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Bitter battle over radio and television

The electorate fended off a serious attack on Swiss radio and television on 4 March by an overwhelming majority. The Swiss Broadcasting Corporation (SRG SSR) nevertheless still faces calls for cutbacks.

JÜRG MÜLLER

Switzerland has experienced plenty of highly charged ballots over recent years. But it has probably never seen such a long, fiercely contested and memorable referendum campaign as this one. There was much at stake with the "No Billag" initiative, namely the survival of the Swiss Broadcasting Corporation (SRG SSR) and 34 private local and regional stations. The authors of the initiative, a radical group of free-market libertarians, were calling for the abolition of radio and television licence fees which would have sounded the death knell for public service broadcasting. The referendum campaign was conducted in such an emotionally charged manner that it produced a great deal of hyperbole. While opponents of the initiative raised the spectre of the disintegration of quadrilingual Switzerland and the end of democracy, its supporters disparagingly dismissed the SRG SSR stations as state propaganda tools.

Gilles Marchand, Director General of the SRG SSR, appeared in front of the media in Berne on 4 March after the "No Billag" initiative was rejected. Photo: Keystone

Broad front supporting the SRG SSR

Things looked promising for the group behind the initiative at the start of the referendum campaign in late autumn 2017. Initial surveys indicated that they might succeed in toppling the SRG SSR, a Swiss public institution with a very rich history. This was despite the fact that the proposal was rejected by the Federal Council, Parliament and all of the political parties except for the Swiss People's Party (SVP). Then a wide range of different social groups started to realise what they might lose. Societies, associations and committees in all parts of the country and from the most diverse backgrounds were set up; citizens, friends of traditional folk music, writers, sports people, artists, musicians, eminent figures and opinion leaders from all walks of life fought tooth and nail for Swiss radio and television.

In the end, the trend was not only reversed, but the initiative was rejected by an unexpectedly overwhelming 71.6 % majority of voters and by all the cantons. The referendum victors proclaimed that the result showed strong support for public service broadcasting, highlighted its unifying role in quadrilingual Switzerland and represented a vote against diminishing solidarity in the nation. The defeated initiative organisers claimed they had finally sparked a long overdue debate on media policy.

A CHF 100 million set of cost-cutting measures

Tremendous pressure had in fact built up with the initiative. Gilles Marchand, Director General of the SRG SSR, responded on the evening of the referendum Sunday. He announced a 100 million Swiss franc set of cost-cutting measures and said that commercial breaks during films would be scrapped. The SRG SSR no longer intends to publish online content unless it relates to its programmes, which, in other words, means relinquishing its existing services that are similar to those of newspapers. Here it is meeting the demands of private publishers.

The losers have shown astonishing audacity, calling for massive cuts in the aftermath of the referendum despite the public's overwhelming support for the SRG SSR as an institution. The SVP went the furthest, calling for companies to be exempted from the licence fee and a reduction for households from 365 Swiss francs as of 2019 – it is still 451 Swiss francs in 2018 – to 300 Swiss francs a year. If it fails to win majority support in Parliament, the SVP already has a popular initiative aimed at halving the licence fee up its sleeve. It is also remarkable that practically all the other parties have also proposed further cost-cutting and downsizing measures – even the Greens. Only the SP argued that the SRG SSR should now be left in peace. "After this referendum result, it is now time to stop this nonsense," remarked Roger Nordmann, head of the SP parliamentary group.

Federal finances secured

The Swiss Confederation remains on a financially secure footing. 84.1 % of voters voted in favour of the federal decree on the new 2021 financial regime on 4 March. Strictly speaking, there was nothing new about this bill. It only really concerned the continuation of existing policy. The current financial regime expires in 2020, and will now be extended until 2035 thanks to the approval of voters. Direct federal tax and VAT together make up just under two-thirds of federal government's total revenues. The two taxes are therefore the main sources of income for the Swiss Confederation. Further income flows into the federal coffers from mineral oil tax, stamp duty, tax on tobacco and withholding tax.

One of Swiss federalism's unique traits is that the federal tax system is always only valid for a limited period of time. The Federal Council initially wanted to amend the federal financial regime to allow it to levy both taxes without any time limitation. However, there was opposition during the consultation procedure and it is now only set to be extended by 15 years. The main argument is that making the taxes subject to time limits and a referendum puts them on a more legitimate democratic basis. (JM)

The media crisis rumbles on

After the SRG SSR, the Swiss News Agency (SDA) is the second national media institution to come under pressure. Concentration in the media market continues unabated.

JÜRG MÜLLER

It seemed like the soundtrack to the referendum campaign on the "No Billag" initiative. Various developments over the first few weeks and months of the year indicated that the crisis in the Swiss media industry has further intensified. Dramatic events are unfolding at the Swiss News Agency. After the Swiss Broadcasting Corporation, a second public service media institution now finds itself under huge pressure. The acute nature of the situation is reflected by the fact that the editorial staff went on strike for several days at the end of January – an extremely rare occurrence in the Swiss media. When the management announced a rapid downsizing with the loss of 40 of the 150 full-time positions it caused uproar. CEO Markus Schwab added more fuel to the fire by declaring in an interview: "SDA only has a duty to its shareholders. We are not a non-profit organisation." The company's homepage nevertheless continues to state: "SDA does not generally seek to make a profit."

SDA is in fact little known to the wider public, but as the national news agency it is the backbone and central nervous system of Swiss journalism and therefore an indispensable part of public service media. The former FDP Federal Councillor Kaspar Villiger once aptly described the agency as "a conveyor belt of reality". It supplies almost all of the nation's media outlets, but also authorities, organisations and companies, with news around the clock in three languages. As the Swiss News Agency also provides almost fully comprehensive coverage of parliamentary debates and political and economic developments in Switzerland, it also performs a significant archiving role.

Significant fall in revenues

The troubled situation has a complex background and is deeply rooted in the history and structure of the company. The Swiss News Agency was founded in 1895 by Swiss publishers. It has always faced a fundamental problem – the owners, who are the publishers, are also the customers. As owners they must take an interest in the success of the agency, but as publishers they also want to pay the lowest prices possible. This worked well to some degree while the newspaper industry was flourishing. However, until recently, the prices were linked to the number of newspapers printed. With the falling circulation of print media, SDA has also come under pressure. A new system was introduced at the beginning of the year. It is no longer based on print circulation but instead the reach in terms of print and online content.

Nevertheless, the management has indicated that a sharp short-term fall in revenues has made a reduction in headcount necessary. In contrast, the editorial staff are accusing the management of lacking a strategy. It is unclear which services the news agency is supposed to provide in future with fewer staff. Another factor is the federal administration, which has paid SDA around 2.7 million Swiss francs a year as a customer in the past. Politicians are questioning whether the agency should continue to receive