *en masse* when new regulations were ready. The country was being polarised by the debate surrounding the control of the state broadcasting company. In the sphere of public debate, the broadcasting issue was only equalled by the political wrangle over social spending for the forthcoming public spending round. With mass public demonstrations across the country, both for and against the government, students occupying the universities and schools as in 1968, social unrest reflected and propelled the rising fever of the country as a whole. As well as political and social discord, the institutions of the state themselves were hopelessly divided. The increasing bitterness in the battle of words between President Scalfaro and elements of the government over the principle of the *Par Condicio* was self-evident. It was the President of RAI, Letizia Moratti, in an interview with Enzo Biagi, who best summed up the situation by saying: 'RAI reflects the difficulties being experienced by the country as whole'.<sup>34</sup>

The next twist in the story for the battle of RAI came in early December 1994 when another bastion of the state, the Constitutional Court<sup>35</sup> entered the debate. The legal argument of the case brought by the minor national commercial channels, Telemontecarlo, Rete A and TeleElefant, concerned the claim that the position of Fininvest constituted an oligopoly and a dominant market position and therefore breached the Constitution. The main decision of the Court concerned Article 15 of the Mammì law which lays out the provisions limiting the number of channels owned by any one concessionary to 25% of the total number of channels. The Court argued that the ownership of three channels as guaranteed by Article 15 constituted an 'advantage over the utilisation of resources and advertising income. This advantage not only distorted the the rules of competition in the broadcasting industry, but constituted the potential risk to fundamental values of free speech, of thought, etc. In the Court's

opinion it was the duty of legislators to stop the formation of a monopoly and instead create a system which allowed the greatest possible access. The Court therefore decided that Article 15 was 'incoherent, unreasonable and unsuitable', adding that the national television needed new regulations that should:

'respect the constitutional requirement to safeguard the freedom of speech. Therefore, whatever the legal provisions adopted, it should not be possible that the final result allows one quarter of all national channels (or a third of all commercial channels) to be concentrated in the hands of one company...'<sup>36</sup>

In short, therefore, Fininvest had to lose one channel. The Court granted a period of transition so that new legislation could be introduced, rather than pass a definitive judgment. The ball was instead passed back to the politicians to decide on the legislation required. The decision of the Court, although technically against Fininvest only, effectively condemned the duopoly as being unconstitutional. The Court was not only backing the President in his call for a *Par Condicio*, but was also explicitly stating that a *Par Condicio* was not possible under present conditions. Perhaps it is not purely by chance that on the same day the Court announced its findings Fininvest were fined for repeated violations of the rules governing the coverage of elections.<sup>37</sup>

The another twist in the battle for broadcasting control came on 22 December 1994 with the resignation of the Berlusconi government. The reason for the collapse was the withdrawal from the government of the Northern League. Berlusconi immediately demanded fresh elections to end the political stalemate. He argued that the breakdown of the government constituted the betrayal of the voters, and, therefore, no other political group had a mandate to govern. This claim brought fresh conflict with the President of Italy who argued that the government was mistaken for two reasons: first, Italy was a parliamentary democracy, and therefore it was a matter for Parliament to decide who had the political mandate to govern; second, and more relevant to the public

service, was the statement Scalfaro made in his New Year's address to the nation that no new elections could be called until the broadcasting issue had been resolved and *Par Condicio* had been achieved.

In January 1995, the Constitutional Court also weighed into the broadcasting debate once again, deciding on the legal validity of a series of proposed referenda, sponsored by Marco Pannella, including further amendments to the voting system and three referenda on the future of the broadcasting system. The Court gave the go-ahead to the referenda on broadcasting (to take place in June 1995). Each referendum would take the form of a question put to the electorate. The broadcasting referenda proposed were: a referendum on the proposal to privatise or part-privatise RAI (subsequently carried in June 1995), a referendum proposing changes to the regulations regarding advertising, and finally a referendum on the proposed reduction of the commercial channels (both of which failed). In fact, the rejection of last referendum, to reduce the number of commercial channels held by any one operator, put it at odds with the Constitutional Court decision. Therefore, the whole situation became highly volatile. The new 'Technocratic' government of Lamberto Dini stressed that one of its main tasks would be to sort out the broadcasting question, but the doubt remained that the government would have the parliamentary strength to bring a comprehensive package of reforms.<sup>38</sup>

The seven month period from June 1994 to January 1995 was one of the most turbulent periods in RAI's history and saw the most shameless attack on the key tenets of public service broadcasting. There appear to be two main reasons for politicians adopting such an aggressive tone with the old Administrative Council. Firstly, changing key public administrators is often a symbolic gesture of factional politics. It therefore defines which parties or factions of parties hold the upper hand in any given moment. Appointing new administrators may not bring forth new policies, therefore. It is therefore a good example of gesture politics. In a similar fashion, Italian academics

have noted that politicians often use journalists and newspapers as a mechanism through which to talk to each other (Mancini, 1991: 150). There can be no better way of giving other political parties the message than sacking the Administrative Council of RAI.

The second reason why new administrators are appointed to public bodies is because of material benefits which supposedly accrue to politicians. In other words, Berlusconi appointed a new Administrative Council because he sought to gain most likely, as we have seen, by appointing friendly journalists to key strategic posts. Although both symbolic gestures and material benefits undermine the impartial standing of RAI and public service broadcasting, the second form of political interference is particularly pernicious and dangerous. It subverts the very basic values on which public service broadcasting is enshrined in Italian law. In an interview held with the BBC shortly after his exit from RAI, Claudio Demattè summed up his feelings in the following way:

'It's strange that the government addressed the RAI question first and not other more important issues like unemployment or the public debt. In fact, changing the board of management is significant for two reasons: firstly, they can change who is responsible for information and other key managers in RAI responsible for other programmes; secondly, because RAI is a medium through which the actions of the government are analysed, scrutinised and, eventually, criticised. I will also say that there is an ideology that if you want to govern and have a strong government action, you'd better have the information media in your hands first.'<sup>39</sup>

I think most of this statement holds good for most Italian governments in the postwar period. It does not only apply to the Berlusconi government. Where I would take issue with this statement, however, is that it was still relatively unclear in September 1994 what Berlusconi's precise aims were. Whilst the attack on RAI constituted an overt form of political interference, what remained very unclear was exactly how far the Berlusconi government was attempting to reintroduce the old system of *lottizzazione*. Yet, there was another way in which this could be assessed: the old system of *lottizzazione* was symbolised by the tripartite network system. It is not unreasonable to suggest that if this system was abolished or modified, the old system was gone for good.

### The Implementation of the Internal Reforms

The restructuring of RAI began during the term of the Professors between October 1993 to May 1994. The process of creating new structures within the company involved intense negotiations, centring on to what extent the new editorial and production structures would assume powers traditionally held by the networks. As with any organisational change, the process was carried forward at a relatively slow rate with different departments putting forward their own viewpoints. As Demattè observes:

'If you ask whether these departments were really performing or were really achieving a matrix structure, I would say not yet not at that time. I do not know whether they were able to shift the power into these departments later on to the amount which was required to create a matrix structure.'40

Despite the framework for the reforms being put in place by the Professors, their exit from the broadcasting scene in June 1994 left the reform package unimplemented. The whole reform package relied on the new Administrative Council led by Letizia Moratti, which took office in July 1994. The official policy of the new Council was outlined in a new editorial plan and reconstruction plan in September 1994 which confirmed the major arguments of the preceding Council.<sup>41</sup> The immediate observation to make is that the plan has strong lines of continuity with the Professors' plan.<sup>42</sup> With one eye on the long-term objectives of the company, there was also a strong commitment made towards the specialisation and diversification of RAI's televisual output. This general change in direction was confirmed by the President of the RAI, Letizia Moratti, when giving evidence to the Parliamentary Commission on 27 September:

'Firstly, the historical mission of the public service should not be denied nor undervalued... At the same time, public service broadcasting cannot ignore the tendency (already amply manifested in other developed countries) that has seen 'specialisation' as one of the main objectives in the requalification of the television services in the face of ever-increasing personalised demands on the part of the viewer.'43

In general, however, the Administrative Council pressed ahead with the reforms of its predecessor, creating, in addition, new horizontal thematic structures, which would eventually take some responsibilities away from the networks for the production of Childrens programmes and Cultural programmes. As briefly stated, the move to a channel-based editorial policy controlled by the Administrative Council formally ended the former policy of network control. The end of this 'network as channel' system, and the financial and organisational autonomy formally enjoyed marks a major shift of power both to the Administrative Council and to the new editorial and production structures put in place. Both the 'Professors' and the 'Managers', in fact, lost no time in redefining the roles of each channel. As Piero Zucchelli suggests:

'The editorial policy of the three channels is defined by the Administrative Council. Raiuno is defined as the channel for the family, for the mass public. Raidue's editorial policy aims to attract different groups, providing more social provision in its broadcasting coverage. Raitre's editorial policy ties it closer to the territorial or geographical realities, therefore to the regions and provinces in Italy.'<sup>44</sup>

Although the defined mission of each channel had not differed radically in the post-1993 period (Raiuno has always been the channel for the mass public and Raitre has always been the regional channel), there was a clear break from past practice in one

respect: the Administrative Council now expected stricter implementation of each channel's mission. In other words, the Administrative Council's stance confirmed a more hands-on policy to cut the old networks down to size. Formerly, the networks could pay lip service to outside requests by virtue of their semi-autonomous status. Edicts from the Administrative Council or from other parts of the company could be side-stepped or watered-down by a variety of manoeuvres. A network could negotiate knowing that they were a major force within RAI entrenched by parliamentary law. But after the reforms, the networks would be answerable to other departments where once they were the true power-brokers.

For example, responsibility for implementing this policy objective fell on the new Scheduling Department at RAI. This department, which grouped together planners and schedulers formerly with the networks, became the main arbiter at RAI, working in close consultation with the Administrative Council, the advertising agency, Sipra, the networks, and the other production departments. The Administrative Council had the final word. Each season (from summer 1994, onwards) it constructed a schedule plan based on four main factors: the role of RAI in the Italian television system; the editorial policy of each channel; the relationship between the audience and the editorial policy; the programming policy of its competitor, Fininvest; plus a strategy of defining a 'lead channel' (it could be one particular channel during the morning or afternoon or all three channels in the peak evening schedules) to market, promote and cultivate different audiences and maximise advertising revenues.<sup>45</sup> Such a policy, however, required intense negotiations with all parties concerned.

One of the main meetings it held (at least in February 1996) was on a Thursday afternoon at 4 o'clock with all the interested parties to fix the weekly schedules within the wider seasonal scheduling plan. The aim of such a meeting ways to discuss the final shape and form of the schedules and to get an agreement from the networks. This

was achieved about 90% of the time. The actual system for constructing the schedules in 1996 was based on the following process. The Scheduling Department split the three channels into five 'strips' covering a 24-hour period. These five strips corresponded to the time periods: morning, afternoon, early evening, evening (including prime time) and night. Within each of these time zones space was allotted to the different production houses: the three networks, three news-services and the horizontal or thematic structures. The three networks and news-services obviously operated on the corresponding channel, whilst the other production centres operated on all three channels. For each time zone, one channel took the responsibility as the lead or flagship channel. Normally this was Raiuno, although Raidue took the position in the afternoon. In the evening all three channels were the flagship. The point to make from this is that since the summer of 1994, RAI has seen a departure in the way it has traditionally constructed its schedules, from a network-based system to a centralised system. One result has been the stricter implementation of each channel's defined role.

But the reform process moved with the utmost caution and there were a number of reasons for this. The main fear behind the reform process, thus far discussed, was the implicit fear that in the gradual dismantling of the network system towards the matrix system based on the three channels supplied by a variety of production departments, RAI would unravel the positive aspects of the network system. Over the years, and with full financial autonomy, each network had fine-tuned its operations to boost its audience and advertising revenue. Each network knew its public, they had the expertise to maintain and build the relationship with the public. So why change a well honed system, which had produced undoubted broadcasting success? Also with the company suffering such a severe financial crisis, RAI could not afford to lose any advertising revenue. Such voices of caution were heard throughout the company, but especially in the networks which had so much to lose.

The principal challenge in any reform package therefore was not the creation of new departments and structures, but the exact implementation date (when they assumed full powers) and the development of relations between these new support structures and the networks in the meantime. When I interviewed one senior manager in June 1995 he highlighted some of the problems faced in implementing the reforms. Of the two new thematic departments - Children and Culture - neither enjoyed a full budget nor schedule time, with the three networks retaining control. Instead, they enjoyed a nominal start-up budget.<sup>46</sup> Therefore, the period was characterised by RAI insiders as a transitory one. The reforms were not fully implemented, but the system had changed markedly. The organisational structure was in the process of continued discussion and redefinition. This was the situation when I went back to RAI in February 1996.

Obviously, the trump card of the networks (in common with most broadcasters) in addition to their undoubted expertise was the wider process of assessing audience data. The traditional relationship between each network, its audience and editorial policy was a close one, and the ecology of the system was fragile. As Piero Zucchelli argues:

'On the basis of the editorial policies and on the relevant information forthcoming from the Auditel, the association which is officially appointed by RAI and the other commercial channels to produce the audience figures, one can evaluate the typology of the audience: type of audience, quantity of audience, what type of audience exists at particular moments during the day and its relationship to the television offer.'<sup>47</sup>

Sweeping changes to RAI's programming commitments were therefore dependent on the editorial policy and information forthcoming from the Auditel figures. Therefore, all changes to the editorial policies of the three channels, in other words their programme remits, had to be conducted in a careful and precise manner, for fear of losing vital audience share and advertising revenue. As Zucchelli pointed out,

audiences tend to be fairly conservative, sticking to certain genres of programming and particular RAI networks. The loyalty and identification of audiences towards the three channels also strengthened the arguments of Guglielmi and Balassone that the three networks were best placed to ensure that audience figures and advertising revenues were maintained. The whole reform process was also slow and laborious for this reason.

And in addition to this, the truth was that RAI - whilst maintaining about 45% of the television market - was fighting a battle to preserve its position in the wider media industry. De Vescovi points out that RAI, either in purely financial terms or in terms of market share, could no longer claim to have the central role in the Italian media system (1986: 33). It is worth reiterating a point made earlier which is borne out by Appendices 1.4 to 1.7: the sluggish growth in RAI's market share of advertising during the late 1980s and early 1990s, when compared to the rapid growth in the market share controlled by television as a whole, rising from 42.8% in 1983 to 53.3% in 1994. The rise in advertising share has been gained by Fininvest, which saw its share jump from 17.5% in 1983 to 32.2% in 1994.

Even allowing for the end of the statutory advertising 'ceiling' on 31 December 1993, and the subsequent rise in advertising revenue for RAI in 1994 and 1995 (in 1995 by 7% and in 1996 by 10%), and its positive effects for RAI's financial stability, the overall effect of these developments on the communication system remains marginal. For starters, RAI cannot show as much advertising as its commercial rivals (12% compared to 18%). This must also be set within the wider context which has seen relatively stagnant conditions in the advertising market as a whole, due to the difficult economic climate in the mid 1990s. In addition to the down-turn in economic performance across Europe, it remains doubtful that the conditions of the advertising boom of the 1980s could ever be replicated. In short, the market created by commercial broadcasting has largely been tapped by its current participants, and it would require

measures beyond a minor up-turn in advertising markets to create a major shake-up of the Italian broadcasting system (Iscra, 1994: 106).

The point to make, therefore, is that with the financial constraints as they were, the reform process edged along in a restrained manner. The involvement of the networks at every stage of the decision-making process emphasised their continuing power and the company's fear of losing market share due to the reforms. Delays in the introduction of new horizontal structures (Children and Cultural Programming), is another sign that the networks were maintaining their traditional powers and delaying full implementation of the Matrix system. In addition to this, old policies were maintained because RAI could ill-afford the loss of revenue. The drive for audience share (which rose throughout the reform process, incidentally) remained a paramount aim in the schedule. The main example of this was of course the prime time period (8.30pm - 10.30pm), when the editorial policies - especially of Raidue and Raitre - were relaxed, to attract the large audiences and attract advertising revenues with popular formats such as films, variety shows, etc.

So in the light of these internal changes, what inference can we draw, if any, about whether RAI had been *relottizzata*? The unpalatable truth was that a culture of party interference was so deeply ingrained that it would require successive waves of reform to stamp it out in a thorough manner.<sup>48</sup> Yet, the development of a new form of political interference was different to the system preceding it. Firstly, the three parties that formally controlled RAI had vanished. The dissolution and then splintering of the Christian Democrats into smaller parties and the complete disappearance of Craxi's Socialist party necessitated this. So even if the three-network system survived as functioning and operating entities, the balance of power within each network had irreversibly altered. Few doubted this. The question for many was what system would replace it and why did politicians demonstrate an almost pathological desire to control

state broadcasting?

This first question leads on to a related point about political partition. Whilst the tripartite system had undoubtedly fallen, there was not a new triumvirate of parties ready to take up the mantle of *relottizzatori*. Some newspapers were responsible for assuming that the incoming triumvirate of parties would assume the roles of the old parties: one network each for Forza Italia, Alleanza Nazionale and the Northern League. Otherwise, it was assumed that the government would maintain a tradition of seeking a broad consensus in the decision-making process (*consociativismo*), therefore allowing the opposition PDS to maintain control of Raitre with Forza Italia and Alleanza Nazionale assuming the levers of power over Raiuno and Raidue. Yet, the Berlusconi government lasted only nine months, comparatively short even by Italian standards.<sup>49</sup> For those nine months too many conflicting signals were given to conclude that the government was seeking to reintroduce the old system.

Whilst the government did reassert some form of political tutelage over RAI, it never reintroduced the old system. Strong evidence for this comes from the fact that whilst the old Administrative Council was sacked, the reform package it had produced but not implemented was continued by the new Administrative Council under the leadership of Letizia Moratti. It is this reform package that sought to curb the powers of the three networks and replace their production and scheduling powers with new structures. If the new political authorities were planning on reestablishing the old *lottizzazione* system, why would they also push ahead with the reform of those same centres of power? Instead, the new political situation required more subtle methods of political placement, not renewed political partition. So another method of political interference, one which targeted key posts - especially the more sensitive areas such as the Administrative Council and the *telegiornali* - inside the company was used in order to maintain and promote the interests of the political parties. But the old tripartite network

system is finished, even if the networks themselves remain, and there is no evidence that anyone has tried to reinstate it. Instead, RAI has reverted to a more normalised system of company management.<sup>50</sup> It is these factors that made the likelihood of a planned and systematic reoccupation of RAI by Berlusconi unlikely, but not impossible. What is far more likely is the charge of individual *lottizzazione* made against different people in charge of politically sensitive areas, either in key strategic posts or in the news departments. Finally, there is one final factor that militates against the complete *relottizzazione* theory. The charge of *relottizzazione* was often levelled against Berlusconi (who, of course, already owns his own media empire). But voices within RAI spoke of other government parties seeking to gain political favours, primarily the Alleanza Nazionale and the smaller CCD (Christian Democratic Centre).

#### The Unresolved Regional Question

The other burning issue left unresolved by the fall of the Professors was the process of regionalisation. The policy of the Administrative Council led by Moratti was to quietly demote talk of regionalisation. When I spoke to senior RAI officials in June 1995 and February 1996, the following factors were cited as to why plans had been put on the back burner.<sup>51</sup> The first factor was the economic reason. One executive told me that to implement the plans based on the ARD model was too expensive.<sup>52</sup> The income to be raised through the increase in advertising revenue in no way covered the costs of the project, and estimates given for full implementation were up to six times the expenditure currently spent on regional services. In short, the cost of implementing the ARD system were too prohibitive, especially since the company was still recovering from its severe financial problems.

The emphasis on regional policy was based on making more piecemeal concessions, but constantly reviewing the situation in relation to internal resources and external

pressures. RAI's President, Letizia Moratti signed an agreement with Regional Presidents that gave them more input into the discussion process for regionalisation and more scheduling powers on Raitre (Jacobelli, 1996: 96). Other small scale improvements were also forthcoming. For example, on March 27 1995, a new minority language service began for Italy's Slovenian population (RAI Annual, 1997: 60-61). But the Administrative Council moved completely away from the ARD-based plan and starting discussing possibilities of adopting a plan based on the (inter-regional) ITV system in Britain. This was despite the fact that in the post-1992 period the ITV system has been subjected to new regulations which have allowed four companies to take over smaller regional broadcasters. One advantage of such a plan was the reduced cost involved. The plan would require fewer regional production centres than the ARD plan, which had already been rejected. Also, a system based on regional programmes controlled and coordinated mainly from the centre would lead to the creation of a Network Centre based in Rome. The idea of retaining control in Rome enjoyed widespread support in RAI HQ.

So the costs of developing an ARD-style Raitre were too prohibitive. This was widely confirmed by executives inside the company and seems a perfectly plausible scenario for a company undergoing financial difficulties. And yet, the company was in the position to pay back government loans by 1996 (the 350 billion lire or £140 million loan in the 'Save RAI' decree) (Jacobelli, 1996: 54). So there seems to be a contradiction here. Whilst the repayment of government loans is to be applauded, it does seem strange that this voluntary act took priority over a key tenet of the reform process. It is true that the loans repaid constituted a fraction of the total costs required to introduce the regional Raitre reforms. And yet, RAI had done its sums for this major policy initiative. The company knew the total costs and had, presumably, allocated the necessary budget prior to the announcement of an important policy initiative. In light of this, it can be argued that the internal rearguard action (led by Raitre's management)

against Demattè's plan was successful in persuading the new Administrative Council to scupper the project. The main problem, however, was that no new plan was forthcoming thereafter. Once again, Rome had vetoed the expansion of broadcasting in the regions.

But the regionalisation of Raitre also had the support of many national and regional politicians. Or did it? In fact, and somewhat paradoxically, it would seem that the political pressure for regionalisation actually subsided in the post 1994 period and this constitutes the second reason why the ARD plan was dropped. The fall of the Ciampi government in April 1994 and the rise of a Berlusconi government, including the Northern League, lessened not strengthened the political imperative. To put it simply, only the League applied sustained pressure for a regional channel. Other parties in the government-coalition were either indifferent to the proposals or were actively hostile. Once again, it must be remembered that it was the Northern League and its leader, Umberto Bossi that brought the downfall of the Berlusconi government. Media policy was one issue where the League disagreed bitterly with its allies. With the downfall of the Berlusconi government in December 1994, the role of the League in national politics became somewhat marginalised. The declaration of independence for the self-styled Republic of Padania in September 1996 constituted a highly provocative act of open defiance against Rome, which can be directly linked to the failure of the Berlusconi government. Also, Bossi's ritual burning of his licence fee showed the special antipathy felt by his party towards the Italian broadcasting company. But the future question of a decentralised third channel remained, as so often in the past, in limbo.

Plans for a fully fledged regional channel were therefore undermined by political realities. Of course, the whole issue of regional broadcasting in Italy had become part of a wider political debate about political devolution and regional autonomy. The devolutionists' aims, many of them laudable desires, have been to encourage centralised political institutions (formal Italy) to engage more fully with the regions (real Italy).

For others, however, the desired end-game of the devolutionary path would be secession from the Italian state. So the question of regional representation, of who should attain it, under what criteria, and to what extent devolution should be granted, was especially complex and difficult. For example, the project of the Northern League and *Padania* involves a fight for autonomous status or even outright secession, which would undermine Roman authority. If Padania did gain autonomy or independence, this could trigger other secessionist demands, especially from the five autonomous regions. This, in turn, could spell the end of a united and democratic Italy as we presently know it. Although this scenario is unlikely, and might sound somewhat alarmist, a quick glance across the Adriatic demonstrates the terrible price of regional conflict.<sup>53</sup>

And yet, the failure of RAI to work within the spirit of the 1975 Broadcasting Act, and the general reluctance of Roman politicians to cede powers to the regions, certainly gives the moral high ground to the devolutionists' cause. Time and again during the reform process, political parties and leading politicians published policy statements declaring their support for devolution, especially in the communications industry.<sup>54</sup> But time and again, political parties and politicians were calling a different tune behind the scenes. Also, the failure to implement some form of reform runs counter to the spirit and letter of numerous statutes and laws. There are various reasons why this happens, but in part it stems from the highly sectarian nature of Italian politics, itself a product of historical and cultural difference (See Chapter Three for a discussion of these points).

# Public Service Broadcasting and the RAI / Fininvest-Mediaset Duopoly

The close relationship that exists between RAI and Fininvest has been fully examined for the pre-1993 period.<sup>55</sup> The only point which should be made here is that the reform process has concentrated on RAI and, as a consequence, has left the relationship between RAI and Fininvest-Mediaset virtually untouched. It has been shown in this chapter that the Constitutional Court has once again intervened in order to highlight the inequities of the Italian commercial broadcasting system. The Constitutional Court effectively declared Fininvest's dominant hold over the commercial system illegal. But this was effectively contradicted by the referendum result in June 1995 where the Italian public voted in favour of Fininvest-Mediaset owning three channels. The Court also argued that the system was unlawful if smaller commercial operators were not granted the necessary frequencies to enjoy national coverage.

The fact that commercial channels (who won national licences in 1992) did not enjoy national coverage was, and is, of course, one of the paradoxes of the Italian broadcasting system. The lack of national coverage stems from the adoption of the *farsi spazio da se* system of allocating frequencies that resulted in an active black market where commercial companies bought or leased frequencies from each other. Of course, the master tactician of this system was Berlusconi, who, as a result, bought up many smaller companies at advantageous prices in the late 1970s and early 1980s. As a result of this, even if frequencies became available tomorrow in order to allow 100% national coverage, Fininvest-Mediaset have enjoyed 20 years' head start and have cornered the television advertising market. Whilst the advertising market could grow further, the rate of growth seen in the 1980s is unlikely to be seen again. Without the necessary advertising revenues, few companies have the funds to invest in programmes to attract large audiences. And even when smaller operators do own large programme

or film stocks, they can earn more money by selling them to Fininvest-Mediaset in order to guarantee a large audience. This happened in 1996 when Telemontecarlo sold a film package to Fininvest-Mediaset.

The major consequence of the RAI and Fininvest-Mediaset duopoly is that it openly encourages a practice that has a highly detrimental effect on public service broadcasting as a whole: the mutual counter-scheduling of programmes. This is done quite openly by both companies in order to protect advertising revenues. Such a system has been fine-tuned over a number of years through the careful study of audience figures and each other's programme schedules. In fact, the whole programming format adopted by RAI depends on the policy objectives of its main competitor, as senior executives explained to me:

'The competing networks are, principally, Canale 5, Retequattro and Italia Uno. The total audience for RAI and Fininvest combined reaches 90% of total television audience. It is clear that the other networks that control only 10% have only a modest influence. Above all, therefore, programmes are based on a policy of counter-programming the output of Fininvest networks.'56

As I have said, the policy of counter-scheduling is a defensive mechanism used by RAI and Fininvest/Mediaset to protect audience share and advertising revenue (Siliato, 1992: 246). Therefore, RAI still finds itself in a vicious circle. RAI wants to break the ageold problem of homogeneity of programming. It is, however, faced by a commercial competitor largely unfettered by regulations which has one aim: to make a profit. To do so, it follows the maxim of 'big is beautiful' and gears its programming to the lowest common-denominator model and higher audiences. What does RAI do? Does it attempt to break the mould and risk a drop in audience, or does it maintain the relationship? In short, RAI still finds itself in a Catch 22 situation (as outlined in Chapter Two). Admittedly, once the internal reforms were fully implemented, and more money became available for programmes, RAI could achieve greater diversification of its output. But this was because it had started to put its own house in order. Any meaningful reform process required attention to be paid to the wider duopoly and attempts to put the wider media system in order.

Finally, another accusation emerged whilst I was conducting interviews for this research. This concerned the oft-repeated claim that RAI and Fininvest have, in the past, negotiated tacit truces in their battles for audience ratings. This tacit truce extends beyond the normal scheduling procedure of counter-programming or second-guessing the opposition's plans and involves illicit meetings and agreements being made on issues of programming, audience and advertising revenue. The advantage for broadcasters on arranging such deals is that it allows them to plan and manage their costs whilst ensuring audience levels do not fall away in a drastic manner. It is called the *pax televisiva*. The accusations made, which subsequently did lead to a judicial investigation, revolved around a meeting or a series of meetings between the President and Director-General of RAI and the Chief Executive and owner of Fininvest at which a new *pax televisiva* was offered.<sup>57</sup> The offer was refused and no written details exist of the meeting. Such offers can serve little purpose other than for narrow corporate interests. They certainly do not offer advertisers or the general public any additional service (Gundle, 1996: 203 and 213).

<sup>1</sup> RAI was the most visible symbol of a bankrupt partyocracy. Even control of broadcasting could do little to lessen the resentment felt towards the Christian Democrats and the Socialists. In some respects, those parties untainted by political corruption could thrive without the help of major media friends, whilst those parties who controlled television fell by the wayside. Vaccario (1994: 28).

<sup>2</sup> To my knowledge, no large-scale fraud was ever uncovered at RAI. Of course, there was enough money wasted under the tripartite system. There are various stories unearthed of small-scale fiddles: expenses claims, lucrative contracts given to political cronies, etc, in Murialdi (1994a: 27). Bocca (1997: 109-110) retells the story of a RAI official who brought a package of programmes at an inflated price, only to receive a subsequent fee from the company selling the programmes. There was also the *Domenica In* scandal (1996), on the Sunday afternoon variety show. The presenter, Mara Venier, uncovered an attempt to defraud the telephone quiz. A member of the public was caught - on-air - giving answers to a set of old questions which had been replaced shortly before the quiz began. In other words, an insider had managed to gain access to the questions and ensure that an accomplice gained access to the telephone quiz. The moral of the tale was to choose an accomplice who has a cursory idea of general knowledge.

<sup>3</sup> The post-1993 reforms have indeed claimed back the powers of the combined Administrative Council and had given its collective leader, the President, a new role of ultimate power-broker. In the post-reform period, there have been three Presidents of RAI and five directors-general. Where President and director-general have differed in company strategy or other policy detail, as with Moratti and Billia and Moratti and Menicucci, the director-general has resigned. When Gianni Locatelli became embroiled in a share scandal in 1993-4, he was effectively saved by a vote of confidence of the Administrative Council and the trenchant public support of his President. Finally, Locatelli had been chosen above an internal RAI candidate for the job of director-general because 'it was not felt that an internal candidate could effectively promote the root and branch reforms needed' (Interview with Claudio

Demattè, Milan, 30 January 1996). So the role of the director-general has changed from being the real power-broker at RAI, to being a trouble-shooter, carrying out the reform process but working to the orders of the Administrative Council and the President. For a review of the radio reforms, see Sartori (1996).

4 Quoted from interview given to l'Espresso, 31 October 1993, pp. 46-47.

<sup>5</sup> Interview with Claudio Demattè in Milan 30/1/96.

<sup>6</sup> For a formal definition of RAI's constitutional position, see RAI Annual (1994: 3-4).

7 The total number of staff employed was reduced from the pre-reform figure of just over 13,000 to around 11,000 by 1996. See RAI Annual (1997: 193) and RAI Annual (1992-1993: 181).

<sup>8</sup> Quoted from interview given to *l'Espresso*, 31 October 1993, pp. 46-47.

<sup>9</sup> Increasing its total annual advertising revenue by between 6% and 10% for the period studied. See Jacobelli (1996: 83).

<sup>10</sup> In 1991, 72.53% of Italian families owned a television licence. By 1996 the figure had risen once again to 80.73% (in order to put this figure into some sort of historical context, it should be noted that 76.32% of Italian households owned a television licence in 1981). RAI Annual (1997: 178-179).

11 Interview given by Claudio Demattè to *l'Espresso* magazine, 31 October 1993, pp. 46-47.
12 Even if this constituted an improvement, it also highlighted a strange anomaly whereby Fininvest only paid 1.2 billion lira in transmission fees., see Demattè (1994b: 4-8).

13 Interview given by Claudio Demattè to / Espresso magazine, 31 October 1993, pp. 46-47.
14 Interview with Claudio Demattè, Milan, 30/1/96.

15 The impact of the new department on overall (internal) production figures for drama and fiction was marginal. See Appendix 2.0 to 2.3. Any upturn in RAI's production capacity would require a sustainable and long-term investment plan. One plan (announced in mid-1995) has started to produce results, however. In 1997, RAI produced or co-produced 300 hours of fiction and drama. This is a notable improvement on figures from 1991 to 1996 (Appendix 1.8 to 2.3). See *Prima Comunicazione*, March 1998, p. 96.

16 In fact, internal resistance was mobilised before the reforms even started. On 5 March 1993, the self-styled Committee for the Defence and Relaunch of RAI held a press conference. This body represented conservative elements within the company. See *Gulliver*, March 1993, pp. 8-9.

17 interviewed in Prima Comunicazione, July-August 1994, p. 63.

18 The differences between the German and Italian models of public service broadcasting are discussed in Chapter Two.

<sup>19</sup> Although some of Italy's regions would be large enough and rich enough to sustain a regional production network, many regions would be too small or too poor. Hence the inevitable inter-regional character of any new network. Of course, there are numerous examples of regional networks redesigning existing geographical and cultural boundaries. The ARD system and the British ITV system are two that come to mind.

20 Interview with Claudio Demattè, Milan, 30/1/96.

<sup>21</sup> For an overview to the rise of the Northern League, see Diamanti (1996); Losurdo (1994: 65-91). For an analysis of the Northern League and media relations, see Cere (1994).

22 The official policy of the Northern League was to reduce RAI to two channels: one national and one regional channel. This was very similar to other parties' policies announced in 1994 (PDS and PPI). Where the League differed however was in its idea to have regional representatives on the RAI's Administrative Council.

23 This claim was made by various newspapers.

24 Interview given to l'Espresso, 31 October 1993, pp. 46-47.

25 These are outlined in Chapter Five.

26 Quoted from interview given to l'Europeo, 18 May 1994, p. 17.

27 Quoted in l'Europeo, 2 November 1994, pp. 22-23.

28 Quoted from interview given to La Repubblica, 6 June 1994.

29 La Repubblica, 8 June 1994.

30 Although he refused to comment on the political probity of the Administrative Council, Paolo Murialdi (1994b) decried the actions of the Berlusconi government in a speech to a EBU seminar held in Brussels on 29-30 July 1994., reprinted in *Problemi dell'Informazione*, Vol. 19, No. 4, December 1994.

31 Interview given to Vittorio Bruno in Prima Comunicazione, October 1994, p. 75.

32 Open letter of the Italian President, Oscar Luigi Scalfaro, read to Parliament on 11 November 1995., quoted from *La Repubblica*, 12 November 1994.

33 Quoted from / Europeo, 16 November 1994, p. 20.

34 Quoted from an interview given to Enzo Biagi in Panorama, 2 December 1994, pp. 48-51.

35 Quoted from La Repubblica, 7 December 1994.

36 'bid., 7 December 1994.

37 ibid., 7 December 1994.

38 No law was forthcoming. Instead, a Bicameral Commission, led by Giorgio Napolitano, was set up to look at the whole television system in Italy. The subsequent report formed the basis for the 1997 Broadcasting Act. See Afterword.

39 Late Show Special 'Berlusconi', BBC TV, September 1994.

40 Interview with Claudio Demattè, Milan, 30/1/96.

41 Editorial Plan presented to the Parliamentary Commission, 15 September 1994.

42 Although Gundle (1996: 207) points out that Moratti's plan was very ambitious in size and scope. He argues that the project was 'implausibly optimistic'. However, Moratti could justifiably claim some success in returning RAI to profit and reducing the company's level of debt. The first objective of the reform process was to resolve the dire financial situation in which RAI found itself. The company did enjoy a sharp revival in its financial fortunes. This can be demonstrated by presenting some headline figures. From financial losses of some 479 billion lira in 1993 (roughly £192 million pounds) , the company went back into profit. In 1994, 1995 and 1996 RAI made small profits (of 19 billion lira, 65 billion and 105 billion lira respectively (£7.5 million, £26 million and £42 million pounds). The total amount of debt was sharply reduced in the same period. From a total debt provision of 1500 billion lira (£600 million pounds) in 1993, by 1995 this figure had been sharply reduced to 440 billion lira (£176 million pounds). See Jacobelli (1996: 44-45).

43 Quoted from evidence given by the President of the RAI, Letizia Moratti to the Parliamentary Commission, 27 September 1994.

44 Interview with Piero Zucchelli, Rome, 8/2/96.

45 Interview with Piero Zucchelli, Rome, 8/2/96.

46 Interview with Francesco Sagna, Rome, 12/6/95.

47 Interview with Piero Zucchelli, Rome, 8/2/96.

48 This is best summed up by a favourite expression used by the former Director General, Gianni Pasquarelli (and many others) to explain RAI's subservient relationship to politicians and political machinations in general: '*ce I'ha nel sangue*', which translates as: 'RAI has politics in its blood', see Murialdi (1994a: 11).

49 There have been 56 postwar Italian governments since 1945, including the current D'Alema government.

50 Indeed, the new internal structure had more in common with the Bernabei RAI and the system dismantled in 1975 than with the system dismantled in 1993. The novelty of the Bernabei system was the formal separation of the decision-making process between the production of programming and scheduling control. The scheduling of programmes had been taken over in December 1963 by a centralised Committee for Television Programming, see Pinto (1980: 36). Once again, the reforms initiated in the post-1993 divided the production and scheduling powers formerly held by the networks. The new system involved the complex devolution of powers to different production all supervised by a single scheduling unit, which is, in turn responsible to the Administrative Council. Yet, there are also important differences between the Bernabei RAI and the current structure at the level of political occupation. In Bernabei's time, RAI was controlled by one major government party. By then, the Christian Democrats had been in power for 14 years and their power base within the company was deeply entrenched. Furthermore, Bernabei was responsible primarily to one Christian Democrats politician, Amintore Fanfani. In the post-1993 era, there has been no party with the political clout of the Christian Democrats. The Berlusconi government lasted a mere nine months and the whole political system has been in a state of flux and transition.

<sup>51</sup> I am grateful to Nicola De Blasi, Francesco Sagna, Paolo Murialdi, Claudio Demattè, Francesco De Vescovi and Piero Zucchelli for tackling this issue with me.

<sup>52</sup> This was subsequently confirmed by Moratti in Jacobelli (1996: 64). Something like an extra 1000 billion lira was required to get this project up and running.

<sup>53</sup> See Chapter Three for a broader debate of this issue.

<sup>54</sup> In fact party policies published in 1994 by the Northern League, the PDS and the PPI-Patto Segni, all advocate either a regional or inter-regional channel. Admittedly, these are all centre-left parties and the Berlusconi government was centre-right. But centralised rule in the postwar period was supported by the political left and right.

<sup>55</sup> See Chapter Five.

<sup>56</sup> Interview with Piero Zucchelli, Rome, 8/2/96.

57 Demattè did (rather belatedly) reported this meeting to Magistrates in Rome. In the course of another interview this matter was mentioned. The veracity of the story will never be proved and represents an extreme variety of counter-scheduling, which is openly acknowledged by all concerned.

## CHAPTER SEVEN

### Conclusion

In the Introduction to this thesis it was stressed that any conclusions could only be tentative since the process of reform at RAI remains on-going. Any large institution undergoes continual reform and endless modifications to its organisation and management structure. Taking the situation at RAI, the onward march of change continues unabated. The transformation of RAI into a holding company and five internal divisions (from 1999) constitutes a new phase of on-going reforms. I will make a few brief comments on the post-1996 reforms in the brief Afterword that follows this chapter. The aim of this thesis has not been to second-guess what the future might bring for the Italian broadcasting industry. The main aims have been to chart the historical contours of public service provision in Italy and demonstrate how such provisions have been affected by recent political upheavals. Before I make some final remarks about these reforms, I will comment on the historical management of public service broadcasting in Italy.

What has become clear throughout this thesis is that RAI has developed within the context of rapid political, economic and social change in Italy. In turn, Italy has been deeply affected by postwar politics which has brought its own positive and negative consequences. On the positive side, RAI has contributed to the development and maintenance of a democratic and united Italy, helping it through a period of unprecedented social development and economic growth. Today, the company can claim to contribute to the general well being of democratic life in Italy, especially through the provision of programmes that seek to inform and educate the Italian public. Its programme schedules may appeal to the isolated pensioner and teenager alike, but attention ought to be drawn to

the way the company strives to produce an inclusive and accessible cultural content.

Yet, RAI's focus of attention, and the programming it produces, has often been undermined by overt political interference. Such pressure has undermined much of the good work achieved in the postwar period. The company has actively engaged in the systematic political and social exclusion of democratic groups in the postwar years. This deliberate policy of political exclusion has been at the behest of governing parties, the Catholic Church and foreign governments. Political subservience has undermined any credible claim that the company enjoyed substantial independence or autonomy from political elites, key tenets of public service broadcasting. Indeed, the company provided, quite deliberately and openly, news services produced by party-accredited journalists. A journalist's political affiliation was deemed as important as his or her professional skills!

The management of public service broadcasting in Italy has also been heavily compromised by commercial competition. As a result of damaging commercial battles in the 1980s and 1990s, RAI cut back on fictional drama and other costly television productions and, instead, developed cheaper alternatives. The company's schedules, across all three networks underwent a process of convergence with its commercial competitors. Instead of educating, informing and entertaining the Italian public - in that specific order - RAI filled its prime-time schedules with mass entertainment programmes and relegated educational provision to the margins of the television schedules. RAI, with the possible exception of the Spanish RTVE, was the only Western European public service broadcaster to change its programmes in this manner. It has been a key aim of this thesis to reveal how this change came about (Achille and Miège, 1994: 32).

The fact that RAI has been unable to escape wider political and economic pressures is

common to most public service broadcasters. RAI has suffered the general weakness of public service broadcasting: that is, a concept premised on formal political and economic independence has, in reality, fallen below common standards of impartiality. One only has to look at the state pressures placed on broadcasters in all western European countries in the postwar years. Whilst pressure has been exerted at times of national crisis or during political emergencies, cases of overt and covert political interference became a permanent feature of public service broadcasting in Western Europe. One only has to look at the development of *Proporz*-style appointment committees in Austria, Germany and Switzerland, whereby key broadcasting posts were shared amongst political parties, or the vetting of senior broadcasting executives at the BBC by the Secret Services (Smith, 1995: 79; Humphreys, 1994: 321).

But although RAI shares a common Achilles' heel, it has shown itself to be unusually vulnerable to political and market pressures. Once again, one only has to think about the 1948 General Election campaign and its aftermath, when Communists were systematically excluded from radio broadcasts, or when, in the 1960s, RAI opened its doors to elements of the Italian left without embracing a fully inclusive political culture. Finally, one only has to think about the maintenance of the tripartite RAI. In its attempt to reform broadcasting, taking it out of the government's sphere of control and injecting a new spirit of parliamentary accountability into media affairs, the Italian Parliament unwittingly paved the way for the most explicit partition of RAI to-date. The negative aspects of *lottizzazione* were obvious for all those who cared to look (Iseppi, 1980b). The division of the company into three near-identical and semi-autonomous networks, undermined RAI's public service operations. Money and resources were therefore squandered and opportunities to provide broadcasting excellence were compromised in the face of partition and division. That such a system ever lasted 18 years bears testimony to the trenchant political will and financial

resources that sustained it.

To make matters worse, RAI also faced intense competition from Berlusconi's Fininvest. As we have seen, the introduction of commercial broadcasting in Italy was undertaken in an extremely haphazard manner, in part, due to political inaction. With the gradual evolution of commercial television networks, RAI, like many other public service broadcasters in western Europe, had to face stiff competition for the first time. But RAI, unlike its other European counterparts, was immediately placed at a disadvantage since the introduction of commercial services in Italy occurred in parallel with the partition of the company. In effect, the three RAI networks were compelled to fight a new competitor in a disunited state. This placed even greater strain on internal relations as each network fought for bigger audiences. It was this combination of internal partition and unfettered commercial competition that did so much damage to RAI, undermining its attempts to present a coherent public service. The tripartite system constituted a new phase in the history of RAI: a company that practised the very antithesis of what public service broadcasting should stand for (political independence and cultural enlightenment).

There were many groups and institutions who benefited from a television system thus organised. In addition to the three major political parties and three minor parties themselves, some politicians benefited from their association with Berlusconi, particularly Bettino Craxi. The absence of formal political regulation, and the system of allocating television frequencies on a 'first come first served' basis (*farsi spazio da se*), also found favour with many commercial companies. Uninhibited by a regulatory system as such, many companies were free to carry out their business without reference to a central political institution or regulatory authority. This meant that when political problems arose, as they did, they could usually be resolved through more informal contacts. Another beneficiary of

a television system organised 'on the hoof' was RAI. The close relationship between political elites and the company worked to the mutual benefit of both parties. For RAI, close political ties (and the system of *lottizzazione*) ensured that the company retained its influence at the heart of the decision-making process. The company could also demand a price for political subservience in the form of additional funds and help in order to survive in the new broadcasting world. Finally, the company became more heavily dependent on political help in order to maintain its unique internal structure. Like any form of addiction, RAI craved more of the substance that was doing it harm.

Here lies the key to what guided broadcasting policy in Italy in the age of competition. There was little concrete political consensus as to how to regulate the system. In the absence of political agreement, political elites allowed the prevailing economic and ideological winds to dictate the nature of change in the Italian broadcasting market. This was backed up by political intervention at crucial moments, whereby the Constitutional Court or politicians adopted a position of 'arbiter of the last resort' (especially the 1981 Constitutional Court Decision, or in October 1984 when Craxi reacted against magistrates who had attempted to close down Fininvest's three channels). The real winners, without a doubt, were Fininvest, political parties and RAI, in that order. In brief, there was often a tacit complicity between different political and economic interests in favour of a tenacious commercialism because there was no agreed alternative.

It is this unfettered commercialism that led to the flowering of 1000 local channels (adapting Mao's famous phrase). But there was no chance that 1000 stations could function as independent commercial broadcasters. No broadcasting market in the world had, or, indeed holds, the capacity to operate 1000 television channels. It was Berlusconi who first had the foresight to unite these disparate and disunited companies to form quasinational giants. This example of supreme commercial ingenuity, coupled with his political contacts (which, as we now know, also involved large scale bribery), and the policy of unfettered commercialism, allowed one terrestrial operator to capitalise on, almost single-handedly, the entire television advertising boom of the 1980s. Thereafter, the failure of other national broadcasters to gain more than a 5% audience share clearly demonstrated that the political and commercial winds had changed. In fact, the dynamic changes brought about in the early-to-mid 1980s could not last indefinitely. The constant battles, between RAI and other commercial channels, and then between RAI and Fininvest had brought the whole industry to its knees. The combination of rising costs coupled with stagnating revenues meant that in the harsher economic climate of the early 1990s, all players were looking to protect their gains or minimise their losses.

The overwhelming dominance of RAI and Fininvest also left RAI in severe financial debt, with the ultimate threat of bankruptcy close at hand. The idea that one half of a broadcasting duopoly that controls 90% of audience revenue could be saddled with crippling debts sounds slightly absurd. But RAI's economic problems were caused by a mixture of gross political interference in the day-to-day affairs of the company and unfettered commercial competition. The tripartition of the company effectively reduced its capacity to operate in a coherent manner. It was also highly wasteful. Faced with the rise of a commercial competitor, RAI, all too often, was reduced to internal squabbling. The adoption of partition as an effective *modus operandi* was already outmoded with the arrival of Berlusconi. Whilst more money was forthcoming in the form of increased advertising revenues and sundry political favours, any downturn in economic fortunes resulted in RAI accumulating debt (much like the Italian government in general). Also, whilst politicians could indulge in this distribution of financial favours in the mid-to-late 1980s, at a time of economic growth, the collapse of the political parties in 1992-3, and the concurrent

economic recession, precluded such generous favours thereafter.1

The real turning point for RAI and Italy came when the Amato government fell in 1993, signalling the end of 45 years of Christian Democratic rule. Of the three parties controlling RAI's television networks, only the PDS survived into 1994. Without its two staunchest backers, RAI faced major problems which required urgent attention. The immediate problem was financial, but behind the growing deficits deeper problems had to be tackled. Some of these problems were particular to RAI, as we have seen, but other problems involved broader issues affecting other public service broadcasters in an age of global media markets. The resulting internal reforms at RAI were inevitable. Even the last Administrative Council prior to the reform process acknowledged such a fact. In many ways, the stark declarations made by RAI's President, Walter Pedullà in late 1992 and early 1993 focussed minds inside and outwith RAI as to how bad the situation had become.

The two main priorities of the reforms were: 1) to stabilise RAI's precarious financial situation; and, 2) to restore its credibility as a public service broadcaster. To achieve these ambitious aims required more than parliamentary legislation; it also required continuous political goodwill, since such reforms would take years not months. As such, the reform package was always highly dependent on the new parliamentary majority once the bipartisan Ciampi government had followed through with its limited aims of preparing a new electoral system. The first few months of RAI reforms were always likely to command a broader consensus for change and trenchant support from the government. This is not to say that disputes did not occur or that political pressures were not intense. All democratic governments must seek parliamentary approval in order to govern. Also, many of the parties and politicians of the First Republic had regrouped or reformed under new names and were still active in parliament. They could bring pressure to bear,

protecting their former allies at RAI. RAI management also sought political allies in order to safeguard the company's interests. The most likely time for problems, though, would come with the birth of the new party-based government, whatever its political make-up.

Whilst it is very difficult to judge the success or failure of any restructuring process so soon after measures have been implemented, it can be argued that, on current evidence, the success of the reform package has been mixed. Taking the period of the Administrative Council led by Claudio Demattè first, the main task of this Administrative Council was to act as a troubleshooter. The Council's specified task was to stop the financial decline of RAI whilst undertaking root and branch reforms of the internal structure, dismantling the tripartite system. In order to achieve these aims, the Administrative Council had to introduce cuts across the board. These included staff reductions and programme cuts. Also, by ending the tripartite system, the Professors angered many in the old networks who coveted their own production and scheduling independence. Hence, this Administrative Council probably had the hardest and most thankless task of any Administrative Council in modern RAI history. After all, previous major restructurings of the company (in the 1960s and 1970s) had taken place in periods of expansion not reduction. In this light, Demattè's assertion that an internal candidate for the Director Generalship was overlooked in favour of an external candidate makes more sense.

The overall record of the Professors in meeting their own goals was good, although they left the task incomplete. In their twelve months at RAI they introduced a series of emergency financial measures, backed up by the 'Save RAI' decree. They also introduced plans to replace the network system with a new Matrix system. Finally, they initiated plans for the ARD-style reform of Raitre in order to boost regional programming. Of course, the introduction of all these measures constituted the first stage of the reform process. In some cases, the Professors also put in place the necessary structures required to carry out the full implementation of the reform process (for example, new internal structures). But the Professors did not achieve their desired aims of completing the reforms. Instead, they resigned in June 1994, just one year into a two year contract, in the face of hostile, and, frankly, unacceptable government pressure. Yet, at the time of their resignation, the gloss had already been taken off certain parts of the reform package. The project for Raitre had already provoked the resignation of one member of the Administrative Council just days before they all resigned. If they had carried through with this plan, the senior management of Raitre would probably have resigned in protest as well.

As it was, the Director and Vice Director of Raitre, Angelo Guglielmi and Stefano Balassone, were ousted in September 1994, victims of a new round of directorial appointments instigated by the new Administrative Council. This Administrative Council was the product of political machinations. Its strategy towards many important corporate questions closely mirrored its predecessor, but the new political climate brought forth new administrators. The Moratti-led Council actually worsened the political divide within the Berlusconi government through its perceived bias towards Berlusconi and Fini at the expense of Bossi. Its clumsy and incompetent handling of senior appointees in September and October 1994 was self-evident, costing the company its renewed credibility as a public service broadcaster and ending any real pretence to re-established political autonomy (Gundle, 1996: 204-208). But if the Berlusconi government derived any real benefits from its interference in the appointment of senior RAI officials, they were ultimately short-lived. As the Christian Democrats and Socialists had already found out, control of news-agenda was not enough to save the Berlusconi government from ignominious defeat in December 1994. It has also been argued that Berlusconi sacked the Professors for two reasons. The Berlusconi government, like so many of its predecessors, aimed to influence the political process via the appointment of a friendly Administrative Council and senior directors. But the act of dismissing the Professors also constituted a highly symbolic gesture that sent a clear message to Berlusconi's political friends and foes. The consequences of such capricious acts are not difficult to deduce. Appointment to public institutions in Italy, and promotion within these companies depend, in part, on political patronage. In making this judgment, I would not deny that there are many excellent media professionals at RAI; nor would I claim that all public appointees are made for political purposes. It can be reasonably surmised, however, that the method of appointing senior officials and trustees on the basis of political patronage has had a major detrimental effect on the overall management of RAI. Furthermore, it seems reasonable to argue that political patronage, if it persists, will continue to have a detrimental effect on the company's operations. Major decisions affecting the management of RAI and other issues pertaining to its strategic planning have been placed, all too often, in the hands of political appointees. Far too many decisions have been made in line with political dictates rather than what is in the best interests of the company and public service broadcasting in general.

And yet, the argument of this thesis has been that Berlusconi's administration did not attempt to *relottizzare* RAI. Rather, the Berlusconi's government sought to reaffirm political tutelage over RAI, but it was not the old system. The *lottizzazione* of RAI in the 1970s was a highly damaging form of political tutelage that involved the partition of the company into three party-based structures. No evidence has thus far been produced to back the claim that the Berlusconi government wanted to reassert this system. The appointments of senior departmental heads in September and October 1994 did betray, however, a naked greed for political influence. It was not that the appointments were

overtly partisan; there is nothing new or unsurprising in political interference at RAI. Instead, the major surprise of these appointments was that they clearly upset, and arguably, excluded, a major government party. These appointments therefore went against the grain of normal consensual practice. Far from restoring their tarnished reputations, such appointments undermined the integrity of those same institutions associated with the decision-making process: the government, the two Presidents of the Italian Parliament and RAI. The actions of the Berlusconi government undermined the fundamental tenets of public service broadcasting, and, as Enzo Biagi has observed, also struck at the very heart of good democratic governance (1994: 48-51).

And yet, the reason why renewed political tutelage does not constitute the *relottizzazione* of RAI is due, in part, to the partial success of internal reforms. It was Demattè and his co*consiglieri* who set the wheels of reform rolling. Of course, it was a task made easier because of the political stalemate that lasted until the elections in February 1994. But in exactly one year of work, the Professors halted the steep decline of the company and took measures to pave the way for a more secure future. The role of the Managers, on the other hand, was to ensure that the reform process continued, at least where practically possible. After a catalogue of disasters, the Managers - those that lasted - became more politically astute and managed to cultivate alliances with political foes, especially after the Berlusconi government fell in December 1994. In some ways, this was their biggest achievement, since few Administrative Councils had been so criticised and lampooned as they had been in the autumn of 1994.

Yet, Moratti and her team not only managed to survive the withering political attacks but turned the situation on its head with a vigorous defence of RAI and the reform process over the following 16 months. RAI underwent a major structural and organisational change, and, as a result, the company enjoyed a sharp revival in its financial fortunes. Such a reversal in economic fortunes was achieved by further cut backs on expenditure and by attracting additional income. This was achieved, in no small part, by the policies of the Moratti-led RAI. Although this thesis has taken issue with Moratti's own particular vision of the future of public service broadcasting, recognition should be made to the fact that this Administrative Council, for the first time in many years, actually returned money allocated to it by the government. This small, but important gesture, was highly symbolic because it demonstrated RAI's attempt to break away from the old days of *lottizzazione* and the explicit obligations such a system carried with it.

The implementation of internal reforms was made possible only after a series of consultations and negotiations with politicians, management from various sections of the company, and union representatives. The rate of change was slow and laborious. Staff were worried about their future prospects and the real possibility of job redundancies. The networks felt especially concerned about the nature and speed of the proposals that saw some of their powers stripped away. As the ultimate guarantors of public service broadcasting, the various institutions of the state undertook their responsibilities of overseeing the necessary changes very seriously. Any detailed proposals warranted careful consideration, discussion and deliberation. It was therefore not surprising that the rate of change was slow and that compromises were made. It should be stated however that the intended aims of the reform process were, by and large, carried out. As a result, the adoption of the Matrix system instead of the Pyramid system has made RAI a more cohesive and more effective company.<sup>2</sup>

There was, however, less progress made on other parts of the reform process. For example, another key tenet of the reform process was to increase the amount of regional

programming. But the failure of substantive regional reform continues a long-held broadcasting tradition in Italy of centralised control. Raitre's original remit was to give voice to the regions of Italy and to the country's cultural and social diversity. This has not been delivered in full. Its major regional service is a news programme, which although it constitutes an important element of a regional public service, is simply not adequate. Minority language provisions have constituted an improvement, but these are only emollients. There are few programmes produced in the regions outside the four production centres in Milan, Turin, Naples and Rome. Finally, the total hours of Raitre's regional programming have been reduced in the last 15 years despite a near threefold increase in its national broadcasts. Today, Raitre is a national channel offering some regional programming.

There are two main reasons why there has been such limited resourcing of the regions in Italy: 1) internal constraints; and, 2) external pressures. Within RAI itself, there has been a long term resistance to regional autonomy. This can be traced back to decisions made in the immediate postwar period. Also, under the leadership of Ettore Bernabei in the 1960s, there was a further consolidation of power at the centre. In the 1970s and 1980s, despite the provisions for Raitre, regional expansion was compromised in the wider battle for national audiences, hence the expansion in national programmes. Finally, the failure to implement some form of regional autonomy for Raitre during the reform process was due, in part, to vigorous internal resistance. There is little doubt that there has been a deeprooted management culture in favour of retaining power in Rome. But to blame RAI management for these problems would be unfair. After all, the company have, by and large, worked within the political system bestowed to it in the postwar years. The

A key argument in this thesis has been that the democratic nation-state has maintained and entrenched the three key tenets of citizenship in the postwar period. Furthermore, and however imperfect the political system may be in practice, Italy provides a clear illustration of this argument. In the postwar years, the Italian nation-state rebuilt the country's political and social fabric after the years of Fascism, occupation and civil war. Successive postwar governments decided that political and social renewal was best achieved through the entrenchment of political power in Rome. A strong Italy became an essential element of the West's plans to fight the Soviet bloc with the onset of the Cold War. The primary cost of this policy, though, was that constitutional safeguards for regional government were delayed, and the regions played a secondary role in Italian political affairs, much to the justifiable resentment of many in the country. The genuine resentment felt against Roman rule, itself a constant feature of the modern Italy since Unification, only made itself fully heard with the collapse of Communism.

Yet, the collapse of Communism and the subsequent fall of the Christian Democrats has not led to a resolution of this problem. In fact, the stand off between the Roman parties and the Northern League continues at the present time.<sup>4</sup> The reform of broadcasting therefore presents itself within the larger picture. Clearly, then, there are no instant or ready-made solutions to the problems besetting Rome and its fractious regions. In many respects it is a problem mirrored in many other parts of Western, Central and Eastern Europe in the post-Communist era. On the one hand, regions are now liberated from Communism and are demanding political rights due to them. In many cases, these regions can recall, from the recesses of collective memory, a distinctive 'cultural identity'. Many regions also contain within them major economic interests seeking to gain financial independence from centralised political power. On the other hand, there is a central power (the state) and its representatives who fear the financial and cultural resurgence of these regions. The state and its representatives also fear that any devolution of its powers to these regions could fatally undermine its own authority.

It is important to recognise that whilst the reform process has been on-running, RAI has had to deal with everyday realities, especially its competition with Fininvest-Mediaset and other commercial channels. Whilst RAI has taken steps to improve its internal management, it still operates in a commercial system dominated by Fininvest-Mediaset. Instead of operating a mixed system, based on sound public service criteria, Italy still operates two broadcasting systems: RAI's public service and a commercial system which is very lightly regulated. RAI has therefore been obliged to fight for advertising revenues and has chosen to compete with the commercial operators on their territory. This strategy, which has been achieved through the tactical use of counter-scheduling programmes, has undoubtedly damaged RAI's overall public service commitment. The evidence remains therefore that as long as RAI is forced to compete with Fininvest-Mediaset for advertising revenue, there will be little change in the overall programme strategies. Peak-time hours will be largely made up of variety shows, football matches and films. The occasional documentary or drama may appear, but the most popular peak-time viewing will be those types of programming that achieve high audience ratings at low cost to the producer.

Public service broadcasting in Italy is adversely affected by the lack of a regulated commercial broadcasting system in Italy. Only a measured but thorough reform of the entire broadcasting system could end the RAI and Fininvest-Mediaset duopoly that has done so much damage to public service broadcasting in Italy. The task in hand must be to bridge the two broadcasting systems in Italy. Historically, RAI has sacrificed much in order to compete with Fininvest-Mediaset. The pendulum has swung away from broadcasting competence to commercial mediocrity. It is time that the pendulum swung

back a little in order create a unitary television system: a system that does not undermine the commercial viability of television companies in Italy; but a system that strives for television excellence as standard, not an unremitting diet of cheap and low quality programmes.

In the short term, any further reform of the Italian system remains reliant on the implementation of the provisions contained in the 1997 Broadcasting Act. Special efforts should be made to ensure that smaller commercial channels finally have the necessary frequencies to challenge Fininvest-Mediaset (although in Bill 1138, 1998, national coverage is still only defined as covering a 'at least 60% of national territory and all provincial capitals').<sup>5</sup> Without blanket coverage, the smaller commercial channels cannot hope to compete with Fininvest-Mediaset or RAI. Even with equal access to frequencies, many competitors will find it difficult to make headway into RAI's and Fininvest-Mediaset's duopoly. That is unless they have sufficient funds to invest in programmes and deep pockets to incur losses. It remains to be seen, therefore, whether Italian politicians have finally found a consensus for reforming a broadcasting system to one that promotes greater pluralism and higher broadcasting standards.

Having applauded the handling of the severe financial crisis and the dismantling of the internal network structure, but lamented the continued political interference and failure to implement regional reforms, what is the general state of public service broadcasting in Italy as we head towards the new millennium? On the fundamental question of political independence, it is clear that RAI does not enjoy the real independence ascribed to it in successive statutes. The weight of evidence produced in this thesis supports the argument that political authorities have sought to appoint senior RAI officials, in part at least, for their political affiliations. This has not happened in all cases, and, indeed, many excellent professionals have been appointed to the Administrative Council and other senior positions.

But as long as appointments to RAI are treated as the spoils of political victory, public service broadcasting cannot function as it ought to. Its independence will always be compromised and undermined if the weight of the politician's hand becomes too heavy.

The situation in Italy was worsened by the system of political dominance, *lottizzazione*. This system has now finished and the reforms have been successful insofar as they have reduced the level of political interference. However, the reforms have only improved the situation and they have certainly not ended political interference. Many of those working within the company have grown accustomed to a culture of political interference. Many politicians have become use to treating broadcasting as a political hired-hand. This culture of master and servant will not disappear overnight and it remains the duty of media professionals and politicians alike to eradicate these excesses in order to promote public service broadcasting. Of course, old habits die hard and, as we have seen, there have been concerted attempts to undermine RAI's integrity as a public service broadcaster. The temptation will remain to treat RAI as a political fieldom by whoever forms the government of the day.

Yet, the political and economic turmoil at RAI cannot be solved by company officials and politicians alone. The situation at RAI is symptomatic of a wider problem affecting Italy's major social and economic institutions. Whilst reforms at RAI have been taking place, other institutions have also come under public scrutiny. The investigations into large-scale bribery and corruption, *tangentopoli*, have also unearthed a web of deceit and irregular payments involving numerous public institutions, private companies and politicians. Since December 1997, Berlusconi has been convicted on three separate counts of bribery, tax evasion and perverting the course of justice. The clean up of Italy's public and private institutions therefore constitutes an essential prerequisite to a functioning and efficient

democracy that can offer its citizens efficient, cost-effective and high class public services.

RAI's future relies heavily on wider developments in the media industry in Italy and across Europe. The current vogue for greater consumer choice and unlimited numbers of channels should not hide the fact that public service broadcasting has served the democratic nationstate and its citizens well in the postwar period. It has operated with an explicit remit to provide a broad range of programmes available to all. The basic purpose of public service broadcasting should not be forgotten, especially in a global market that increasingly discriminates on the basis of social and economic factors and disposable incomes. Whilst public service broadcasters must remain at the forefront of media developments, and may indeed wish to supplement their income by offering specialised channels on new digital services, their core business must continue to uphold a public service remit that stands for the very best in human achievement and endeavour. This, after all, has been an important part of Western Europe's democratic heritage in the last 50 years.

In a recent newspaper article (*La Repubblica*, 31 December 1998), the presenter of *SuperQuark* (Italy's best-loved popular science programme), Piero Angela outlined his plan for the future structure of the broadcasting system in Italy. Angela argued that public service duties should not be provided by RAI alone, but by all commercial broadcasters. He argued that commercial channels should only be awarded a national licence (with guaranteed blanket coverage) when those operators make firm promises to supply a full range of television programmes. In other words, he was restating the basic premise that public service broadcasting should provide mixed programmes available to all. To support his argument, Angela also drew attention to the fact that there are still 1.2 million illiterates in Italy and 17 million people who have only been educated to primary school level (*quinta elementare*). He argued (unlike Moratti) that television still has a central role to play in

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educating Italians. In other words, Angela argued that television still remains a very important institution for sustaining common political and cultural values vital to the good maintenance of democratic governance.<sup>6</sup>

In the light of these findings, therefore, RAI will need to develop and maintain a political culture which will uphold the key tenets of public service broadcasting and will continue the work begun in the last five years. The company ought to encourage a political culture that will promote public service broadcasting in order to support a democratic and united Italy. It should not allow talk of technology and economics, important as they are, to cloud fundamental ideals of independence, autonomy and excellence in programme making. Too often in the past RAI has allowed its public service mission to become embroiled in petty political and commercial battles. In order to combat these pressures, RAI requires the constant support of a political and economic class that respects the company's aims and objectives. It requires a political and economic class that upholds and respects the fundamental tenets of democracy and citizenship and promotes RAI in carrying out its duties. If RAI supports these key tenets, and, more importantly, is supported in its work, there is no reason why public service broadcasting should not continue to support and uphold the high democratic ideals that underpin its existence.

<sup>1</sup> The legacy of this economic mismanagement remains rather like a millstone around Italy's neck. The fall of the Prodi government in October 1998 was due to a left-wing rebellion against the 1999 budget. Whilst Italy's entry into the Euro is now fixed, its national budget deficit still remains at 103%, way above the 60% limit imposed by Maastricht. With Prodi encouraging financial prudence, for obvious reasons, many within and outwith of Italy are advocating higher spending to reduce the risk of recession.

 $^{2}$  I am a little more positive about the overall success of the reforms than Gundle and O'Sullivan (1996: 219) or Gundle (1996: 203).

<sup>3</sup> In a recent article (Iseppi 1998: 373), former Director-General Franco Iseppi tacitly admits that RAI is still too centralised.

<sup>4</sup> This is highlighted by the collapse and failure (in June 1998) of the Bicameral Commission charged with drawing up plans for constitutional change. The Commission, led by PDS leader, Massimo D'Alema was unable to find a consensus on a broad range of issues, especially enhanced powers for the President of the Republic.

<sup>5</sup> For an outline of Bill 1138, see *Gulliver*, March 1998.

<sup>6</sup> La Repubblica, 31 December 1998, pp. 1 and 43.

#### Afterword: The 1997 Broadcasting Act

Although this thesis has concentrated on reforms carried out at RAI during the three year period 1993-1996, the 1997 Broadcasting Act signalled further changes for RAI, reform of RAI/Fininvest-Mediaset duopoly (and therefore in the size and structure of the Italian broadcasting system in general). As far as RAI is concerned, the new broadcasting legislation has reduced the number of RAI channels allowed to take television spot advertising from three to two (Article 3, Law 249, 1997). The effect of this change is that Raitre will lose all of its advertising and has become reliant on the licence fee. With RAI being reduced to just two advertising channels, the Broadcasting Act has required Fininvest-Mediaset to reduce the number of its terrestrial channels from three to two. The most likely scenario at this current time is that *Retequattro* will be withdrawn to become a satellite channel (although no date had yet been fixed in December 1998).<sup>1</sup>

As far as the wider Italian broadcasting system is concerned, the new legislation requires that a new frequency plan should be produced with view to ensuring that all national channels finally enjoy greater national coverage. The current deadline for this plan is 31 December 1998, although an announcement is not now expected until 1999.<sup>2</sup> Taken in unison, these developments fulfil the demands of the Constitutional Court decision of December 1994. Finally, the 1997 Broadcasting Act also specifies that RAI restructure itself into separate internal divisions. As a result, the company will be split, with a publicly-owned holding company (RAI) governing five separate divisions (Article 31, Law 249, 1997). This could pave the way for the partial privatisation of one or more of these five divisions, which, in turn, would comply with the result of the 1995 Referendum. This reform will take at least two years to accomplish.<sup>3</sup>

Such changes, if fully implemented, will represent a notable change in the structure and

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organisation of the Italian broadcasting system. Taking the case of RAI first, the removal of advertising on Raitre has occurred simultaneously with a more general rethink about the future of Raitre. As we have seen, Raitre's growth in the late 1980s and early 1990s came on the back of increased nationwide programming for national audiences. This, in spirit at least, went against the idea of a regional or decentralised channels proposed in the 1970s. Without the use of national advertising revenues, the Administrative Council has a unique opportunity to reform Raitre, introducing a greater element of regional programming or even decentralising its management structure. So the thorny issue of decentralisation has therefore gone back to the top of the political agenda, with the restructuring of Raitre into 'New Raitre' being outlined in an internal company document dated 30 April 1998.4

New Raitre was scheduled to start transmissions on 1 January 1999 (although this has already been delayed). The channel is to be funded primarily by the licence fee, although extra funding will be sought from ministerial and other sundry agreements. The new channel will absorb resources currently allocated to Raitre, Tg3 and TgR, the national and regional *telegiornali* that furnish Raitre news services, the new thematic production departments (culture, youth, etc) and RAI Education (formerly Videosapere). New Raitre therefore has a larger production capacity than the old Raitre and will constitute one of the five internal divisions under new restructuring plans. With the absorption of other RAI departments, the scale and range of New Raitre's activities will greatly increase, with plans to develop a 24 hour news and other specialist services on satellite channels. The general remit of Raitre will remain broadly the same: Raitre will continue to cater for regional and national audiences and nurture experimental programme formats, etc.

However, under the terms of a new Service Contract signed in October 1997 (between RAI and the Ministry of Post and Telecommunications), RAI has agreed to decentralise

its programmes in order to reflect Italy's polycentric cultural heritage (Article 11, Law 249, 1997). Of course, the size, range or effects of such changes are still unclear. What is clear, however, is that without advertising revenue, New Raitre will be able to break away from its reliance on national programming, which it adopted in order to generate more advertising revenue. However, there are a number of problems which still face New Raitre. Firstly, the abolition of advertising revenues will cost the New Raitre channel 250 billion lira annually (roughly £100 million). On top of this, there are potential cut backs on the amount of advertising Raiuno and Raidue will be allowed to show (from 14% to 12% hourly). This could cost upwards of 70 billion lira (£28 million). In addition to this, other modifications, such as the proposed abolition of telepromotions could cost the company another 130 billion a year (£52 million). In other words, the proposed changes, welcome as they are, could weaken the financial position of the entire company. This, in turn, will put extra pressure on each channel to protect existing resources (licence fee) and attract added revenue.

The outlook for the New Raitre looks rather mixed. Untied from its second source of funding, advertising, the channel should have a freer hand to develop programmes outwith the pressures of the market. But the obvious problem for RAI in general, and New Raitre in particular, is to attract the necessary funds for the reform of the third channel whilst plugging a 250 billion lira gap in its income. Any plans for expansion of its production capacity, especially in the regions, remains dependent on funds being allocated to those same regional production centres. Likewise, if the general management of New Raitre is devolved into the regions, this would add to costs of reforming the network. Certainly, the company looks unlikely, on current projections at least, to revive the ARD plan. This plan cost too much and was premised on locating additional advertising funds at an inter-regional level. With the loss of advertising revenues and additional commitments to research and develop digital services, it looks unlikely that New Raitre could significantly alter its current service, unless it can attract a greater share of the licence fee or some additional resources.

In the past, RAI has secured extra funding on numerous occasions in order to plug financial deficits and shortfalls. This has also continued during the current reform process. It may also attract limited funds from the Regional Assemblies, especially if this allows Regional Presidents greater say in the organisation of regional broadcasting. However, additional income was offered for the ARD project, but the plan was still aborted. This was because the plan was deemed too costly for RAI and too unpalatable for many politicians. It is likely, therefore, that the reform of Raitre and the decentralisation of the third channel will not attract special help from Italian politicians. So the main conclusion is that RAI will have to finance the reform from existing resources: in effect, from the licence fee unless it can attract some form of additional funding. One option would be to raise the licence fee, but politicians have failed to do this in the past. Another possible solution would be to divert resources away from the advertising-rich Raiuno and Raidue to New Raitre. The company has, however, ruled out this option in the short-term. But the only way the channel could attract a substantial extra share of the licence fee in the long term would be as a result of depriving Raiuno or Raidue of their slice of licence fee income. Of course, neither network is likely to accept this unless there was a complete shake-up in the way RAI is organised and funded.

However, there is another source of income which is being openly discussed. The reform of RAI into separate divisions could mean the eventual privatisation or partprivatisation of either Raiuno or Raidue, or both. The idea that the government could actually commercialise Italy's two leading public service broadcasting channels is not as far fetched as it sounds.<sup>5</sup> In fact, the result of the 1995 referendum requires some form of government response. If either of Raiuno or Raidue was franchised off, part of the proceeds could be diverted to New Raitre. Also, if New Raitre assumes a more explicit public service role, this could lead the other two channels to adopt a more aggressive

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market approach, effectively pushing many of their public service commitments on to New Raitre. After all, with New Raitre giving up its advertising, the other two RAI channels could potentially claw back some of this revenue. But if either channel did adopt this approach, its right to retain a proportion of the licence fee would look more fragile. Likewise, if the government either sold or franchised-out Raiuno or Raidue, in order to attract private funds, this would surely preclude large amounts of the licence fee being allocated to these channels. These funds could then be redirected to New Raitre.

The idea of a partial privatisation of Raiuno or Raidue also makes more sense if we consider the latest proposals to restructure RAI into a Corporate Holding and five separate internal divisions. The general reasoning behind the adoption of this type of structure is well known. A Corporate Holding group (RAI) would retain control of the management of public service broadcasting. The Administrative Council would therefore continue its broad role as trustee of public service broadcasting and would act as the public face of the company to the Parliamentary Commission, the Ministry of Post and Telecommunications, and to the new broadcasting authority which replaces the highly ineffectual *Garante*.<sup>6</sup> In turn, the Administrative Council, in cooperation with the Director General would retain overall control of the key financial, planning and coordinating departments within the Holding company. The key strategic decisions would therefore take place within the Corporate Holding company, which would remain a wholly public or state-owned company.

What becomes of the internal divisions is a different matter altogether. Whilst each division will be given its annual targets and aims in line with the overall strategy of RAI, there is no reason why the holding company could not bring commercial money into one or more of these divisions. This could work in a variety of ways. For example, each division could be sold off in part or leased or franchised out to the

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private sector. The point to make is this: once the company is broken into separate compartments or sub-holdings, such a development becomes a more likely scenario. Likewise, if the government balks at the political difficulties of privatising parts of RAI, the company could also encourage more rigorous internal auditing between the five divisions or some element of internal market, in the hope that an injection of competitive spirit would result in substantial cost savings.

There are a number of potential pitfalls in the planned reform of RAI. The first potential weakness is historical. Where Parliament has actively prescribed or imposed a particular internal organisational structure on RAI, it has led to greater political interference. The historical precedent for this is the tripartite reforms of 1975. Now whilst any reform that changes or affects RAI's company status requires parliamentary debate and approval, it is a matter of genuine concern that Parliament has prescribed RAI's new internal structure. Once again, the broad devolution of management powers between Parliament, the Administrative Council and the internal management has become confused. In short, Parliament should pass laws and review RAI's management of public service broadcasting, and the internal management, led by the Director General, should manage RAI.

The second problem also has a historical precedent and concerns the supervisory powers of the Administrative Council and the Director General over the five divisions. With the company split into five separate sub-companies, greater pressure is placed on the main company to ensure that the five divisions are working in unison. In short, divisional autonomy must be circumscribed in order for the company to function properly. Once again, when the networks gained financial and organisational autonomy in the 1970s and 1980s, this had severe consequences for the company as a whole and undermined the operations of RAI and public service broadcasting. The task must be to prevent any repetition of *lottizzazione* either of the main company or individual

#### divisions.

Moving from RAI to the broader picture, the proposed reforms of the Italian broadcasting system could undermine the predominance of the RAI and Fininvest-Mediaset duopoly. One major side effect of the Raitre reforms is that Fininvest-Mediaset look set to lose one of its terrestrial channels. Whilst the exact date of this change remains unclear - it certainly will not occur until New Raitre is fully operational - it does highlight the *quid pro quo* nature of the Italian system. Although the reduction in the size of Fininvest-Mediaset may appear to place the company in a difficult situation, the company would not lose Retequattro's advertising revenue completely. Instead, Retequattro would become a satellite channel, joining the Telepiù channels. So although its overall potential audience would fall, the blow is, potentially, less serious to Fininvest-Mediaset than to RAI. The other Fininvest-Mediaset channels will be able to compete for the 250 billion lira advertising pot bequeathed by Raitre.

A more serious threat to Fininvest-Mediaset's stranglehold over commercial broadcasting in Italy comes from the proposed introduction of a national frequency plan. Such a plan would detail who exactly controls what herzian frequencies with the intention of locating surplus capacity and additional frequencies for the smaller national channels (Videomusic, Telemontecarlo), who have constantly complained about their lack of national coverage. This matter was also highlighted by the Constitutional Court in December 1994. In addition to any additional frequencies, the departure of Retequattro to satellite should, in time, release extra herzian capacity. For the smaller 1 utional channels, especially Telemontecarlo, the prospect of enjoying greater coverage does not necessarily end their problems. In order to maintain a more sustained presence in the Italian broadcasting market, each company needs to invest heavily in programmes in order to attract audience and advertising revenues. Fininvest's good fortune in the early 1980s was that it was able to exploit a largely untapped advertising market. The

situation today is a lot harder. The rates of advertising growth are nowhere near what they once were. So in order to catch-up with the larger Fininvest-Mediaset, the smaller channels must either locate new untapped markets or actively poach advertisers away from RAI or Fininvest-Mediaset. Once again, the appearance of 250 billion lira of extra advertising revenue will help, but only to a small extent.

So even with the provision of nationwide frequencies for all 12 national channels announced in the Broadcasting Act (1997), and the news of Retequattro moving to satellite and Raitre losing all advertising, there is little evidence that a third major player can muscle in on the current duopoly, at least in the short-term.<sup>7</sup> In conclusion, though, the 1997 Broadcasting Act does introduce measures which, potentially, could rectify the current imbalance in the Italian broadcasting market. If the Broadcasting Act encourages greater diversity in programme output and stimulates regional broadcasting then it should be seen as a welcome step. If smaller national channels achieve blanket national coverage, it can only be a positive development for Italian broadcasting. If these basic weaknesses of the Italian broadcasting system could be addressed, this would already constitute a qualitative improvement in public service provision. <sup>1</sup> See Prima Comunicazione, December 1998, p. 96.

<sup>2</sup> See Prima Comunicazione, December 1998, p. 96.

<sup>3</sup> See Prima Comunicazione, June 1998, p. 81.

<sup>4</sup> RAI (1998) Nuova Raitre e Piani Aziendali Coordinati: Linee Guida.

<sup>5</sup> This has been widely mentioned in many magazine articles in the past year.

<sup>6</sup> Arguments have already begun as to the division of powers between parliament, government and the new broadcasting authority. See *Prima Comunicazione*, March 1998, pp. 84-85).

<sup>7</sup> This is highlighted by the fact that Telemontecarlo's owner, Cecchi Gori, sold a major film package to Berlusconi's Fininvest-Mediaset in 1997, in order to increase the potential advertising revenue (and the overall value) for those films. Why should a competitor like Telemontecarlo sell the cream of its own film stock - top Italian and Hollywood productions - to its main commercial rival, unless it followed commercial logic? This is a singular feature of the broadcasting industry in Italy. A commercial television operator controls top films, but it has to sell those films because it does not have the mass audience. This follows the failure of the same Cecchi-Gori to pay the first instalment for Italian football rights in 1996, which also demonstrates the lack of capital in this 'tertiary' broadcasting market. No major external broadcasting group showed any great interest in coming to Telemontecarlo's aid, and no substantial Italian or foreign capital was forthcoming for Cecchi-Gori. When Berlusconi looked for foreign investors for the Fininvest-Mediaset in 1995 and 1996, he found them relatively easily. See article in *The European*, July 1997, pp. 24-25.

# <u>APPENDIX</u>

# Chronology of Key Dates at RAI: December 1992 to June 1996

**December 1992:** Parliamentary Commission approves plans for changing the way in which RAI's Administrative Council is elected. The Commission effectively relinquishes its right to elect the next Council. It proposes that the two Presidents of the Italian Parliament should elect a new slim line Council (comprised of five members instead of the current 16 members). These proposals await parliamentary time.

**April 1993:** A new Italian government is sworn into office. The new Prime Minister, Carlo Azeglio Ciampi, is a former Governor of the Bank of Italy, and leads a government made up of non-Parliamentary technocrats. Amongst the government's main tasks is a new electoral law and the reform of RAI.

**June 1993:** Law 206 (25 June 1993) is passed. The law is based on the earlier deliberations of the Parliamentary Commission and RAI. The new Administrative Council can now be nominated. The new Director-General will be elected by the Administrative Council in consultation with IRI - RAI's principal shareholder.

**29 June 1993:** The new five-member Administrative Council is nominated by the two Presidents of the Italian Parliament, Giorgio Napolitano and the late Giovanni Spadolini in June 1993. It consists of five members, each a distinguished academic in his or her own right. The President of RAI is elected by his fellow council members. He is an economics professor from Milan's Bocconi University, Claudio Demattè. The Council appointed the new director-general, Gianni Locatelli - the first employee of RAI.

**December 1993:** Government Decree 'Save RAI' is signed granting emergency aid to the company and restructuring its overall debt.

**January 1994:** Silvio Berlusconi announces his candidature for Parliament and Government as leader of Forza Italia, the supporters club of AC Milan.

**28/29 March 1994:** General Election victory for the centre-right alliance led by Berlusconi's Forza Italia, Gianfranco Fini's Alleanza Nazionale (formerly the neo-Fascist MSI) and Umberto Bossi's Northern League.

**June 1994:** The new Autumn and Winter schedules, 1994-1995, includes the contentious plan for the partial regionalisation of Raitre. The ensuing argument leads to the eventual resignation of Elvira Sellerio.

June 1994: The Administrative Council resigns *en masse* amid claims and counterclaims of Government interference and plans to sack the entire Council using an amendment to the 'Save RAI' legislation.

**11 July 1994:** The new Administrative Council is appointed by the two Presidents of the Italian Parliament, Irene Pivetti and Carlo Sconomiglio, in the aftermath of elections held in March 1994. This second Administrative Council consists of four prominent

held in March 1994. This second Administrative Council consists of four prominent business executives and one token academic representative. The second Administrative Council manages RAI from July 1994 to June 1996. The President is once again elected by fellow board members. She is a distinguished insurance broker, Letizia Maria Brichetto Arnaboldi in Moratti. There are three director-generals who served under this Administrative Council. They are Gianni Billia (until January 1995), Raffaele Minicucci (until February 1996) and Aldo Materia (acting director-general until July 1996).

September 1994: New Directors of news and other departments are appointed.

October 1994: Alfio Marchini resigns from the Administrative Council.

**November 1994:** Gianni Billia resigns as Director-General. His resignation takes effect from January 1995.

**December 1994:** Berlusconi government resigns after vote of no-confidence in Parliament.

**January 1995:** New Prime Minister, Lamberto Dini, is chosen by the Italian President. Dini is another former official of the Bank of Italy and will lead the second 'Technical' Government appointed in a little under two years. Raffaele Minicucci is appointed new Director-General of RAI.

**11 June 1995:** Polling day for twelve national referenda. Amongst these are three proposals to limit the number of commercial channels (which are rejected) and a proposal to partially privatise RAI (which is accepted).

March 1996: Minicucci resigns as Director-General.

**21 April 1996:** General Election victory for the 'Olive Tree' alliance. The centre-left alliance is led by former IRI President and economics professor, Romano Prodi. Aldo Materia is appointed temporary Director-General until a new Administrative Council is appointed. Letizia Moratti resigns as President.

July 1996: New Administrative Council is nominated. The writer Enzo Siciliano is duly elected President.

#### Appendix 1.1

#### List of Interviews Held

Nicola DeBlasi, Rome, 7 and 14 June 1995 Francesco Sagna, Rome, 12 June 1995 Paolo Murialdi, Milan, 19 June 1995 Claudio Demattè, Milan, 30 January 1996 Marco Pallone, Rome, 7 February 1996 Celestino Spada, Rome, 9 February 1996 Piero Zucchelli, Rome, 8 February 1996 Appendix 1.2

<u>RAI To</u>	<u>RAI Total Transmission Hours, 1984-1990</u>							
	1984	1985	1986	1987	1988	1989	1990	
National Channe	els							
RAIUNO	4910	4940	5308	5986	6115	6386	6677	
RAIDUE	4806	4897	5293	5532	6269	6560	6757	
RAITRE	3134	3386	4003	4088	4681	4712	4943	
TOTAL (A)	12850	13223	14604	15606	17065	17658	18377	
Regional and Lo Channels	ocal			,				
Reg. RAITRE	6415	6508	6580	5958	5540	5969	5892	
Local in Italian	120	172	159	122	168	70	80	
Local in Germar	n 561	554	560	533	555	539	560	
Local in Ladin <sup>1</sup>	-	-	-	-	12	24	25	
Local in French <sup>2</sup>	-	-	44	46	36	40	42	
TOTAL (B)	7096	7234	7343	665	9 631	1 6642	6599	
TOTAL (A&B)	1994	6 2045	7 2194	7 222	65 233	6 2430	0 24976	

1 From 12 July 1988.

<sup>2</sup> From 26 February 1986 for the Valle D'Aosta.

Source: RAI Annual 1992-1993, pages 40-41.

# RAI Total Transmission Hours, 1991-1996

	1991	1992	1993	1994	1995	1996
National Channels						
RAIUNO	7020	8784	8760	8760	8760	8784
RAIDUE	7117	8784	8760	8760	8760	8784
RAITRE	5452	7515	8500	8490	8465	8489
TOTAL (A)	19589	25083	26020	26010	25985	26057
Regional and Local Channels						
Regional RAITRE	5794	5453	5265	5160	5493	5783
Local in Italian	75	76	37	49	27	27
Local in German	555	566	562	555	563	561
Local in Ladin	24	25	25	32	25	24
Local in Slovenian <sup>1</sup>	-	-	-	-	163	208
Local in French	48	36	39	54	59	64
TOTAL (B)	6496	6156	5928	5850	) 6330	6667
TOTAL (A&B)	26085	31239	31948	31860	32315	32724
1 From 27 March 1995.						

Source: RAI Annual 1997, pages 60-61.

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### Appendix 1.4

# Advertising Revenue in Italy Across Various Media, 1980-1984(in %)

	1980	1981	1982	1983	1984
RAITV	11.9	14.1	14.6	14.2	14.4
Commercial TV (National)	6.2	9.2	15.4	21.7	27.1
Commercial TV (Local)	6.4	5.3	5.1	5.1	5.1
Commercial TV (Foreign)	2.2	1.2	0.5	0.4	0.3
TOTAL (Television)	26.7	29.8	35.7	41.5	46.9
RAI Radio	3.6	3.2	3.1	2.8	1.8
Commercial Radio (all Italy)	2.8	2.6	2.1	1.9	2.2
Commercial Radio (Foreign)	0.5	0.4	0.3	0.2	0.1
TOTAL (Radio)	6.9	6.2	5.4	4.9	4.1
Newspapers	28.8	28.8	26.2	24.9	23.1
Magazines	28.8	27.6	25.7	22.1	19.8
TOTAL (Press)	57.6	56.2	51.8	47.1	42.9
Cinema	1.9	1.3	0.9	0.6	0.3
Other	6.8	6.6	6.2	5.9	5.7
TOTAL	100	100	100	100	100

Source: RAI Annual, 1992-1993, pages 158-159.

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# Advertising Revenue in Italy Across Various Media, 1985-1989(in %)

	1985	1986	1987	1988	1989
RAITV	15.9	14.1	12.8	14.1	13.9
Commercial TV (National)	30.9	31.2	31.5	30.5	30.7
Commercial TV (Local)	2.2	2.5	2.6	2.5	2.5
Commercial TV (Foreign)	0.2	0.5	0.6	0.7	1.2
TOTAL (Television)	49.2	48.4	47.5	47.8	49.0
RAI Radio	1.6	1.5	1.4	1.5	1.4
Commercial Radio (all Italy)	2.1	2.1	2.0	1.9	2.01
Commercial Radio (Foreign)	0.1	0.1	0.1	0.2	-
TOTAL (Radio)	3.8	3.6	3.5	3.5	3.4
Newspapers	22.4	22.8	23.0	23.6	24.0
Magazines	19.3	20.0	20.5	19.7	19.2
TOTAL (Press)	41.7	42.8	43.5	43.4	43.1
Cinema	0.2	0.3	0.3	0.2	0.2
Q <sub>w</sub> ier	5.2	4.9	5.3	5.1	5.0
TOTAL	100	100	100	100	100

<sup>1</sup> From 1989 onwards, figures for Commercial Radio (Italy and Foreign) have been unified. Source: RAI Annual, 1992-1993, pages 158-159.

# Advertising Revenue in Italy Across Various Media, 1985-1989 (in %)

	1985	1986	1987	1988	1989
RAITV	15.3	15.0	13.1	14.2	14.2
Fininvest	28.9	28.0	29.1	27.7	26.9
Other Publitalia	-	-	0.3	1.2	1.1
Other TV (National)	2.1	2.5	2.6	2.5	2.5
Other TV (Local)	2.3	2.1	1.9	1.9	2.0
TOTAL (TV)	48.6	47.6	46.9	47.5	46.7
RAI Radio	1.6	1.5	1.4	1.5	1.4
Commercial Radio	2.0	2.2	2.2	2.1	2.2
TOTAL (Radio)	3.6	3.7	3.6	3.6	3.6
Newspapers	22.2	23.4	23.5	24.0	25.2
Magazines	20.1	20.1	20.5	19.8	19.4
TOTAL (Press)	42.3	43.5	44.0	43.8	44.6
Cinema	0.2	0.3	0.4	0.3	0.3
Other	5.2	4.9	5.1	4.8	4.7
TOTAL	100	100	100	100	100

Source: RAI Annual, 1995-1996, pages 138-139.

Appendix 1.7

# Advertising Revenue in Italy Across Various Media, 1990-1995 (in %)

	1990	1991	1992	1993	1994	1995
RAITV	4.3	15.0	14.4	15.6	16.8	16.8
Fininvest	27.5	29.1	31.6	32.7	32.7	32.9
Other Publitalia	1.5	1.2	-	-	-	-
Other TV (National)	2.6	2.7	2.7	2.4	3.0	3.1
Other TV (Local)	2.0	2.0	2.0	2.1	2.1	2.1
TOTAL (TV)	47.9	50.0	50.7	52.8	54.6	54.9
RAI Radio	1.4	1.3	1.3	1.2	1.3	1.3
Commercial Radio	2.3	2.3	2.3	2.4	2.5	2.5
TOTAL (Radio)	3.7	3.6	3.6	3.6	3.8	3.8
Newspapers	25.7	24.8	24.1	23.4	22.9	22.4
Magazines	18.0	17.0	17.2	16.5	15.3	15.0
TOTAL (Press)	43.7	41.8	41.4	39.9	38.2	37.4
Cinema	0.3	0.3	0.3	0.3	0.3	0.4
Other	4.5	4.2	3.9	3.4	3.1	3.6
TOTAL	100	100	100	100	100	100

Source: RAI Annual, 1995-1996, pages 138-139.

### RAI Production Figures (First Transmission), 1991 (Total Hours)

	Internal (A)	Co-Productions	Bought	Total (B)	% (A/B)
Entertainment and Cultural Programmes					
Music and Ballet	103	15	65	183	56.3
Television Plays	21	3	4	28	75.0
TV Series and Telefilm	ns 7	175	1123	1305	0.5
Film	3	49	1355	1407	0.2
Cartoons	8	2	188	198	4.0
Light Entertainment	1653	104	59	1816	91.0
Documentaries	541	148	166	855	63.3
Cultural	1943 <sup>1</sup>	105	-	2048	94.9
TOTAL	4279	601	2960	7840	54.6
Schools and Adult Education Programme Schools	es 5	2	4	11	45.5
Adult Education	140	68	40	248	56.4
TOTAL	145	70	44	259	55.8

<sup>1</sup>Includes 388 hours from the DSE (*Dipartimento per le trasmissioni scolastiche ed educative*), which also produces cultural programmes.

Source: RAI Annual, 1992-1993, page 72.

### **RAI** Production Figures (First Transmission), 1992 (Total Hours)

	Internal (A)	Co-Productions	Bought	Total (B)	% (A/B)
Entertainment and Cultural Programme	es				
Music and Ballet	107	11	26	144	74.3
Television Plays	22		3	25	88.0
TV Series and Tele	films 6	239	1369	1614	0.4
Film	-	72	1948	2020	-
Cartoons	2	16	187	205	1.0
Light Entertainmen	it 1931	141	111	2183	88.4
Documentaries	501	160	248	909	55.1
Cultural	20261	180	2	2208	91.7
TOTAL	4595	819	3894	9308	49.4
Schools and Adult Education Progran					
Schools	5	7	-	12	41.7
Adult Education	129	43	74	246	52.4
TOTAL	134	50	74	258	51.9

<sup>1</sup> Includes DSE Programmes (314 hours in 1992).

Source: RAI Annual, 1992-1993, page 73.

### RAI Production Figures (First Transmission), 1993 (Total Hours)

ł	nternal (A)	Co-Productions	Bought	Total (B)	% (A/B)
Entertainment and Cultural Programmes	5				
Music and Ballet	91	7	41	139	65.5
Television Plays	9	4	2	15	60.5
TV Series and Telef	ilms11	180	1204	1395	0.9
Film	-	51	1559	1610	-
Cartoons	-	15	182	197	-
Light Entertainment	1751	53	163	1967	89.0
Documentaries	459	80	219	758	60.6
Cultural	3015 <sup>1</sup>	33	421	3469	86.9
TOTAL	5336	423	3791	9550	55.9
Schools and Adult Education Program Schools	mes -	2		2	_
Adult Education	139	55	116	310	44.8
TOTAL	139	57	116	312	44.5

<sup>1</sup> Includes DSE Programmes (1181 hours in 1993).

Source: RAI Annual, 1994, page 69.

## RAI Production Figures (First Transmission), 1994 (Total Hours)

I	nternal (A)	Co-Production	Bought	Total (B)	% (A/B)	
Entertainment and Cultural Programmes	6					
Music and Ballet	72	2	27	101	71.3	
Television Plays	4	10	18	32	12.5	
TV Series and Telef	ilms17	106	988	1111	1.5	
Film	-	31	956	987	-	
Cartoons	-	25	250	275	-	
Light Entertainment	1876	63	132	2071	90.6	
Documentaries	597	116	209	922	64.8	
Cultural	2890 <sup>1</sup>	39	1	2930	98.6	
TOTAL	5456	392	2581	8429	64.7	
Schools and Adult Education Programmes						
Schools	-	-	-	-	-	
Adult Education	912	19	43	974	93.6	
TOTAL	912	19	43	974	93.6	

<sup>1</sup> Includes DSE Programmes (963 hours in 1994).

Source: RAI Annual, 1995-6, page 73.

## RAI Production Figures (First Transmission), 1995 (Total Hours)

	Internal (A)	Co-Productions	Bought	Total (B)	% (A/B)
Entertainment and Cultural Programme	98				
Music and Ballet	51	4	30	85	60.0
Television Plays	6	-	33	39	15.4
TV Series and Tele	films 13	62	1405	1480	0.9
Film	-	19	989	1008	-
Cartoons	1	17	435	453	0.2
Light Entertainmen	t 2148	74	82	2304	93.2
Documentaries	643	79	203	925	69.5
Cultural	27531	3	1	2757	99.9
TOTAL	5615	258	3178	9051	62.0
Schools and Adult Education Prograr					
Schools	-	-	-	-	-
Adult Education	607	8	585	1200	50.6
TOTAL	607	8	585	1200	50.6

<sup>1</sup> Includes DSE Programmes (640 hours in 1995).

Source: RAI Annual, 1997, page 91.

# RAI Production Figures (First Transmission), 1996 (Total Hours)

	Internal (A)	Co-Productions	Bought	Total (B)	% (A/B)
Entertainment and Cultural Programme	S				
Music and Ballet	74	2	27	103	71.8
Television Plays	39	-	7	46	84.8
TV Series and Tele	films10	139	1377	1526	0.7
Film	-	13	894	907	-
Cartoons	-	-	321	321	
Light Entertainment	t 2169	56	203	2428	89.3
Documentaries	651	104	183	938	69.4
Cultural	2594 <sup>1</sup>	148	15	2757	94.1
TOTAL	5537	462	3027	9026	61.3
Schools and Adult Education Program	imes				
Schools	-	-	-	-	-
Adult LJucation	44	1	1448	1493	2.9
TOTAL	44	1	1448	1493	2.9

<sup>1</sup> Includes DSE Programmes (498 hours in 1996).

Source: RAI Annual, 1997, page 91.

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