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Platform proliferation and its implications for domestic content policies

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ABSTRACT

The rapid rise in audio-visual distribution platforms is challenging regulators' abilities to fashion and maintain domestic content policies designed to support national production and national cultural protection and promotion objectives. Broadcasters in a number of nations and regions operate under content regulatory schemes designed to serve cultural and economic purposes, put into place during the age of terrestrial broadcasting in which national policymakers could tightly control the availability of content in the country. This article explores these issues through an analysis of the rationales, policy approaches, and effectiveness of domestic content policies in four countries (Australia, Canada, Ireland, and South Korea) and considers the implications of these approaches in a globally connected environment. The researchers identified common issues across the four countries: (1) development of national content industries does not necessarily imply the promotion or protection of national culture, (2) production companies and broadcasters have interests and incentives that diverge from those of policymakers, and (3) it is difficult to assess the relevance and quality of broadcast content with regards to domestic culture other than in terms of conventional standards: critical acclaim and audience share.

The Internet and the proliferation of new television-like platforms, including cable and satellite television and downloadable content, have created conditions in which an ever increasing amount of content is crossing national borders. This development has significant national policy repercussions with consequential fundamental economic and financial implications for competition, carriage, business models, and packaging and pricing of audio-visual content and services. The policy consequences are much broader, however, because the changing environment is reducing the ability of national regulators to fashion effective domestic audio-visual policies—especially those related to cultural concerns.

The widespread access to new distribution platforms is particularly eroding the effectiveness of regulations adopted by many countries to assist production of domestic content and promote their national cultures. These regulations are considered to have special importance by policy makers in countries with smaller broadcast markets and in markets dominated by foreign content. Domestic content requirements were typically imposed as a condition of the licences issued to broadcasters and were considered a quid pro quo for the exclusive right to use the broadcasting spectrum to access a specific geographic audience. New channels and distribution platforms enable access to an expanded range of service providers, including many

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beyond the reach of national regulation, and this weakens the capacity of policy makers to influence content through domestic regulation.

The fundamental economics of broadcasting have been altered through the development of digital broadcasting and connected television. Audiences are shifting viewing time from 'appointment' broadcasting to non-linear forms of consumption (Barwise et al., 2012). Internet-based streams and downloads, and the development of original programming on some of the platforms is driving more viewers to services such as Netflix, LoveFilm, Hulu, and Internet service providers with similar services.

This article explores domestic content policies in this changing environment through a comparative analysis of domestic content policy in Australia, Canada, Ireland and South Korea—all of which have produced policies to specifically favour domestic content production. Although they differ significantly in geographical, political, cultural, and marketplace conditions, they share commonalities of being relatively small national markets (Lowe and Nissen, 2011). The primary intent of the article is to review the policies, the extent to which they are producing desired results, the effects of new distribution and how content policies are being adapted for them, and to suggest broad policy approaches that might better attune them to the contemporary digital environment.

The study compares the countries' policy frameworks in support of domestic content and the effectiveness of their policies. Because of their linguistic and cultural proximity to the U.S. and U.K, Australian, English Canadian, and Irish television broadcasters are disadvantaged in producing original programming due to the availability of less expensive and high quality American and British fare. Korea is a small market, but its linguistic protection has led to growth in the content sector as a means of serving domestic needs as well as supporting the economy through content exports to other Asian countries that share similar cultural values. Korea was successful in replacing mainly American TV fare in primetime in the 1980s by a predominantly domestic TV programming since the 1990s. Domestic content policies played an important role in that transition, particularly within the broader context of government policies in support of the growth in the content industries. There are thus similarities between Korea and smaller Anglophone countries such as Canada, Ireland and Australia, where there are government driven policies to protect and promote the national culture and domestic content industries.

1. Domestic content policies

The development of domestic content policies is influenced by four different policy domains: cultural policy, industrial policy, competition policy, and media-specific policy (Karlsson and Picard, 2011; van Oranje-Nassau et al., 2008; O'Regan and Goldsmith, 2006). Countries tend to emphasize 1 or 2 of these domains more than others and economic approaches to media policymaking have played increasingly stronger roles (Picard, 2011).

The U.S. has long been the primary supplier in the international flow of audio-visual cultural products, in part because of its longer commercial history (Wildman and Siwek, 1988). With the spread of cable and satellite distribution channels, and now the Internet, renewed fears about U.S. entertainment's global domination and influence on local production are being voiced (Banerjee, 2002; Straubhaar, 2008). The U.K. has also played a large role in the export of television programs because of the quality and stable funding for the BBC and several decades of commercial television programming that enjoyed limited competition for advertising funding. Nevertheless, historic Western control of export content is breaking down because of the rise of large national and regional players globally (Steinbeck, 1995; Thussu, 2007; Tunstall, 2007), many of which are beneficiaries of quota requirements or support mechanisms.

Other countries, particularly those with significant dependencies on imported content, have tended to respond by adopting policies to protect and promote national cultures. While the often-expressed cultural and national identity rationale is to ensure that mass broadcast media devote substantial airtime to domestic content, the policy and regulatory instruments employed often tend to take the forms of broadcast quotas on foreign productions or support mechanisms for the domestic production industry. The link between protecting national culture and protecting or promoting the domestic content industry is not always clear.

The cultural rationales behind domestic content preferences are similar across the four countries (Park et al., 2015), but are based in specific circumstances and legislative requirements. Our aim here is to clarify the domestic content policies of the four countries, what lessons can be learned from the four, and the implications of the changing audio-visual environment on their future efficacy of such policies.

2. Methods

This comparative policy research study, with authors in multiple nations, required significant coordination and planning to ensure that common approaches and methods were applied to permit cross-case comparisons and to make sound overall conclusions. In developing the study, the authors met personally and via telephone, and used online communications, to develop a common understanding of and rationale for the research, clarify data that would be gathered, create a standard set of questions about existing policy to be addressed in each national case study, and agree on indicators and evidence to be used to inform results in the study.

The researchers then independently gathered the data and developed the information for each case country. National information for this article was produced by the individual researchers and then critiqued by the other researchers.

Additional information was sought, and each case rewritten to ensure parallel construction and focus. Fundamental data on national media developments and policy elements were then combined into tabular form for review, and the group jointly determined outcomes and issues appearing across the countries from those tables and the individual cases. In assessing effectiveness, the group agreed upon a common approach—described later in this article—and collectively assessed and agreed on the results and implications.

Fundamental market data gathering focused on the extent to which non terrestrial broadcasting audio-visual services are available and utilized in the countries, revenues of broadcasting and other services, and related performance indicators. The authors then developed information on domestic content policies, their intent, domestic content production quotas and other requirements, and funding for domestic content production. Information and data were then collected on compliance with these policies and their fundamental efficacy assessed.

The authors then considered how and the extent to which the development of audio-visual content services not covered by domestic content policies are affecting the ability of the states to influence content available and the implications of those developments.

3. Brief overview markets and domestic content characteristics and policies

All four countries in this study are served by public service and commercial broadcasters and with pay TV services available by cable, satellite, and broadband. All four have had historically strong public service broadcasters and policy makers have worked to support domestic broadcasters using cultural and economic rationales. Basic descriptive data on the audio-visual markets are found in Table 1.

Domestic content policies involve a range of policy initiatives designed to increase the amount of domestic programming available to the public. All four countries have a domestic quota regulation, but vary in other methods of support for domestic content industries. Each has requirements for expenditures for independent productions that are designed to help develop domestic production capacity beyond that of the broadcasters themselves and to tap additional incentives to export programming for national economic growth. Table 2 summarizes how the issues are addressed in each country.

4. Effectiveness of policies

Policy effectiveness is assessed by the extent to which stated objectives and intended outcomes of policy are achieved and the problems it was intended to solve are addressed. In the case of this study effectiveness is addressed by the extent to which the domestic content policies are producing the content results within regulated media and the domestic audio-visual environment as a whole. For the former, the primary indicator is whether there is compliance and performance in producing domestic content at levels required in policy. For the latter, indicators of effectiveness involve whether the policy is able to be equally effective overall and what factors constrain its effectiveness. The effectivenesses of the domestic content policies need first to be considered in their national contexts before reviewing them in aggregate.

4.1. Australia

The history of the Australian content quotas regime is marked by two underlying features which have had significant implications for its operational effectiveness and efficiency. The first has been an accommodating disposition of successive regulators to 'adjust' the requirements to ensure relatively easy compliance by broadcasters (Papandrea, 1997), thus reducing its impact on the behaviour of broadcasters. The second has been a not so successful series of attempts to encourage the broadcast of 'quality' drama. Traditionally broadcasters have had little difficulty in complying with the current 55 per cent Australian transmission quota for programs broadcast between 6:00 am and midnight. The available data (ACMA, 2013 and earlier years) indicate that the three commercial networks stations have complied with both the annual and three-year content requirements, but relied on different sets of program genres to do so.

The points system for first-release drama was introduced as an attempt to redress the networks' heavy reliance on low-cost, long-running serials and series ('soap operas') to comply with the domestic drama quotas. To encourage a shift towards more preferred forms of drama, higher production value genres were given a higher weighting to reflect their higher cost to broadcasters. In essence, the purpose of the cost-related weights was to reduce or neutralise the incentive to choose lower cost programs to comply with the quota obligation.

In the Australian context, the overall domestic transmission quota does not appear to be a constraint on behaviour of commercial broadcasters which generally transmit Australian content in excess of the requirements. The networks compete strongly with each other for compelling content such as popular sports and news and current affairs programs which by their very nature are domestic. Light entertainment, game shows and other general entertainment programs are also mainly domestic productions. In any event, any quota shortfalls can be easily rectified by screening repeats of earlier programs outside peak-viewing hours.

Over the past four decades there was only a brief period in the early 1990s when one of the networks in financial woes experienced some difficulty in complying with the transmission quota. Specific quotas for first-release adult drama, documentaries and for children drama and other children programs impose a greater cost burden on broadcasters and

Table 1
The television market in the four case countries.

	Policy environment	Major broadcasters	Cable/satellite	Digital and broadband	Revenues
Australia	Geographically large but with a small population (23.1 million) English is the dominant language Concerns over English language imports	*Public service* ABC, SBS *Commercial networks* 3 nationwide metropolitan based networks: Seven, Nine, Ten 3 regional networks: WIN, Prime, Southern Cross	28% of 9.2 million HH have pay services 2.5 million HH have cable/satellite	Has switched from analogue to digital broadcasting 83% HH have internet. 77% of HH broadband of which 65% have a fixed connection 900,000 HH with IPTV services (Fetch TV, Quickflix; Ezyflix) Netflix, Stan & Presto launched 2015	*Commercial TV* AU$4 billion (€2.87 billion) In 2012 Seven network: 31.3% Nine network: 29.6% Ten network: 18.6%
Canada	Geographically large but with a small-/mid-size population (35.3 million) Bilingual country: English (57%) and French (21%) Concern over US and other English language imports	*Public service* CBC-Radio Canada: operates 14 English-language stations and 13 French-language stations *Commercial* 744 services (468 English-language, 141 French-language, and 133 third-language)	96.5% of HH have TV 85% of HH subscribe to cable or satellite 79% of HH subscribe to high-speed Internet service 83% of Canadians 18 or older use cell phones 83% of HH subscribe to wireline telephone services	TV transmiters in 30 mandatory markets switched to digital in 2011–2012. Some low-power analog transmitters still operating On-demand streaming services offered by CraveTV (Bell), Showmi (Rogers/Shaw), Vimeo, HBO Canada, Netflix, YouTube (some services require cable subscription)	Television revenues CAD$6.9B (€5B) in 2013 Bell Canada, Quebecor, Rogers, Telus, and Shaw accounted for 81% per cent of total television, cable, satellite and pay TV market (CAD$16.8B/ €13.3B) in 2012
Ireland	Geographically small with a very small population (4.7 million) English dominates, but working to re-establish Irish language (2% use) Receives UK broadcasts; many UK/US programme imports Influenced by European Union media policy	*Public service* RTÉ One, RTÉ Two, TG4 (Irish) *Commercial channels* 14 broadcasters	89% HH cable and satellite coverage 71% HH have pay TV services 2% HH have IPTV service	Has switched from analogue to digital broadcasting Fixed broadband: 22% HH Netflix, Amazon Prime, iTunes operate in Ireland	Subscription TV accounts for 58% of €900 million television market BskyB has 43% of total market revenue; RTÉ has 26% License fees produce about €215 million annually, with 7% funding the Sound and Vision production fund 51% of audience share goes to channels originating outside Ireland RTÉ1 and RTÉ2, had combined market share of 29.6% and TV3 had an 11,1% market share in 2012
South Korea	Geographically small with small-/mid-sized homogeneous population (50.2 million) Korean language dominantes Strong tradition of government economic development policies Spend 2 decades reducing US imports	*Public service* KBS, MBC and EBS *Commercial* 11 commercial broadcasters	69% HH have cable TV services 8% HH have satellite	Has switched from analogue to digital broadcasting. Fixed broadband 82% in 2014 18% HH have IPTV ISPs, telcos and cable companies are the main OTT players, with services including TVing, pooq, Hoppin. Netflix is not yet operating in Korea	Terrestrial broadcasters' market share is 39% of revenue and 73% of audience share. Total television programming costs for terrestrial and cable broadcasters in 2011 was 2,166.8 billion KRW (€1.8 billion)

Data sources: CRTC, 2013; Korean Communications Commission, 2012; Korean Competition Committee in Broadcasting Markets, 2012; Korea Internet & Security Agency (2014). OzTAM, 2014; Shaw et al., 2010.

Table 2
Characteristics of the countries' audio-visual markets and policies.

	Australia	Canada	Ireland	Korea
Domestic content fund	Screen Australia	Canadian media fund	Sound and vision	Broadcast development fund
Definition of domestic content	Nationality of producer, director/writer, and cast or co-productions	Nationality of producer, director, writer, cinematographer, two most highly remunerated actors	Nationality of producer or co-productions	Nationality of production crew and source of finance
Domestic programming quota	Free to air terrestrial 55% [includes. New Zealand programs}	Radio: 35–40% for musical selections (6am-midnight) French language radio: 65% Television: 55% yearly, 50% evenings	30% (TV3, national commercial TV)	Terrestrial 60–80%, satellite/cable operator 40–70%, cable networks 20–50%
Genre or specific program quota	Annual and triennial thresholds for free to air terrestrial prime time first-run drama, and documentary programs, and first-run and repeat children's drama and other programs	Categories of priority programming: drama, comedy, long-form documentary, and certain creative award shows, French language music/variety	Subtitles for hearing impaired	Animation, movies, and music
Expenditure requirements	Subscription TV drama channels required to 'invest' 10% of expenditure on domestic drama programs	5% of gross revenues on Canadian programs of national interest (PNI)	None	None
Domestic production sector support	Financial support for independent drama and documentary production for television	75% of PNI must be produced by independent producers	10% of transmission time or 10% of program budget for independent producers	Independent production quota of up to 40%
Other support methods	Producers' tax rebate: movies 40%, TV shows 20% Location offset: 15% for movies above AUD$15 million (€10.8 million), TV programs above AUD$1 million (€7128,229). Post production and visual effects offset 15% for work undertaken in Australia	Tax incentives via Canadian Film or Video Production Tax Credit (CPTC) program	Statutory requirements to help restore and nurture the Irish language since 1960, but not specific quotas	

consequently alter their behaviour and choice of programs. Compliance data strongly suggest that commercial broadcasters would transmit lower levels of domestic content within these genres, particularly for adult and children drama. Commercial broadcasters have some flexibility in the choice of programs used to comply with the rules. However, the structure of the rules which assigns different weights aligned to average cost of different forms of drama tends to impose similar compliance cost burden on broadcasters' irrespective of the choice of programs. Historically, one of the three networks has relied more heavily on long form drama (feature films and mini-series) than the other two and there is little indication that the strategies, as distinct from individual programs, lead to substantially different rating performances. In addition to the domestic content obligations of broadcasters, the film and television production industry benefits from a range of national financial support and tax offset mechanisms. Screen Australia provides funding on a project by project basis for the development, production and marketing of Australian screen content, as well as for the development of Australian talent and screen production businesses. It also administers the producer tax offset arrangements for eligible feature film production expenditure. At the state level, several state government agencies provide financial support to eligible feature film and television production.

The Australian film and television production industry benefits from the regulatory obligation of subscription television predominantly drama channels to 'invest' at least 10 per cent of their programming expenditure on Australian drama productions. A survey by the Australian Subscription Television and Radio Association (ASTRA, 2012) indicated that subscription television platforms and channels had invested a total of AUD$667 million (€479 million) in Australian content, including drama, in 2011–12. The annual amount required to be invested on drama productions because of the regulatory impost in that year was AUD$36.15 million (€25.9 million). The average annual impost generated by the regulation over the five years ending 2012–13 is AUD$29.4 million (€21.1 million).

New platforms are explicitly excluded from the regulation after a ministerial determination some 10 years ago ruled that IPTV was 'Not Television' for the purpose of the regulation. Overseas outputs from major movie studios including HBO which are distributed as movie channels on pay TV, however, are subject to the requirement to invest 10% of their programming cost in Australian drama productions. Currently, OTT and VOD players are not subject to Australian content regulation. Quickflix a local OTT service and other VOD services operated by ISP providers has been in operation for several years but so far have had a very limited impact on the market. In preemptive moves anticipating the very recent arrival of Netflix (24 March) two of the existing commercial networks set up their own OTT services in partnerships with other media players

(Seven with Foxtel subscription TV service — Presto; and Nine with Fairfax Media — Stan). It remains to be seen what impact the availability of these new services will have on demand. A recent survey by the Australian media regulator suggests that although free catch-up TV streaming services are popular with TV viewers, demand for paid OTT services is unlikely to grow rapidly (http://www.acma.gov.au/theACMA/engage-blogs/engage-blogs/Research-snapshots/Supply-and-demand-Catch-up-TV-leads-Australians-use-of-catch-up).

While demand for OTT services remains low, it is unlikely that the regulator will extend Australian content requirements to these services. The situation will certainly be kept under watch, as was done for the introduction of subscription television, and potential regulatory imposts are likely to attract more serious consideration when the services have become better established. The current approach of different domestic content provisions for free-to-air TV and subscription TV is unlikely to be sustainable in the long term under the increasing pressure that will flow from growth in demand of OTT and VOD services. The Australian content model used for subscription TV requiring a financial investment contribution to Australian productions is the most likely candidate for domestic content regulation of OTT services. The Convergence Review (not the original official link but available here: http://techgeek.com.au/2012/04/30/full-text-convergence-review-final-report/) established by the Australian Government proposed the adoption of a single regulatory mechanism along such lines for domestic content for all content providers above a minimum market share threshold irrespective of the delivery platform used.

The domestic content policies are an important influence on the programming schedules of commercial broadcasters. For the regulated broadcasters, the domestic content quotas are imposed as a licence condition and compliance is typically assured. Without the quotas, Australian adult drama on television would be lower and domestic drama and other programs for children would be severely reduced. The policies, therefore, are clearly ensuring supply of the mandated quantity of those types of programs. Their quality, however, is not always up to the standard of high budget imported counterparts. While commercial broadcasters have an incentive to minimise the cost of compliance with the quotas, direct competition for audiences with domestic programs of the national public broadcaster limits their capacity to do so. In particular, domestic drama broadcast by the Australian Broadcasting Corporation tends to act as an acceptable quality benchmark for its competitors. While quotas ensure quantitative compliance with the current policies, their efficiency has previously been found to be wanting (Papandrea, 1997). Other mechanisms such as production subsidies would not only reduce the cost differential between imported and domestic programming, but would also ensure greater influence on the production quality of desired program genres.

Market expansion is already straining the application of the current platform-specific regulations. The expansion of traditional platforms is already generating compliance difficulties for established broadcasters. Following the digital conversion of terrestrial broadcasting, each network operates a three-channel system. While all three channels are subject to domestic content regulation, the two additional channels have a significantly lower compliance burden than the main channel. This adds to the market distortive effects of the different treatment accorded to subscription television and internet-based television and video suppliers. Furthermore, the ever increasing capacity of consumers to by-pass domestic suppliers and access foreign content directly over the internet or from satellite transmissions will seriously erode the effectiveness of the current system. These considerations would suggest that direct assistance to the production and distribution of domestic programming is likely to be a more sustainable support mechanism for the delivery of desired outcomes.

4.2. Canada

Aggregate program expenditures for television content in Canada in 2011–2012 were nearly CAD$4.2 billion (€3.1B), of which CAD$1.32 billion (€1B) was for imported (non-Canadian) programming (CRTC, 2013). Of the expenditures for Canadian programming, CAD$579 million (€424 million) was for programs of national interest (PNI), and CAD$2.3 billion (€1.7 billion) was for non-PNI Canadian content. The former consists primarily of drama and comedy, and variety shows in the Francophone market. The latter consists of news, sports, weather, music and variety shows, game shows, talk shows, etc. In other words, programs of national interest (PNI) represent 14 per cent of Canadian television programming expenditures.

Canadian audiences strongly prefer Canadian content when it comes to news and sports, where the share for Canadian content exceeds 70 per cent of viewing hours among Anglophone and Francophone audiences. For documentaries, the share accorded to Canadian content is about 44 per cent by each group. For music and dance and variety, Anglophone audiences spend more than 70 per cent of viewing hours watching non Canadian content, while Francophone audiences spend less than 20 per cent on non-Canadian content. For drama and comedy, Anglophone audiences spend about 80 per cent of viewing hours watching imported content, and Francophone viewers, about 71 per cent (CRTC, 2013). Using data that measure audience share at peak viewing period rather than total number of hours of viewing, the Canadian Media Production Association reports similar results (CMPA, 2013).

Clearly the weakest link in Canadian domestic content is in scripted drama and comedy, the genres that are the most expensive to produce. English speaking Canadians are highly attracted to U.S. content and consume it at a high rate. Domestic Canadian French-language television drama draws audiences that are comparable in size to the audiences drawn by Canadian English-language television drama even though the population is less than half the size of the English speaking Canadian audience. The same pattern holds for feature films.

The CRTC has regularly reviewed new media since 1999, determining each time that new media did not pose "a threat to traditional broadcasting licensees' ability to meet their obligations," maintaining its order exempting new media from regulation, with only a few minor alterations (CRTC, 2009). OTT programming services began to take off in a big way in 2010, when Netflix entered the Canadian market in its first international expansion. Canada is Netflix's largest non-U.S. market with around 3.5 million subscribers at the end of 2014. It is estimated that OTT services presently account for about 2.5% of the revenues of the Canadian broadcast system (Miller, 2014). Canadian broadcasters and domestic content producers are now claiming that Netflix and other potentially available video streaming services such as Hulu, Amazon TV, or Apple TV enjoy an artificial competitive advantage since they do not have to support the creation of Canadian content. There is currently no political appetite in Canada, however, to impose a "Netflix tax" on non broadcast distribution of television content.

Canada's policies regarding domestic television content are considered to be relatively successful in ensuring the prescribed supply of domestic content. A succession of policy measures has addressed broadcasters' attempts to satisfy Cancon requirements with inexpensive domestic content or to air it as re-runs during the day or off season. Evaluated in terms of audience uptake, French-language broadcasters have been more successful than their Anglophone counterparts in attracting and retaining domestic audiences with home-grown content. The notable weakness in domestic content policy has been in ensuring the production of the more expensive genres aimed to attract large Anglophone prime time audiences.

Following the "Let's Talk TV" hearings in 2014, the CRTC recently announced decisions that permit a large degree of cable unbundling and remove protection for Canadian specialty channels. This will likely lead to the emergence of a core group of highly subscribed speciality channels which will be subject to 35% domestic content quotas. Requirements for prime time domestic content remain in place. However, domestic content quotas are removed completely for daytime television programming by local stations. In recognition of the growing importance of Internet-based distribution of television content, the CRTC has recently introduced provisions for unlicensed domestic online video distribution services which, like foreign OTTs, are exempted from regulation. The above decisions reflect the policy intention to improve the quality of prime time domestic content in the conventional television system, remove constraints to programming choices available to consumers, introduce competition into the supply of specialty channels, and encourage development of streamed television content in Canada.

4.3. Ireland

Irish policy has been effective in increasing domestic and Irish Gaelic content, but is struggling to maintain the benefits in the face of rising foreign content on non-regulated distribution platforms. Audience consumption of Irish content is high and there has been general support for policy programs providing increased domestic content.

Irish policy is generally producing compliance with content regulations for domestic programming quotas, subtitling, and domestic production sector support and thus increased domestically produced content. The amount of Irish language content has also increased, particularly because of TG4 the public service channel that is dedicated to that purpose, but Irish language is also appearing more frequently in commercial and public service programming that is mixing English and Irish language—in part to obtain subsidies under linguistic promotion funds.

Sound and Vision Programme funding Irish domestic content has now gone through 22 rounds of funding since its establishment in 2006. It is funded by 7% of the television license fee and invests about €15 million annually in production. It focuses spending on programming devoted to Irish culture, heritage, experience, and language and a few other under-produced genres. Ireland's efforts to increase domestic content are having an effect, but the country is still struggling because overall amount of foreign audio-visual content is growing at a more rapid pace and highly attractive to Irish viewers.

Commercial broadcasting is relatively weak by comparison to that sector in many nations because of the small market size and it participants have often complained about the high cost of original production and about the advantages held by the public broadcaster RTÉ. The sector's weakness has made regulators reticent to place too many requirements upon it or to tightly regulate its output. Commercial broadcasters are less critical of most domestic content support mechanisms because they funnel funds to commercial as well as public service broadcasters and because content to meet the Irish content quotas tends to produce audiences that are commercially viable. Nevertheless, the weakness of commercial broadcasting keeps it from doing much more than meeting minimal requirements and it has difficulty contributing strongly to high quality domestic programming. Public service broadcasters remains central contributor to Irish content.

Broadband content is available to households and major providers Netflix, Amazon Prime, iTunes, have all established Irish operations that provide access to enormous amounts of US and UK audio-visual content.

As a member of the European Union, Ireland's policies must comply with its policy frameworks and directives and it is now permitted to apply content regulations to television-like services, such as OTT and pay TV services. It has not yet applied domestic content regulations to broadband audiovisual download services.

Ireland's domestic content policies have modest objectives and have been generally successful with its regulated industries, producing compliance and content at the requisite levels. The policies are far less effective at the broader audiovisual level where broadcasters have given up digital broadcasting frequencies rather than producing domestic content, and where foreign channels without domestic content increasingly dominate, and where larger amounts of disaggregated foreign content is being delivered. The lack of effective policy to require domestic content provision by foreign channels and programme/film delivery services is thus reducing the effectiveness of the regulations and subsidies that exist for terrestrial broadcasters.

4.4. South Korea

The domestic quota was met by all broadcasters and in most cases substantially exceeded the required quota. Not only the overall quota but the genre-specific requirements were met. Major broadcasters programmed 64.4 per cent of domestic movies which is considerably higher than the quota of 25 per cent. Local broadcasters and cable networks programmed 58.2 per cent and 46 per cent respectively. In the second half of 2012, two of the four major networks did not program any foreign movies. Regulations require that no more than 80 per cent of imported programming can come from a single country and the average proportion of imports from one country was 44.4 per cent among the networks. Among the major broadcast networks, only KBS2 had imported animation in their programming line-up of 25 per cent in the second half of 2012. The educational network, EBS allocated 50.8 per cent. All other major networks only programmed domestic animation, reflecting the popularity of domestic fare. Cable networks scheduled 53 per cent of domestic animation. Popular music programs among terrestrial broadcasters both national and local were 100 per cent domestic (Joo and Kim, 2012:18). The general demand for domestic content exceeds that of foreign imports in both terrestrial and multi-channel service providers. However, there is asymmetry in the investment of funds in programming. In 2011, among the total programming costs of the major terrestrial networks, only 0.7 per cent was spent on purchasing foreign content. In contrast, cable networks spent 28 per cent of their expenditure on imported content (KCC, 2012). The difference in the strategy adopted between the two sectors is reflected in the program import and export figures. Major terrestrial broadcasters exported US$158 million (€145.8 million) of programs while importing US$ 4.25 million (€3.9 million0 in 2011. Cable networks, on the other hand, imported US$1,236 million (€1,140 million) of programs and exported US$108 million (€99.6 million) in total. Recent policy discourse surrounds how more funds can be allocated for domestic content production.

The government has introduced various policies in support of domestic producers including setting a minimum independent production quota to terrestrial broadcasters' programming, low interest production funds managed by the Ministry of Culture, Sports & Tourism, and restricting foreign programming on television with the domestic programming quota requirements.

The growth in the domestic television industry, however, occurred primarily from introducing competition in the broadcast platforms. Private broadcasters, cable, satellite, IPTV, and DMB (digital multimedia broadcasting, a mobile free TV) were licensed throughout the 90s and early 2000s, which expanded the content market. Producers were able to realize economies of scale by distributing to multiple platforms. The growth in the content sector enabled producers to invest more in the production of content and to gain competitiveness in the Asian television market.

Since the early 1990s, the Korean government adopted a national policy of providing strong support for growth in the content sector. One of the main policies in the broadcast sector was to ensure effective competition in the television program market and nurture the growth of independent producers. Along with the domestic content quota, terrestrial broadcasters are required to outsource 24–40 per cent of their programming to independent producers, with the anticipation that this will expand the domestic content industry.

While the policy had an effect of increasing the number of production companies supplying programs to broadcasters, there has been scepticism on whether this actually enabled the content sector to grow and gain competitiveness in the global market. Most television programs that were exported were still produced by the major broadcasters and small independent producers mainly supply cheap and non-recyclable shows. The discourse has currently shifted towards ensuring sufficient investment in the production sector. For example, a budgetary quota where broadcasters are required to spend a certain proportion of their budget to purchase programs from independent producers is one of the suggested methods (Baek et al., 2012).

Korean broadcasters have largely been successful in fulfilling the domestic quota requirements. However, this rule does not apply to newly introduced OTT or N-screen (networked screen services) because video-on-demand or streaming services are not classified as broadcasting. Nevertheless, the majority of broadcast content, both domestic and foreign, is available for viewing via online media. As of 2014, there are 23 million OTT service subscribers. The government has announced plans to support growth in this content market but will not apply the same policy framework as traditional broadcasters (KCC, 2015).

4.4.1. Aggregate effectiveness

Policy effectiveness in this study was defined as domestic content policies producing the desired results within regulated media and the domestic audio-visual environment as a whole. The review of national performance in the case countries indicate there is high level of compliance and performance among regulated media and that the domestic content policies have generally produced the intended results for the television broadcasting sector.

Measuring the effectiveness of domestic content policies is not an easy task because their typical implementation is via a quota regime that results in compliance which is, at best, only a crude proxy measure of the ultimate objective of preventing undue erosion of national culture. We do not know, and can only surmise, what the outcome might have been without the policies and even then we can only make an absolute binary yes/no guess rather than about the degree to which erosion may have been prevented. If we assume that domestic content can help prevent erosion of national culture and the policies alter broadcasters' behaviour, then compliance with the quotas can be taken as proxy measure of effectiveness within the regulated sector. This of course leads to the question of what happens in non-regulated sectors.

Clearly the lack of strong foreign content regulation in Australia and Ireland permit a plethora of foreign content with the constraints of having to produce or provide domestic content that may not be equally profitable to distribute. Recent Canadian policy decisions reflect different objectives for the regulated and unregulated sectors: in the former, the goal is to improve consumer choice and improve the quality of domestic programming for prime time audiences. In the latter, the goal is to encourage the emergence of domestic streaming television services through exemption from regulation.

The rationale for regulating television program imports in the four countries is very similar in that it aims to protect the domestic broadcast and production industries in order to preserve and promote the national culture. There are two underlying assumptions of such regulatory policies. First is the assumption that domestically produced content will reflect and reinforce national identities. Second, the assumption that the provision of will lead to consumption and that audiences will be appreciative of the domestic fare.

However, domestic content is preferred over imported content only if it is comparable in terms of quality after applying the cultural discount. Otherwise there is a strong preference for imported dramas and movies, but less so for news, sports, and game show genres. Patterns of audience behaviours are amplified in the digital environment where there are more choices. Broadcasters play a major role in providing content in the language and culture that can easily be understood by the audiences. While the linguistic element is straightforward, the other cultural elements of television programs are more complex.

Furthermore, the quality of television programs and cultural affinity are important elements of viewership. The main issue facing domestic content distributors is that imported programs are much less expensive to acquire than domestic content, while often enjoying an advantage in terms of superior production value and marketing. All else being equal, the cultural discount applies in both directions. However, because of the higher production values involved it is less obvious in transfers from larger to smaller markets.

Efforts to use domestic content policy to promote the development of independent production sectors haven been successful in creating independent players, but their sizes remain dependent upon regulatory requirements and overall programme budgets. South Korea has successfully tapped the growing Asian television market, particularly with telenovelas and costume drama. Canada has had some success with children's programming, documentaries, action series and reality shows and Australia has enjoyed more limited success with soap operas and reality programmers. Ireland has not enjoyed similar success. Tapping export markets is not the primary rationale for content industry support in the four countries—cultural rationales dominate—so it should not be surprising that success in exports has been muted.

The four country cases reveal that the rationale to protect domestic culture and language is not equivalent to supporting domestic content industries more generally. Domestic content industries are comprised of a variety of industry players including traditional terrestrial broadcasters, multichannel video distributors, new digital platforms, and independent production companies, and Internet-based players. Conflicting interests among these stakeholders make it complex to elaborate national policies to everyone's satisfaction.

The domestic content policies of the four nations are not well adapted to non-broadcast audiovisual content. They will need to be reconsidered as viewers increasingly shift to non-linear viewing, and the percentage of audiovisual content not originally produced or broadcast increases. We must also consider streaming services and over-the-top services that are increasingly accessible to broadband subscribers. While copyright laws are in place to configure national boundaries of services, there are various solutions to override these arrangements such as VPN or unblocking apps that are in use. Therefore, the scope and meaning of domestic content may not coincide with country-specific national borders.

5. Discussion

The efficacy of content policies in the broadband age requires reconsideration of fundamental issues that led to their establishment and whether they promote consumption of domestic content when greater choice is available. In the past, limited channels and national control over availability of audiovisual content gave policymakers the ability to determine the amount of domestic programming available and, thus, influence consumption. Because of the contemporary abundance of platforms, channels, and programming, domestic content polices are no longer able to oblige consumption of domestic content, so policymakers will have to adjust to the idea that domestic policy influence will be limited to making such content available, accessible, and retrievable, while recognizing that audiences will consume it only if it is attractive.

Content policies have traditionally perceived benefit from the existence of domestic content per se and have not been highly concerned about its quality, partly because audiovisual products are goods of uncertain quality when they are produced. Although this has increased the availability of domestic content, the policies have often produced large quantities of low cost productions such as talk shows, games, and reality-based programmes, with a rising number of repeat airings. While much of their fare may reflect locality, the extent to which it promotes domestic culture is debatable and its ability to compete with higher quality foreign drama, comedy, and films on the new platforms is constrained.

As choice of viewing increases because of satellite and broadband options, it is appropriate to consider whether and the extent to which policy might be altered to increase quality and promote consumption of domestic programming that competes more effectively with higher quality foreign content while pursuing domestic social and cultural goals. This will require increased attention to how quality identification and determinations can be made by policy makers. In the cases we considered it would necessitate more direct considerations of quality in the Australian and Canadian point based systems, necessitate Korea to consider more than its genre-based quality determinations—such as its fictional requirements, and require the Irish Sound and Vision programme make some quality determinations beyond the extent to which proposals are expected to meet the programme's objectives.

Most rhetoric surrounding content policy is enthusiastically based on protecting national culture, but policy often amounts to protection of domestic broadcasters and production companies against foreign broadcasters and producers.

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This is problematic because the profits of broadcasters are often not correlated with the provision of domestic content, but with imported content that attracts audiences. If policy is to be effective it must consider interventions and instruments that are better able to deliver cultural and national objectives whether the producers or distributors are domestic or foreign. Policy incentives for foreign distributors may be considered in the form of subsidy, tax incentives or other measures in order to ensure a balance in domestic and foreign content. In an on-demand, open media environment, exhibition requirements are meaningless. In such an environment, policy can affect domestic content only through domestic content expenditure requirements and through the program choices of public broadcasters. Policy measures for distributors may thus be considered in the form of subsidy, tax incentives or other measures such as domestic content expenditures or required contributions to domestic production funds in order to ensure a balance in domestic and foreign content.

Issues of domestic content policy are consequently multifaceted and growing more complex as audio-visual distribution systems expand. Existing policies have only promoted domestic culture in limited ways and their effectiveness will continue to decline as audience access to foreign content through the rising number of distribution platforms increases. Even the fundamental domestic production benefits of existing policy will decline rapidly in this environment. In cases where policy makers impose production costs on domestic broadcasters but not on foreign broadcasters or OTT services, domestic broadcasters are likely to complain they face an uneven playing field. This could be addressed by either imposing domestic content production requirements on external players or requiring contributions to domestic content funding programmes as a condition of doing business in a country.

Policy makers are thus faced with the significant challenge of coming to terms with what their objectives should be in this new environment and what policies can actually promote those objectives. In light of significant changes in how content is distributed and delivered, we need to open up the discussions about the goals of domestic content policies. How can policies ensure both quality and locality of content? In an age of global connectivity will the rationale of protecting national and local cultures change? Should national policies prioritize protecting national culture over supporting domestic content industries? Are these policy goals compatible with each other? Whatever the objectives may be, policies will clearly have to be enlarged to accommodate new platforms. Incentive and subvention-based policies will need greater attention, and mechanisms that support quality productions of many genres will need to be fashioned.

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