



6. ACCESS OF COMMUNITY BROADCASTING TO PRIVATE SOURCES OF FUNDING AND SUPPORT

AT A GLANCE

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- ~ Sustainable private sources of funding are a **lifeblood for most community broadcasters**.
- ~ Community broadcasters should be **free to access commercial sources of funding**, whether from within the community or more widely.
- ~ It is legitimate to impose limits on the amount of advertising, in particular, but these **should not discriminate against community broadcasters**. They should be set at the same level as for commercial broadcasters unless significant public funding is available for community broadcasters, in which case lower limits may be justifiable.
- ~ Community broadcasters should also have fair access to **advertising from public bodies**.
- ~ A third important source of support for community broadcasters is from their communities, for example in the form of volunteers and discretionary forms of financial support. In exchange for this, and as part of their wider accountability to their communities, these broadcasters should **report to the community on their financial situation and involve members of the community** in the financial management of their stations.

INTRODUCTION

As noted in *Policy Brief Five: Providing Public Funding For Community Broadcasting*, effective, sustainable sources of funding are **key to the survival and development of community broadcasting** as a sector. While public sources provide an essential supplement, private sources of funding, both commercial and from the community, are a lifeblood for many community broadcasters around the world. In important ways, this is also a key part of the **relationship between the broadcaster and the community**, with the latter providing support in different ways, including local commercials and volunteers. At the same time, obtaining commercial funding by selling airtime **should not compromise the community media status** of these broadcasters.

As a leading publication on broadcast regulation observed:

Community broadcasting services should have fair and equitable access to a diversity of funding sources according to local circumstances. There should be no restrictions on funding sources other than what is necessary to maintain the character of the service and to avoid unfair competition.

This, in turn, needs to be based in a **supportive legal, regulatory and policy framework** for community broadcasting, which creates favourable and flexible conditions so that these broadcasters can effectively raise funds and resources for their work, which then allows them to focus their energies on achieving their community broadcasting goals.

A primary need here is for community broadcasters to retain their non-profit characteristics, as described in *Policy Brief One: Defining Community Broadcasting*. This means that while



they should be free to raise funds from a diversity of sources, **all profits or funds over and above day-to-day operating costs need to be reinvested** into the functioning of the station and the achievement of its goals. No individual or external entity should ever be allowed to make a profit from the operations as such of community broadcasters.

KEY POLICY ISSUES

The issues relating to private sources of funding and support for community broadcasting can be broken down into three main categories. The first is the issue of **obtaining commercial sources of revenue**, such as advertising and/or sponsorship. The main principle here is that community broadcasters should have essentially unlimited access to these sources of funding, albeit subject to **certain limits to protect their community character**. The second issue is **access to public advertising**. This is a large, even dominant, source of advertising for all media in many countries, and there need to be ways to ensure that community broadcasters can access it without compromising their independence. Finally, their **relationship with the community** should be an important source of support in different ways for community broadcasters.

1. Commercial sources of revenue

Community broadcasters should be allowed to raise funds from commercial sources from within their communities. Common sources of this type of funding include **encouraging individual members of the community to pay small fees for local announcements** – for example of births, deaths and other civic developments (such as marriages) – and getting local businesses to **advertise their products and services** on these stations.

Community broadcasters should also, for the most part, be able to access **wider commercial sources of funding**, such as advertisements and programme sponsorship. There is some debate about whether community broadcasters should accept pure commercial advertisements – such as for products like soft drinks or soap – but there would appear to be few if any legitimate reasons to prohibit them from doing so, and this is reflected in the international statements noted below. **Ethics concerning truthfulness in advertising** need to be observed and enforced.

It is common in many countries to impose **overall limits on the amount of advertising all broadcasters may carry**, so as to avoid the airwaves becoming dominated by advertisements, and it is reasonable for such limits also to apply to community broadcasters. In some countries, more stringent limits are imposed on community broadcasters, sometimes the limits that apply to the public broadcaster and some-

times different limits. Where there are **strong public funding programmes** for community broadcasters, such 'special' limits may be justified as a trade-off for receiving public funding and also to ensure fair competition with commercial broadcasters. Otherwise, however, such limits are not justified.

2. Public advertising

It is clear that community broadcasters should be able to include **advertisements from public sources** among the advertising revenues that they generate. Where local communities are the specific target of public advertising, **community broadcasters may be the most efficient and effective way for the government to reach its audience**.



In some countries, special arrangements have been put in place with a view to **channeling public advertising to community broadcasters**. This could be positive if it does in fact ensure a good match between what advertisers are looking for and what community broadcasters can offer. But inasmuch as it seeks to channel advertising over and above this there are risks that it will either lead to government control or market distortions.

3. Support from the community

A key source of support for many community broadcasters is volunteers from the community. This is an ideal support mechanism inasmuch as it **bolsters the sustainability of the broadcaster while, at the same time, reinforcing its links to the community**. Indeed, in some countries, this sort of support has been formalised in the regulatory framework for community broadcasters.

A number of other more immediately financial forms of support for community broadcasters from the community are also possible, including membership fees, subscriptions and seeking sponsorships for programmes more as a form of support than for exposure. All of these can be positive, as long as they are applied in an appropriate manner and do not lead to preferential access or benefits on the part of certain members of the community, or the exclusion of members.

In return for this support, and as part of its broader obligation to be accountable to the community, community broadcasters should make sure that they engage in forms of **financial accountability to the community**, perhaps presenting it with the same financial reporting that they are required to provide to the regulator, in addition to involving the community in the financial management of the station.

INTERNATIONAL STANDARDS

There are limited references to the issue of access to private sources of funding and support for community broadcasters in international standards, perhaps in part because this is largely assumed. The 2007 Joint Declaration of the special international mandates on freedom of expression states simply that that community broadcasters should “have access to advertising”.

The most detailed statement on access to private revenue streams comes from the AM-ARC’s Principles for a Democratic Legislation on Community Broadcasting, which state:

Principle 12: Financing

Organized communities and non-profit groups that provide community broadcasting services have the right to assure their economic sustainability, independence and development, through resources such as donations, sponsorships, commercial and public advertising and other legitimate means. All of these will be entirely reinvested for the functioning of the station and the achievement of its goals. Any limitations imposed on the amount of time or quantity of advertising must be reasonable and non-discriminatory. Community media should present accounts to the community, making their financial management transparent and public.

The Recommendations by Participants of the *International Seminar on Community Media Sustainability: Strengthening Policies and Funding*, a UNESCO-sponsored event, also include clear standards on private funding for community broadcasters, calling for:

vi. Allowing community broadcasters to access funding from a diverse range of sources of funding, including advertising and sponsorship, on an equitable basis with other broadcasters.



RECOMMENDATIONS

1. Community broadcasters should be able to **raise funds from commercial sources** both within their communities and more generally.
2. Any limits on the amount of advertising that community broadcasters may carry should be **non-discriminatory in nature**, meaning that such limits should normally be the same as for commercial broadcasters unless the amount of public funding being provided to community broadcasters justifies a lower limit being imposed.
3. Community broadcasters should be able to **access advertising from public sources**. Mechanisms to encourage this are welcome as long as they do not lead to government control or market distortions.
4. Community broadcasters should be able to access both **volunteer and financial forms of support from their communities**, as long as the latter do not lead to preferential access or the exclusion of certain community members.
5. Community broadcasters should be required to be **financially accountable to their communities**, for example by making financial reporting information available to the community and by involving members of the community in the financial management of their stations.

POLICY CHECKLIST



- Community media permitted to obtain commercial sources of funding
- Limits on commercial funding are in line with those on commercial broadcasters or are offset by public funding
- Community media permitted to obtain advertising from public sources
- Community media permitted to obtain financial and volunteer support from their communities
- Community broadcasters required to report financial information to their community
- Community broadcasters required to involve community in financial management

