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## Netherlands

Dutch broadcasting has often been idealized from a distance as a particularly pluralist and open system, but it could equally be described as the legacy of extraordinary past societal segregation. In the Netherlands the diversity in religious and political ideology resulted in a unique “pillarized” pluralism. But this system was eventually destabilized by several forces: the weakening hold of denominational and political elites on society; a loosening of collaboration among the ideological pillars; the entry of pirate broadcasters, who could be absorbed only for a while and whose influence on programming spread to the official broadcast associations; the evolution of European integration and opening of borders; and the substantial cabling of the country by municipalities and private firms. These forces overcame the considerable power of the traditional system that had integrated, for a long time, most of the relevant political and social currents of the country.

This is not to say that Dutch television is left without barriers. The entry of terrestrial broadcasters, for example, remained restricted. But the clear trend is toward a more open media system, with a continuing important role for public broadcasting and its traditional pillars.

### History

Traditionally, four organized societal “pillars”—Protestantism, Catholicism, socialism, and liberalism—dominated Holland’s political and social life, coexisting with each other within marked separateness. In the early twentieth century, Protestant and Catholic political parties, though distrustful of each other, fought fierce battles with the liberal socialist forces in Dutch society. Religious hardliners believed that irreconcilable differences between the groups necessitated the establishment of institutions to insulate themselves (Cohen-Jehoram, 1981). For example, the Catholic “pillar” established over time official Catholic labor unions, employer organizations, schools, universities, sports clubs, and newspapers (Brants, 1985). As late as 1954, a bishop’s decree prohibited Catholics from being members of the socialists’ unions, reading their newspapers, or listening to the programs of their broadcasting organization. The Protestant and Socialist pillars were organized in similarly comprehensive fashion. In more recent times the high-ranking members of each pillar have been re-

spectful of each other's domain, while controlling their own organizations. The Dutch broadcasting system emerged as merely another expression of the "pillarization." Radio broadcasting started in the Netherlands in 1919, with service provided by the Dutch radio pioneer Hanso Idzerda (van den Huevel, 1981). Despite appeals for contributions from audience members and radio enthusiasts in Holland and England, the service's continuing financial difficulties forced it into bankruptcy in 1924. In the meantime, the Netherlands Transmission Apparatus Factory (NSF), an electronic equipment and instruments manufacturer, began broadcasting in 1923 in order to create demand for its radios. Because of the expense of providing program services, NSF concentrated on transmission. However, because it needed programs to foster demand for its equipment, NSF helped organize the Hilversum broadcasting organization (HDO), a membership organization that produces and finances programs. Since the inception of Dutch broadcasting, the city of Hilversum has been its center.

HDO's neutral and national stance proved provocative in the pillarized Dutch society and encouraged Catholics and fundamentalist Protestants to form their own broadcast organizations, KRO and NCRV, in 1924. Liberal Protestants followed with VPRO, and Socialists followed with VARA soon thereafter. In 1928, the neutral-conservative AVRO was created as a successor to the original organization, HDO (Bos and van der Haak, 1982). Because of the organizations were directly or ideologically affiliated with a political party, the government's role was largely to ratify this system.

Subsequent government regulations required the licensing of broadcast organizations by the government rather than by private contract with the transmission company. Additionally, 1930 rules stipulated that the broadcasting organizations operate in the public interest and satisfy the cultural and religious needs of the population. These regulations provided a formula for the allocation of broadcast time among the major four broadcasting organizations, each of which received about one-quarter of air time. The associations were given substantial autonomy in their program production and selection. After 1935 all transmission facilities were incorporated in the mixed private-governmental *Nazema* organization.

World War II was not a particularly illustrious period for Dutch radio. Herman Wigbold, an authority on Dutch broadcasting who witnessed the war's effects on broadcasting, described the period as follows:

The war seemed to deal the broadcasting system a death blow. The organizations emerged discredited. In some areas the Nazis were unopposed. AVRO, the politically neutral organization, had already dismissed the Jewish staff before the Germans demanded it. The Catholic broadcasting organization had been completely taken over by the Nazis before the Bishops, taking a firm stand, could intervene. The Socialist Broadcasting Organization bowed before the Nazis with the exception of one official, Broeks (later Chairman of the European Broadcasting Union). The history of broadcasting during the occupation is the history of collaboration. To maintain the institutions was more important than to stand by the principles on which they were founded [Wigbold, 1979, p. 195].

After the war there was a brief struggle for a nongovernmental national system, but the traditional ideological forces reasserted themselves and again divided the system among themselves according to the "pluriform" pillar model. In 1947, the Netherlands Radio Union (NRU) was created to provide technical support and coordination for the system. Its financing, originally through contributions to the broadcasting associations, was later supplemented by government funds from a radio receiver licensing fee.

Television broadcasting began in the Netherlands in 1951, again following the pillar model. In 1956, television was placed under the authority of the umbrella organization NTS, with the equipment manufacturer Philips playing an important role in this decision. Since no comprehensive broadcasting law existed, the prospect of a second television channel with possible commercial privileges created major battles over the status of television during the 1960s. The system became difficult to maintain once the official broadcasting organizations began actively competing with each other and once newcomers made claims for participation. In 1964, for example, the commercial station TV North Sea began broadcasts from a platform in international waters. The government quickly shut the station down despite its popularity. TV North Sea later became an official broadcast association, renamed TROS.

Some legislators advocated the introduction of commercial broadcasting modeled after Britain, while others feared the potential impact on culture and consumption. The ruling coalition was so severely split between liberal supporters of broadcast reform and Socialist and religious opponents that the government toppled in 1965. A new government eventually introduced a second television channel with limited advertising in 1967.

The 1967 Broadcasting Act also established a framework for adding new broadcasters to the pluralist model. Three categories for broadcasting organizations were defined, each entitled to air time in accordance with the organizations membership strength, usually measured by subscriptions to its program magazine. Category A required at least 450,000 "members," a somewhat peculiar number, which happened to cover the four large pillar organizations, each of which was allocated a weekly television broadcast quota of nine hours by 1987 (Logica, 1987, p. 406). Another category, B, applied to organizations with 300,000 to 450,000 members, which received five and one-half hours per week or programming time. A third category, C, required a minimum of 150,000 members and received two and one-half hours of broadcast time per week. "Aspirant" organizations are admitted into the system for a two-year trial period if they have more than 60,000 members. Importantly, candidacy for a prospective broadcasting organization depends on its contribution to greater diversity to the system. This vague requirement, by prohibiting the duplication of an existing broadcaster, protects the established organizations. The fledgling organizations, allotted a fairly meager one hour of weekly television broadcasting or three hours of radio time, must gain more than 150,000 members within three years to become regular organizations.

Since the 1967 Act, only three new associations have been added: the Prot-

estant fundamentalist EO and the politically neutral and entertainment-orientated TROS and VOO. VOO grew out of the popular pirate station Veronica, and TROS originated from the illegal TV North Star, broadcasting from an offshore oil rig. In 1990, Veronica (VOO) had about 1 million members, ahead of the other two independent associations, AVRO (800,000) and TROS (700,000). Other associations were the Catholic KRO (650,000), the Protestant NCRV (550,000), the socialist VARA (530,000), the fundamentalist EO (330,000), and the liberal VPRO (337,000) (Versteeg and Stuart, 1989, p. 30).

Although the associations are supposed to be nonprofit membership organizations, TROS and Veronica muddied the noncommercial intent. Such organizations provided advertising and sponsorships in a variety of subtle forms. Moreover, the "paying membership" degenerated into a charade. Its primary basis were subscriptions sales to TV program magazines, over which the broadcast associations have substantial power ever since the party-written copyright law gave the rights to all publications of program listings. Anyone desiring schedule information thus became willy-nilly a "member" and was counted for purposes of time allocation. In one instance, AVRO, its membership declining, simply bought the one independent magazine that had challenged the system in court and added its subscribers to the AVRO head count (Cohen-Jehoram, 1981).

There is no necessary relation between allocated broadcasting time and viewership. The class A organization KRO had an average audience of 13 percent of its allocated eight and one-third hours per week in the 1980-1981 season, whereas at the same time, one class C organization had 19.5 percent of the audience during its allotted two and one-half hours.

All broadcasting organizations must try to provide programs that satisfy the cultural, religious, or spiritual needs of the population. In 1985 a media bill attempted to make such requirements specific by designating content quotas: at least 25 percent of a broadcast organization's program materials must be entertainment oriented; 25 percent informational; 20 percent cultural; and 5 percent educational (Hins and Hugenholtz, 1988). Moreover, organizational structure must permit members or contributors some influence over programming. In addition to programs produced by the various membership associations, "joint programs" such as sports and church broadcasts are provided by the umbrella organization NOS. All broadcast time is allocated with precision; Jews, for example, get one hour per year, as do Free Thinkers.

As societal identification with denominational or political associations weakened, the previously often cautious and partisan public affairs programs began to look beyond their own pillars. Their independence of perspective grew to the point that a Catholic party publication issued a warning to "its" broadcasters that a "broadcasting corporation which calls itself Catholic must have very strong reasons for publicly criticizing a political party which calls itself Catholic" (Brants, 1985).

In place of commercial advertising during their programs, organizations directly and indirectly promoted themselves, battled for viewership, and advised viewers on membership until this practice was restricted. Program magazines

became general-interest publications, and promotions for subscriptions included gifts, travel, and discounts. Consequently, a competitive system emerged, but the result included some of the worst aspects of both commercial and nonprofit broadcasting. The quest for large audiences lowered production and programming standards—in what has been referred to as the “TROSSification” of Dutch television—but it did not generate sufficient revenues to finance a strong system of program production as would a commercial system.

Illegal television broadcasters returned in the early 1980s. After the end of the official evening broadcasts, pirate stations went on the air with films, adult programs, and advertising. In Amsterdam alone, there were in 1981 more than ten such illegal but highly popular television stations; some even published their own program guides (Bos and van der Haak, 1981). After courts ruled that these operations constituted copyright infringement, the government issued a decree criminalizing them. As a result, the pirate broadcasts eventually subsided.

There are five national radio programs on the AM and FM bands. In 1985, these stations were given more distinct formats, providing information offerings, classical or popular music. The broadcast associations divide airtime among themselves. In addition, there is some regional radio. Several FM radio stations and one television station serve foreign NATO forces, and intergovernmental agreements specify that their programs be noncommercial, mostly prerecorded, and broadcast at low power in order to affect Dutch audiences as little as possible. Commercial stations included Sky Radio (Murdoch) and Radio 10 (Italian-owned). Dutch owned commercial radio was legalized in 1991.

## NOS

The 1967 Broadcasting Act created a strong umbrella organization, the Netherlands Broadcasting Corporation (NOS), to provide technical facilities and coordination, produce common programs such as news and sports, and service population segments not provided for by the broadcasting organizations. NOS provides teletext, a noncommercial text service, which can be received by many of the new television sets. The service is mainly used for sports, news, and weather but also offers subtitling of foreign-based satellite cable programs. The Dutch minister of culture appoints a chairman for the NOS, which is governed by a board representing the broadcast associations, various cultural and social organizations, and the government.

The 1985 bill was enacted in 1988. The law divided NOS into three new organizations, resulting in a structure that includes one branch for program provision, one for technical facilities, and a regulatory commission to supervise broadcasting and to license local cable broadcasting. The government reduced the time the broadcast organizations were required to use NOS's studios, sets, and other technical facilities to 75 percent of the total. It also established an independent audiovisual company to replace the NOS technical facilities department. The structure of the regulatory commission is similar to that of an

independent regulatory agency and consists of five relatively independent commissioners.

The broadcasting organizations agreed to have NOS operate as their international agent in order to prevent price competition among themselves for foreign programs. Under this system, when NOS acquires a program in which several organizations are interested, a complex "claim system" is used to determine allocation. In 1984, about 30 percent of all programs were imported—almost 90 percent of television drama and over 60 percent of television sports programs.

The Dutch PTT plays an important role in the technical side of broadcast transmission. Based on a 1935 law, transmitters are operated by the Netherlands Broadcast Transmitter Company, Nozema, of which 59 percent is owned by the government and 40 percent is held by the various broadcasting organizations. The PTT installs and operates Nozema transmitters throughout the country. The 1988 Media Law permits community radio stations to transmit themselves, though Nozema has the first option on such new broadcasting.

Dutch broadcasting is financed primarily through one of Europe's lowest license fees, which was about \$70 a year in 1988. This fee is set by the government and distributed to the broadcasting organizations. Advertising is permitted, but only through the separate public broadcast advertising organization STER, whose annual revenues fund about 60 percent of the broadcasting budget. Each year, STER also contributed between 5 and 10 percent of its revenues to support the press. (This, and the direct threat to their advertising revenues, contributed to the resistance of segments of the press toward television liberalization.) Total advertising time was limited to three hours per week, and advertisements were broadcast only before and after news programs.

In the early 1980s, pressures grew to expand the television system. A 1983 government White Paper on cable policy still precluded traditional broadcast organizations from offering pay-television programming. But the Christian Democrats, a major coalition partner, proposed establishing a third public broadcasting channel (Brants, 1985). The proposal was supported by the opposition Social Democratic party but opposed by the liberal-conservative coalition partner. In 1985, the government decided to go ahead with a third channel financed by an increase in advertising time. The law was eventually passed in 1988. As a result of the law and a major consultative study by McKinsey, the more Christian oriented associations moved to Netherlands 1, and the more independent A-category associations moved to the second channel (Bos and van Reenen, 1990, p. 155), and the third channel was filled by VARA, VPRO, and NOS. The smaller ideological associations rotate between the two channels.

### **Cable Television**

Wire radio emerged in Holland before World War II to make foreign programs accessible to all Dutch listeners, not just those living near borders. During their

occupation of Holland in World War II, the Germans, after unsuccessfully trying to prevent the population from listening to Allied broadcasts, ordered the confiscation of all private radio sets (Diller, 1980). This incident presents interesting evidence about the control potential of cable transmission.

During the late 1950s and 1960s, cable systems in Holland emerged as community antenna systems for radio and television. Until 1969, larger systems remained within the PTT monopoly. At that time, there were plans to unify the independent municipal systems into a national cable system under the PTT and the broadcasting system. In 1969, the law was changed to permit the minister of transport and public works to license "cable systems of a small size or special character" outside of the PTT. This led local governments and private interests to an ever-expanding interpretation of "small size," and large municipal cable networks were subsequently permitted. Many municipalities have since become license holders of cable television systems, although actual operation has often been carried out by private firms.

The cabling of Holland was greatly accelerated in the 1970s by the local governments' rules against private outdoor antennas. Ostensibly implemented for aesthetic reasons, the restriction yielded the convenient by-product of forcing television viewers to subscribe to the municipal cable networks. Responding to criticism concerning this strong-arm tactic, Parliament permitted such restrictions only if all over-the-air programs were carried by the cable systems (Hins and Hugenholtz, 1988), which in turn raised questions of interpretation. In one instance, an English teacher challenged this arrangement, claiming that for his job he needed to listen to English radio broadcasts, which were not carried over his cable system, and that he therefore needed his own roof antenna. Based on a violation of the European Convention, the court decided that the building ordinances were "stricter than necessary," though it upheld the right of municipalities, in principle, to restrict antennas.

Cable television density in Holland is between 70 and 90 percent, depending on whether the definition includes simple master antenna systems. The largest cable operator is Cosema BV, owned by the Dutch PTT, with over 570,000 subscribers. The largest network in all of Europe is KTA Amsterdam. In 1990, Holland was the second most heavily cabled nation in the world, behind Belgium (TBI, 1990, p. 71).

The availability of a multichannel transmission medium soon affected program offerings. In 1971, one municipality began to insert its own programs onto cable television, cleverly starting with its own council meetings. This created a major policy question, since it threatened to open broadcast programming to new participants. Eventually, regulations were adopted that prohibited provision of any programs that were not available over-the-air, with the exception of experimental local programs and parliamentary meetings. In 1984, these rules were modified, liberalizing program access and permitting local programming, pay cable, cable text, and signals from telecommunications satellites. The 1988 Media Law overturned the earlier restriction on advertising on cable channels, which had been a key restriction. The advertising issue had arisen in 1979 when a bill authorizing the retransmission of distant broadcast signals

through cable television was stopped just before passage because of fear that the bill would allow Luxembourg's CLT to provide Dutch-language commercial television delivered to Dutch cable systems via microwave. Dealing with this problem was complicated by various changes in government during the period.

After 1984, satellite-delivered channels were being carried on cable (e.g., Rupert Murdoch's Sky Channel and Music Box, which tripled its reach within a year to more than 1.5 million). The government, which viewed the tide of foreign commercial programs with some misgivings, proposed a bill to prohibit foreign commercial satellite programs on cable if the programs or advertisements were subtitled in Dutch or otherwise directed at Dutch audiences. These restrictions aroused protests, including those of the Commission of the European Communities, and led to litigation. The government was accused of illegally barricading the country from foreign media without justifying its interference in otherwise constitutionally protected expression (Cohen-Jehoram, 1981) and of violating the EEC treaty by restricting the flow of television programming within Europe. The government-appointed Boukema Committee concluded that the state had the right to make restrictions in the public interest. In 1984, the European Commission's Green Paper entitled "On the Establishment of the Common Market for Broadcasting, Especially by Satellite and Cable" also challenged the Dutch broadcasting's STER advertising monopoly under Article 90 of the EEC Treaty. In 1985, the Hague Appeals Court held that restriction of satellite television violated the freedom of expression section of the Dutch Constitution, but it ruled that the prohibition against advertising messages aimed at Dutch viewers was constitutional.

For a long time, no royalties were paid to foreign program suppliers. In 1984, the courts held that cable transmission was like a new publication, and therefore required royalty payments (Brants and Jankowski, 1985).

Cable television is provided by both private suppliers and municipalities. All networks are subject to local jurisdiction, and the linking of different cable networks across local lines is subject to the monopoly of the PTT. However, the minister of public welfare, health, and culture, not the minister in charge of the PTT, is responsible for cable television. Locally, the municipalities usually leave the installation and operation of the cable network to utilities or to a special nonprofit foundation, which typically includes representatives of major interest groups such as landlords, consumers, and the municipalities (Haverman, 1984).

Each municipality must have a local broadcasting organization in order to operate. Local cable programmers need a license from the minister for cultural affairs. Additional specialized organizations can operate under the local broadcasting organizations' overall supervision. Pay cable programs require licensing, and licenses cannot be denied if the applicant observes general regulations.

Cable television in Holland is regulated much more strictly than that in neighboring Belgium. The Dutch PTT specifies technical standards concerning hardware and network architecture. The primary architecture is the mini-star type, with eighteen subscribers per star; tree and branch systems can be used



in low-density areas. Amplification and frequency range requirements increase the cost of providing a cable network in Holland to about \$300 per subscriber, about twice the cost in Belgium. Most cable systems have a twelve- to thirty-channel capacity. Some advanced systems, such as the Delta Cable Star system, have operated more than 100 channels experimentally.

In 1983, a government White Paper on cable policy proposed the introduction of pay TV as the exclusive province of the private sector. The proposed system had to operate on a subscription basis with no advertising. A reasonable proportion of its programming had to be Dutch, and the public broadcasting organization had the right of first refusal for certain programs (Nuyl, 1984).

The initial provider of pay television in Holland was Filnet, owned initially by the publisher's organization VNU, the Swedish Esselte, and United International Pictures, a consortium of Hollywood producers. Filnet began operating in 1985, using a Belgian transponder on an ECS satellite. It charged subscribers about \$12 per month and paid the cable systems a remarkably low \$0.50 per month per customer.

The Dutch broadcast authority NOS entered the arena of satellite broadcasting by leasing a transponder on the European communications satellite ECS-1. The transponder was to operate in an inter-European broadcasting venture named Europa-TV. This venture brought together the German ARD, NOS, the Irish TVG, the Italian RAI, and the Portuguese RTP. By 1986, only NOS's financial infusions kept the channel alive, and it went off the air soon thereafter.

In 1986, the country's Media Council offered a proposal for two or three private and advertiser-supported program channels, primarily on cable. This was supported by a Liberal party and Christian Democrat coalition (Bos and van Reenen, 1990, p. 154). Independent associations such as Veronica and TROS were offered the possibility of creating their own commercial TV and radio channel and leaving the system. However, the proposal stipulated that advertising income and subscription fees for two public channels would not be received after eighteen months and that channels had to cooperate with other publishers. This deterred the interest of the existing associations (Bos and van Reenen, 1990). To avoid this burden, the country's major independent producer, Joop van den Ende, attempted to exploit a loophole in the law that gave advantages to foreign channels by broadcasting from a foreign satellite to the Dutch cable system. He named his station TV-10. But van den Ende was unable to convince the Media Council in 1989 that his TV-10 was foreign-owned. On the other hand, a rival, RTL-Veronique (owned by CLT and the electronics giant Philips among others), successfully navigated the legal barriers. It received a license and began sending Dutch-language programs via Luxembourg and the Astra satellite to Dutch cable systems. Van den Ende then provided programs to RTL-Veronique (Versteeg and Stuart, 1989, p. 34). The station is only indirectly related to the popular broadcast association VOO (Veronica) although the latter was fined (a seven-week suspension from broadcasting) for providing financial assistance and expertise. This was held to violate the non-commerciality of the official broadcast associations. RTL-Veronique changed its name to RTL-4. Thirty-eight percent of RTL-4 was acquired by Elsevier, a

publisher, and VNU, a publishers association (Bos and van Reenen, 1990, p. 155). It quickly established stronger audience ratings than any other Dutch broadcast channel after its start in 1990. Thus, the first private Dutch broadcast television channel had been established. The new media law also opened television to other applicants, though their services had to be distributed over cable only.

### **Conclusion**

The Netherlands has traditionally played an important role in international trade and commerce. It is therefore not surprising that its people were receptive to foreign radio and television. In a broader sense, the country was progressing in its role as a supplier of information and services. Its manufacturing too is strong in advanced electronics. On the other hand, Dutch broadcasting, for all of its pluralism, was an inward-looking affair. It accommodated most relevant internal forces, but in the age of information, that was not enough.

Television ceased to be territorial, and the Netherlands, traditionally an internationally oriented country and a strong advocate of European integration, could not keep its broadcasting apart. The traditional pluriform system provided greater program diversity (using the terminology of the model in Chapter 4) than that provided in other countries. Structure affects output. But the difference was not great enough since the traditional broadcast organizations differed along ideological and religious dimensions, but were similar in that each was controlled by its own hierarchy and responded to its expectations about appropriate programming. When this led to a fairly staid programming cartel, pirate broadcasters found ample room to place themselves at the center and lower parts of the quality spectrum. When the main pirates were legalized and integrated, they exerted competitive pressure on the traditional organizations to move toward the broad center. The contest for that center has been intensified by the satellite-delivered cable channels. But on the higher-quality end, too, Dutch public broadcasters had to contend with the programs of their sister public institutions from neighboring countries. Overall, Dutch viewers have gained in terms of choice, but the traditional broadcasters are under pressure.