The Price of Plurality

Choice, Diversity and Broadcasting Institutions in the Digital Age

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Preface

Ed Richards, Chief Executive, Ofcom

The principle of ensuring different perspectives and different viewpoints is at the heart of our current broadcasting system. Alongside a system of funding which delivers significant levels of original UK-produced content, plurality is central to the delivery of the quality, innovation and diversity in content which our broadcasting has so often delivered.

Plurality exists across most genres – not just the obvious ones of news, politics and current affairs, but also drama and comedy, arts and education, factual programmes and sport. Yet, for a concept so central to UK television, there has been relatively little written about plurality, either in academic circles or among industry practitioners and commentators. It is for that reason that Ofcom commissioned the Reuters Institute for the Study of Journalism to produce a book of essays considering the key themes surrounding plurality in public service broadcasters as we look towards the digital future. The result is this publication.

It is a crucial time for us to be considering these issues. We are on the threshold of digital switchover, which will bring digital television to the whole of the UK. We live in a time when linear broadcasting is increasingly complemented by content delivered through a range of new and emerging platforms.

Against this backdrop, Ofcom has just published phase one of our second Review of Public Service Broadcasting. It's a complex issue and one that opens up a host of different questions. How do we deliver high levels of original content which meets the public purposes of public service broadcasting? What is the role of new platforms and technologies in delivering the public purposes? And of course, what is the appropriate level of plurality in the system to complement and to compete with the BBC?

This book makes a valuable contribution towards this debate. It represents an exercise in plurality in its own right. There are different voices, different viewpoints and different solutions proposed. It provides a platform for some important thinking about an issue that remains at the heart of Public Service Broadcasting at this crucial time.

The Structure and Purpose of This Book

Tim Gardam and David Levy

These essays arise out of Ofcom's second Review of Public Service Broadcasting, but they need to be read in the wider context of the approaching moment of digital switchover which effectively ushers in the age of converged media and brings to a close the television age. So swift has been the rate of technological change since the last Communication Act in 2003 – the rapid take-up of broadband, the success of digital terrestrial television, DTT, the introduction of video on demand, the exploitation of TV formats and the consolidation of the independent production sector into a number of major international businesses – that the television landscape has already changed fundamentally long before the moment when the last analogue television set is consigned to history. Many of the changes listed above have taken hold because of both regulatory intervention and the actions of the publicly owned broadcasters. In the process, television has become a market, but it is a market where intervention has significantly shaped its nature.

A new Communications Act, probably sometime after 2010, is now taking shape, to be in place by digital switchover in 2012. The urgency for the Act in part reflects the recognition that there will need to be, by then, a new settlement for our Public Service Broadcasting (PSB) system. If the current system is left unreformed, it is commonly accepted, the economic basis for plurality of provision, that has to date defined British television, will break down.

These essays focus on the principles and priorities of plurality. The word itself bears a number of different emphases. Plurality has often been seen as a means to an end, above all ensuring the competition for quality that has characterised British television. Ofcom offers a drily functional definition in its review of PSB: "the provision by a range of producers, broadcasters and distributors [of public service content]; and the ability of people to choose between different broadcasters and distributors for any particular kind of content".[1] Yet plurality also has a broader resonance; a democratic society must reflect its diversity of voices and opinions back to itself. Plurality among public service broadcasters has, in the public policy debate, become something of a touchstone by which the future health of broadcasting will be judged.

This in itself may appear strange as the internet ushers in a world of choice and diversity such that the world of analogue television could never have imagined. Even so, as communities become more disconnected, the debate over what makes a shared culture amidst diversity of individual choice has become closely linked to the issue of how public values will be reflected in broadcasting in the future. As a result, plurality has become the meeting point for a number of arguments about the future of our broadcasting institutions – the BBC licence fee, the public status of Channel 4, and the PSB status of ITV and Five. Concerns for plurality also focus wider debates about

our children's upbringing, our local communities, universal access to information and education in a broadband world, the reliability of news, and even the constitutional settlement that binds together the United Kingdom.

Plurality is a principle to which it is easy to sign up; however, in any PSB system, there is a price to be paid for it. This leads to hard-edged questions that cannot be pushed aside. They involve decisions as to what level of public intervention, direct or indirect, should fund broadcast content in the digital age; and, once determined, how that money should best be distributed. Framing any policy will involve tough trade offs between plurality and impact in our PSB system, and between broadcasters' diversity and scale.

The range of authors of these essays reflects the diverse subject-matter of the book. They include broadcasters and producers, politicians, policy wonks and academics. The book is broadly structured so that the principles of plurality are considered first, the nature of institutions second. It then considers the individual genres of programmes that are seen as most at risk in the digital marketplace. Finally, as a corrective to the insular nature of the broadcasting debate in Britain, it offers perspectives from Europe and the United States where the digital revolution is also taking place with growing rapidity. The essays do not seek to be definitive; collectively, however, they explore a set of ideas and set out specific proposals which will have to be beaten into shape or discarded by the time the next Communications Act is brought into being.

We would like to thank Ofcom for inviting the Reuters Institute for the Study of Journalism at Oxford University to take on the task of commissioning these essays in a single volume. Thanks too should go to Matthew Tillotson and Bridget Taylor, of the Department of Politics and International Relations, who ensured that the task was achieved.

Endnote

1. Ofcom PSB Review, chapter 2.28, April 2008.

1. The Purpose of Plurality

1 The Purpose of Plurality

Tim Gardam

1

In 1935, the poet Louis MacNeice, looking into the approaching darkness of an era when the foundations of a plural society would be threatened to the point of destruction, wrote one of his best poems, 'Snow'. In it he captured a truth about the way we respond to experience, how our perceptions of the richness of life lie in that flash of recognition of "the drunkenness of things being various".

World is suddener than we fancy it.
World is crazier and more of it than we think.
Incorrigibly plural[1]

MacNeice does not limit to matters of individual perception his belief that there is more of the world than we think; it resonates through his political poems in the years that follow. Plurality, he infers, underlies the sensibility of a liberal society. MacNeice was saying something about plurality as a value in itself, not simply as a means to an end.

This may seem a strange starting point for a discussion of the future of plurality in Public Service Broadcasting (PSB) today, but we should remind ourselves that the values of broadcasting in Britain emerged out of the struggle against totalitarianism. During the Second World War and throughout the Cold War, broadcasting in Britain became the dominant medium whereby for fifty years a well-informed, increasingly emancipated and culturally sophisticated democracy talked to itself, in different ways and from different perspectives, from different ideologically held positions, allowing different authorial voices, across different genres and between different generations. In these years, through television in particular, a common culture emerged that connected people, in their imaginations, and in their desire for information and enjoyment, across class and cultural divisions. The PSB culture achieved this because it created and celebrated the "crazy" variety of the world, the "sudden" serendipity of experience. Broadcasting opened viewers' eyes, beyond their own limited experience, to "the drunkenness of things being various."

Today, in the more clinical world of media markets and regulatory regimes, it is scarcely fashionable to write of broadcasting in such terms; nonetheless, as the television era becomes subsumed into the new online age of digital media, plurality in broadcasting remains a recognised social good. As we now see approaching the date when the television age comes to an end – digital switchover in 2012 – the concept of plurality has become the main focus of the debate as to what may be preserved from the old world or recreated in the new. The internet age may soon make the word broadcasting itself an archaism but, as a society, we are not ready to consign to the past the values it has represented: civic emancipation, intellectual and creative opportunity, equality of access to cultural engagement, a sense of connection to the otherness of others, virtues that are fundamental to a tolerant and humane life.

2

At the heart of plurality in broadcasting there has been until now a paradox. For plurality in British broadcasting has had to be engineered. Unlike the press, a free market since the eighteenth century, broadcasting has, from its beginning, been licensed. Technological limitations, such as the scarcity of spectrum, and the consequent fear of state or private monopoly power, meant that British broadcasting became a civic construct; the state controlled access to it, and then shaped an ecology that ensured difference within it. Different forms of ownership and funding differentiated the BBC from ITV, from Channel 4. Different regulatory obligations and expectations – the BBC's universal accountability through the Charter and licence fee, ITV's regional structure, Channel 4's role as publicly owned commercial broadcaster, a publisher but not a producer – all were cumulatively and carefully designed to produce 'incorrigibly plural' outcomes. Difference was carved out of scarcity.

It seems an irony then that now, in a digital age, where scarcity of spectrum and barriers to content distribution are no more, where anyone can gain access for their opinions through the internet, we should be in any way concerned that a loss of plurality might be a problem. Has not technology now rendered the need for engineered plurality obsolete? However, as the essays in this book demonstrate, these worries are real. They are based on a concern that, in order to foster the virtues of plurality and difference inherent in a civil society, our culture needs at the same time points of connection and mutual recognition where differences can be asserted, acknowledged and accommodated. This is the institutional role that public service broadcasters have collectively fulfilled until now. However, the digital revolution has overturned the public service broadcasters' old assumptions; they no longer can presume a hold on spectrum and public attention; the public are free to look elsewhere. The old economic incentives, once carefully put in place to ensure the production of programmes with social and cultural objectives, have been turned on their head by the internet. The model that sustained public service broadcasters commercially, through their dominance of advertising, has rapidly corroded as advertising revenues fragment across other media platforms. How then can public space for the common recognition of difference be created in the internet age? Must plurality be modelled anew? These are the central questions that should frame the next Communications Act and are the focus of the essays in this volume.

Ofcom's analysis, in its Review of Public Service Broadcasting, has identified specific genres of programming where it argues there is especial risk of plurality of programming breaking down. News is at the heart of PSB. We live in a world where markets and communications are globalising and yet politics is moving in, if anything, the opposite direction. Public service news is caught in this vortex; there is a plethora of news supply, in different languages, from different sources, on different platforms, but is there a future economic model that will deliver a plurality of accurate, reliable, analytically robust news journalism that can sift evidence from rumour? James Curran

explores the nature of the serious news agenda in a world of shifting news values. Tim Suter and Richard Tait, in their contributions, debate whether the insistence on impartiality, which has marked out television from print journalism up until now, still represents the touchstone of its value. Or does the PSB news idiom alienate those for whom authoritative news is axiomatically untrustworthy simply because it represents authority? In a digital society should we now accept an unregulated plurality of news agendas, no different to newspapers, partial and impartial alike?

The most likely immediate breakdown in the old public service settlement will be in the Nations of the UK. Nowhere is the tension between the logic of communications markets and the force of public and political expectations more evident than in the increasingly volatile broadcasting ecology of Scotland and Wales, where, as Philip Schlesinger and Geraint Talfan Davies point out, the political consequences of technological revolution may first be felt.

As imminent is the possible breakdown of plurality in children's programmes. Sonia Livingstone in her article explores the paradox of children's television where there is not a scarcity but a surfeit of material, but all of a similar nature designed for an international market. This in itself drives out the economic rationale to make programmes that reflect the domestic landscape of British experience back to British children, who, without the BBC, may grow up without being able to see their lives imagined on the screen. Do we need a plurality of providers so long as the BBC is held to its task?

In this book, the consideration of public purposes frequently becomes entangled in the debate over the future of public broadcasting institutions. The economics and technology of digital communications drive the argument away from the old institutional solutions, the sociology and politics drive it back again. Many of the authors seek to identify the appropriate role of public space in the internet world. Peter Bazalgette and David Elstein wish to define it more closely, the better to ensure its purposes. Patricia Hodgson and Jean Seaton argue for the BBC as the one institutional space large enough to create a digital public arena, whose continued power is even more essential to the maintenance of a plural society than maintaining a plurality of public providers within it. Samir Shah argues for a radically remodelled BBC forcing a more plural regime upon itself from within. Simon Waldman and Roger Laughton challenge us to recognise that the fastest changing definition of public space is taking place at the local level; here online, radio and television meld into a new configuration of plural information. Anthony Lilley and Adam Singer warn against our concerns about the decline of the existing public institutions of the broadcasting age obscuring the different opportunities for creation of public space in the internet age.

The arguments about the future structure and funding of our broadcasting institutions will inevitably dominate the debate about the next Communications Act. But if the debate about the digital future is simply reduced to the question of whether the BBC should

keep a monopoly of the licence fee, or whether Channel 4 should have a share of public funding, an opportunity at a vital moment to define the relationship between civic obligations and free markets in broadcasting will be squandered. The starting point for the review of public intervention in Britain's communications culture should rather be a determination first to clarify its future purposes and outcomes. The 2003 Communications Act is quite explicit about the purposes of public service television. It reaffirms its traditional three pillars – to inform, educate and entertain; but it further requires that PSB television services, "taken together", ensure:

- cultural activity in the UK, and its diversity, are reflected, supported and stimulated by drama, comedy and music… and the inclusion of other visual and performing arts;
- civic understanding and a fair and well-informed debate on news and current affairs;
- a suitable quantity of programmes on educational matters, of programmes of an educational nature and programmes of educational value;
- specific programme genres, science, religion and other beliefs, social issues, matters of international significance or interest and matters of specialist interest; programmes for children and young people;
- a sufficient quantity of programmes that reflect the lives and concerns of different communities and cultural interests and conditions.

Ofcom's own summary of PSB purposes put a further gloss on the Act. For instance, the reflection of British culture is linked to "original content at UK, national, regional and local level". News should "increase our understanding of the world". Ofcom's genres of programmes include History, which the Act does not, but does not mention Religion which the Act does. Education programmes, Ofcom argues, should be "accessible" and encourage "informal learning". These objectives, and a discussion of how far they depend on principles of plurality should frame any debate on the future structure of PSB. However, in the past, the broadcasters have tended to hijack any debate to ensure it focuses on their institutional futures. The viewers' perspective has been secondary. One place to begin the debate about the post-digital future of PSB might be to describe what a failure of plurality might look like. This can of course be conceived in institutional terms. Would Britain be an impoverished society:

- if there was only one public service content provider, the BBC, and the rest was left to the market?
- if the UK production base diminished and the percentage of programmes made in Britain by UK producers radically declined in a tide of international, largely American-made product, such as we see on digital channels?
- if there were no economic rationale for a news provider to offer a service that was in direct competition to the BBC?
- if ITV withdrew or lessened its commitment to distinctive news in Scotland and Wales and the English regions?

- if Channel 4's cross-subsidy model broke down and it either took a share of the BBC's public funding or was privatised?
- if the BBC alone made children's programmes?

Alternatively, it may be more productive to ask the question not from the perspective of the producers but from the consumer and citizen. What would they judge to be the impact on their future lives:

- if television no longer provided salient popular cultural reference points, shared moments to talk about?
- if there were no longer programmes that attracted as viewers a range of people, of different social and cultural backgrounds, who would never otherwise interact?
- if there was a diminution of trust in the news and information on which they based decisions in their lives, individually and collectively?
- if people living in the Nations of Britain and the regions of England believed that they were not adequately served with information and news about their lives that impacted directly on where they lived, close to home?
- if one's children no longer watched programmes located in the landscape and neighbourhoods they see about them as they grow up, but only the youth culture of the United States?
- if there were, to use an unfashionable phrase, a loss of cultural patronage ; no longer leaps of editorial faith that in the past have fostered new talent, new writers, new comedians, new actors, new presenters of history, science and documentaries, regardless of the risk of commercial return?

More radically, what would Britain feel like:

- if, at a time of political decision – a General Election for example – in a fragmented, multicultural, multilingual society, reliant for its information on an indiscriminate plurality of discrete online sources, there was no longer a common public service meeting point where the political agenda, the points of decision, could be focused?
- if there were not an alternative publicly motivated, non-conformist counter-culture challenging authorised conventional wisdom?

One question lies at the heart of all these. In the converged world of the internet, does one believe that television broadcasting will still somehow represent something 'special'? Will there still be the will to lay out broadcasters' public purposes as past Acts of Parliament have done, investing television with an air of civic importance that makes it still intrinsically different in expectation to the wealth of information on the internet? In the years of digital switchover, we will encounter a rapidly advancing internet future but a long-living television past. The judgement that policy-makers must make is in essence to understand how to the balance the two and ensure the continuities between them. PSB has always been strong on principles, but its effectiveness depends on deciding upon a series of difficult trade-offs.

3

The point of departure for a discussion of such trade-offs is itself difficult to pin down because of the speed with which technology challenges previous assumptions. The one constant in policy formulation will be uncertainty. However, it is possible to chart the rate of change since Ofcom's first PSB Review in 2004. This was one of Ofcom's first acts. Its aim was ideological as much as regulatory. Ofcom had been established as an Office of Communications. It was determined to wrench television out of its introverted world of self-referential judgements about its own values and forcibly to place it within the fast approaching digital world. Its effect was invigorating. The evidence-based approach assembled for the first time reliable data about the overall terrain of the public service television output. It took the arguments made by the broadcasters beyond mere anecdote and tested their assertions against delivery. It posited a potential £400m reduction in public service value by the date of digital switchover and so provided a baseline from which to shape future policy. As a result, Ofcom's second review of PSB starts with a simple set of data,[2].

1. In the four years since its first review, the media landscape has changed even more rapidly than anticipated.

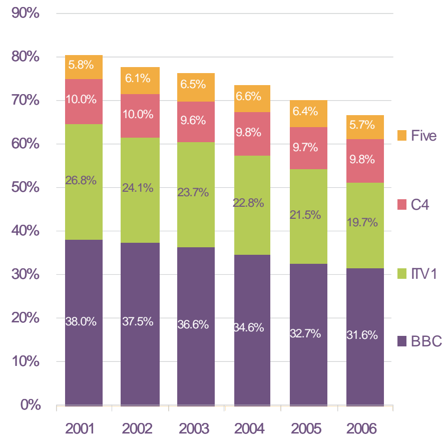
Changes since last PSB review

Early 2003	Early 2008
Freeview less than a year old	Freeview connected to 9.3 million main television sets.
Digital TV penetration 50%	Digital TV penetration over 85%
Switchover dates not confirmed	Switchover began in October 2007
PVRs in 2% of homes	PVRs in 19% of homes
Broadband in 11% of homes	Broadband in 53% of homes
No online video on - demand services available	800m video streams or downloads initiated by UK households in 2007
Google earned £77 million in UK advertising revenues in 2002; Granada and Carlton combined earned £1,548 million	Google 's UK revenues outstripped ITV's in the second half of 2007
First 3G network launched March 2003	At least one 3G network now available to 95% of the UK population
Labour controls devolved parliaments	Nationalist parties in power

2. Despite this rate of change, Ofcom's research also concludes that some things have remained the same, notably the central role of television in most people's lives. Furthermore, the five main public service channels still account for the majority of television viewing and are associated with a set of values that marks them out as different in kind to the rest of television.

The main five channels continue to account for the majority of viewing

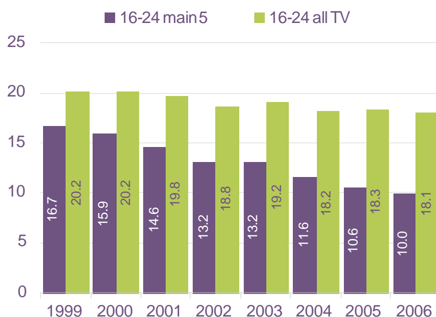
- Deliberative study found that main five channels remain key destinations for many people, for the following reasons
  - Familiarity: strong sense of familiarity with these channels – many participants stated they grew up watching them, and they had become part of the fabric of their lives
  - Trust: This familiarity bred a certain amount of trust and an expectation of high standards
  - Serendipity: They were felt to show a variety of programmes and, furthermore, it was possible to 'stumble' across a programme which subsequently became of interest
  - Bringing people and communities together: The main five channels continue to have a social role in aggregating large audiences and enabling different communities to be reflected to one another – seen as more important than three years' ago



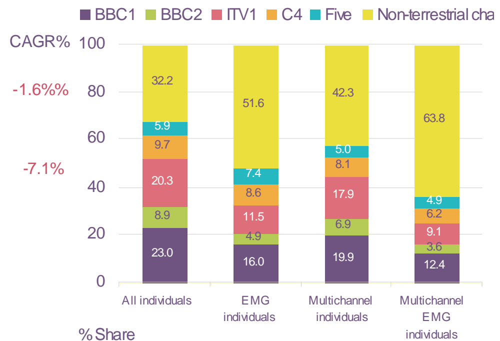
3. However, these institutional characteristics that define the public service channels also highlight their limited importance at particular pressure points in society which are most in the flux of change. Among the young and ethnic minority viewers, the hold of the five public service broadcasters is increasingly precarious.

PSB reach amongst younger audiences and minority ethnic viewers

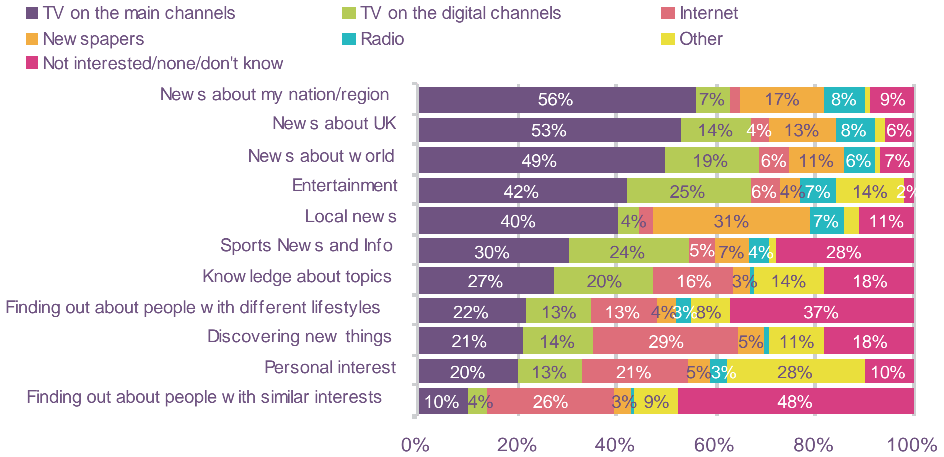
16-24s are consuming less TV than they used to, and less PSB within the overall total



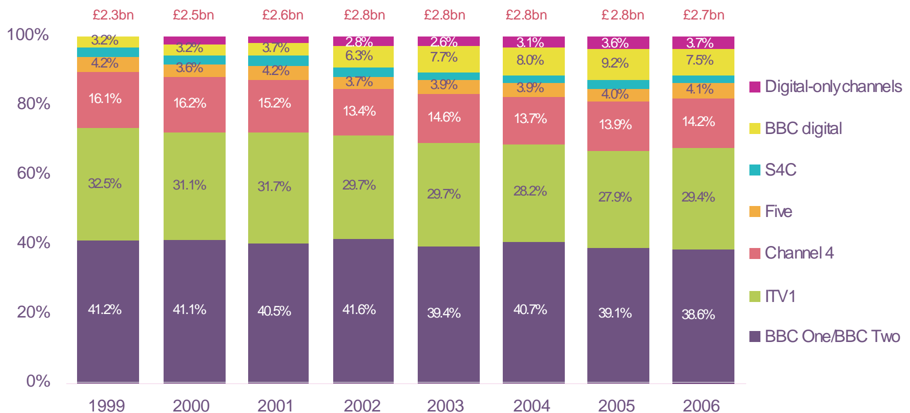
Less than 50% of minority ethnic viewing is to the main PSBs …



4. As strikingly, people are also becoming more discriminating as to which media source suits their individual purposes best. Public service broadcasters can no longer assume their centrality to some of the most compelling aspects of their viewers' lives.



5. Yet, in one sense, the public service broadcasters remain dominant. They provide the overwhelming investment in original programme content.



Ofcom's analysis reveals that in some ways, PSB values have proved more durable and more extensive than it had anticipated. In 2004, it was still argued by some that public service intervention and content regulation was a legacy of the old analogue world of linear broadcasting, it had little relevance to the online future. Four years later, not least because of the manner in which the PSBs have taken a stake in video on demand, digital portfolios and online branding, the argument that public service content will not be confined to a single media platform is now won.

There may also be a political context to this shift in attitude. The Communications Act had invented the construct of the citizen-consumer but, in the world before the occupation of Iraq and its aftermath, policy-makers' attention was loaded towards consumer issues and the operation of media markets. Citizen issues were less emphasised. Four years on, the nature of citizenship has become one of the most problematic challenges facing government. The shared civic responsibilities that should bind together a plural society, the cultural alienation of minorities and the strains on the United Kingdom political settlement in Scotland and Wales are all aspects of this same 'vortex issue' – the phrase coined by the Prime Minister. The challenge now, for government and public broadcasting institutions alike, is how to grab the citizen's attention.

4

For all its enduring public purpose, television faces a significant change in the way it is perceived by those who use it. It is becoming less salient in areas which once were accepted as core to its social relevance. Helen Margett's article describes a burgeoning plurality of public information and engagement emerging over the internet that the conventional public service broadcasters have neither the culture nor the idiom to influence. As chart 4 above shows, people are becoming more discriminating about what they think television is good at doing and where they think other forms of media may be better. The internet is now seen as better than television at finding out about new things, things of personal interest and connecting with people with similar interests. But television is recognised as making connections beyond the known. It is better than the internet at finding out about people with different views, for knowledge and for News, local, national, and international. The internet, for all its plurality, refers one back to oneself; television offers a window on otherness. We do not know of course whether such distinctions will continue as convergence gathers pace but the difference may be important in defining the way in which television will remain 'special'. Television offers a different quality of experience from the internet. If the internet responds to directed use, television works by serendipity. Hence its value as a provider of knowledge lies in the unexpected experience it allows the viewer to encounter. Its strengths lie in narrative and in authorship, in the imaginative as much as in the informative and indeed in the interleaving of the two. Television is not instrumental in the way the internet is. This collective engagement of individual sensibilities may be the cultural value on which it needs to stake its claim to being qualitatively different to other media.

Even so, the digital world is creating centres of public and civic value that we used to look only to public service broadcasters to provide. Museums and art galleries, such as the Science Museum and the Tate, are becoming media sites in their own right. Digital television channels, too, from Sky News to Sky Arts and the Discovery channels provide content that consumers identify as similar in purpose to those on the public service broadcasters.[3] New technology is driving a new plurality that creates, in some markets, alternatives to the content of public service broadcasters.

These developments have a direct bearing on the arguments over the future structure of public service funding which will come to dominate the debate around the new Communications Act. Inevitably these will focus on the monopoly of the BBC licence fee, the claims of Channel 4 to a level of direct public subsidy, and whether other broadcasters could tender for supply agreements for PSB content. Inexorably the arguments will cluster round the BBC. In an age of perpetual alteration, to quote Clive James on the Royal Family, we need institutions that can work. The simple solution, it can be argued, is to secure the BBC's role and find a funding mechanism that allows in Channel 4 a single alternative public competitor; institutional competition for quality will thus be preserved; let the market do the rest. In television terms, this has an attractive clarity. Yet the many, new embryonic initiatives of public value that are emerging across the new platforms of the digital world, may give cause for pause.

There is another argument that emerges from these essays. If public value is indeed being created across platforms beyond those of the old public service broadcasters, should it not follow that the future structure of public funding should also reflect this plurality and the innovative energy that may be there? If the seeds of a new public service media, more plural than anything we have seen before, are now beginning to germinate, should not public intervention cultivate them too? Why should funding be confined to the old established players? And indeed, if the market is producing such public value, does it not call into question whether the present scale of public funding is well spent? If this author may venture a personal opinion, after years as a broadcaster, but now working in higher education, it seems remarkable, on reading again the purposes of PSB, as defined in the Communications Act, how underplayed have been its educational ideals by the main public service broadcasters. As a result, the objectives of PSB have too often been defined in terms of market failure. Education, however is an undisputed public responsibility, and critical to the future social cohesion and economic competitiveness of the United Kingdom. If the new plurality of the digital landscape offers new opportunities for informal intellectual and educational emancipation online, why should the new entrants not have a right to bid for public incentives along with the BBC, Channel 4 and the commercial PSBs? There is a careful regulatory line to be drawn between the enduring purposes protected by public institutional frameworks and allowing those institutions to conceive of those purposes in self serving terms, as they often have been tempted to do.

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From these essays emerges a final thought about how the public values of the past might take a different form in the future. Indeed, in defining a new core task for the public broadcast institutions, this might be the most important idea of all to capture. Once we could assume that, if public service content was made, it would be viewed. Regulation determined its quality, regulation determined its availability. In moving from analogue to digital television, we have moved from a distribution economy to an attention economy. In the digital world, where the sheer volume of unmediated information becomes an obstacle to comprehension, the greatest challenge may not be the production of programmes of public value but the finding of them by the citizen. Excellent public service content may simply fall short in its reach and impact. In the digital world, the most important role of the PSB may therefore be as a validator and editor, the trusted filter that authenticates the value of whatever content it offers. The successful public service broadcaster may reinforce plurality by aggregating content which it has sifted and selected through its own intelligence, and offer it up to the user with the guarantee of time well spent. Even then, how public service content can gain sufficient prominence in a world of global internet search engines remains a challenge yet to be confronted. In the internet world, public institutions cannot presume any more to impose themselves upon citizens and demand their attention; but they can help to shape individual and collective experience. The digital world is incorrigibly plural, but the enduring role of the public service broadcaster may be to ensure that anyone can experience those flashes of insight that can transform an individual's life. PSB in the digital age can still be the sextant by which the consumer and citizen can navigate the content on which an informed democracy and culturally self-aware society is built.

Endnotes

1. Louis MacNeice, *Collected Poems*, ed. E. R. Dodds (London: Faber & Faber, 1966).
2. All charts are from the Ofcom Public Service Broadcast Review 2008.
3. In some cases, of course, these channels are only available on subscription, though Sky News, for the time being, remains free to air on DTT.

2. Does Need Plurality Protecting in the New Media Age?

The essays in this chapter debate the principles of plurality in Public Service Broadcasting and how they should be conceived in a political and public policy context. The authors have set out to look beyond institutional questions of the future role of individual broadcasters to what outcomes government and society might expect from public intervention in the age of media convergence. All consider which of the values of the old world we need to seek to preserve in the new.

Robin Foster, Chair of the Convergence Think Tank, established by the Government early in 2008, identifies a new priority for broadcasters, the successful navigating of public service content, while David Puttnam, largely responsible for the key public service provisions in the 2003 Communications Act, considers the lessons for the new one. John Whittingdale is Chair of the House of Commons Select Committee on Culture Media and Sport that has argued for a restructuring of public service funding, while Patricia Hodgson, a BBC Trustee and former Chief Executive of the ITC, warns of the danger of the demand for plurality undermining a prior virtue, the impact of public service content. Simon Terrington and Matt Ashworth meanwhile challenge us to define more sharply our terms as we enter this debate.

2.1 Plurality and the Broadcasting Value Chain – Relevance and Risks?

Robin Foster

Competition for quality

The final report of Ofcom's first Public Service Broadcast (PSB) Review was entitled 'Competition for Quality'.[1] David Currie and Stephen Carter in their foreword to the report argued that for them this meant three concrete things: a competitive marketplace, plurality of PSB commissioning and production, and enough flexibility in the system for provision (and providers) of PSB to change over time as the needs and preferences of citizens change.

It is clear from this that, at the time of the first PSB Review, Ofcom saw plurality of PSB provision as only one element in a wider competitive framework, and that as important to them was the potential for the PSB system to change over time as competitive conditions and consumer expectations changed. This essay will examine those changes and their impact on the need for and future scope of plurality at each stage of the broadcasting value chain, and will ask whether plurality will remain as important in the future broadcasting landscape as it undoubtedly has been to this date.

To understand the importance placed on plurality of PSB provision in UK broadcasting policy, we have to begin with the partly accidental evolution of the UK public broadcasting ecology. UK TV broadcasting for most of its history has been highly regulated and limited to a small number of channels. The licence fee funded BBC One and Two operated alongside commercially funded ITV1, Channel 4 and Five. Audiences had little option but to watch the output of these four broadcasters. In this context, sustaining an element of competition, diversity and choice in what was a substantially closed system was an important policy objective. Although the precise aims of plurality of PSB provision are not always explicitly set out, I suggest that they can be unpacked as follows:[2]

- Higher quality – resulting from the competitive rivalry generated by several providers (and which might also lead to innovation, experimentation etc.).
- Greater diversity of views and perspectives – secured by having a range of different providers in the market, with different aims, objectives and ownership.
- Improved access – giving audiences the chance to find interesting and complementary content at different times of the day on different networks.

Plurality might also help encourage greater efficiency – competition between providers should in theory drive down costs or at least provide cost benchmarks – but it is debatable whether this has been an important outcome to date in the UK system. It is at least as plausible that, given the relatively few players in the market, competition for scarce rights and talent might have fuelled

programme cost inflation, which the commercial PSBs and the BBC have been able to pass on to advertisers in the form of higher air-time rates, and to licence payers in the form of higher fees.
Overlaid across these specific outcomes, it is argued that the UK PSB ecology more generally has supported high-quality programming, helped by a balanced mix of funding, organisational and operational models. The BBC has set high standards across the market and the commercial PSBs have responded to audience expectations by investing more in a range and diversity of UK programming than they otherwise would have done. In turn, the BBC has benefited from exposure to new ideas and approaches in the commercial sector. There has been no direct competition for funding, at least between the BBC and ITV, hence avoiding the worst type of ratings-chasing commissioning and scheduling that might have emerged in a system based only on advertising revenues. Professionals in the UK broadcasting system have shared a common set of 'PSB' values, and their career incentives – based on movement across the sector – have ensured that those values have been embedded in what they do, whether in the public or commercial sector.

Most observers are agreed that this system has worked well on behalf of the public as both consumers and citizens, even if at times it might have been accused of inefficiency, complacency and a rather inward-looking cultural consensus. Indeed, several shocks to the system as it evolved worked to improve delivery of the 'plurality' outcomes outlined above. For example, the introduction of the independent production quota in the 1990 Broadcasting Act opened up a hitherto closed part of the broadcasting value chain, as the BBC and ITV were forced to commission programmes from external suppliers. The emergence of first Channel 4 and then BSkyB also injected new ideas and approaches into the system, challenged conventional thinking about how programmes should be made and served new audiences more effectively.

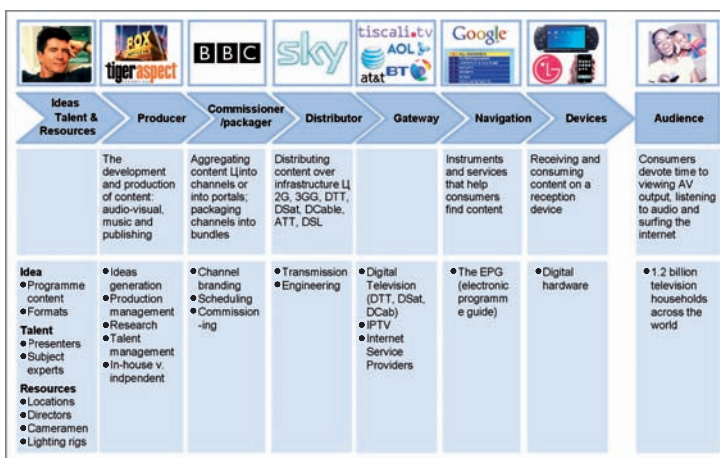
Looking ahead to a fully digital and largely broadband world, however, we are entering a very different marketplace. Instead of a relatively closed five-channel system, we are already well into the multi-channel world, poised at the start of a broadband and on-demand revolution. In this new world, to what extent are the aims and outcomes of plurality of PSB provision still relevant? If they are, will the burgeoning market provide those outcomes automatically or do we still need intervention? Is it enough to have a multiplicity of sources of **any** types of content, or do we need multiple suppliers of UK-made **PSB-type content**? In particular, do we need to sustain publicly funded PSB provision outside of the BBC?

In the following sections, these questions are examined in more detail. My conclusion is that in this radically different marketplace, public intervention to guarantee plurality of PSB provision outside of the BBC becomes less relevant than it has been to date. In the old limited-channel managed ecology, plurality mattered precisely because there was so little of it. Everyone watched PSB content – the priority was to make sure there was some diversity of supply. In the

new, open and more anarchic broadband world, competition and diversity of content is less of an issue – the main challenge is how to persuade audiences to watch high-quality pubilc service output when confronted with a myriad other choices. There may still be some limited 'plurality gaps', which I will try to identify, and which deserve attention, but the policy emphasis in future should be directed increasingly at finding ways of delivering effective PSB access, reach and impact, and less at securing plurality of provision as an end in itself.

The broadcasting value chain

To date, discussion of plurality has focused largely on production and commissioning. It is however useful to examine plurality and its relevance across the whole broadcasting value chain, and ask where it is most relevant, and where the future risks, if any, are.
The value chain is represented in the following figure:



Source: Human Capital Media Strategy Consultants

We have moved from a world in which broadcasters controlled most stages of the value chain and managed them in-house, to one in which new players have entered the chain and sometimes created new elements within it. Companies such as BSkyB operate across several stages, although do not always have exclusive control of each stage of the chain. The BBC spreads its activities from content production, through packaging and (some types of) distribution, but is much less involved, currently, in navigation and devices. Channel 4 has a more limited sphere of influence.

New digital media are changing the nature of the value chain and the relative importance of each stage. For example, navigation and search are assuming greater importance, and threatening the dominance of the established broadcasters in packaging and distributing their content. The openness of the internet is making it possible for new content-packagers to enter the market and for content producers to by-pass broadcasters and establish direct relationships with audiences. But in some other parts of the sector, proprietary systems and software mean that access to customers may

be concentrated in the hands of just a few platform owners. How might these developments affect plurality of provision at each stage of the value chain?

Content creation

Over the past twenty years or so, we have moved from an environment in which most TV production was carried out by the two main integrated broadcasters, BBC and ITV, to one in which there are now around 800 independent producers, accounting for around 45% of annual programme spend in the UK.[3]

The catalysts for this change were the independent production quota and the launch of Channel 4, but the independent sector now has its own momentum, with many commercial and creative success stories. The BBC's WOCC (Window of Creative Competition) guarantees that, in addition to the statutory 25% quota, a further 25 of BBC commissions is open to competition between external and in-house producers. Independent producers could therefore account for as much as 50% of BBC commissions if they have the best ideas. This change has resulted in a huge plurality of provision in content creation, with intense competition between suppliers for commissions from the main broadcasters, and much innovation of content and formats. The existence of a large number of independent suppliers helps to guarantee a diversity of views, perspectives and approaches, from producers with a range of corporate cultures and regional backgrounds.

In future, plurality in content creation will be further stimulated by the blurring of boundaries between different types of media and globalisation of media markets. Audiovisual content is being developed by an increasingly wide range of producers – from the publishing, games and music sectors – leading to a further potential explosion in content available. New digital media is allowing individuals to create their own content, for example in posting their own videos or blogs. Community media organisations are contributing to the range and diversity of content creation in the UK and around the world. Arts and cultural organisations such as the Science Museum and the Tate are creating their own online content. Charles Leadbetter, in his recent essay for Ofcom, argues that the means of media production are becoming increasingly widely distributed. New media communities such as Wikipedia and Second Life allow a sliding scale of attention: people can either contribute a lot or a little. This new form of "social production", he argues, offers benefits in terms of freedom, democracy and equality.[4]

Alongside this generally bright picture, some risks are worth noting. The business dynamics of the independent TV production sector seem likely to prompt further moves towards consolidation, with increasing market shares for a smaller number of larger firms, perhaps leading to a less diverse and less innovative sector. However, entry barriers to the sector remain low, which means there should be a continuing supply of new smaller firms competing for commissions with the bigger

companies, and dependent for their success on new ideas and approaches. An associated risk is that of an increasing concentration of production activity in and around London, although broadcaster investment and regulation currently helps to support at least a small number of creative production hubs outside the capital.

A potentially bigger risk is posed by globalisation of markets, which might lead to consolidation across national borders, alongside an increasing demand for content which appeals to the international marketplace – possibly reducing the supply of UK-focused content.[5] There is also a risk, hard to quantify, that, because commercial success for producers will depend increasingly on making content with high rights-exploitation potential, the interest in and skills available to produce less marketable 'public service' programming will decline. Much here depends on the proportion of total programme investment accounted for by PSB funding in the UK – the BBC's overall programme spend currently accounts for around 40% of UK total non-news originations. Finally, many of the major success stories in new media content and services tend to be US-based – suggesting that there may be a future risk to the UK new media talent and resource base if that picture does not change.

The significance of these risks is linked closely to total PSB funding and to developments in the commissioning/packaging stage of the value chain, to which we turn next. On balance, however, there seems a good chance that the content-creation stage of the value chain has the capacity to sustain a high level of creative competition and a diversity of creative approaches and perspectives into the future – in other words, a high degree of plurality of production. Audiences may also gain greater access to an increasingly wide range of content as producers by-pass intermediaries, and they may themselves become 'producers', by participating in the new world of social media.

Commissioning and packaging

A plurality of producers is not enough on its own, however – there also needs to be enough PSB funding to support a creative and diverse production sector, and a willingness from commissioners to capitalise on the benefits of such plurality. Commissioning and packaging is perhaps the most important part of the value chain in any plurality discussion. It is where most of the money is to be found. Even if there is plurality of content creation, we may still be concerned if there is a lack of competition and diversity at the commissioning stage.
At one level, there seems to be a potential problem here. The old commercial PSB model is breaking down – unless new forms of funding or support are found, ITV, Five and Channel 4 will be less able to fund some specific types of PSB than in the past. This may leave the BBC as the only significant 'free-to-air' established broadcast commissioner and packager for some programme types.

In parallel, however, the UK has seen an increasing number of linear TV channels, and more recently the growth of new broadband-based content packagers. Alongside the main PSBs, there are some 350

additional broadcast channels on the Sky EPG. Their content ranges from entertainment to news, arts, music, children's, travel, science, nature and history. News is now no longer the sole preserve of the main broadcasters – the internet provides access to many thousands of news packagers from around the world, many with high-quality on-demand audiovisual content. Increasingly, new-media brands are becoming the preferred route to content on the web. Of the top fifteen online video providers in the UK, only two are established broadcasters (BBC and Channel 4).[6]

Digging more deeply, a mixed picture emerges. Most funding of UK TV content is still provided by the four main network broadcasters (the designated PSBs) – their main networks account for around three-quarters of non-news origination spend. All the (non-PSB) cable and satellite channels together spent only £124m on original programming in 2004.[7] Commissioning of programmes in each genre is therefore highly concentrated – perhaps in the hands of fewer than a dozen channel controllers, who work with their relevant genre commissioning heads. For some types of PSB programming the market is even more limited – for example only the BBC and Channel 4 spend substantial amounts on serious factual and current affairs programming.

On the other hand, in some genres traditionally thought to be at the heart of PSB – such as news – it can plausibly be argued that we have more choice and diversity of news and opinion, for example via the internet, than ever before. Likewise, there is a wealth of factual content and information available on the internet from a wide range of cultural, scientific and academic sources – the main problem for users may be that of finding the content that is available, rather than a lack of content. Even in those areas where the BBC is ultimately the only commissioner/packager of PSB content, the new market environment might still deliver the competitive challenge which will ensure the BBC maintains high production standards, and broadcasts high quality programmes – after all, it faces ever tougher competition for audiences, and its commissioners and programme makers will want their content to do well, whether or not there are direct competitors in the market for that particular genre. 'Competition for quality' can come from programming types provided commercially which are similar to, even if not exactly the same as, the BBC's PSB output. For example, regional news production will be influenced by wider developments in national and international news provision. Serious UK drama production will be informed by the high production values of the best of US-made TV drama or more widely from the film industry and theatre. BBC children's programming can experiment with creative developments in games and multimedia to change and enhance its own output, while cross-fertilisation of ideas means that games are increasingly incorporating aspects of story-telling from traditional media. Talented professionals will want to produce output which is appreciated both by audiences and by their professional peers.

Inspection of developing trends, however, suggests that there are two significant risks which warrant further analysis. While market-based

competition will keep the BBC's commissioning teams on their toes, we may see an increasing threat to high-production-value UK content in the commercial TV sector, and the emergence of some genres in which there is insufficient diversity of views and perspectives from the UK, no matter how effective the BBC is in opening its airwaves to a range of opinions and creative voices.

The first threat – to the overall amount of UK content produced by the commercial sector – derives from a combination of increasing challenges to traditional revenue models (especially TV advertising) and the potential financial case for an increased use of acquisitions or lower cost reality and light factual material in mainstream commercial network schedules.[8] Non-UK ownership of our main commercial networks might well increase the likelihood that more US or international programming would displace expensive UK content. If the BBC were to become the only major commissioner of UK content, this would be bad for the production sector, but more widely for the cultural well-being of the nation. Given this, the most important 'plurality' objective may be to secure in the commercial UK TV sector a continued high level of UK content across a reasonably broad range of programming, rather than to focus too precisely on specific types of 'PSB' programming. This will help ensure effective competition for the BBC in high-production-value UK programming across mainstream genres, and will also play an important cultural role, for example in sustaining popular drama and soaps which tell stories about life in the UK.

The second threat – that, even if UK production overall remains healthy, there may be some genres in which the BBC becomes by default the only supplier – results from the breakdown of the commercial PSB model referred to above. In the interests of diversity it may not be desirable for the BBC to be the only source of PSB programming in some areas, even if that programming is of high quality and originality. It is important, though, to assess carefully in which PSB genres such diversity might be important, and where it is most at risk. For example, news is clearly a key pubilc service genre – but as noted above it is also one in which the new-media world offers most prospect of an enhanced range of diverse news providers. In contrast, cutting-edge comedy shows may be in short supply in the commercial sector (because of high developments costs, high failure rate) but might be less important from a PSB perspective.
My high-level analysis suggests the following programme areas in which diversity is both important and at risk:

- More ambitious and stretching (rather than mainstream) UK drama, offering a commentary on our society and culture and helping us understand the different communities of the UK.
- UK-made current affairs and serious factual programming, which helps us challenge, question and interpret the world around us and those who govern us.
- Drama and factual content for children, especially older children, made in the UK.
- Regional and local news.

In at least some of these areas emerging commercial alternatives to broadcast television might provide enough diversity and choice to reduce the need for any public intervention in future. For example, the interest in local TV and broadband services from the newspaper publishing sector. In any event, the existence of these gaps should not automatically lead to the conclusion that they should be filled – a thorough analysis of the costs, benefits and practicality of different options for intervention is needed.

A further general observation is worth making here. Given the range of new factual and other content available from a wide variety of providers on the internet, a new priority for PSB might be to help users find, understand and interpret that content, as well as commissioning new content themselves. The BBC might, for example, be required to use its brand and approaches to packaging content to help users reach many different types of content from many different sources; not just that commissioned or produced by the BBC.

Distribution and navigation

My suggested third plurality outcome – ensuring ready access to PSB content – seems likely to be much easier to achieve in the new broadband world than it ever was in a world of a few linear scheduled broadcast channels. Plurality of PSB provision in the old model helped ensure people got access to PSB output by securing a range and diversity of programming on each channel. Current affairs programmes might be scheduled against soaps, documentaries against entertainment, news might be found at different times of the evening. Across the schedules as a whole, there was a reasonable chance that audiences could find programming that they might appreciate, and the presence of PSB programming on different networks most likely increased its reach and impact.

In the broadband world, linear broadcast schedules will become much less important as a means of providing access to PSB content. While there might be less UK-made PSB content available on other main broadcast networks, access to that content in different forms and on different media will be more convenient than ever before – for example via the BBC's new iPlayer.[9] The introduction of the BBC iPlayer and other on-demand services will ultimately free viewers from the constraints of a linear schedule and allow them to access PSB content when and where they want it. The BBC's ultimate aim to make all of its archive available on-demand will complete this process. It is no longer as important to have a range of PSB packagers to ensure that PSB content is readily available across the schedules – it will always be available, on demand. Equally, the application of sophisticated search tools to audiovisual content, coupled with the wider syndication of that content across many different internet sites, will enhance the effectiveness of its delivery.

In conjunction with developments mentioned so far at other stages in the value chain – direct access to content from programme producers, breaking down of international market boundaries,

emergence of many new non-traditional content suppliers – these new distribution and navigation models, if used well, will vastly improve access to PSB content. Access is no longer a convincing justification for plurality of PSB provision.

However, the benefits of improved access in the broadband world depend to a large extent on the current openness of the internet, the ability of consumers to access the open internet through their broadband service provider and, once they are using the net to search effectively through the content which is available.
There are a number of potential concerns here which require policy and regulatory attention:

- First, because the high-speed broadband infrastructure needed to access the internet will be provided in each part of the UK by only one or a few suppliers, competition concerns could arise both in the pricing of access to those networks and in possible unfair discrimination between content-providers using the networks – for example, if broadband network operators also offer their own content and services which they might then favour over those of other providers.
- Second, there could be related plurality concerns if those network operators chose to prevent or restrict access to content/services – either for business reasons (because a content-provider cannot or will not pay for a certain quality of service delivery) or for non-business reasons (because a network owner does not like the nature of the content being offered). These concerns continue to be debated in discussions about so-called 'net neutrality'.
- Third, if there is over-reliance on one or a small number of search engines, issues may arise about the market power of those engines and the extent to which they are providing fair and unbiased access to a sufficiently wide range of content. The importance to search-engine companies of maintaining a reputation for fair and effective search results will help offset any incentive to direct users to sites which have paid for an enhanced profile, but tensions are bound to exist.
- Finally, it is not certain that high-speed broadband services will reach every community in Britain, or be used by all segments of the public. A 'digital divide' may emerge, raising new challenges in ensuring access to PSB content for all. Damian Tambini argues, for example, that "there is a point at which inequalities in access to information and voice render democratic citizenship untenable".[10] We need, therefore, to consider at which point mobile, broadband and HDTV become essential parts of the basket of communications services necessary for effective citizenship.

These issues suggest that future public-policy focus should be as least as concerned with these wider aspects of plurality – of fair access and navigation – as about traditional concepts which focus on plurality of PSB content provision.

Final observations

As I hope to have shown, the market environment against which to consider the benefits and costs of PSB provision is changing rapidly, with implications for the relevance of plurality in future, and also for the issues which should be of public policy concern. We are well advanced in the move from a closed managed PSB landscape, in which plurality of provision delivered real and tangible benefits, to a much more open and anarchic marketplace, in which many of the established benefits of plurality of PSB provision may be captured by wider market activity.

I suggested at the start of this essay three possible objectives for plurality of PSB provision – competition for quality and innovation, diversity of views and perspectives, and ready access to PSB content. In future, the competitive spur for innovation and quality will largely be provided by the commercial market. This will be true of several key parts of the value chain – in content creation, commissioning, packaging and distribution. Public intervention with the aim of securing this first objective will no longer be justified on any significant scale. Likewise, ready access to PSB content should be enhanced rather than diminished, all else equal, by the move to high speed broadband, on-demand services, and digital TV.

There may still, however, be a legitimate concern about future prospects for UK audiovisual content in general, and about the available range and diversity of views for some specific types of PSB content – some limited 'plurality gaps'. These might justify public intervention both to secure a healthy level of UK content, and to ensure a limited amount of additional diversity of provision by other suppliers alongside the BBC. The challenge here will be to design policy instruments that can work, and do not secure their objective only to undermine the effectiveness of the BBC.

Perhaps more importantly, there are some new challenges for public policy. Just as competition reduces the relevance of plurality of PSB provision, so it increases the challenges to any PSB provider to ensure that its content connects with and engages enough audiences to make the scale of public investment worthwhile. The future key challenge is less about plurality as an outcome in its own right, and more about finding the best means of securing adequate levels of reach and impact for the PSB content that we fund, including securing universal access to the modern infrastructure needed to supply new broadband-based content. At the least, we need to keep a watching brief on the various distribution and navigation concerns outlined above. Reach and impact is not just about making the right content, it is about ensuring that everyone can get access to it on reasonable terms.

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TAMBINI, DAMIAN, 'What Citizens Need to Know', in *Communications: The Next Decade*, ed. Ed Richards, Robin Foster, Tom Kiedrowski. London: Ofcom, pp. 112–24.

Endnotes

1. Ofcom 2005.
2. This classification draws on the discussion in the Culture Media and Sport Select Committee's first report of 2007/8: Public Service Content, and on Ofcom's analysis.
3. Ofcom 2006.
4. Leadbetter 2006.
5. Although given the BBC's continued investment in UK production, the main commercial broadcasting networks will have to maintain some level of UK content in their schedules to compete effectively for audiences and revenues.
6. Cap Gemini analysis, based on various data sources.
7. Ofcom 2006.
8. For example, see the discussion in Oliver and Ohlbaum 2006.
9. Screen Digest reports 0.8 billion free-to-view online TV streams and downloads in the UK in 2007, and predicts 1.5 billion in 2008.
10. Tambini 2006, 122.

2.2 Lessons from the First Communications Act

David Puttnam

Plurality is a concept that has successfully established itself as a fundamental benchmark in any consideration of media policy. So much so that adequate measures to ensure sufficient ‘media plurality’ became one of the most hotly debated issues throughout the passage of the Communications Bill in 2002 and 2003.

During the long and complex debates that surrounded the passage of that legislation it became increasingly clear that specific measures were essential if we were to ensure continued ‘plurality’ in a fast-changing and rapidly consolidating media environment. If we were going to embrace the opportunities of globalisation and liberalise ownership restrictions, this would need to be balanced with measures to prevent undue concentration, and a consequent reduction of plurality.

The public demand for media plurality extended right across the programme genres: drama, entertainment, documentary, children’s, comedy, arts and current affairs. But news provides the most vivid illustration of how we responded to the plurality question.
It is clear that citizens and consumers, accustomed to a rich variety of daily newspapers and online news want and expect a similarly pluralistic offering when it comes to news and opinion on television. That demand remains strong. Some 94% of people say they use television to access news – far higher than any comparable source; impartiality in broadcast news is seen as specifically important by 87%; and over half say that **all** the main Public Service Broadcast (PSB) channels should provide serious coverage (Ofcom 2007a).

In addition to establishing a hard-fought public interest test to provide ‘a sufficient plurality of persons’ with control of the media; the 2003 Act also included measures to ensure that a **range** of providers meet standards, such as impartiality and editorial independence.
This ‘belt and braces’ approach was put to its first serious test following BSkyB’s acquisition of a stake in ITV, and the outcome suggests an Act that has proved itself ‘fit for purpose’. While the sell-down ruling was not ultimately based on plurality concerns, the Competition Commission and the Secretary of State pointed to the robustness of the independence and impartiality requirements in the Act.
It seems paradoxical perhaps that plurality was such an important consideration in legislating for a market poised to experience an explosion in the number of platforms, providers and services. But this overlooks the complexity of what we mean by media plurality. The provision of information is about far more than straightforward competition in the marketplace.

Considerations of ‘media’ plurality involve concepts that go well beyond there being more than one provider or organisation operating in a certain sector, medium or genre. Here we are engaged

with factors as diverse as quality, commitment and ‘voice’. In news, the public today has access to services from not only the traditional television and newspaper providers, but also their associated online offerings, dedicated TV news channels, and websites from the UK and overseas. But the sheer number of organisations, what one might term ‘institutional plurality’, is in itself not enough. In a modern democracy it’s important that public policy ensures there is also editorial plurality, providing a range of different and, if necessary, conflicting ‘voices’.

Within PSB, legislators have traditionally taken steps to ensure that the broadcasters themselves are structured differently, with different editorial remits. This multiplicity of ownership helps provide diversity in the type of output as well as the treatment of subject matter. The inherently commercially focused, shareholder-driven ITV seeks a more mainstream, popular schedule than that required of Channel 4, whose remit to challenge and innovate allows it to take risks and push the boundaries even further than the purely publicly funded BBC. This manifests itself most clearly in the provision of news, the central concern in most legislative deliberations about plurality.

Again, Ofcom’s *New News, Future News* found that while BBC and ITV News tend to cover a reasonably similar balance of stories within their output, Channel 4 stands out as offering more international and political content. There are also significant differences if the reach of each programme is mapped across audience groups. While the BBC and ITV tend to attract similar types of audience, Channel 4 News tends to be of more interest to younger and more up-market viewers (Ofcom 2007a). Research (a Barb/Infosys analysis by Channel 4) also shows that Channel 4 News attracts a significantly higher proportion of black and minority ethnic viewers than the other public service broadcasters.

The PSB environment also ensures that UK audiences enjoy high levels of original UK content drawn from a range of sources the market alone is unlikely to provide. Collectively UK broadcasters invested some £2.7 billion in original UK content in 2006 (Ofcom 2007b); but excluding sports rights, just 4% of this was invested by digital channels whose investment tends to be concentrated into rights and programme acquisition. Plurality of supply is underpinned by the stimulation of an independent production sector and the encouragement of programming made in different nations and regions across the UK to inject a further variety of viewpoints and experiences into programming.

Public policy has also striven to ensure that public service content retains its scale and impact. Public service channels are available free to every viewer in the UK and it is vital that their programmes have sufficient prominence to reach genuinely large audiences. Public value is delivered not just through the nature of the content but through its mass availability.

So, as we look ahead to the work of the Government’s Convergence

Think Tank, the second Ofcom PSB Review, and ultimately perhaps a new Communications Act we need, arguably more than ever, to maintain a keen focus on **all** aspects of plurality.

Structural plurality?

Recent experience suggests that the prospect of further media concentration looms large as commercial organisations adapt to the digital environment. In addition to the mega-consolidations such as Microsoft's possible acquisition of Yahoo, takeover rumours continue to swirl around ITV, Five and almost the whole of the commercial radio sector.

The concerns that the public interest test were designed to address – namely undue consolidation of ownership within broadcasting, and between newspapers and broadcasters, with a consequent homogenisation of output – remain as relevant as they have ever been. Proof positive is surely the ITV/BSkyB case, and the complexity of the arguments surrounding it.

But who today **are** the most powerful beasts in the jungle? While the big internet players concern themselves with content aggregation and user-generated material there are signs that they are shifting towards a greater level of originated content. The 'public interest test' has an important role to play here; but is it time we gave thought to the cross-media consequences of a Google, a Microsoft or even a YouTube taking control of a portion of our major media assets; and in particular, control of a significant component of the UK's news provision?

Issues around ownership and funding may also need to be brought into the debate. The mixed funding economy has traditionally delivered creative benefits: the public service broadcasters have been allowed to focus more on the quality of their output than scrapping over the same pot of core funding. But as commercial pressures continue to throw into question the financial viability of some of the core areas of public service broadcasting the market alone is unlikely to offer all the answers. We may have to rethink the present model and consider what new tools might be needed to ensure that public service media can continue to provide a powerful and distinctive voice. Lessons from other parts of the media landscape suggest this may be achievable. In film, for example, producers draw from the same UK Film Council funding well but produce a broad array of different and even competitive products. We also need to do more to ensure that production is more widely dispersed across the UK to help encourage a diversity of opinion and experience within programme-making.

While an increasing amount of material is now made outside London (Pact 2008) it tends to be concentrated in fairly familiar pockets; network production from the nations is particularly low, at just 2% of first-run programming on the main terrestrial channels. If we genuinely care about the pluralistic role of our media, we need also to concern

ourselves with any narrowing in the river of supply. Production from the nations and regions is one certain way in which we can achieve a meaningful plurality of voice.

Editorial plurality?

As we enter a digitally enabled multi-platform world, many exciting and socially beneficial things are happening. The public has more access to more content from more suppliers than ever before. But in embracing the benefits of the digital world, we must take care not to lose the core values we have traditionally attached to the 'old' public service model. Rather, the processes we are about to embark on should be engineered to provide an opportunity to extend those values into a new, 'digitally dominated' world. In some respects this is a moment to savour, the number of services, and the scale and quality of content we are enjoying is, in many respects, extraordinary. New services provide ways to access original television content on alternative platforms, and with more flexibility for the viewer; and at the same time wholly new content made exclusively for digital platforms, like Bebo's Kate Modern and Channel 4's Big Art project, through to user generated films and the online presence of organisations such as the Tate.

While much of the material that originates on the internet remains relatively niche, we need to think about how we can harness the value it provides, and recognise its contribution to an ever richer content mix. But whilst embracing this expanding choice we must also ensure that we continue to benefit from a plurality of services embodying the values of quality, impartiality, accuracy, fairness and trust that we have come to expect.

It is far from sure that an increasingly 'advertiser-driven' internet will fill the gaps that may emerge as additional commercial pressures are brought to bear on our public service system. If we are to intervene to protect the plurality of public service media it is critical that it retains the reach and scale to ensure that everyone is able to benefit. Perhaps that will involve greater partnership in the new media space between the existing big players and the smaller providers of content with public value. In policy terms, it remains unfortunate that the current Communications Act makes no serious reference to the internet. It is hard to imagine this will be the case next time around; but we need to think about how we can positively capture and support the role of new media services when we do eventually come to review the policy framework.

The potential impact of all of this on education and learning for example, is massive. The increased availability of high-quality content from public service broadcasters could have an enormously positive impact on learning at every level and every age group in society. If some of these thoughts sound somewhat over-influenced by a rose-tinted view of the past, let's not lose sight of the fact that people consistently tell us that they place an enormously high value on maintaining a plurality of trustworthy media sources. The digital

market should be welcomed wholeheartedly, and is **full** of exciting possibilities; but surely the role of policy making is to look closely at what the market isn't, or is unlikely to provide.

Last year the BBC explicitly recognised that people in the UK want to retain their belief that television is a safe haven of impartiality and integrity. There seems little reason to suppose that, as use of new media increases, the demand for those standards will fall away. Indeed, it is likely that in a more complex and noisy marketplace people will want to know where they can seek out and find content that they can be **sure** will provide the core values traditionally attached to PSB.

This raises significant and complex issues for any forthcoming legislative process, and there are a number of questions that will need to be addressed:

- How do we maintain a plurality of quality service providers once the leverage of privileged access to spectrum has fallen away?
- How do we sustain genuine 'plurality of voice'?
- How do we encourage a range of content offering clear 'public value' with reach, scale and impact online?
- And in seeking to extend public service values into a new media age; how do we make sure the UK doesn't miss out on the benefits of the future, without doing irreparable damage to what is, at present, a fairly 'rich' marketplace?

We must find a way of reaping the benefits of choice, whilst safeguarding the depth and breadth of plurality in all its forms. On every front our focus has to be twofold: to avoid undue concentration of supply; and to look to maintain a variety of services that embody the quality, scale and impact that we have demanded in the past. The challenge to this present generation of policymakers is to extend rather than compromise those values we placed at the heart of the last Communications Act.

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2.3 Plurality Preserved: Rethinking Public Intervention in the New Media Market

John Whittingdale

Introduction

Last year, the House of Commons Culture, Media and Sport Select Committee conducted a wide-ranging inquiry into the future of public service content provision. In its report, *Public Service Content* (HC 36–I, 2007a) the Select Committee made a range of recommendations about the provision of public service content in future, including how the Government and Ofcom should approach the question of public intervention going forward. This essay draws on some of the Committee's findings, and discusses further the case for scaling back current levels of intervention. It also discusses how the current model of public funding could be refocused to suit better a digital world where UK citizens and consumers have access to more public service content from more sources than ever before.

Prospects for the delivery of public service content

Over the past twenty years an ever-wider array of audiovisual content, including content which exhibits public service purposes and characteristics as defined by Ofcom (referred to hereafter simply as 'public service content'), has been made available to consumers. Moreover, there are more providers and hours of public service content available to consumers than ever before. Traditionally, such content was provided principally by a few designated public service broadcasters (PSBs), granted direct or indirect public funding in order to do so. In recent years, however, there has been a huge increase in market provision of public service content, as well as new provision by public institutions other than the traditional PSBs.

Commercial providers without public service broadcaster status, or any direct or indirect state support, have expanded output of public service content including news, science, history and arts programming. After digital switchover, this provision is likely to increase as commercial channels gain access to larger audiences and revenues. There has also been an increase in public service content funded by other public institutions and non-profit organisations. Teachers TV, for instance, is funded by the Department for Children, Schools and Families, and provides a range of programming covering National Curriculum subjects as well as specialist programmes for education professionals. Public institutions have also provided content on new media; the Tate Galleries, for example, have an interactive media production facility and its websites generate greater traffic than the actual footfall through the doors of the Tate.
As a result, UK citizens and consumers can now access a greater volume of public service content from more providers than ever before, across a range of platforms including terrestrial television, cable and satellite, and the internet. This access will also increase

along with growth in broadband take-up, and with the completion of digital switchover in 2012 virtually all households in the UK will be able to receive a wide range of these services.

However, alongside this there is evidence that the existing arrangements for supporting public service content are coming under pressure. In particular, concerns have been raised that ITV, Channel 4 and Five will reduce their provision of public service content as audiences fragment and their market share declines. The pressure on the current system is already becoming obvious – for instance, commercial broadcasters are seeking to scale back their level of provision of UK-produced children's content and regional programming. In this climate, there may need to be different models of intervention and funding if viewers and listeners are to retain access to specific types of public service content.

A model for sustaining public service content in future

Given these developments in communications markets, including pressures on the traditional PSBs and the growth in market provision of public service content, it is appropriate to consider the extent to which the traditional model of public intervention and funding of public service content is sustainable, or desirable, in the digital age. The Select Committee's report therefore set out a new framework to help the Government decide whether to intervene, and it also outlined how public funding could be better distributed to improve value for money and encourage more efficient and plural provision of public service content.

A framework for considering intervention

Plurality in the provision of content has long been a fundamental Government objective, as it brings together the benefits of competition, different services and a diversity of viewpoints to consumers. If the Government's objective in the broadcasting market is to ensure the plural provision of public service content, the fact that providers without any public service obligations currently provide a huge amount of this content suggests that an additional test is needed to consider whether the Government should intervene. In 1999, Gavyn Davies, then chairman of an independent review panel commissioned by the Department for Culture, Media and Sport (DCMS) to consider the future funding of the BBC, identified the precondition for intervention via public service broadcasting. His report (Independent Review Panel 1999) concluded that the natural definition of public service broadcasting is that it is broadcasting which, for one reason or another is desirable, but which the market will not provide or will provide in insufficient quantity and added that "it is impossible to argue for a public service broadcaster unless market failure can be shown". The independent review panel stated that: some form of market failure must lie at the heart of any concept of public service broadcasting. Beyond simply using the catch phrase that public service broadcasting must 'inform, educate and

entertain', we must add 'inform, educate and entertain in a way which the private sector, left unregulated, would not do'. Otherwise, why not leave matters entirely to the private sector?
In the evidence that the Select Committee received, a similar framework was supported by a number of commentators. For example, David Elstein, Chairman of the Broadcasting Policy Group, said that the simple test for defining public service content is to ask: "will the market provide or will it not?" (HC 36–II 2007b) and Lord Burns, former adviser on BBC Charter Review to the Secretary of State for Culture, Media and Sport, said that public service content is "high quality material, probably originated in the UK, which the market itself does not provide" (HC 36–II 2007b).

Even the BBC itself has acknowledged this as the starting point for intervention. In July 2007, Mark Thompson, Director General of the BBC, said in a speech on the future of the BBC that "the only economic justification for the BBC – indeed for any public intervention in broadcasting – is market failure". He added that if "there is no market failure, you don't need public service broadcasting" and that if "purely commercial media can adequately deliver all of the public value that the public actually want, you don't need a BBC or Channel 4" (Thompson 2007).

Of course, there are critics of this approach. For instance, some (including the BBC) argue that provision of public service content by the market cannot adequately substitute for content produced by the designated public service broadcasters as non-PSBs do not have an institutional, in-built public service ethos and mission.
Taking all of the arguments into account, the Select Committee concluded that the Government should only consider intervening in the market where it appears that certain types of content would not be provided or would be underprovided. Given that the market currently provides a wealth of programming which meets the definition of public service content and is likely to continue this provision in the future, the level of Government and regulatory intervention should diminish in the digital age.

Wider distribution of public funding

Regardless of the scale of intervention necessary to support public service content in future, the Government also has the opportunity to rethink the current system for funding that content.

The total current direct and indirect subsidy for public service content in the UK is presently valued at about £3.5 billion. By far the biggest element of this is television licence fee income – over £3.2 billion in 2006–2007 – which is paid by DCMS in grant-in-aid to its sole direct recipient, the BBC. In addition, the BBC receives direct funding from the Foreign and Commonwealth Office for the World Service – £193 million in 2007–2008. S4C also receives direct funding from DCMS – just under £100 million in 2007. ITV, Channel 4 and Five receive indirect subsidies, mainly in the form of privileged access to analogue spectrum, which in 2004 Ofcom valued at around £430 million, while

forecasting that this would fall to around £25 million per year after digital switchover.

Despite the Government's commitment to plurality, it is the case that the vast majority of its support for public service content has been concentrated on one provider, the BBC. One option that has been raised to ensure plurality in the provision of public service content is the distribution of public funding to more than one broadcaster. Countries such as Canada and New Zealand both employ this type of model to distribute public funding to broadcasters and production companies to make certain types of public service content. In the UK, the Government has stated that it will review the case for making public funding more widely available beyond the BBC, with a review most likely to commence in 2009. If it were to conclude that public money should be distributed more widely, a number of funding sources would potentially be available, but only two sources have a realistic chance of being allocated: general taxation; or licence fee income.

Many commentators support the idea of making television licence fee income available to providers other than the BBC, in particular by doing so on a contestable basis. Lord Burns, in his advice on BBC Charter Review to the Secretary of State for Culture, Media and Sport, said that wider distribution of licence fee funds, via competition, would help sustain plurality in public service content. He envisaged the creation of an independent Public Service Broadcasting Commission, which would be able to award part of the licence fee to other broadcasters (Burns 2005). Irwin Stelzer, Director of Economic Policy Studies at the Hudson Institute, said that there should be as much competition within the funding framework as possible and that competitive bidding for licence fee income would get the best out of the system (HC 36–II 2007b).

There are, of course, risks involved with this approach. For example, if public funding is made available to commercial broadcasters, there is a risk that public money may be used to fund programming that is otherwise viable on some commercial basis, raising the potential for the distortion of competition. There is also the chance that redistributing licence fee income would merely transfer funds between broadcasters. For example, the BBC might simply reduce its public service output, offsetting increases elsewhere in the system. On the other hand, redistribution could have a positive impact if, as a result of the transfer, the BBC were to focus its still considerable resources more on public service content rather than on more commercial programming – such as imports or reality television. Indeed, given the substantial provision of public service content by other broadcasters, the Select Committee concluded that the BBC could deliver its public service remit without providing all of its current range of services.

The BBC has said that there are 'powerful' arguments against distributing licence fee income more widely, suggesting it would break the clear link in the minds of the public between the licence

fee and the BBC, and therefore reduce accountability (HC 36–II 2007b). However, the Select Committee noted that the Government has in effect already redistributed licence fee income to pay for broadcasting (and non-broadcasting) activities outside of the BBC. For example, the BBC is required by statute to provide S4C with up to ten hours of programming per week: in 2007, S4C will receive around £23 million worth of licence fee funded content. The Government has also required the BBC to contribute up to £14 million to Channel 4's capital digital switchover costs, as well as fund the £600 million digital switchover targeted help scheme.

In order to sustain plurality and to bring the benefits of competition to the provision of public service content that is deemed socially valuable but underprovided, public funding should be made available beyond the BBC on a contestable basis. While this solution will inevitably be opposed by those who think the BBC should be the sole beneficiary of this funding, redistribution would have a range of benefits, ensuring that plurality is maintained and leading to greater provision of public service content. However, the body allocating public funding would need to take care not to fund programming that is already commercially viable. The most appropriate source of public funds is either from the licence fee or from general taxation; but, given that the case for current levels of intervention will diminish, it is important that the overall cost to the public should not be allowed to increase.

Conclusion

Technological change and digital uptake have brought, and will bring in future, a huge amount of audiovisual content, including public service content, to consumers. The Government and Ofcom now have an opportunity to scale back their level of intervention in the market. At the very least, technological developments mean that the Government and Ofcom need to rethink their policy objectives and how they seek to achieve them. Both have recognised that the future of public service content needs to be considered sooner rather than later and they have rightly brought forward the timing of key reviews of the sector. There is now a real opportunity to adopt a more targeted model for funding public service content that the market would not provide, ensuring greater value for money for taxpayers and efficient outcomes for consumers.

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2.4 Public Purpose versus Pluralism?

Patricia Hodgson[1]

Pluralism in Public Service Broadcasting is the latest hot issue, with the case for top-slicing the BBC licence fee to support other pubilc service providers the focus of debate. Pluralism, like transparency, means different things to different people. It bleeds into wider cultural and political agendas and is easily hijacked for business advantage. No-one can oppose pluralism.

But is pluralism, in terms of access to several different providers, the biggest problem in the digital world? Viewers in cable and satellite homes can tune into nine news services from different providers or around twenty children's channels, amongst the hundreds of others on offer. Those of us with access to broadband, 52% of the population and growing, can dial up material from anywhere in the world. We are more likely to complain about so much choice and nothing to watch, or about copycat programming or not enough original British output, than lack of pluralism. So, if we want realistic policy outcomes, we probably need to be more precise about our concerns.

Cultural concerns

This particular issue is really a public policy concern about the dumbing down of the electronic media. We are no longer in the protected era of *Brideshead Revisited* and *Morse* in prime time on commercial channels. Yes, we now enjoy great sport and films at the touch of a button or the riches available online and on many new services if we know where to look. But we seem to be losing genuine intellectual diversity and a shared cultural experience of which we can feel proud. There is a degree of cultural panic as we recognise (though it is not politically correct to say so) that, in a global market of digitally convergent services, mass tastes will prevail.

More narrowly, Ofcom has identified original British content for children, regional news and programmes and a pubilc service commissioning source other than the BBC, as the focus of debate. This last issue only matters, of course, if we still want powerful pubilc service provision. And, if we do, we may be faced with a difficult choice between concentrating public money where it will have most impact and spreading it across a fragmenting market.

Market realities

All policy development must be rooted in a clear understanding of business reality, so it helps to start there. The market for electronic media in this country, widely defined to include new digital services, is around £14 billion a year. Television had an annual turnover in 2006 of £10 billion. Compare that with world television revenues of £165 billion. Now that digital technology increases competition and makes it global, we have hundreds of radio and television services, as well as all the material we can access online, or with new mobile, mp3

or games players. Not surprisingly, international tastes affect the UK market, either through direct competition from the likes of Disney or YouTube, or because UK service providers find it cheaper to recycle international ideas and output than produce something new. Audiences are fragmenting. UK providers respond by multiplying their services to target particular parts of the market and a range of receivers. Quite apart from new media, where suppliers must compete if they want to reach all parts of the national audience, public service broadcasters also offer several television channels where one was enough. Supply outstrips any increase in revenues and so the audience sees more and more of less and less in terms of high-budget original UK public service. There is less appetite for risk and less content which cuts through market noise and has the kind of beneficial cultural and social impact which is what we mean by public service.

Market changes

Given the pace and scale of change, public policy has done well. Deregulation has freed up the market. We have the most vibrant electronic media in the world outside the States. Overall, spend has almost doubled in real terms in ten years. In BSkyB and the BBC we have two world-class players – which is punching considerably above our weight – and audiences are well served, whether in news, sport and films, new broadband and on-demand services or some of the more traditional end of public service, from *Cranford* to *Despatches*. We have the best pubilc service radio in the world and a flourishing online scene, with bbc.co.uk amongst the top ten world sites in the UK. **Economically**, electronic media in the UK is a success story. But **cultural** concerns remain; and they start with the advertising supported part of the market.

Here, business models are under threat. Advertising has to be shared three ways, across radio, television and online. Smaller audiences for any one broadcast service drives advertisers to other outlets, like direct mail. Individual broadcasters spread a diminishing pot across more services, so even the most popular channels and stations find income static or falling. Revenues for ITV1 are down 20% over five years.

Not surprisingly, ITV has been coming to the regulator to ask for its expensive pubilc service duties to be reduced. First, regional companies consolidated into a single business; then regions were merged; and now the news budget for ITN is down to £35million from £55m in the glory days. Budgets for children's output have been halved and cheaper soaps have displaced more choice in prime time. The fact is that audiences are not watching the pubilc service end of the output in sufficient numbers for advertising to support it. Channel 4, with some success, has continued to cross-subsidise more serious programmes with revenues earned from *Big Brother*, but is worried about its income beyond the next two to three years. In both free-to-air TV and radio the story is one of squeezed budgets and possible takeovers.

Four years ago, the Communications Act aimed at the measured deregulation of commercial public service through to digital switchover. Then, it was thought, there would be enough experience of what the market would provide to assess what else we might need. Renewal of the BBC Charter and licence would guarantee continuity while we did so. But the BBC is also responding to change. It must justify universal funding with universal reach and so competes for the popular mainstream, whilst also fragmenting its spend across more services to aggregate the full range of tastes into a convincing national whole. So there has been criticism that the BBC is too populist and too much like its commercial rivals at the same time as protests in the press about extra money spent on something as specialised as the Gaelic service.

Deciding pubilc service priorities

So the debate is coming to a head earlier than planned. Something must be done. But what?

Children's output

It is not that there is too little choice of programmes for children, but too much. Nearly all those children's channels are offering cartoons, US imports or repeats of old programmes. Only the BBC, spending nearly £100m on the under-twelves, with two dedicated digital channels as well as output on BBC1, provides more original pubilc service free-to-air than in the past.

So, is the problem that only the BBC is making much new British output? Given the amount of available children's programming from around the world, it is certainly not about the range of providers, rather that more British programmes and ideas may be culturally desirable. But if we want children to watch good British programming, how do we balance dividing BBC funding to pass to other providers against the need for well budgeted programmes, a critical mass of talent in one place and a popular and well branded outlet to attract young audiences?

News and current affairs

Then there is news. The worry is about the consumption of information in a democracy, as much as pluralism. The BBC and Sky are substantial UK competitors, under no immediate threat, and ITN still commands significant audiences on Channels 3 and 4. Cable, satellite and online households have multiple additional news sources and more is available on radio and online. But, given a free choice, which they now have, audiences consume less news. This is a world phenomenon. And, as a result, only the BBC now invests in the scale of newsgathering and analysis that has made it a global leader. So should we divert public funds to guarantee commercial supply? The same issues of dividing funding and audiences against the need to concentrate investment to achieve real quality and impact apply.

News in the nations and regions

The question of quality and impact versus pluralism is even more obvious when it comes to regional news and output. Lobbies in the nations and regions are strong. They want services on all platforms with the strength of the BBC brand and resource behind them. Commercial competitors feel a strong BBC presence forecloses the market and yet cannot find a commercial business model that will support the range and depth of the potential public offering. Should the BBC's services, therefore, be restricted, either to give commercial competitors a chance or by siphoning funding to another provider? Might it not be better to ensure the BBC can afford strong offerings but that they remain distinctively public service in content?

The cultural heartland

Finally, what of the heartland concern, about the perceived reduction in serious drama, original comedy and the more thoughtful end of entertainment in prime time on the main networks? Alongside news, these are the genres with the most potential to deliver a powerful shared experience within society. The issue is not pluralism but the loss of such an experience. There is more output from a wider range of producers than ever before. But, in serving audiences in so many fragmented ways, core UK broadcasters have less to spend on mainstream original output and are tempted to invest less in innovation and the more demanding end of the programme spectrum. Recent research for the BBC Trust found widespread public support for popular programmes but a sense that range and depth was in danger, that extra choice was not always real and the BBC should strive for greater emphasis on providing an alternative to increasingly predictable commercial output.

Solutions

If the public's analysis is right or even largely correct, then the issues are more complicated than can be solved simply by divvying up the licence fee for certain types of output. In a business sense, is it reasonable to use public money directly to subsidise programmes on Channels 3, 4 or Five, which the advertising model will no longer support? Mixed sources of revenue would pull those channels in conflicting directions, up-market and down at the same time. It is no coincidence that France has given up the struggle to mix advertising and public purpose and switched to public funding in the name of 'civilisation'.

Can Channel 4, as a minority service, ride two horses for longer? Probably, but only with the right kind of support. Public funding for its programmes would undermine the channel's commercial drive and the regulator, not the schedulers, would end up determining the brand. Channel 4 is not big enough to resist such pressure. Public partnerships and spectrum privileges may offer a more fruitful way forward than direct subsidy. If Channel 4 is to provide a real source of competition in public service for the BBC it needs to be genuinely different in its funding and governance.

The status quo is not an option

But if pluralism is not the problem there is certainly a need for change. The policy concern is real, but wider than the subsets currently on the table. It is about deciding, as the market grows and prospers, whether we want a powerful pubilc service presence at the heart of our media. If so, and we accept that it needs to operate across TV, radio and new media, can the licence fee fund all those forms of distribution **and** provide diversity **and** condition the market with the real impact that comes from scale and quality in core services? It is perfectly reasonable to conclude that new types of public service, broadcast and broadband, **are** needed to enrich our culture and polity. And niche services, that are not too expensive, are becoming easier to achieve commercially. For whatever reason, and it is unlikely to be the profits they make, Sky already provides a dedicated news and arts channel as part of its portfolio. Over time, and as the UK market consolidates and develops, major commercial players may think it politically prudent or, indeed, be required to offer the media equivalent of 'planning gain' for their spectrum licences. The BBC could extend the kind of partnerships that bring other sources of funding into its most specialised minority services, as with Welsh or Gaelic programmes, and partnerships might also work elsewhere.

Partnerships based on the use of expensive resources, whether in production or distribution, might be another way in which the BBC could support public service offered by other suppliers without destroying the clarity of competing operators and funding mechanisms. The Secretary of State for Culture, Media and Sport has already tossed this idea into the pot in relation to news services for the nations and regions

But the central problem remains: the challenge of putting enough serious investment into a range of top quality original productions so as to attract a decent audience in prime time (increased by those who catch up online) and make a real difference to choice and popular taste. If that requires a strong and sustainable institution with a clear public purpose, ethos and skills, we are left with the issue of diversity of voice within that output and elsewhere.

This conundrum is bigger than the top-slicing debate and deserves the time and thought to get it right. It may well involve structural change, within the BBC or, more radically, in the relations between commissioning and pubilc service production across the sector. It may be difficult, but apparently easier solutions run the risk of failing and of damaging what we have. Britain has enjoyed eighty years of superb public service. It is worth doing our best to secure it for the future.

Endnote

1. Patricia Hodgson is a Member of the BBC Trust but has been asked to write in her personal capacity.

2.5 Plurality: What Do We Mean by It? What Do We Want from It?

Simon Terrington and Matt Ashworth

Introduction

Recently, at an academic conference, a gentleman became very animated at the mention of the television industry. 'Ah television', he said. 'In my country we have two television channels. The first broadcasts the President making announcements. The second shows the President saying "Turn back to Channel One".' Well, it's easy to say what plurality is not.

We do not suffer a lack of television channels in the UK. Over the last twenty years or so there has been an explosion of channel choice on the television. Over 85% of households now have access to digital multi-channel television and by the end of the digital switchover process, in 2012, everyone will watch multi-channel TV. Alongside the development of digital TV, we are also experiencing a revolution on the internet. Over two-thirds of households now have access to a very wide range of content, including much audiovisual content, via broadband internet.

It is against this backdrop that we approach the issue of plurality and the question of whether it needs protecting in a new media age. If plurality is simply defined as 'more than one' television channel, it is not obvious why protection would be required. Not surprisingly, we suggest that there are several other definitions of plurality. Some of these are facing serious challenges.

The aim of this paper is to set out the different definitions of plurality and discuss them in terms of a small number of desirable outcomes. It explores the mechanisms which deliver the various outcomes and looks at the lessons of broadcasting history to inform thoughts about the future.

Plurality, applications and outcomes

The concept of plurality can plausibly be applied to a range of things, including channels, funding models, media owners, programme formats, editorial approaches, genres, presenters, political perspectives, ethnic minority voices, commissioners, platforms – the list goes on.

One way to make sense of these different items is to organise them in terms of the broadcasting value chain. We might ask how many players there are at each stage. For example, how many different players are generating ideas and programme formats? How many programme-makers are there, making content in how many genres? How many players are commissioning content and packaging it on how many channels? How many providers are distributing content, via how many brands, and on how many platforms? How many

gateways are there, how many players helping us to navigate to the right content?

One question, then, is how many? Another is how important is plurality at each stage? We might decide that plurality is relatively important in relation to the number of channels available to audiences, but relatively unimportant at another stage of the value chain. One way of approaching this question is to consider a number of outcomes that may result from the existence of plurality. In particular, we suggest that the outcomes we seek from plurality fall into three buckets:

- choice;
- quality;
- efficiency.

First of all, plurality might be expected to deliver a choice or diversity of options – to audiences or to the next link in the value chain. Second, plurality of provision might be expected to improve the quality of that provision. Third, plurality might be expected to increase the efficiency with which content and services are sold on and/or offered to audiences.

Competition, planning and expert judgement

We have expectations of plurality. But how does plurality deliver? What are the mechanisms that deliver these outcomes? We suggest there are two principal mechanisms that can result in the delivery of choice, quality and efficiency:

- (a larger number of) players who compete;
- (a smaller number of) players who engage in planning and exercise expert judgement.

Under the first mechanism, providers are motivated to develop winning strategies in the context of free competition for audiences or advertising revenue. In relation to audiences, such strategy formulation may start with an understanding of the needs and preferences of viewers. The provider will develop content and services that meet these needs and deliver benefits at the lowest possible cost. The trade-offs may be subtle but the framework is simple. In its attempt to win, the provider may seek to differentiate its offer from that of other providers – resulting in choice. It may try to increase its delivery of benefits – improving the quality on offer. Finally, the pressure to make profit will motivate it to do all this in more efficient ways.

The second mechanism that can deliver the plurality outcomes revolves around planning and expert judgement. Providers imbued with certain institutional values will, under certain conditions, tend towards the pursuit of excellence. This means that they will strive to be the best in class, to deliver the most artistic content or the content with the highest production values or the content that gets nearest to truth. Under this mechanism, they are motivated not, in the first

instance, to win audiences but to win critical acclaim. Whereas market forces motivate providers to connect with audiences by satisfying their needs, expert judgement does not take account of the preferences of the external audience. It is more concerned with the high-minded internal aspirations of individuals and institutions. It gives rise to high quality output. As we shall see, this is a different kind of quality.

In industries such as broadcasting, where fixed costs have been relatively high and the marginal cost of each extra viewer or user is effectively zero, markets structured around a small number of large players can operate very efficiently, as big players can benefit from economies of scale and scope. This is one of the reasons explaining why there has been a high degree of industry consolidation and a relatively small number of large players in the US, for example, where there tends to be very little regulatory intervention.

Large commercial players of this type typically operate and plan portfolios of services. This planning process is fundamentally different, however, to the planning alluded to in the second plurality mechanism described above. In the latter case, the planning and expert judgement can take place **across** players, with the shared goal of maximising the pursuit of excellence, as well as within individual players.

In the case of commercial portfolio management, the planning always takes place **within** single organisations, which offer a range of services and content to different audience groups with a clear commercial imperative in mind – namely, to maximise group profitability. A good example of this can be found in the London radio market: GCap Media offers contemporary pop music on Capital 95.8, golden oldies on Capital Gold, alternative indie on Xfm, music of black origin on Choice and classical music on Classic FM. In other words, commercial portfolio management is a variant result of the competition mechanism.

Manifestations of quality

Both of these plurality mechanisms can lead to creativity and innovation. On account of the different mechanisms in play, however, competition and expert judgement tend to lead to specific – and different – types of quality. First, there is a viewer-oriented definition of quality. Each viewer has a subjective understanding of quality – what he or she likes. The aggregate of these subjective views may be regarded as the popular expression of quality. That is to say that content that engages and is watched by audiences will float to the top. Competition for audiences tends to increase the amount of popular quality on offer. Popular quality is essentially democratic and bottom-up.

The second type of quality is inherently elitist or, in contrast to the democratic popular quality, aristocratic. Here quality refers to an ideal or, perhaps we may say, to excellence. The argument runs

that audiences may not always appreciate excellent quality in anticipation – or at all. There is something paternalistic, educational and – ultimately – 'worthy' in the nature of this interpretation of quality. Paternal quality is revealed to us by the experts.

Under circumstances where the two mechanisms were aligned, a provider could succeed in winning both audiences and critical acclaim. However, the two plurality mechanisms can clearly push in different directions and produce different types of quality. In order to be able to consider the question of how important plurality is – and whether it requires protection – a view is required on the relative merits of each type of quality and the conditions necessary for each mechanism to thrive.

Where have we come from?

Twenty years ago, spectrum was scarce and there was only a limited number of providers. The system was not inherently characterised by wide choice. At the same time, pressure on the broadcasters to win audiences was nothing like as intense as it is today. ITV, Channel 4 and, later, Five, surely had issues to contend with but they did not face the same degree of commercial pressure that confronts them today. In the old days of television, audiences were captive.

With the benefit of hindsight, arguably it was the relative absence of commercial pressure that created the space for broadcasters to pursue excellence in what they did and to deliver paternal quality to their audiences. Peer pressure was the stimulus to creativity. Promotion and progression did not come from commercial success but via the judgements of those at the top. A small number of providers were necessary to ensure that, via their respective remits and programming obligations, choice and quality were maximised for audiences. Choice was delivered because the small number of providers were held to a diverse schedule.

The result of this system was that audiences were offered content across a range of genres from a limited number of providers. The content was good for viewers, in the sense that it was enriching and challenging and sought to make them better people, but at times it might not have been as entertaining or engaging as it could have been. To greater or lesser extents this system was accepted over the years.

Crucially, the system was accepted because there was no alternative. Expert judgement and planning dominated because spectrum scarcity constrained the development of competitive markets.

The multichannel era

Things began to change with the introduction of multi-channel TV in the early 1990s. With the arrival of Sky, the choice of channels and platforms began to increase and, with choice, competition for

audiences. Over time, audiences escaped their earlier captivity and began to roam freely across a plethora of competing options. In some ways, audiences suddenly became much happier. They were offered popular quality such as live Premier League football, dynamic twenty-four-hour news and premium US imports.

Arguably the twin operation of competition and expert judgement and planning led to an extremely creative period in broadcasting. It is also argued that, to some extent, the growing competitive dynamic between providers led to an improvement in the efficiency with which content was produced and delivered.

As competition grew, however, the ability of the commercial public service broadcasters to pursue excellence and paternal quality began to suffer. Advertising money followed the audiences and the days when an ITV franchise was a ‘licence to print money’ were no more.

These developments meant that by the time of its first review of Public Service Broadcasting in 2004/2005, Ofcom was concerned that the growing competitive pressures acting on the commercial public service broadcasters would result in them seeking to step away from their public service obligations. Looking into the future, Ofcom was concerned that the BBC would be left as the sole provider capable of delivering high-minded paternal quality – content in line with the public purposes of broadcasting.

Implications for the new media age

Looking forward, it is clear that benefits will flow to audiences to the extent that broadcasting and media markets remain free and competitive. With the changing economics of broadcasting – as barriers to entry continue to fall – and with the rise of the global internet, there will be an increasing number and choice of services competing to offer content in ways that meet the needs and demands of audiences. This is what is referred to as democratic, popular quality. It is a good thing. Ofcom should certainly work hard to maintain competitive markets, in which efficient players can succeed.

And so what about paternal quality? The days of the closed system of broadcasters engaged in the pursuit of excellence cannot – and should not – be recreated. Nevertheless this paper argues there is something rather pessimistic and lacking in ambition in the view that we – audiences, the UK – should no longer strive for something great. Today relativism is fashionable, but we should not be afraid to chase absolutes. The challenge for the regulator is to create an environment in which open competition can deliver popular outcomes for audiences, whilst expert judgement can also inject excellence into the ecology.

In the current climate, the natural home of such expert judgement capable of delivering excellence is the BBC. This paper endorses that

view. Going forward, the BBC should be strengthened and not put at risk by tinkering with its funding arrangements and undermining its audience relationship. At the same time, the BBC should offer popular quality, across a broad range of services, only to the extent that it, and they, help to maintain high levels of reach and impact for its paternal quality.

Elsewhere the case may also be made for more targeted interventions. Thinking about different genres, for instance, it is plausible to imagine arguments made in support of serious factual, UK-originated drama and comedy on Channel 4. (This paper notes, however, that support in the form of public funding – from either the licence fee or the tax-payer – could lead to a perverse result, namely a more risk-averse editorial approach, closer to the rest of the market, and not at all what the funding was designed to protect. This would come about if Channel 4 perceived an incentive to 'behave well' in order to safeguard its future at successive funding rounds.)

Two observations on the mixed economy

This paper makes two observations regarding the operation of a 'mixed economy', in which there is open competition around a strong BBC and other targeted interventions.

First, it is possible be that some of the recent problems that have been bundled under the heading of 'trust' are a consequence of the change from a closed system with a few players to an open market. In the old world, personal development depended on fitting in with the values and goals of a small number of similar institutions. In the mixed system, people advance on the basis of commercial success or audience numbers. If something works, the person progresses. If something goes wrong, however, there are always other organisations to approach. In other words, looking forward, the mixed economy will continue to create incentives for individuals to behave in ways that are risky for the organisations for which they act, but relatively low risk personally. Perhaps Ofcom should consider ways to manage this – for example, by articulating a code of conduct or set of values for the industry.

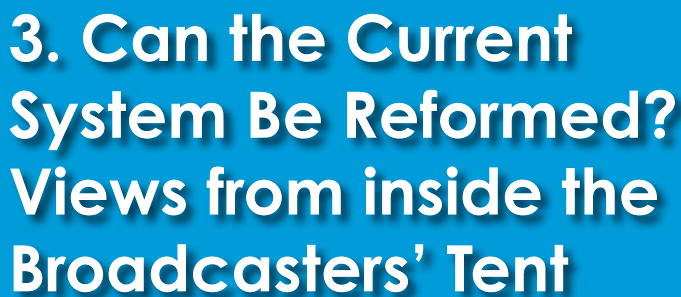
The second observation is that the mixed economy can create both direct and indirect benefits for audiences. As we have seen, direct benefits include programming that is popular with audiences (popular quality) and programming that is appreciated by audiences (paternal quality).

The injection of excellence into the broadcasting ecology can serve to condition audiences so that they come to demand better quality programming from the market. Indeed, it could be an explicit ambition that excellence offered by the BBC should seek to raise the expectations of audiences so that commercial players are, in turn, motivated to provide a better standard of programming. This would be an indirect benefit.

In conclusion

Bringing the strands of argument together, this paper has set out to define plurality in terms of three major types of outcome: quality, choice and efficiency. It has argued that different expressions of these outcomes can be delivered by means of competition, on one hand, and a planned oligopoly of players, on the other.

Over the last twenty years, with changes in technology, we have witnessed the power of free competition to deliver consumer-oriented programming, products and services. This trend looks set to continue with the rise of the internet. The benefits of these developments should be acknowledged and embraced. At the same time, this paper has argued that we should be bold in our aspiration for excellence. To this end, the BBC should be protected and given a clear mandate. Channel 4 should also be supported, with full awareness of the potential dangers of public funding. Finally, we should look out for other unintended consequences – such as the trust issue – which might yet emerge from the changes afoot.



3. Can the Current System Be Reformed? Views from inside the Broadcasters' Tent

One argument already frames the next Communications Act. Should the virtues of a Public Service Broadcasting system that worked well in the analogue era simply be adapted for the digital age, or is a more fundamental structural change essential to our conception of public service content and its funding? To an extent, attitudes depend on whether the perspective is from within or outside a broadcasting institution. In this chapter, the authors write from inside the broadcasters' tent, though in almost all cases, they are not expressing corporate views. Peter Dale is Controller of More4 at Channel 4; he examines the pressures on plurality from the point of view of a programme commissioner faced with independent producers for whom the share price and profit maximisation is their overriding priority. Samir Shah is a non-executive member of the BBC Board of Management but is also an independent producer. Peter Ibbotson currently advises ITV, but has also been adviser on corporate policy to the BBC and Channel 4. Jane Lighting explains why a commercial player such as Five, of which she is Chief Executive, still sees a benefit in remaining a public service broadcaster.

3.1 The Curious Outsider

Peter Dale

The day I arrived at Channel 4 as the new Commissioning Editor for Documentaries in 1998, I asked a colleague where my department was. I had come from the cavernous bureaucracy of the BBC and its Documentaries Department, the head of which presided over the fate of some 300 souls, and I was secretly hoping for something similar. My colleague pointed to an office and four modest desks near a bend in the corridor. 'You, me and two others,' she said. I obviously looked a little crestfallen. 'The rest of them are out there,' she added, pointing out of the huge glass front wall of the building. 'And there's quite a lot of them.'

If broadcasters are the muscle and bone of television, producers are the life-blood. Their ideas, their creative imagination, their passions have given our television culture breadth and quality. Over five decades the BBC and ITV amassed armies of them – semi-house-trained, salaried and fermenting ideas. The sheer scale of these organisations allowed them to ensure plurality from within. However by the early 1980s there was concern that as social diversity grew, the range of pubilc service television was narrowing. The big broadcasters were thought to be impervious to certain kinds of new ideas and parts of the audience were neglected. Channel 4 was a way of harnessing a breed of producers and commissioning editors who thought of themselves as outsiders, many of whom would never have chosen (or in some cases been allowed) to set foot inside the BBC. The culture of the independent producer spurred a new age of television and broke a new model of plurality.

After twenty years at the BBC, it took me a while to get used to the ethos of Channel 4. The producers were outside somewhere and the heady mix of public service and commercial ambitions made it seem a contradictory place to work. Michael Jackson, the Chief Executive, a former BBC channel controller, had recently arrived at Horseferry Road where he was setting about change. He told me that my job was 'to find the next turn of the wheel for documentaries'. Like many Channel 4 executives over the years he was a migrant from a different broadcasting culture, but his drive to lead taste rather than follow was born out of values shared by the BBC, ITV and Channel 4. By moving between broadcasters in creative competition with each other, people like Michael have championed quality, enriching both themselves and broadcasters as they go.

Another key ingredient in the success of our broadcast culture has been the relentless search for the next thing, the idea that hasn't had its day yet. And this is where Channel 4 has excelled, leading producers to bring their riskiest (and frankly sometimes craziest) ideas to the doors of its commissioning editors. I quickly lost count of the number of producers who said to me: 'You're my last hope. If you don't take it, it'll never happen.' Sometimes it was commissioned and often not. But each time I was acutely aware of Channel 4's

requirement and capacity to take risks and therein its deep-rooted value to the culture.

As I got to know 'the indies', I came to realise their essential worth too. They are as restlessly curious as they are restlessly acquisitive. But their real value to a broadcaster lies in the fact that they stand outside the citadel. Unfettered by corporate thinking they are free to imagine the world in different ways. Penny Woolcock's groundbreaking drama-documentary, *Tina Goes Shopping*, came out of a fascination with the black economy. She had spent months living with her subjects on a Yorkshire housing estate, getting to know their lives and winning their trust. To overcome the problems of filming convicted criminals in action she overturned the genre by asking them to perform in a drama about their own lives. It had risk written all over it.

Once commissioned, Penny's film turned into a series of challenges. The best ideas draw both parties into a mutually reinforcing partnership of competitive creativity. She, passionate about the idea, dared me to finance it. Knowing how much was at stake for her, I backed her talent. She in turn gave the biggest challenge to her cast – people who had hitherto been seen as the subjects of social tract documentaries about 'the underclass'. The film was like a bolt of lightening through the schedule, giving an infinitely more humane insight into that world than could any conventional documentary. Like the best television it also had a ripple effect on the culture. Penny went on to direct feature films. Blast Films, the production company, built a reputation for drama-docs. Kelli Hollis who played 'Tina', found a way out of the estate with a career as an actress. And Paul Abbott finally cracked the problem of how to write *Shameless*. And it all happened because the broadcaster embraced the creative ambition of the outsider.

Documentaries are critical to a pubilc service agenda but, like life, they have always been hopelessly unpredictable, sometimes taking you to great heights, sometimes into the long grass. They embody risk. Downward pressure on budgets and upward pressure on performance have led documentary producers and commissioning editors (I was one) to formats such as *Faking It* and *Wife Swap*, and more recently *Secret Millionaire* and *The Apprentice*. With their carefully plotted structures and mischievously cast characters, they've won audiences previously thought impossible for conventional documentaries. The enemy of innovation is mindless repetition and formats, like the infamous 'doc-soaps' of the 1990s, have long been predicted to falter. However unlike the doc-soap, formats show no sign of disappearing. This is because the BBC and Channel 4 have realised the inherent value of the genre and have persisted in driving originality, range and quality.

However the critical change in the culture brought about by the success of formatted programmes is that, coupled with a renegotiated rights position, producers have struck gold. Easily replicated, not just in runs of twelve or twenty-four, but across international markets too, these programmes can be highly lucrative.

They have allowed production companies to achieve sufficient scale and profitability to attract third-party investment with all the attendant performance targets. For such companies, which supply all terrestrial broadcasters, the one-off commission with no international value and no significant margin is judged a distraction from the real task in hand. The shared purpose of embracing the risk of individual authorship is in danger of being replaced by a single-minded strategy of creating profit by replication. This shift in the broadcaster/producer relationship has meant that within the television garden, where a thousand different flowers have bloomed, strips of factory farming are beginning to appear. Once again there's a need to stimulate some of the differentiated thinking that came with the early years of British independent production.

The internet is widely anticipated as the next spur to new thinking, giving everyone a voice especially those unfettered by 'old-think'. But in a world of uncontrolled profusion what will resist the slide to editorial entropy? Who will take responsibility for leveraging quality as well as originality? Don't the new laws of uninhibited expression, limitless access and the dominance of authorship over readership make the commissioning mechanisms of old redundant?

As we became aware of the potential of the web to break open the old, exclusive documentary world, Channel 4 set up 4Docs. Before YouTube, 4Docs was the first documentary upload site. It is fishing in very different waters to television but, unlike other user-generated content sites, it is actively searching for distinctive and original voices. The site has a small team of editors, headed by veteran producer Patrick Uden, and you have to get your film past him before it gets published. One young band, assuming it to be the next new social networking site, sent their ragged promotional video for inclusion and were shocked to get a rejection along with a short note highlighting the film's shortcomings. Mildly indignant, they made another film which again was rejected, this time with a more encouraging list of things to think about. Finally they made a third film which Patrick accepted and published on the site. It's hard to think of a better signal to a generation, inured to the chaotic free-for-all of the internet, that quality matters. The critical factor is of course that behind 4Docs sit Patrick and his team quietly harnessing the enthusiasms and creativity of its visitors and making what they do better. It's all very reminiscent of broadcasting.

However this mentality is precisely what web culture stands against – anything that smacks of control by corporate platform-owners. Therefore pubilc service providers must find ways to infiltrate this world, not only to provide things the market would fail to deliver but crucially to be the adjudicators of quality in a world where everything – good and bad – is jostling for attention. Broadcasters still remain largely within their own online kingdoms. To really get to grips with web culture they must step out into the disorientating world beyond their doors and exercise their editorial muscle to help shape things of real value and guide audiences to them. This will be a key value of pubilc service provision for the next generation.

Largely because of scarcity, broadcasters have enjoyed huge power and wealth. They have seldom needed to look outside their immediate communities for ways to connect. But in an age of plenty, as the old, top-down, one-way conversation gives way to almost limitless lines of communication and choice, broadcasters must rethink their ways. They need to fashion a proper dialogue with their audiences, helping them to make sense of the world and giving them the tools to make lasting changes to their lives. That's how television can continue to remain salient and vital. But it depends on broadcasters seeking to extend their notion of what constitutes a creative partnership. Healthy relationships with producers must of course continue to evolve but television also needs to forge relations with minds from worlds other than broadcasting – people who can bring those much needed new perspectives and the knowledge of how to carry new ideas into everyday life.

Jamie Oliver is an interesting case in point. Six years ago he decided to open a restaurant where young people who'd lost their way could be apprenticed. It was high risk for him and for the apprentices. The initial result was his highly successful Channel 4 series, *Jamie's Kitchen*. Now, long after the programmes have been forgotten, there's a Fifteen Network with four restaurants taking a risk on over a hundred apprentices every year, a project Channel 4 never could have sustained. In the jargon, it's a valuable Public Service Broadcasting externality. For everyone involved it has been a life-changing experience. His next series, *Jamie's School Dinners*, harnessed his frustration and anger at what we feed our children. Channel 4 commissioned the programmes which made the whole country sit up and take notice, something he could never have done alone. But it was Jamie, with his talent, determination and passion, who achieved an unprecedented level of social change, something beyond the reach of any broadcaster.

As a glimpse of how pubilc service provision might be reinvented, and crucially across a range of broadcasting cultures, this kind of social innovation is a vivid one. But for it to take root broadcasters must start to think of themselves differently. They cannot afford to remain aloof, simply pumping programmes down tubes. They must think about ways to be the catalyst and champion of ideas which reach beyond the screen and affect the way the world is. And they must never lose their ability to provoke the unexpected from the minds of people who think of themselves as curious outsiders. Then the notion of pubilc service television suddenly feels less like an awkward old bit of furniture in the corner of the room and more like a new way of participating in the world.

3.2 The BBC, Viewed from Inside and Out

Samir Shah

Recently, I attended a lecture by Lenny Henry. It was, as you might imagine, funny, full of entertaining clips and wonderfully delivered. But it was on a serious topic. Lenny had decided to speak out about the lack of progress, on-screen and off, in achieving cultural diversity in British television. In the question and answer session that followed the American producer of *The Cosby Show* argued that diversity wasn't a question of doing good but pure business sense. It was commercially sensible to address the concerns of black people. Focus on the money question, she advised.

Unfortunately for her, the biggest player in British broadcasting doesn't need to earn any money. The licence fee puts the BBC in an enviable position, free to spend almost £4 billion a year, unencumbered by the business of having to worry about advertising revenue or subscriptions. This brings with it responsibilities – responsibilities both as a champion of diversity, and of a wider definition of plurality. As spectrum scarcity disappears and with the broadband world almost upon us, the hard question for the BBC is why should it be the sole beneficiary of money designed to deliver the public good? In particular, in the key public duty of capturing the plurality of voice, culture and opinion that Lenny Henry was discussing, how do we ensure there is an economic basis for a diversity of suppliers to do that job? And shouldn't those suppliers have a plurality of places to broadcast their programmes?

At the heart of this issue is the relationship of the BBC to the rest of pubilc service television. In an era where there will never again be a shortage of channels or choice, shouldn't we just relax and let the market take care of things? My answer to that is an emphatic 'No'.

One of the great glories of the Public Service Broadcasting (PSB) that has developed in Britain is how it became the place for the national conversation. Whether by luck or design, we have a system in which our democracy can speak to itself. The BBC pre-eminently has been the place the British people have traditionally turned to for a collective experience at moments of crisis and celebration. But now online communities are growing as society becomes increasingly fragmented. It is the way people engage with each other. And as broadband becomes the dominant delivery platform, this fragmentation of discourse is set to grow. In the digital marketplace of the not-too-distant future, competition from traditional and new media, from overseas as well as the UK, will provide a vast array of voices and views for the consumer to pick and choose. Already, if you scroll down the Sky EPG to the higher numbers, you see what the market delivers. There is OBE TV which has a programme called *The Salone Show* billed as 'music and reports for the UK's Sierra Leone community', the Muslim communities are well served with channels such as Islam TV and mta–muslim TV, while the many different cultures from India have any number of channels in their native tongues: Mana Telugu, Zee Gujerati, Bangla TV and Channel Punjab. These are

channels in which different communities in the UK speak to themselves and their 'home' community in all their multilingual and multicultural glory. Online versions of newspapers and magazines vie with global providers to offer a plurality of news and comment without the need for state intervention. What's more, genuinely new voices are coming through which would not have seen the light of day in the fast fading traditional environment. Now, there are aggregators such as Google and other search engines which dispense these new primary suppliers to consumers. But the fact remains these are atomised spaces where like-minded people talk to themselves with no sense of connection to the wider community. The fragmented nature of the broadband world increasingly reflects the breakdown of society into its various tribal groups. And many of these spaces are unregulated and, in some cases, dangerous.

What a mature and effective democracy needs is a place where its people can share a public discourse, to work out what we have in common, what binds us. In an increasingly fragmented society with different cultural groups with different values, we urgently need to put weight behind centripetal rather than centrifugal forces. Just as class and gender relations were the central fault-lines of modern society in the last century, so questions of ethnicity, faith and belief will be what divide us and will generate tensions and conflict in this century. The challenge for us all is simple: how will we all live with each other? The need for a dispassionate, sober and considered examination of this question is more pressing now than ever. There is no greater public purpose than to debate and discuss what defines us as a people.

What is needed in this anarchic new media landscape is a public service broadcaster whose central purpose is to provide the space where the community gathers together. That is, one whose scale ensures that its content reaches a wide audience, cutting across group barriers and delivering real impact. This is a key future role for the BBC. A core responsibility of the BBC in the future may be to act as a PSB aggregator, assembling content with a public purpose in such a way we all can find it. What's more the BBC brings added value to this job: it is both safe and trustworthy.

But the BBC's scale helps in another key way. Its many outlets, with its range of different tone and voice, aimed at different audiences, enable the diversity of views and opinion that reflect modern British society to be properly aired. Viewed from within the BBC, these arguments are compelling. But viewed from outside, other factors carry weight, too. The idea that the only place where society can speak to itself is via the good offices of the BBC worries many. Decision-making is in the hands of a handful of people and, *pace* Lenny Henry, that handful does not yet reflect the world outside the BBC. Its manifold strengths are also its weakness. For all its multiplicity of outlets, its range of tone and voice, there is a singular cultural idea that permeates the BBC, that binds it and makes it pull together and punch even higher than its very considerable weight. It is what accounts for the genuine sense of shock and horror at the uncovering of fakery and fixing and its exemplary response; and it is what makes

those pan-BBC events such as Comic Relief such triumphs. That same culture, though, informs a deeply held sense of a BBC 'point of view'. And of course that runs counter to the notion of plurality of voice.

It would worry any producer that, whatever contribution you might wish to make to the national conversation, whether in drama or documentary, you could only go to the BBC. If that drama you want to make does not appeal to one of that gilded handful of commissioners, there must be an alternative place to go. Competition for the best ideas from suppliers delivers quality, ensures variety and range, and keeps all sides on their toes. It is vital that suppliers have places to go which still sit within a public service framework. Right now there are such broadcasters: pre-eminently Channel 4 and, to a lesser extent, Five and ITV.

The question is how to ensure that public service broadcasters have sufficient financing to perform these pubilc service duties. There may not be much we can or should do to control the direction of commercial revenue, from subscription and advertising, towards particular public goals in programming. This money will follow the market wherever the consumer goes. But what we can control is the £4 billion of the licence fee. From inside the BBC there is a mountain of paperwork produced almost daily that demonstrates how every penny is – one way or the other – spent on its public purposes. The BBC argument is that you need all kinds of programming to justify a universal licence fee. It is in any case the only way large numbers of people bump into programming they would otherwise miss; *a fortiori* if you want to engage in a national conversation.

That argument looks more convincing from the inside than the outside. Taking some of the licence fee could help other public service broadcasters (primarily Channel 4) to provide competition to deliver plurality of voice. But what would be the consequence? The experience of British television is that different revenue streams have delivered different outcomes – within the PSB context. The BBC's licence fee deeply affects the way the BBC sees the world. It operates, inevitably, in a politically constrained context. It exists due to political will not consumer will. The fact that politicians control its revenue affects the way it thinks. Not in any crude way but its ethos and culture is, quite rightly, alert to political sensitivities. Channel 4 is much more attitudinal, edgy and confrontational. That's not just because it wants to differentiate itself from the BBC, its revenue base frees it to do so. There is a huge risk that if Channel 4 depends on the licence fee it will become, slowly and steadily, little more than a department of the BBC, developing the same ethos and culture. Channel 4 needs to survive but not through state intervention if it is to offer a real choice to suppliers, and then to consumers. A new financial settlement that weakened the BBC's budgets and at the same time weakened Channel 4's sense of its own identity would not help solve the question of plurality in PSB.

But if the BBC is to be the sole recipient of the licence fee, it needs to offer real plurality in supply and delivery. Is it doing enough? It's

certainly trying to reach a diversity of suppliers. Regional quotas are there to ensure a geographic spread across the nations and regions. It has by law to deliver a 25% independent quota and has recently added the Window of Creative Competition which allows that number, in theory, to go up to 50%. The BBC measures with astounding application its spend and the number of hours devoted to specific genres. And now, to deal with the accusation of a London bias, a massive out of London exercise is underway to move great chunks of the BBC to Salford in Manchester.

Could it go further and bring about other internal changes that addresses even better the need for plurality? It's the BBC's monolithic posture that makes it appear anti-competitive. The need for other institutions to deliver pubilc service content would be dramatically diminished if the BBC reformed itself and developed real competition within itself.

The 'One BBC' ethos has many strengths. But it is competition that delivers quality. Take the example of drama and let us cast our minds back to the days when ITV was internally competitive. Granada, LWT, Yorkshire all produced drama for the network, competing with each other. We got *Jewel in the Crown* (Granada) and *Poirot* (LWT). The BBC's recent drama successes seem intimately connected to the competitive instinct. *Dr Who* is from BBC Wales and that string of successes – *Spooks, Life on Mars* and *Ashes to Ashes* – were all made by an independent producer (Kudos). Here's a kite: if the BBC were to pursue its current plans even more boldly to the extent that the institution itself no longer felt so monolithic but became rather a federation of smaller entities with real power – with devolved air-time as well as money, spread across the nations and regions – then we may well be on the way to the kind of institutional reform that lessens the need for other institutions to deliver pubilc service content. Here's another: make BBC Two a sort of in-house Channel 4. That is, the 25% indie quota is directed entirely to BBC Two. Window of Creative Competition arrangements would then supply independent access to BBC One, Three and Four. And then transplant BBC Two to, say, Birmingham. Such a BBC Two could give Channel 4 a real run for its money. Once again this kind of radical institutional thinking (I suspect even I, now wearing my BBC hat, would say this last idea is a step too far) would result in real plurality of both supply and voice.

There's little doubt, whether looking at it from inside or outside, the BBC has the central role to play in sustaining and ensuring plurality; firstly, in its role of being the place where, because of its size and scale and resultant reach and impact, we can engage in a national conversation so vital to the health of our democracy; secondly, in its role as a supplier of a range of voices, opinion and argument; though it could engage in a more radical vision of itself. Such a transformation could place the BBC both at the centre of the national conversation and at the same time make it the guarantor of its diversity and plurality And that would please Lenny Henry no end.

3.3 The Remaining Incentives for Commercial Public Service Broadcasting

Peter Ibbotson

In the early 1990s, the prospective end of spectrum scarcity in television inspired a heady optimism that it would create a new market for multiple newcomers, who would be incentivised by healthy competition to increase both the range and the quality of programmes. The then Home Secretary, Douglas Hurd, likened this brave new world to a "bookshop of the air", in which the customer could browse at will among thousands of quality, specialist titles. That early optimism has now given way to concern about the survival of Public Service Broadcasting (PSB), and the plurality of genres it is deemed to enshrine. With 85% of British homes now converted to multi-channel, and the internet providing almost limitless access to news sources of information and entertainment, there is a suspicion that something is going wrong, and that new policies are needed to fix it.

The old duopoly was a benign environment for regulatory intervention to shape broadcasting outcomes. The BBC had its monopoly of the licence fee, and ITV enjoyed an effective monopoly of commercial air-time sales. Each had the ability to allocate resources irrespective of actual or potential ratings performance. In the case of ITV, advertisers had nowhere else to go, and audiences had only the BBC as an alternative.

Effective regulation was easy. Broadcasting licences were few, and extremely valuable. They were granted on terms that required the provision of specific programme genres, including news, regional output, religion, current affairs, children's, arts and more. The competitive licensing process was not a cash auction, but a beauty contest of applicants vying to offer the best schedules, underpinned by a tax regime based on profits rather than revenues.

As new commercial broadcasters arrived in the 1980s, the system held good. Sky took years to take hold, with its subscription model making little impact on the advertising market. For its first eleven years Channel 4's airtime was still sold by ITV, and the channel had the freedom to cross subsidise genres – in Jeremy Isaacs' phrase to use the "means" programmes to pay for the "ends" programmes. The transition to an environment of multiple commercial operators has changed that landscape out of all recognition, save for the BBC, which has retained its separate and secure form of funding. Those who anticipated the 'bookshop of the air' missed some vital points. First, the rapidly increasing number of commercially funded broadcasters addresses a broadly fixed number of viewers. While supply has expanded rapidly, consumption could not and did not keep pace: something clearly had to give. The factors that facilitated the cross-subsidy of genres have all but vanished.

In the free-to-air sector, air-time sales face increasing competitive pressure: **every** advertising break in the inventory must be sold at the best price, with consequences for commissioning decisions. Newcomers – subscription or advertising-funded – strive to acquire popular programming at lowest cost, adding little to creative refreshment. For established commercial broadcasters the most intelligent strategy is to maximise investment creativity, especially those high-quality, high-rating programmes that they are best placed to provide through their existing scale and skills – long form narrative and imaginative entertainment the formats. While the parallel growth of subscription services has raised millions in new income, they have failed significantly to match this reinvestment in UK originations. With the exception of *Sky News*, the main thrust has been the acquisition, repricing and distributing of existing genres – notably sport, film, popular music and US documentaries – that involve least creative and financial risk.

The passing of the former glories of the duopoly may be lamented, but they cannot be replicated. We are leaving behind a regulatory system that could demand a plurality of genres, to a largely market-based broadcasting system whose economic imperatives encourage risk aversion. The new market is producing more choice in terms of sheer volume: its ability to promote plurality and diversity of outcomes remains in doubt. As the stick of regulatory compulsion disappears, it is now suggested that a different form of public intervention – the carrot of direct subsidy – might take its place.

The problem with direct subsidies to free-to-air commercial broadcasters is that funding particular genres is not enough in itself. They would also need to meet the opportunity cost of the revenue lost by low-ratings, and by their effect on an entire schedule. It would also be difficult to disentangle public and 'commercial' budgets, and would raise issues of editorial independence and control.
For these reasons ITV has determined that its optimum contribution to PSB in the digital age should be two-fold. First, to maintain the highest possible level of investment in UK originated programming, but without regulatory prescription of quotas and genres. And second, to maintain high-quality international and national news programmes. Such a strategy aligns the public interest in high-quality drama with commercial reality, whilst also supporting the UK creative industries, and providing effective competition to BBC News. Regional news is a key pubilc service feature of ITV, but it needs updating. It is proposed to replace the old licensing map of fifteen regional services with a more affordable and effective concentration on nine centres giving richer overall coverage. The danger is that regulatory drag will delay this transition: tardiness in abandoning the past will create a worse future.

Channel 4 has particularly difficult decisions to make as a commercially funded not-for-profit broadcaster. Since 1993 it has flourished while broadly following its remit to innovate and expand the range of output available to British viewers. It now claims to be facing a £100 million funding deficit. Should it therefore become

even more overtly ‘commercial’, and perhaps even privatised, leaving the mandated pubilc service responsibility to the BBC? Or should it be given public money – perhaps a share of the licence fee – to underwrite competition in PSB? Either way the Channel would change. Privatisation would give primacy to shareholder need for profit maximisation, with the inevitable pressure to drop uneconomic genres. Public subsidy would invite much wider scrutiny and prescription, an ongoing debate about the pubilc service value of every element in the schedule, and potential problems with State Aid. As for the BBC, it enjoys a unique protection against the pressures of the market. The guaranteed income from the licence fee allows it to continue allocating resources to lower rating output on purely editorial grounds. This is a critical and substantial intervention that leaves it able to compete with the commercial sector, but also to augment what it can no longer supply.

There are important caveats. The BBC has always needed to demonstrate sufficient popularity to justify the imposition of the licence fee. It aspires to provide more than a simply remedy for market failure. But if it becomes **too** similar to its competitors in chasing ratings, justification for exclusive access to the licence fee weakens. There is nothing new in this conundrum, and there are mechanisms, not least in the remit and powers of the new BBC Trust, to deliver the right balance. They should be given time to prove their worth. There remains the broader question whether it would be creatively and editorially healthier and fairer to allow other broadcasters, and producers outside the established institutions, access to public funding to achieve a greater plurality of output. It would however be singularly inefficient to fund producers to make programmes without certainty of transmission (very much as the old Soviet Film Industry was organised). But if commercial broadcasters were to guarantee transmission slots, or to receive subsidies directly, then the problem of the opportunity cost comes back into play.

Finally, there is a question of clarity. The public knows that the licence fee funds the BBC, which is accountable for its use. To spread it among other broadcasters would confuse this link. Procedures would be needed to decide who gets subsidised. Would this involve editorial committees looking at specific programme proposals? Or commissioning via focus groups? In any guise one senses a new bureaucracy, a reduction of clarity, and a field day for the kind of politics that surrounds the Arts Council.

All is not gloom. The disappearance of children’s programmes from mainstream commercial channels has not affected the considerable provision by the BBC, and the arrival of new, dedicated children’s channels, albeit without resources to produce drama. Above all we should not underestimate the internet as an effective and economic new means of distribution with low barriers to entry. Debates about broadcast regional news – for example – seem to overlook entirely the fact that most of us think locally, not regionally, and that the relevant local news we appreciate may be more comprehensively, accessibly and economically delivered via the internet.

New tools and structures always appeal to policy makers, but it makes better sense to proceed on a pragmatic basis, allowing existing institutions, businesses and technologies to evolve. Commercial broadcasters may no longer provide the same output they did as monopolists: but they can still provide high level investment in quality UK content for UK audiences. The licence fee remains a huge uniquely effective intervention in the market, and new distribution technologies have yet to show their full potential.

3.4 Plurality: Making Room for Competition

Jane Lighting

For over fifty years, plurality – the idea of a multiplicity of providers – has been at the heart of the UK system of Public Service Broadcasting (PSB). That PSB system has been built on the idea of a variety of institutions, competing against each other for audiences, but in their different ways contributing to a range of public service goals.
The notion of plurality encompasses at least two concepts: competition and complementarity. Competition between public service broadcasters drives up quality, keeps everybody up to the mark. But public service broadcasters also need to complement each other – we should not all do the same things, but carve out different roles with different priorities. That way, the sum of what we offer can remain greater than the total of the parts.

Maintaining this complementarity will become more important in the face of all the commercial pressures we face. The growth of multi-channel viewing and the proliferation of choice brought about by new ways of viewing our content (from personal video recorders to video on-demand to Mobile TV) undermine the spectrum scarcity on which the PSB system was originally based.

But just because the traditional basis for PSB is on the way out should not be a reason to ditch the whole idea. The UK has had a PSB system for over fifty years. There are four substantial national broadcasters that have grown and developed as public service broadcasters. Surely it is possible for all of them to continue making a contribution to wider public service goals?

The Example of Five

Five is an interesting case in point, as it was created as a public service broadcaster for the multi-channel world. Both ITV and Channel 4 had launched and been able to reach maturity in the good old days of spectrum scarcity and limited competition.

No such luck for Five. When we launched, eleven years ago, there were already almost 6 million multi-channel homes, and one hour in ten was spent watching channels other than the public service broadcasters. Digital television was set to arrive in a mere eighteen months, and the direction of viewing travel was clear: more and more people were going to live in multi-channel households, and that was going to put increasing pressure on the traditional broadcasters.

So from the beginning Five had to forge an identity competing not only against already-established broadcasters, but against Sky and all the other channels on its platform. In addition, we were constrained by limited coverage, a low budget and the costs of re-tuning. Nevertheless, we added to and changed the nature of the PSB mix.

Five launched with a fairly standard set of public service commitments to genres such as news, current affairs, education, documentary and children's programmes. Like our older and larger public service broadcaster cousins, we were to be a multi-genre broadcaster delivering a range of public service outcomes.

The competitive climate of the time forced us to deliver these commitments in ways that enabled us to build an identity and a reputation. We could not afford just to imitate the PSB output of our rival channels. That early experience defined the sort of channel we were. Over the years we have become known for our arts, science and history programmes and have established a strong children's brand. We have developed our own public service identity through our own experience of what actually worked for us and for our viewers – it has evolved as the channel has developed. Of course, we have changed. After reinventing news with Kirsty Young, we are reinventing it again with Natasha Kaplinsky.

Whereas sometimes it feels like other channels' PSB obligations are part of a hangover from their past, Five's have been forged in the heat of multi-channel competition. Because Five began life as a public service broadcaster for the emerging digital age, it may be better equipped than others to be a public service broadcaster for the fully digital age.

PSB Plurality in the Future

Of course, Five cannot guarantee the future of a plural system of PSB on its own. We can only play a role alongside the other public service broadcasters, with each of us undertaking to roll forward at least some of the existing set-up.

That is why it has been rather heartening to see ITV restore *News at Ten* and recall Sir Trevor McDonald to its helm. It shows Britain's oldest commercial broadcaster has confidence in the continuing centrality of news to a general entertainment channel.

By reaffirming ITV's public service credentials, it also reminds us that scale is needed to compete with the BBC. Of the three commercial public service broadcasters, it is only ITV that has the resources and the reach to provide regular drama at nine o'clock, head-to-head news at six and ten, and substantial family-orientated entertainment at the weekends. You really need ITV1 if you want competition for BBC One.

Of course, scale can be a problem as well. There are programmes ITV will not show because they do not generate large enough audiences to make them worth its while. But Channel 4 and Five may well find such programmes and such audiences attractive. So scale on its own is not sufficient. There also needs to be a diversity of voices – channels of various sizes, diverse histories and distinct styles, each capable of taking its own risks, of making a difference in its own ways.

We must also avoid believing just one institution can answer the PSB conundrum. Some people seem to have fallen into the trap of focusing entirely on Channel 4 when seeking to answer the question, 'How do we provide public service competition for the BBC?' Channel 4 is a unique organisation, which has done a huge amount to expand the range and diversity of PSB. It has been responsible for some tremendous programming and helps keep us all on our toes. But Channel 4 commands less than 9% of all viewing, and also needs to earn its revenues commercially. It is a bit far-fetched to believe that it alone can provide public service competition to the BBC, which commands more than 30% of all viewing and has a guaranteed annual income through the licence fee of well over £3 billion.

And while Channel 4 has played an important role in testing the BBC in areas such as current affairs and contemporary drama, so it has benefited from being challenged by Five. The birth of Five meant Channel 4 could no longer pose as the new kid on the block – and Five has been able to expose programme areas Channel 4 had neglected.

The best way to provide public service competition to the BBC may just be to have a range of commercial broadcasters, all informed by a public service outlook, but with different histories, styles and emphases – which means they contest the public service territory with the BBC and with each other. I am not suggesting we can simply roll forward the current system as if nothing is changing. There are increasing commercial pressures that make it more difficult for all of the public service broadcasters to deliver now the same range of programmes they offered twenty, ten, even five years ago. But that does not mean nothing is salvageable from the PSB system. Between us, and in our different ways, ITV, Channel 4 and Five can all provide a range of programmes that meet public service objectives and contribute to plurality and competition.

What is meant by PSB plurality?

In thinking about PSB plurality, we must not ignore those broadcasters that have developed outside the traditional PSB structures. Although not designated as a public service channel, Sky News clearly contributes to public service objectives – not least by providing the main competition to BBC News 24. And by providing Five's news service, Sky ensures a greater plurality of news supply by making available to terrestrial viewers reporting expertise and newsgathering depth beyond the BBC and ITN.

Many other channels contribute to public service purposes – we need only think of Sky Arts or the Discovery channels. Such channels fulfil public service purposes and in their way provide competition with the BBC. But because they are pay rather than free-to-air channels, it is difficult to include them formally in a PSB system. I believe a central characteristic of any PSB channel must be that it brings a wide variety of high-quality programmes to all viewers, whether or not they can afford to pay for them.

One danger in discussing 'PSB' is to present it as if it was a single, indivisible whole, when what we are really talking about it is a range of programme genres that would not be provided universally and in sufficient quantity if no PSB system existed. An obvious example is news. We should not underestimate the importance of all the public service channels providing substantial news programmes in the heart of their schedules – and for these programmes to encompass a range of different styles, formats and start times. It is also important for there to be socially relevant factual programmes in peak time. With the exception of *Tonight*, this is an area that is becoming less of a priority for ITV1. So it is all the more important, if there is to be public service competition for the BBC in this area, for Channel 4 and Five to continue to provide such programming, each in our distinctive way.

One genre to come under the spotlight in recent months is children's programmes, where there has been real concern about the level of free-to-air original production outside the BBC. Here Five makes a major contribution, providing twenty-two hours of programmes for younger children every week, mostly made in the UK. Five's *Milkshake* is widely seen as the main competition to the BBC's CBeebies.

PSB for the future

The crucial question for the future is not whether to keep a PSB system, but how to incentivise the commercial public service broadcasters to continue delivering a wealth of PSB outcomes.

Giving them money cannot be the right answer. If you want a commercial broadcaster to schedule programmes that it does not believe are in its commercial interest to provide, then paying for the costs of those programmes will not be sufficient – you will also need to pay for the opportunity cost of not transmitting a more lucrative programme. Giving commercial PSBs public money to provide a particular type of programme is always going to be more expensive than giving the same amount of money to a publicly funded broadcaster. The licence fee payer would get lower value by part-funding a commercial channel than by continuing to fund the BBC.

In addition, we would inherit all the difficulties inherent in the dual-funded PSB system that is common in the rest of Europe. We would have to administer complicated state aid rules limiting how public money can be used, there would be rigid public service remits to control what it was spent on, and there would be constant anxiety over whether a broadcaster in receipt of public funds was using that money to improve its comparative position in the market. The regulatory and bureaucratic regime that would develop would change fundamentally the PSB system built up over the last fifty years.

Instead we need a PSB system in the future that rests on two principles. Firstly, an acknowledgement that there is still value in being a public service broadcaster (whether this takes the form of gifted capacity on DTT or guaranteed prominence at the top of the EPG), and so there is a basis for a new compact in which PSB obligations are delivered in

exchange for PSB privileges. Secondly, we need a system that goes with the grain of the market, that encourages the PSBs to achieve those public service goals that they themselves want to achieve. That means a flexible PSB system that recognises the differing characteristics and strengths of each broadcaster and encourages them to do what they excel at. It means different obligations for ITV, for Channel 4 and for Five that reflect the history, constitution and market position of each.

And while linear television will remain the core activity of all the PSBs for the foreseeable future, all need to diversify their businesses onto new and emerging platforms. In the process, they are migrating some of the PSB values that inform their identities. This can only be a public good – and should be recognised as such.

Conclusion

The BBC has a clear duty to provide a full range of programmes for the benefit of all licence fee payers. Between them, the commercial public service broadcasters can continue to provide it with public service competition. ITV1 has the scale to provide large-scale original UK production and peak-time drama and entertainment. Channel 4 has a remit to innovate, to be quirky and original. Five has its own strengths, which include providing factual programming in peak and original programmes for younger children, but also a unique tone of voice that allows us to speak plainly and be straightforward and accessible.

4. Can the Current System Be Reformed? Views from outside the Broadcasters' Tent

From outside the broadcasters' tent, the terrain of the digital future calls for more radical departures. The authors in this chapter are not confined by the institutional incumbents; they argue instead the need for reformed institutional frameworks to manage any future public intervention in the emerging media market. They do not accept that the solutions lie solely in reshaping the public service broadcasters; the shape of the system itself has to be reconstructed even if this involves considerable demolition to achieve it. What won't work, they argue, is a patched up compromise.

Steve Morrison, who has built what is arguably Britain's most successful production company, describes the commercial environment in which creative entrepreneurship can flourish. He turns the tables on the digital channels outside the Public Service Broadcasting networks and suggests that they pay a public service levy to compensate for their own lack of investment in original British programming; he also foresees a world where producer talks direct to advertiser, reshaping the value chain. Peter Bazalgette, who pioneered the transformation of the British independent production sector from cottage industry to big business, carves up the public service turkey with typical élan as he refocuses public service priorities on broadband content and access. David Elstein has long argued against the status quo of the BBC licence fee monopoly. Here he anatomises with clinical clarity the principles behind a plural system that would be fit for purpose to meet the definitions of public service content, defined in terms of market failure.

4.1 Is Plurality Really the Issue?

Peter Bazalgette

The scene is a boardroom dinner at a business school in one of our major university cities. A bunch of media worthies are gathered to discuss the future for British content creators. But matters of commerce and wealth creation get hardly a look-in. The talk is all of intervention, public service and market control. This is a generation of regulation junkies in denial about the irresistible nature of the digital hurricane blowing through the old PSBocracy. One of their treasured commandments is that there should be plurality in the supply of Public Service Broadcasting (PSB). This is becoming a suspiciously convenient crutch for institutions under threat of reform. The current debate about 'top-slicing' the BBC's licence fee in favour of Channel 4 and others is rather like an argument in the first class lounge of the *Titanic* over who should pay the bar bill.

Plurality in the supply of PSB is a post-hoc construct. Before 1955 we only had the BBC .With the advent of commercial broadcasting, the arguments were not over the merits of plurality but its dangers. Would ITV's competition lower the national broadcaster's standards? (Labour, we should remember, promised to axe ITV when returned to power.) From the 1960s to the 1980s the success of this duopoly pointed up the benefits of PSB competition but did not define them in terms of plurality. Perhaps its earliest iteration was Michael Grade's claim, when Director of Programmes at LWT, that the BBC "keeps us all honest", an argument he later adapted to assert the value of Channel 4 in relation to the BBC. In fact Channel 4 had been designed to deliver a different sort of plurality. It made no programmes of its own in order to create a market for the embryonic independent production sector. This would, in turn, allow a range of minority 'voices' that could not gain access to the BBC or ITV. Plurality of supply was not however an end in itself. It was there to foster innovation in broadcasting and competition in television advertising – not the same as the plurality we are now asked to subscribe to.

Discussion of PSB and plurality begins and ends with the BBC. The good news for that institution is that there will be stronger reasons for renewing the BBC's charter in 2016 than there were in 2006. The new, online world is extraordinarily fragmented, with countless opportunities for us all to peddle our prejudices. Marvellous. But, as this thick gumbo of rumour and paranoia envelopes us, the need for a trusted source of news and information is more critical than at any time in the last hundred years. This, I believe, will become the overriding rationale of the BBC in the future. It is an extension of the way the Corporation's news services are already regarded abroad – from President Gorbachev besieged in the Crimea to Burmese dissidents in Rangoon to American refugees from *Fox News*.

Ofcom's Terms of Reference for its second review of Public Service Television Broadcasting offer six purposes of PSB. The first is:

To inform ourselves and others and to increase our understanding of the world through news, information and analysis of current events and ideas.

This now needs to be amended to include:

To be a **reliable and trusted source** of news and information.

To this, essentially democratic, purpose we can add the cultural and economic functions of investing in expensive, primetime content at a time when the commercial funding model for such stuff may be eroding. Developing new talent is part of this process. A renewed debate about the BBC's remit is going to occur much sooner than 2016, not least because the licence fee as a system of funding will become otiose long before then. It is, as yet, little observed that the BBC is doing more than most to hasten the demise of its own licence fee. The runaway success of BBC iPlayer has actively encouraged viewers to watch more of its output on their computer screens. BBC content is increasingly being viewed, listened to, and read online. What justification can there for a system of funding based on a poll tax on our television sets? Nonetheless, I am confident there is both the political and public will to fund a future BBC directly out of taxation if necessary, so long as it delivers trusted and reliable news and information.

So let's consider whether a plurality of publicly funded or assisted PSB services in these two areas is beneficial – trusted news and premium content. Plurality is argued for in a couple of ways: does the competition from *News at Ten* or *Channel 4 News* make BBC TV news better? And do those ITN services provide a range of opinions and perspectives that are missing on the BBC? In the first case, it is possible to say that ITN keeps the BBC on its toes. But their respective news agendas are very similar. Channel 4 has its allegedly 'liberal' slant but compared to *Fox News* there is no more than a cigarette paper between the UK programmes. And my difficulty with the 'competition' argument goes further. In radio news the BBC has no real competitors except its own various arms – Radio 4 versus Radio 5 live. But Radio 4, with the *Today* programme, is arguably the most influential political and cultural forum in the UK. The service is excellent, solely because of the BBC's own culture and management (whatever the merits of Channel 4 radio it's not needed for 'plurality').

So is plurality in PSB news and current affairs essential, particularly when the private sector provides *Sky News* and such a profusion of other news media online? Most of our newspapers are now offering video news services. Admittedly they may adopt the excitable tone of their printed stablemates (on the day of writing, front-page headlines in the Sunday newspapers include "*Fury* over Archbishop", *Fury* at Gas Profit" and "MOD *Fury*"). Because we cannot predict how these online services will develop we should certainly invest in BBC news as a democratic foundation stone. But how many others should a state, with finite resources, be decreeing and funding?

Premium, primetime content – drama and comedy costing as much as £1 million an hour and high-end factual programmes costing at least half that – are both desired by the audience and culturally rewarding. As the share of the old 'terrestrial' commercial channels gently declines and new media compete for advertising dollars there are certainly question marks over whether the depth and the choice we have enjoyed hitherto will persist. Plurality in this context is certainly beneficial – a range of voices delighting us and challenging us in a permanent cultural exploration, from *Coronation Street* to *Doc Martin*, from *Time Team* to *Skins* and from *Life in Cold Blood* to *Life on Mars*.

But here I would like to introduce you to someone who has become my new best friend – an obscure German professor of economics named Riepl. He constructed a law near the beginning of the last century and it gives us cause for hope. Simply expressed, Riepl's Law states that innovations in media tend to add to what went before rather than replace it. In other words, it is a case of the car and the railway, not the car and the horse. Television advertising may not be growing apace with that of the internet but it is still substantial and currently holding its own. If commercial television broadcasters can build on their conventional business by exploiting their recognised brands in the digital arena they may yet triumph. And the health of their brands will depend on their ability to continue to produce premium content – they have every interest in doing so. So to Riepl's Law we should add Corporal Jones' Law: Don't panic. A revolution is indeed taking place but there is every chance that the *ancien régime* can participate in it if we develop our online economy rapidly enough.

Let me sketch out an alternative to the propping up of the status quo, in which we make more imaginative use of our media assets:

The BBC, as I have argued, should have a narrower remit but remain well funded. Instead of divvying up the licence fee some of its non-core elements could be privatised. Radios 1 and 2 could revitalise the radio sector or even be transferred to Channel 4 as commercial networks. (I have seen such repurposing rubbished by the BBC on the grounds that Lord Reith said one of their functions was to entertain – they will have to do better than that.) Another asset whose value should be realised before the licence fee is pilfered is BBC Worldwide.

Channel 4 is calling time on its record as a purely advertiser-funded public asset. It says it needs up to £150 million a year of taxpayer's money if it is to survive in the world beyond digital switchover. But once it placed itself under the dread hand of the additional regulation that any BBC-style funding deal would entail it could lose its independent spirit and appeal to its younger constituency. Channel 4 is a precious institution that needs a good deal of freedom to thrive. It appears Channel 4 has not as thoroughly explored the alternative scenario of recreating itself as a privatised broadcaster, continuing to trade on the current PSB obligations as part of its powerful brand. We now need to examine the case for privatisation just as closely. If streamlined and stripped of some of its more quixotic, peripheral activities, Channel 4 could perhaps make profits in excess of £100

million. Careful conditions could be attached to the new company ensuring its commitment to both scripted and factual programming, and all without recourse to public funds. Channel 4 argues that if privatised their support of the likes of *Dispatches* would soon wane and that *Dispatches* gives *Panorama* much-needed competition. But maintaining their current affairs output could be made a condition of sale. And the *Panorama* argument brings us back to plurality, which I don't buy – it's unsupported by any proof.

ITV and Five occupy spectrum of diminishing value and the PSB deal with them is ebbing away. So be it, though I predict many of their programmes we regard as public service will survive. They did not recently invest in a revamped *News at Ten* and, in Five's case, a million-pound news anchor to please Ofcom. Indeed, ITV's primetime drama is essential to their business plan. True, their regional news may disappear. But the new generation of truly local online news services that the BBC, amongst others, is developing more than compensates for those cheesy regional bulletins whose purlieu is defined by nothing more meaningful than where they originally placed the transmitters.

Once we clear the decks of all the special pleading and vested interests we see that there is a hugely more pressing issue facing us: how is Britain going to put in the technical infrastructure for high-speed broadband? Without it we will become a third-world economy. With it we will rapidly develop new media models which, in all likelihood, will solve many of our current dilemmas. Let me give some examples of what I mean.

Content creators are currently looking askance at the collapse of IP protection and revenues in the music industry. The more short-sighted are now demanding harsher laws to try to enforce their digital rights. Never mind that this didn't work for the music companies. Never mind that this basic approach amounts to frustrating people's enthusiasm for your content. Never mind that the tsunami of online, peer-to-peer technology will make any law an ass. What they should be doing is to start the painful process of getting to grips with a sort of 'post-drm' (digital rights management) world in which you positively encourage users to copy your stuff. The more they hand it on the more eyeballs it attracts and, in principle, the higher your commercial revenues will be. That's plural, isn't it?

This, in turn, leads on to the need to develop much more sophisticated advertising models online. Already there are a range of innovators working on ways of digitally inserting brands into content, replacing standard ad breaks with a plethora of real-time ads targeted at individual users and 'watermarking' pieces of content to enable the reporting of 'impacts' (i.e. viewing occasions). Advertisers may be on the brink of a golden age where they only market to individuals who have consented to watch the message and to whom the message is perfectly targeted. This dynamic new era of the most effective advertising ever delivered might just fund far more premium content than we get today. Rather than resisting this new economy we have to enable it as rapidly as possible. It may well be that monies

derived from a few judicious privatisations could be used to help kickstart some of these initiatives. It need not be done via yet another institution – such seedcorn funds could be bid for by state-owned or private organisations.

This is not merely an economic proposition – the possibilities for democratic and cultural discourse are also mind-boggling. In a decade's time are we going to have to admit we spent 2008 arguing about Channel 4's funding model when we should have been working out how to build the new digital economy? So to end on perhaps a radical note, here is a modest manifesto for a more dynamic media plurality:

1. Redefine a narrower BBC specifically in relation to the digital world.
2. Privatise some of the BBC's non-core activities (such as Radio's 1 and 2 and BBC Worldwide).
3. Privatise Channel 4 with a number of PSB strings attached for the new owner.
4. Use the proceeds as seedcorn for new PSB models that will emerge on the superfast digital highway.
5. Let ITV and Five gradually drift away from PSB regulation as the value of their spectrum declines.

We need to do as much work testing and validating proposals such as these, resolutely looking forwards, as we have done promoting the 'plural' status quo.

4.2 How to Fund Public Service Content in the Digital Age

David Elstein[1]

Plurality in supply of broadcast content did not arise as a significant issue in the UK until frequencies additional to those used by the BBC became available. The battle lines, however, had been laid out in the 1930s and 1940s, when the BBC bitterly opposed English-language transmissions from Radio Normandie and Radio Luxembourg. John Reith and some of his successors regarded the BBC's institutional purposes as paramount, and – as Reith memorably put it – these could not be delivered without the 'brute force of monopoly'.

The opposition to this stance was embraced by commercial interests, but its purest expression came in J. Selwyn Lloyd's dissenting opinion within the 1951 Beveridge Report on broadcasting, in which Beveridge had acknowledged that 'the Issue of Monopoly' was the central question. The majority favoured continuation of the BBC's monopoly: only Selwyn Lloyd believed that it was 'the negation of freedom and democracy'. At that point, the 'Issue' was institutional plurality, rather than the more detailed creative and journalistic plurality that is the focus of current debate.

The 1951 election decided the matter in Selwyn Lloyd's favour. The progressive enlargement of the terrestrial broadcasting system over the next thirty years further reduced concerns about plurality. There was broad satisfaction with the rough balance between commercial and BBC provision of pubilc service content, between funding derived directly from the licence fee and indirectly from the spectrum trade-off, between the cultures of the different supplying institutions, and between internalised decision-making and external scrutiny.

Of course, the whole system was opaque, but – judged by outcomes – it seemed to work. The problem was its lack of sustainability. As cable, satellite and digital broadcasting expanded over the last fifteen years, that problem became acute.

In the Broadcasting Policy Group's February 2004 report (*Beyond the Charter: The BBC after 2006*[2]) on the future of the BBC, we identified the continuing supply of pubilc service content as the biggest single issue facing policy-makers.

We did so for three inter-related reasons. First, the transfer to digital transmission was progressively undermining the trade-off under which commercially funded broadcasters were induced to offer pubilc service content in exchange for free or subsidised analogue spectrum. This not only threatened to remove a significant volume of such content but also increased the danger of over-reliance on a single supplier – the BBC.

Secondly, we saw the BBC itself as subject to the same intense market pressure to protect audience share as its commercial competitors

were experiencing, with pubilc service content at some risk of both dilution and diminution.

Thirdly, we saw digital switchover as an opportunity to establish much more clearly than was ever previously possible the distinction between content that market mechanisms could readily fund (including the great majority of BBC content) and that which was only sustainable with a measure of public funding.

In our view, just as the spectrum trade-off for commercially funded broadcasters would not survive digital switchover, so the licence fee itself would come under stronger challenge, being seen increasingly as a leftover from a previous spectrum and technology era, satisfactory as a means of funding neither market content nor merit content.

As the problem of plurality intensified, it brought to the fore concepts which were previously less emphasised, but which are standard in many other areas of publicly funded activity: contestability, value for money, transparency and accountability. In our analysis, these combined with concerns over plurality of supply to require a more fundamental review of how pubilc service content should be funded than simply patching over the bits in the old system that had stopped working.

Our solution was a version of an idea that the Peacock Report had advanced in 1986 – a Public Broadcasting Authority (PBA), in direct receipt of public funding whose level was decided by Parliament, solely motivated by the desire to derive the best quality and value for money in the content commissioned, tailoring its activity to the changing nature of commercially funded content, monitored for effectiveness by a combination of Ofcom and Parliament, and fully transparent in its operations.

Our approach was shaped by the expectation that digital switchover would expose the inherent weaknesses of the licence fee, and both enable and justify a clear division between BBC output that could be supported by market mechanisms, and that which required public support. In our view, there was no problem over the supply of market content, but that fact was obscured by the continuation of a compulsory funding mechanism used primarily to deliver such content.

if voluntary subscription and advertising were used to fund the BBC's market content, its non-market content could be financed most equitably (given the regressive nature of the licence fee) by access to a fund sourced from normal taxation. If that fund were designated as the PBA, the BBC would compete on equal terms with all other potential producers and broadcasters of pubilc service content.

it was not, in our view, intrinsic to the introduction of the PBA that the licence fee be replaced at the same time. However, as long as the BBC had sole or primary access to the licence fee, it should not be

allowed to apply to any PBA fund designed to provide additional pubilc service content. This halfway arrangement would clearly be sub-optimal. If the old spectrum trade-off (whose cost to the public had previously been disguised) were now replaced by a cash fund, without any reduction in the licence fee, the resultant increase in explicit public funding of broadcast content would meet political objections (as did the original Ofcom proposal for a public service publisher).

Such an arrangement would also leave untouched the lack of transparency in BBC allocation of funds to pubilc service content as opposed to market content: an opacity that would be in sharp contrast to the workings of a PBA. Meanwhile, any comprehensive attempt by the PBA to address shortfalls in market supply of socially desirable content would be compromised by the BBC's separate and non-accountable activities.

An alternative scenario, designed to avoid the obvious political problem of increasing public expenditure on broadcast content, would be to carve out of the licence fee sufficient provision for the PBA to fund either all pubilc service content, or all non-BBC pubilc service content. The principles of contestability, value for money, transparency and accountability would still apply, and plurality of supply could be ensured.

However, such 'top-slicing' again leaves key issues unresolved. Although the BBC seems to have accepted a diversion of hundreds of millions of pounds of licence fee money to fund digital switchover, without apparently reducing its pubilc service content commitments, an equivalent diversion to the PBA might be much less acceptable. If the BBC continued to fund some or all of its current pubilc service content from its share of the licence fee, then the lack of transparency in a major component of pubilc service content supply would persist. Yet if the PBA took on responsibility for all pubilc service content supply, the peculiarity of leaving the BBC with a significant share of the licence fee, essentially to deliver market content, would be exposed to full public scrutiny.

Unsurprisingly, the BBC opposes top-slicing, ostensibly because it undermines the connection between the licence fee and the BBC, but also no doubt for the reasons above. However, that ministers appear to take the idea seriously should not surprise the BBC: it was a Secretary of State who, five years ago, described the licence fee as venture capital for the creative industries.

The BBC has chosen to criticise the PBA as a 'Gosplan' approach. Insofar as this suggests a politicisation of the funding of pubilc service content – the pursuit of politically correct objectives – the concern is legitimate, but the danger small. When Channel 4 was established, similar concerns had been expressed, but the professionalism of those commissioning programmes, and the sheer diversity of output, counteracted the danger.

The Channel 4 precedent gives other clues as to how a PBA might work. There had been a fear that bureaucracy would stifle creativity, as hundreds of potential suppliers of programmes – previously unable to secure any commissions from ITV or the BBC – clustered round the funding pot. A key anxiety was that the sheer processing of one-by-one offers of documentaries and dramas would sink the new broadcaster.

As it turned out, single programmes – whilst important in their visibility – proved to be a small proportion of Channel 4's output, as strands and series understandably came to dominate the schedule. Current affairs and documentary programmes naturally fell into such formats, such as *Dispatches* and *True Stories*. Even feature films – the ultimate one-offs – were commissioned through the framework of 'Film on Four'.

As for the other dimension of 'Gosplan', there is no reason why a PBA should involve overhead costs as a proportion of its total budget at any higher level than the early days of Channel 4 (and far below the BBC level). Of course, commissioning for a wide range of transmission options, rather than for a single schedule, will involve more multi-faceted skills than just programme-making, but that challenge should not have a material effect on staffing levels.

Another piece of name-calling (always an indication of underlying weakness of argument) was to describe the PBA as an 'Arts Council of the Air'. We were puzzled by this reference, not least because the Arts Council – whatever the strengths and weaknesses of its processes and decision-making might be – is inherently different from the PBA in that it funds institutions and artistic companies, not actual productions.

The analogy would only be appropriate if the PBA solely concentrated on handing out grants to the BBC, Channel 4 and the like without any reference to the actual programmes they might commission. Although such an approach might have its advocates – for instance, those who favour a 'quick fix' to the pluralism problem in the shape of top-slicing the licence fee to support Channel 4 – we were not among them.

Yet we did favour working closely with existing institutions. It seemed to us that a *sine qua non* of any commission must be a contract for broadcast transmission (or persuasive arrangements to ensure widespread non-broadcast distribution). We envisaged the PBA as motivating broadcasting institutions to submit a broad range of proposals on their own behalf, as well as teaming up with independent producers to put forward the most cost-effective ideas for ensuring high visibility for PBA-funded content.

The public-purpose cultures that still characterise those institutions would surely be warmly welcomed by a PBA. The PBA could then balance the quality and diversity of projects submitted by them against proposals from other sources in pursuing the aim of plural supply of cost-effective pubilc service content. Equally, it

should not be assumed that such cultures can only exist within the terrestrial broadcasters. There is ample evidence that dozens of independent producers nurture such cultures, and can do so all the more effectively when insulated from the politics and pressures of institutional life. In-house pubilc service content producers will find it much easier to withstand the sometimes oblique internal broadcaster pressures if there is an alternative, more transparent, production model available.

Relying solely on the existing broadcasting institutions to deliver public service content – another version of the 'quick fix' – would fail the test of transparency and accountability. Inevitably, these institutions have many priorities, and provision of non-market content is not always the highest. True creative and editorial plurality would be constrained rather than released by imposing on it such an artificial filter.

It has been suggested that at least the objective of plurality of supply could be delivered by this route: some have even suggested the BBC alone could deliver a version of plurality. However, all existing terrestrial broadcasters – particularly the BBC – have unified editorial policies. Even twenty years ago, when there were fifteen ITV companies, very different editorial viewpoints could be expressed through *World In Action* (Granada), *This Week* (Thames), *Weekend World* (LWT) and *First Tuesday* (Yorkshire). Today, that has been almost eliminated. As for the BBC, if the Director of Editorial Policy can promulgate a complete ban on any reference by any programme to the sexuality of a particular Secretary of State, what price plurality?

It may seem paradoxical to warn of the dangers of relying on the present broadcasting institutions in this context, yet advocate the creation of a new institution to solve the problem. Yet, in our view, there is an essential difference with the PBA.

Establishing an institution which is not a broadcaster or regulator, but which has the sole obligation of supporting pubilc service content, would ring-fence this key issue, in that it would provide the optimum means of delivering contestability, value for money, transparency, accountability, plurality of supply and a coherent slate of pubilc service content, adaptable over the years, to the UK public.

Endnote

1. David Elstein chaired the Broadcasting Policy Group, which reported on the future of PSB in February 2004
2. Available from Premium Publishing, 27 Bassein Park Road, London W12 9RW, 07974 176708, price £14.95.

4.3 Plurality and the Sustainability of the British Production Industry

Steve Morrison

There is an apocryphal story about the Minister of Culture of an Eastern European country moving from the Communist world into a free market economy, approaching a well-known professor and asking him to take over the state-owned broadcaster to remodel it into a free and independent cornerstone of the new society. The professor indicated he was interested but would only do it on two conditions: one, everyone in that country's equivalent of the BBC would have to resign immediately and re-bid with colleagues for their programme contract against outside bidders – the Minister said that would be no problem – and two, that the Minister would never telephone him to tell him what to do.

"Ah", said the Minister, "I'm afraid I couldn't agree with that." I remember when I was invited as part of a Granada delegation to Prague to debate with our Czech friends how they could liberate their TV broadcasting system and Ray Fitzwalter, then Editor of *World in Action*, explained how his programme investigated corrupt practices, sometimes involving politicians. The first question from the audience was: "Why hasn't Mr Fitzwalter been shot?" It seemed funny at the time, but observing recent events, perhaps it isn't.

These examples put our own search for plurality in context. As our production group All3Media has grown and we have founded or acquired TV production companies in different countries I have become aware of how much further ahead the UK independent production sector is compared to the position of TV producers in other major markets such as Germany or the USA.

I wasn't sure until recently whether the British Government knew what an advantage British producers had, being able to retain their intellectual copyrights, sell the primary programme licence to a UK broadcaster and then sell their programme formats around the world. These new Terms of Trade have helped catapult UK producers into first position in exporting global TV formats.

American and European broadcasters have taken note. Recently I was invited to a pitch session in Paris to a major group of European broadcasters. Virtually all the programme executives invited were British. One of the reasons for this pre-eminence is the strength of our home market. Americans have always enjoyed the scale of the US market, helping them sell well funded glossy dramas internationally. We have had the same advantage with formats. UK broadcasters have been prepared to take the initiative, buying programme ideas off paper, whereas, in Europe and the United States, broadcasters have been much more conservative, wanting to see tapes and audience ratings that show evidence of proven success.

There are danger signs in Britain. Desperate for success, many UK channels are getting more conservative – often looking to a variant of the last formula for a successful programme. Testing the temperature with audience research and pilots is not the route to commissioning something original like a *Cracker* or *Cold Feet*. We're also seeing danger signs in UK channels wanting to pay less but still requiring the highest production standards. This contradiction will create serious deficits in the funding of premium programmes. What sources of funding will meet these deficits, public or private, national or international?

At the same time British Government policy under Gordon Brown is moving on. The recently announced initiative, Creative Britain, hopes to invest and build on British creative success. Ambitiously, it aims to help create 5,000 media apprenticeships for young people by 2013.

Will it work? We have found at Northwest Vision and Media, one of Britain's Regional Screen Agencies for audiovisual content and talent development, that the most important thing is to broaden the base of the creative industries helping small companies develop to national and international standards. Without sustainable businesses there will not be sustainable apprenticeships for young people. Fortunately the North West of England is Britain's largest region for TV production, particularly drama, outside London. Now a new Media City is being built in Salford attracting anchor tenants such as the BBC.

So far so good. But there are clouds on the horizon. As we work towards digital switchover, advertising is likely to be fragmented across hundreds of channels. Advertisers chasing young people are increasingly turning to the internet. Will this bring greater plurality or cannibalise revenue so that channels can afford fewer high-quality premium programmes?

This dilemma is driving Channel 4's new vision. It wishes to convince Government to step in to bridge what they believe will be a future funding gap. After all, C4 and E4 get to young viewers other channels find hard to reach. I know because two of our companies produce *Hollyoaks* and *Skins*. So C4 is making the case that it is helping enable the Government's vision of Creative Britain, reaching out to new young talent, particularly in regional cities.

As C4 sizes its future funding gap at over £100 million per annum, this raises the threat of 'top-slicing' the BBC's licence fee. The BBC may reply that it has proved a well-tried model of funding public service quality programmes and that it can provide an arena for contestable creative offers from in-house producers and independents, London offers competing with nations and regions. A BBC free-market in ideas. Not quite, but things are moving in the right direction. They will probably need less concentration of genre commissioning with perhaps a channel or two commissioning from outside London.

But what of Britain's other commercial channels? Some say they aspire to commission more of their own in-house productions in

order to retain all the rights. This self-interest makes the argument for retaining the minimum 25% independent programme quota at least, to prevent conflict of interest and to sustain plurality of ideas.

But the real elephant in the room is this: highly profitable pay platforms don't contribute much to original British programmes although they benefit from the audiences that watch them. Traditionally British producers have been funded largely by the licence fee and advertising, but these incomes are being matched by new sources of revenue, such as pay subscriptions. The billions that customers pay to these platforms do not usually find their way into original high-quality British productions. In the main they go to sports or movie rights holders. But pay-platform customers still spend about half their time watching the main analogue channels. The platforms pay nothing for these channels, rather it's the other way round. Through their desire to bring their programmes to universal audiences the channels missed their opportunity to charge for their well-funded channels when the pay platforms really needed them.

They paid the platforms to carry the richest programmes made in Britain. This was a silly result, but the real problem is that about half the revenue coming in to British television comes through pay platforms. They are buying some British programmes for their own satellite and cable channels but nothing like the wealth of programmes they get for free from the main terrestrial channels.

In Holland, where the pay platforms are largely cable, they pay a programme levy in arrears to the producers according to how many viewers watch their programmes. This levy per programme may be small but it adds up to a significant contribution to programme-funding. Issues like these will become more and more important as British television channels find it harder to fully fund premium British programmes.

There's another story on new platforms such as broadband, IPTV and mobile. Broadcasters want to share revenues with new media platforms but the latter have not yet made significant investment in original UK content with scattered exceptions like Kate Modern and Gap Year. Even these have only been commissioned after advertising sponsorship has been confirmed. Perhaps producers should be going straight to advertisers, the principal funders of content.

As well as encouraging and developing small creative businesses, the British audiovisual industry will need medium and larger production companies who are able to tap into secondary and international revenues. I am reminded of Professor Cave's famous graph on innovation which showed that the smallest companies tend to be conservative because they are desperate to make a sale, the largest companies get arthritic from too much bureaucracy and organisation, and it's the middle-sized companies which have the funds and the confidence to innovate.

I hope we have enough of these to maintain the quality of Britain's television and serve the promise of providing apprenticeships for 5,000 new young talents. After all, a broad-based production industry is more likely to sustain new jobs and apprenticeships than traditional broadcasters who may be thinking more of downsizing.

If there is not the will to tap new sources of funds, then in order to sustain the variety, diversity and richness of British television, public funding will have to go beyond the BBC and C4. It would make more sense to see this issue as finding the funds to support the best of British television as a whole, rather than defining it more narrowly as Public Service Broadcasting.

4.4 The Fertile Fallacy: New Opportunities for Public Service Content

Anthony Lilley

It's time to accept that things have moved on for Public Service Broadcasting (PSB). Looking at the old PSB questions in the light of new participative media technologies we see not only that there are new opportunities to deliver public value, but that, if we are honest, we have been working with imperfect information all along.

The financier and philanthropist George Soros likes to talk of fertile fallacies. Fertile fallacies are ideas that most people believe to be true but which, ultimately, aren't verifiable objectively in a scientific, evidence-based way. In other words, concepts people believe in but which don't necessarily exist in the real world. Soros cites the idea that markets are perfect and reach equilibrium points as a fertile fallacy. He should know, the imperfect functioning of markets in what he describes "as far from equilibrium conditions" being where he's made most of his money.

PSB is a fertile fallacy. If it actually existed, we'd have undeniable evidence that it was there and that it was good. Instead, we rely on value judgements, proxy measurements such as "willingness to pay" and all manner of jargon designed to give the media executives and policymakers who defend the idea some comfort that we're not paternalistic elitists.

The thing is, though, that, by and large, we are; paternalistic elitists that is – although it may not necessarily matter all that much. The difference is that now there's no hiding what makes such thinking tick. Our value judgements and assumptions about PSB are being outed by changes in the behaviour of the people-formerly-known-as-the-audience. These changes are made possible by digital interactive media technologies ranging from multi-channel TV and time-shifting via the PVR to video on demand, web pages and computer and online games. The effects are most evident in the behaviour of the young, but they are not confined to these so-called digital natives.

The fault-lines that these changes cause in the traditional PSB arguments can be seen in three distinct strata: the output, the channels that commission the output and the broadcasting institutions that control the channels. The fault-lines are more acute in some more than in others.

Channels

Under the most threat over the next decade will be the notion that channels – whether TV or radio – have a claim to be public service entities in and of themselves. This concept has been unravelling for some time (look at the circumlocutions needed to get approval for the original BBC Three licence – a channel defined as public service by virtue largely of its target audience). With the evolution of digital

services comes a threat to the traditional concept of channels providing plurality and competition for each other. Our focus of attention needs to be at a much finer level of detail – at the level of the programme or content at least or, even, the impact on the user of the service itself. This is particularly true where interactive media are concerned.

So strong has been the gravitational pull of PSB status that it has even affected the approach of public service broadcasters to their online identities. Take Channel 4 as a case in point. For the best part of a decade now, almost all new media activity within C4 has been contracted by a commercial ventures arm separate to the main channel. This may have made sense once upon a time in the dotcom boom, but not anymore. The anomaly of executives whose bonuses rest on net revenues overseeing online PSB output, such as my own FourDocs, has been one of the tinnitus-like background noises of my professional career. Channel 4's new vision may at last be recognising that its online mission is as fundamental as its core channel to any case it puts for being a publicly funded broadcaster. It is high time that the argument moved on in this direction.

Or take the BBC's programme, *The One and Only*. There is no way that this particular programme can be justified as PSB without arguing that BBC One as a channel needs massive reach to ensure that licence fee payers come to the BBC at all and thus get value for money; which of course is precisely the argument that has been the justification for any BBC programme – at least until now.

The main problem with all of these perspectives is that they are rooted in a self-serving definition of PSB which looks backwards at a model where PSB was a tax extracted from broadcasters for their use of public spectrum; or alternatively at the constant self-justification needed by the BBC to maintain its hold on the licence fee. Incentives to deliver PSB purposes and characteristics on behalf of us, the viewers, are not currently always very well aligned with the perceived needs of the organisations themselves – and arguably this alignment diminishes the further you get from BBC Charter renewal or Ofcom's review of PSB. This issue is likely to get a lot more strained. To fix it, the system needs to change.

Output

If the stranglehold of channels declines, we are left with the two other possible locations of public value: the institution and the output.

At the level of output, it is easier (or at least cleaner) to have a debate about the value of a specific programme or website when that argument isn't clouded by self-justificatory thinking about channels. Channels are a subset of search – and a pretty rudimentary subset at that. Channels have a role to play in helping audiences direct their attention but the balance between this role and the power of the content brand itself is radically and permanently changing. This isn't just true of the few internationally successful brands, but for the whole PSB ecosystem.

We should be more accepting of the idea that output itself is the root of public value – because in an increasingly on-demand world, and certainly once all programmes go online, a large and increasing proportion of content will be selected directly, just like a retail product. The value of PSB output is closely linked to its impact – particularly in the case of participatory new media forms such as websites, which have an increasing role to play in the provision of public value – so we need to decide how to approach questions of output in short order if we are to make decisions about the ability of new platforms to deliver PSB purposes.

Institutions

By engaging with public value at the level of output you implicitly have to engage with it at the level of the architecture and, therefore, of the institution that makes it possible. To achieve PSB output, you need to set up an architecture which makes sure that when you spend money, you get the desired results. And what you need for that job are institutions to manage the process. Please note the use of the word 'manage', not the word 'control'. The difference is central. Plurality of decision-making is and will remain absolutely essential. Individuals can be participants in institutions – think about the collaborative model of Wikipedia – and institutions don't need to be the sole preserve of professionals. Even so, there still needs to be an architecture of participation in place, as there is with Wikipedia. The values, personnel, networks and brands of institutions make up their architecture. Institutions cannot simply be defined by the amount of money they have to spend and where they site their offices. The current debate about the 'top-slicing' of the BBC's licence income, in order to introduce some form of contestable funding between public service broadcasters, is symptomatic of the problem. Unless we can move the PSB debate beyond a defensive struggle between existing institutions regarding their budget then we will continue to fail to look properly at the real questions of public value.

The debate over contestable funding introduces another fertile fallacy – the 'Arts Council of the Airwaves'. This formulation of a different way to allocate resources to provide public service content in the digital age is usually followed by a knowing snigger in media policy circles. What sort of nightmare broadcasting bureaucracy would seek to dole out money for hundreds of individual projects, argue its opponents? Well, an institution like the BBC for instance – one of the sternest critics of the concept. There is however a false opposition in the way this idea is too lazily dismissed. The Arts Council does not spend several hundred million pounds of public money by asking every project to bid independently for cash. It actually spends a large proportion of its annual grant in supporting so-called 'regularly funded organisations (RFOs)'. These are institutions with artistic and commercial objectives for which the Arts Council's support is a central but not exclusive plank of their model. I write as a board member of one such organisation, the English National Opera. In effect, the Arts Council contracts out the delivery of its strategy for public value at this institutional tier. The precise duration of these sub-contracts, the

deliverable components and much else besides, are the subject of detailed agreements.

Regardless of what one thinks about the precise way in which the Arts Council goes about its business, there is intellectual validity in the model when applied to PSB. In fact, in a very limited way – and with governance arrangements of byzantine complexity – this is more or less what already happens in PSB, but with much less plurality of institutions.

So, we have aspects of an institutional model already which might be extremely helpful in future policy formulation, which might be why the PSB establishment is so keen to rubbish it. In that context, I argue that it is time to widen the net of public service media beyond the traditional PSBs – to bring in new platforms, new kinds of creative work and new providers.

First, however, it is essential to work out whether we want to maintain public service broadcasters themselves. I believe that public investment in media should have a continuing but more strictly defined role in supporting excellence, innovation and risk, not least because these values will be more and more under threat in the global information economy as markets and audiences fragment and as business models take time to change and develop.

In line with this, I take it as read that whichever institutions we require to create public value should operate on new media platforms – certainly to distribute content as widely as possible and also to create new interactive, participative media experiences either around their TV output, or by leveraging their commissioning skills into new media. This argument seems very simple to me – so long as they are delivering net public value then they should be present on new media platforms. Surely, any other argument is like a long slow death knell for the whole idea of public service media? If we were to peg such important parts of our cultural ecosystem solely to linear broadcasting, we would be effectively leaving that value to slowly dry out in the sun.

However, whilst the shift to new media is a necessary criterion of the survival of traditional media players, this is very far from making it a sufficient condition of a well-functioning public service media ecosystem as a whole. A number of intellectual steps must be taken which could establish the ground for the delivery of more public value in future from the same resources, or perhaps even consider the case for less investment than is currently committed.

Towards a new digital plurality

Firstly, we need to think anew about the notion of plurality and to acknowledge that many more organisations than just the public service broadcasters, including individuals, can be engaged in the creation of public service media. With this notion as a starting point, we can then challenge the way in which we measure public value itself to see who is capable of doing the best job of delivering it. This approach is based on the interests of the public not just the defensive reflexes of the pedlars of the current fertile fallacy of PSB.

Secondly, we need radically to open up the range of players we deem capable of delivering public value on any medium and, in the process, challenge short-sighted assumptions that the current economics of the licence fee, gifted spectrum, EPG position and the like are the only tools which we as a society have at our disposal to fund this. It is this world view that reduces the current discussion of public service media to 'The Top-Slicing Debate'. To me, at least, it feels like standing on the Western Front in 1917 staring at a tank for the first time and then turning round to argue with our colleagues about the cost of food for the cavalry horses.

There is enormous potential public value to be created by harnessing new models of partnership and funding with government, not-for-profit organisations – even commercial brands. We should be opening up the model to all of them – and to newspapers, football clubs and games designers in order to bring in the widest possible range of public benefit. New media activity in the arts, health and community sectors gives glimmers of a direction of travel – although too often such projects are too hard to find, hampered by an inability to reach scale and difficult to sustain without funding.

However, if we are to do this, we will need to move beyond the notion that market failure alone is a sufficient criterion for the expenditure of public funds. Market failure is another fertile fallacy. Has this market failed? Will the failure be enduring? In fact, market failure is such a fertile fallacy that it's used as the basis for another – public service broadcasting itself. Markets are not perfect – and neither is the way in which we measure their failure. Nonetheless, market failure has until now been the principal and best tool we have used for measuring public value. But it is no longer sufficient on its own.

This is not an argument for making more public money available more easily or for intervening more radically in markets just for the sake of it. In fact, quite the contrary. I believe that we should require **more** evidence before being satisfied with our collective investment in public service media and that such evidence should be based on a positive achievement, rather than on principles of failure. It is essential that we get on the front foot when it comes to recognising and measuring public value, whilst accepting that it is an imperfect game. I believe that public service players should be aiming not just to minimise negative market impact, but to maximise possible positive market impacts. I think it is possible, in the age of digital media, to

expand both the size of the ecosystem of public service media and its ability to leverage new platforms to support risk and innovation. But, to do that, we should be expecting more for our collective money.

Particularly online, I believe that there is huge potential to support innovation and creativity by making available the fruits of public investment for commercialisation by others. It works in basic science funding and it seems to work in the open source software world. Indeed, Tony Ball's 2003 MacTaggart lecture went so far as to suggest that the BBC might engage in what he called 'programme syndication' – effectively licensing programmes which had commercial potential to the highest bidder in the UK not just abroad. I believe that a version of this model will come to pass not just for online but also for TV content as the stranglehold of channel thinking becomes more evident with time for what it is – another fertile fallacy.

The four principles of digital plurality

Four entwined factors will underpin the value of PSB plurality in the future. These are ambition, risk, plurality and discoverability. These are not the preserve of any one – or even any two – media institutions to provide and they are not incapable of delivery on platforms other than broadcast, quite the opposite. They are related to the old PSB model, but their application to the new media, post-channel-domination world in which we will find ourselves by 2020 requires a clearout of some of the old thinking and an acknowledgement of the dead wood in the current debate.

We need to adopt a positive approach to public value that goes beyond the vested historical interests of institutions and acknowledges the emerging models of mass collaboration, openness and sharing which are increasingly important in our society and in particular to our creative industries. If we ignore this, we will risk committing the cardinal sin of looking at the future in the fervent hope that it can become some kind of idealised version of a past that never actually existed – and that really would be a wasted opportunity.

5. Diversity and Democracy: Public Service News in the Online Age

News has been at the centre of all debates about Public Service Broadcasting and will continue to be so. This may seem surprising as the internet and digital television have created more news outlets than ever before. The argument, however, revolves around the quality and culture of broadcast news. James Curran's essay is an analysis of how the pursuit of diversity does not in itself necessarily lead to more rounded new coverage. Rather, insofar as plurality has accompanied deregulation, this trend has ushered in a diminished seriousness in the news agenda to the detriment of public knowledge. Jean Seaton takes the argument further: news is the means whereby a fragmented society allows individuals to debate both what they have in common and to recognise their differences. Plurality of outlets is less important than the preservation of news institutions with the scale and resources to ensure the editorial plurality that only comes from original reporting.

At the centre of television news since its beginnings has been the principle of impartiality. As news audiences decline and some seem alienated by its idiom, Tim Suter proposes a radical change: due impartiality rules should no longer prohibit a free market in news and we should accept the diversity of ideological agenda and ideas such as we have had in print journalism for centuries. The counter-argument is put by Richard Tait: impartiality is the cement that holds together the trusted authority of broadcast news that offers a democratic society the reliable information it needs to take collective decisions.

5.1 Media Diversity and Democracy

James Curran

Media policy has often been made on the hoof in response to *ad hoc* industrial and political pressures, evanescent research and fallible forecasting. This has given rise to a set of policies that are inconsistent and at times ill-considered (Curran and Seaton 2003). Given this record, it is perhaps worth approaching a policy review crossroads with caution by looking in the rear mirror to view the past, and the side mirror to take account of foreign experience.

Distinctive legacy

British Public Service Broadcasting (PSB) is different from the conventional European model in that it does not make representative pluralism a central objective. It does not devolve control over programme-making and -scheduling to different social, political and religious groups as in the Netherlands (Brants 2004); nor elevate representatives from political parties and 'socially relevant' groups to the command structures of broadcasting, as in Germany (Hallin and Mancini 2004); nor establish informal links between political parties and different television channels, as in the former Italian system (Hibberd 2008).

While it has become custom and practice to have someone from Wales, Scotland and Northern Ireland, a trade unionist and a member of an ethnic minority on the Board of Governors/Trust of the BBC, convention also stresses that they should function as trustees of the nation, not as representatives of sectional interests. The visionary ideal behind this convention is that British television should be autonomous. It should stand aloof from sectional interest, political party and government, and owe allegiance only to the public. While compromised in various discreet ways, this tradition has established nevertheless greater producer autonomy than exists in most representative-ridden European broadcasting structures. This has served Britain well, making for well-made drama and a strong tradition of well-resourced, independent journalism.

Pursuing diversity

But these strengths came at a price. A reformist coalition, which first came into being in the 1970s, argued that British broadcasting was too London-centred, too inclined to recruit from a small elite pool, too conventional in cultural terms, and too narrowly centrist in political terms. 'Diversity' was conceived, reformers complained, in the limited sense of a variety of topics – schools programmes, religious programmes, regional news, current affairs and so on. Diversity should also be understood, they argued, in terms of plurality of viewpoint and social experience, and also in aesthetic terms of originality and difference.

From the 1970s to the present day, this reforming coalition exerted pressure for change.[1] While not always agreeing with each other (indeed, frequently disagreeing), members of this coalition had a common agenda: to make British television more representative of the diversity of British society, and to foster programme variety and innovation. They included critics on the left as well as the right, and drew support from the ranks of broadcasters as well as from the wider public. Broadly based, their efforts were also assisted by the fact that they operated during a period of rapid external change. The liberal corporatist system of power – the way Britain had been ruled for forty years – was dismantled in the 1980s, and gave way to sustained market radicalism (Leys 2001; Moran 2005). The generational revolt of the 1960s, and the reaction that followed, gave rise to a succession of culture wars (Curran, Gaber and Petley 2005) that exposed broadcasters to pressure to change. The development of cable and satellite television during the 1980s and 1990s also created new opportunities to do things differently.

Campaigning pressure to increase diversity met with a broad measure of success. Channel 4 was established in 1982, as a new kind of public broadcaster with a brief to cater for minorities and commission innovative programmes. The independent production quota was first introduced in 1986, and extended in 1990, partly as a way of enabling excluded voices and stifled talent to gain access to the airwaves. New channels mushroomed, facilitating the targeting of minorities and the expansion of programme genres (including twenty-four-hour news). New audience participation programmes were developed in the 1980s, followed by the boom of virtual-reality shows in the 1990s. More women and members of ethnic minorities were employed, in response to pressure from reformers such as BBC Director General, Greg Dyke, who complained in 2000 that the corporation was ‘hideously white’. New ways of doing journalism were developed online by the BBC and others. Plans are now afoot for part of the BBC’s London-based operation to move to Salford.

New reforms are currently being canvassed that can be viewed as an extension of this long-term diversity campaign. Impartiality rules should be relaxed, it is argued, in some minority channels in order to extend the ideological range of broadcasting; the licence fee could be top-sliced, and directed towards supporting quality programmes that tend not to be made; innovative ways of presenting the news should be developed in order to reconnect those turning away from formal politics.

The hopes now being invested in interactive television and the internet represent the apotheosis of the diversity dream. New technology, it is proclaimed, is multiplying citizen journalists and user-generated content, transforming consumers into producers. Market entry costs are also being reduced, and distribution bottlenecks are being bypassed, in ways that will enable new voices to be heard. Technology, in short, will complete the work of two generations of reform.

Admittedly, not all diversity reforms delivered what was anticipated. Channel 4 became less innovative and minority-focused when it ceased to be cross-subsidised. A well-connected oligopoly is emerging from the shoal of independent production companies. Some factual entertainment programmes are less ways of valorising and debating ordinary experience than freak shows in which the vulnerable are bullied. Numerous cable and satellite TV channels merely recycle old programmes for tiny audiences. The recruitment of ethnic minority staff did not necessarily lead to the recruitment of ethnic minority audiences. Community television proved to be a flop. And while new technology is changing things, there are powerful constraints – unequal economic and cultural resources, continuing high costs, news source hierarchies and limited public interest in politics – that will curtail in practice what results from change.[2]

However, pressure to extend the diversity of British broadcasting, sustained over a long period, compensated for a built-in weakness of the system. British television is now enormously more diverse in terms of the generic range of its output, the visibility of the different social groups it depicts, the arc of views it represents, and the variety of aesthetic forms it manifests, than it was in the early 1970s. And if less than total success has met the endeavours of reformers, it could be argued that this merely redoubles the need to maintain pressure for greater diversity in the future.

British TV in comparative context

But at this point it is perhaps desirable to take stock. The first generation of diversity campaigners tended to take for granted the British system's traditional strengths. It pressed the case for reform, and improved some features of British broadcasting, without fully appreciating that the foundations of the British system were weakening. Indeed, in so far as the diversity campaign was associated with deregulation, it probably contributed to this erosion. Thus, a traditional strength of British PSB has been that it privileges serious news and current affairs programmes. The provision of prominent, meaningful public affairs information on television enables, it is argued, citizens to cast informed votes, hold government to account, and be properly empowered. However, this approach is challenged by an alternative vision which holds that television should provide whatever people want. As Mark Fowler, the deregulating, former chairman of the FFC, pithily put it: 'The public's interest ... defines the public interest' (cited Hamilton 2004: 1). One view addresses the viewer as citizen; the other as consumer.

The latter view began to reshape British broadcasting. A key shift took place in the 1990s when ITV franchises were auctioned to the highest bidders, and positive programme requirements on ITV were lightened. This prompted a movement away from serious current affairs towards factual entertainment programming on ITV (Leys 2001). In 1999, ITN's *News at Ten* was moved, after nearly thirty-two years on air, to a later time in order to maximise revenue.[3] This exerted ratings pressure on the BBC, which in 1999 also moved its main evening news

to one hour later in the evening. Meanwhile, foreign coverage on ITV had declined sharply between 1988 and 1998 (Barnett and Seymour 1999), while crime news had increased at the expense of political reporting on both BBC and ITN news (Winston 2002). In short, soft news gained at the expense of hard news, while news and current affairs programmes on leading channels became less prominent.

British television thus moved partly away from the traditional European pubilc service model towards the US entertainment-centred, market alternative. The implications of this are explored in a recent ESRC co-funded study that examines the content of television news and public knowledge in four countries with different TV systems – US (market model), the UK (hybrid model) and Finland and Denmark (pubilc service model). The study was based on a content analysis carried out over three months, and a survey based on a representative sample of 1000 adults in each country, in 2007.[4]

It found that the market-driven television system of the United States is overwhelmingly preoccupied with domestic news (80%), significantly more so than in Finland, Denmark and the UK. Hard news also accounts for a smaller percentage of time on US, and also British, television news (60–3%) than in the two Scandinavian countries (71–83%).

In the survey respondents were asked to answer twenty-eight questions about people, topics and events that had been in the news during the period of the content analysis. In line with American television news' relative neglect of foreign affairs, Americans emerged as especially uninformed about international public affairs, with only 40% giving correct answers in this area, compared to 59% in Britain, and 62–7% in the two Scandinavian countries. Some divergences were especially large. For example, only 37% of Americans were able to identify the Kyoto Accords as a treaty on climate change, compared with over 80% in the two Scandinavian countries, and 60% in the UK.

And in line with more extensive coverage of domestic hard news on Finnish and Danish television, respondents in these countries also scored most highly in this area with an average of 78% correct answers, followed again by Britain with 67%, and the United States with 57%. Only in the area of domestic soft news were Americans able to hold their own, but this is an area where American television news is especially strong.

National differences in terms of geographical mobility, civic education, economic inequality and political culture contribute to different levels of public knowledge in these countries. But the study also found that news visibility also affected knowledge. In other words, what was reported made a difference in terms of what people knew. When the news is broadcast also matters. The market-driven American networks clear their schedules for entertainment between 7 and 11p.m. The three main British channels now offer no news between 8 and 10p.m. (or between 7 and 10p.m., in the case of the

top two). By contrast, Finnish and Danish television offers a steady drip-feed of news. Thus, the top three television channels in Finland transmit their main news programmes respectively at 6p.m., 7p.m., 8.30p.m. and 10p.m. (and, on one of these principal channels, a daily current affairs programme at 9.30p.m.). In Denmark, the two leading television channels transmit their main news programmes at 6p.m., 7p.m. and 10p.m., spliced by a current affairs programme on one of these channels at 9.30p.m. It is thus requires an effort of will for Finnish and Danish viewers to avoid the news on a popular, general channel. One consequence of this is that Scandinavian television, and to a lesser extent British television, promotes news consumption as a shared experience. A much higher proportion of disadvantaged groups (defined in terms of income, education and ethnicity) watch the news in Scandinavia, and to a lesser degree in Britain, than in the US. Partly as a consequence, these groups are much better informed about hard news than their counterparts in the US. Thus, the difference in average hard news scores between those with limited and higher education in the US is a massive 40 percentage points. By contrast, the difference between the same two groups in the United Kingdom is 14 percentage points, and in effect none in Denmark.

A critical difference between the pubilc service and market models is, thus, the greater ability of the former to engage the 'inadvertent' audience: people who might be generally disinclined to follow the course of public affairs, but who cannot help encountering news while awaiting delivery of their favourite entertainment programmes. The fact that pubilc service television intersperses news with entertainment increases the size of the inadvertent audience.
But by drifting away from this pubilc service model – by demoting the news in TV schedules and enlarging news-free zones in the evening, as well as by adopting a softer news diet[5] – British television is contributing to a lowering of public knowledge, and weakening of public life.
Yet, there is no reason to suppose that the rise of the internet, and of specialised news channels, will necessarily provide an offsetting corrective. In Britain, the internet is used more for entertainment rather than for civic briefing: it was the main source of information for only 3% in the 2005 UK general election (Lusoli and Ward 2005). Twenty-four-hour news channels have very small audiences, save in exceptional circumstances (Ofcom 2007a). Indeed, the long-term effect of the net (and also programme streaming) may be to reduce consumption of news by decoupling it from entertainment, in contrast to the unitary 'news-and-entertainment packages' represented by traditional newspapers and general television channels. In the United States, the evidence suggests that large numbers of young people are now exposed to very limited amounts of news, because they have broken with their parents' ritual habit of watching the evening news on television while paying scant regard to news and political information on the net (Patterson 2007).

Retrospect

In brief, the long-term campaign to extend the diversity of British television continues to be important. Views other than those championed by Commons front benches need to be routinely heard; the perspectives of people in immigrant ghettoes ought to be registered as forcibly as insights from the City; debates in Europe should loom larger, as should the reality of distant 'others'; and new communications technology should be utilised to the full in order to foster public dialogue (between nations as well as within them).
But something else also needs to be emphasised. The privileged position of news and current affairs – its right to major resources, peak time slots, strategic 'hammocking' between entertainment programmes, and continued serious purpose – has to be upheld in the face of mounting pressure for its demotion. This pressure arises from increased competition between more television channels and new media, at a time when advertising is beginning to migrate to the web. But this economic imperative can be presented in the bland terms of adapting to social change, in which more people are turning away from news (Ofcom 2007a), and indeed from the formal world of politics (Couldry, Livingstone and Markham 2007)[6]; and of adapting to technological change which has generated more news and information than ever before, thus making old arrangements redundant. And it can be made to sound 'anti-paternalistic' through a neo-liberal argument that speaks eloquently of responding to preferences expressed in the marketplace. Against this, a case needs to be made that we live in a democracy, as well as a marketplace, and that news and current affairs programmes should be privileged because they contribute to the functioning of an informed and accountable democratic system. Indeed, that most traditional definition of diversity – programme type – once viewed by diversity campaigners as simplistic and inadequate, now seems enormously important. We need quotas for news and current affairs, and the public power to influence their scheduling, if we are not to move inexorably towards the American market model of television, and American levels of political ignorance.

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Endnotes

1. For an historical account focusing on the left, see Freedman (2003), and for one foregrounding the right, see Goodwin (1998).
2. For a good example of an extensive literature making this 'social determinist' argument, see Livingstone (2005).
3. ITN's main news programme returned in 2008 to 10p.m., Monday to Thursday.
4. This is presented more fully in Curran, Iyengar, Lund and Salovaara-Moring (2008/2009, forthcoming).
5. The above study's estimation of soft and hard news on British television differs from that of Ofcom (2007a). The latter's understanding of soft news was 'predominantly entertainment or celebrity based' (Ofcom 2007b: 96), and did not include human-interest-centred crime stories, or sports reports (private communication from John Glover, Ofcom, to James Curran, 29 November 2007).
6. Not that these authors propose this: it is merely the way in which their research can be construed potentially.

5.2 Impartiality – Why It Must Stay

Richard Tait

Impartiality in broadcast journalism is probably the most important public good we have retained from the analogue era of pubilc service broadcasting. Although there are ferocious disputes over how impartial broadcast news really is, its value as a largely trusted source of information in an age where there has been a meltdown of trust in other institutions and in other forms of media remains enormous. When my colleagues at Cardiff analysed the Iraq War, for example, TV news was by far and away the most trusted source of information, with radio second and the press a long way behind. The same study found overwhelming support (92%) for the idea that broadcasters should remain impartial and objective during wartime (Lewis *et al*. 2006: 169–75).

British viewers and listeners currently enjoy real plurality and competition between a number of well resourced broadcast news suppliers, funded in different ways – the BBC, ITN (supplying ITV, Channel 4 and IRN) and Sky (supplying Sky News, Five and some commercial radio stations). Today both the system which has delivered this plurality and the impartiality which has been the defining characteristic of all broadcast news output are under pressure as never before.

Defining impartiaility is rather like Garret Fitzgerald's remark, "It's all very well saying how it works in practice. But how does it work in theory?" (Tambini 2002: 36). Now both the theory and the practice are under attack. There have always been those from different sides of the political debate who argue that impartiality is impossible to achieve – that the editorial centre of gravity of the various broadcasters is hopelessly skewed in a liberal or establishment direction and the time has come to put an end to the pretence.

But now, there is a second criticism of impartiality – that it is a barrier to public engagement in an era of freer, more diverse views on the web and in print; that impartiality stands in the way of plurality. This is a particular issue for the regulatory structure – the BBC Trust which is responsible for the impartiality and accuracy of the Corporation's journalism, and Ofcom, which is responsible for similar obligations on all commercial news broadcasters. Broadcast news faces simultaneously the undermining of the business model which has supplied the resources to sustain its current scale and scope and an intellectual challenge to the validity of what has always been one of its core values.

This article looks at the rather different directions in which the two regulators are apparently moving in their thinking on impartiality. Last year both the BBC and Ofcom undertook important pieces of work in this area. The BBC published its review of what it believed impartiality should mean in the digital age; Ofcom, while upholding the importance of impartiality for commercial pubilc service broadcasters (ITV, Channel 4 and Five), has floated for discussion the notion that

the impartiality requirements on non-PSB channels such as Sky News are no longer needed and that the public would be better served by greater diversity in news provision at the expense of impartiality.

Ofcom's review of broadcast journalism *New News, Future News* was intended to start a debate which would be concluded in the PSB review. Ofcom pointed to a decline in the perceived impartiality of pubilc service broadcasters' news services. However, trust in the truthfulness of news services was still high and when respondents were asked about individual programmes that they had watched more than 90% thought their programmes on BBC One, BBC Two, ITV1 and Channel 4 were very or fairly impartial – and 89% thought the same of Five.

Ofcom's main concern was with disengagement, particularly among young viewers and black and minority ethnic (BME) communities. Its research detected significant groups who felt the news put them off politics, did not report on issues that affected them or, if it did, reported them unfairly.

In its most controversial suggestion, Ofcom raised the possibility that non-PSB channels should be released from their current impartiality obligations and be as free as the newspapers to offer partial news. This could result in greater diversity of agenda and approach. (Ofcom 2007: 59–71).

Ofcom's idea was not a new one. It had surfaced in 2002 in both an IPPR publication, *New News* (Tambini and Cowling 2002) and in the ITC/BSC review of broadcast journalism in the same year, *New News, Old News*, by Ian Hargreaves, now a senior figure at Ofcom, and James Thomas (Hargreaves and Thomas 2002: 105–9).

When the issue came to be discussed, however, at a stakeholder event organised by the Reuters Institute and Ofcom in November 2007, it got an almost universally hostile reception. The absence of any evidence in the research base that young or BME viewers would be attracted by biased news was commented on by a number of critics. A debate on the motion that diversity is more important than impartiality was overwhelmingly defeated.

There is no doubt that broadcast news has trouble connecting with young and BME viewers and listeners. But the notion that the best way to attract them was to abandon impartiality was a troubling one. There are already plenty of media outlets telling people what editors think their audience or readers want to hear.

A free press and a free online environment mean there is scarcely a shortage of opinionated, targeted news and comment for those who do not want their existing view of the world challenged. In the UK, convergence is bringing newspapers, free to hold whatever opinions their editors or proprietors determine, lobby groups and political parties into the same online and particularly broadband space as traditional broadcasters.

Young and BME groups still prefer and trust broadcast news, despite their often justified reservations about the style and agenda of what they see (BBC 2007: 19–21). There seems to be little public value in making it easier than it already is for citizens to retreat into a world where all they hear reinforces existing prejudices and chokes off real diversity of thought and understanding.

One of the most important contributions impartial broadcast journalism makes to the quality of public debate is to provide a space in which plurality can operate. The BBC‘s research showed a high level of agreement – 83% – for the idea that broadcasters should report on all views and opinions, however popular or extreme some of them may be, and only 6% disagreed. Although support for this proposition was lower among those from ethnic minorities, where 61% agreed, this was still six times as many as disagreed (BBC 2007: 20–1).

There is no evidence that relaxing the rules on impartiality would make television news more appealing to hard to reach groups such as young and BME viewers. The research that the BBC did for its recent review of impartiality shows that despite the evidence of disengagement, these viewers are overwhelmingly in favour of impartiality in television news. They do not think the broadcasters always achieve it, they do not think television news always reflects their views but they recognise the value of impartiality (BBC 2007: 19–21).

I believe that once television as a culture turns its back on a whole-hearted commitment to impartiality, the likelihood is that something really important could be lost. Take the example of the United States, where the regulators twenty years ago abandoned the fairness doctrine which from 1949 had placed obligations of impartiality on broadcast news. One analysis of the US television’s coverage of the Iraq War found in a three-week period at the start of the conflict in 2003, when polls suggested 27% of US citizens were opposed to the war, just 3% of US interviewees on American TV news coverage expressed any opposition. (Rendall and Broughel 2003).

As Rupert Murdoch’s Fox News has demonstrated in the US, targeting a niche audience with material which resonates with that audience’s view of the world can be effective – and profitable (Collins 2004). But that is a very different concept of news broadcasting from the UK’s. The minutes of a meeting in September 2007 between Rupert Murdoch and the Lords communications committee made public his enthusiasm for the idea of relaxing UK impartiality rules – saying that he wanted his Sky News to be more like Fox News to make it “a proper alternative to the BBC” (Gibson 2007).

The notion that impartiality is a barrier to diversity offers a false choice and a very old fashioned view of what impartiality is. Broadcast news has already moved a long way from the ‘on the one hand, on the other hand’ approach to impartiality. The recent BBC report on impartiality set out to try and help redefine impartiality for the digital age. Its conclusion was that diversity and impartiality have to

work together, not in conflict – that in a diverse society with complex problems, true impartiality is about fairly reflecting diversity and not restricting coverage to a narrow and sometimes politically correct view of the world (BBC 2007: 5–8).

The BBC's quantitative research for its review also showed that the public have no illusions about how difficult the broadcasters' task is. Forty-four per cent thought it was impossible for broadcast journalists to be impartial; 61% thought that although broadcasters may think they give a fair and informed view, a lot of the time they do not. But the public did not see the difficulties as justifying any retreat from the obligation to be impartial. Eighty-four per cent agreed that impartiality was difficult to achieve but broadcasters must try very hard to do so (BBC 2007: 19–21).

The BBC's qualitative research showed how media literate the audience has become. Both the concept and its complexity were well understood. Viewers defined impartiality as being informed by a series of journalistic values – neutrality, open-mindedness, distance. They did not see it simply in terms of balancing two opposing views – they felt the world was more complex than that and required a greater spread of views. They did not feel that in impartiality, one size fits all – they expected it be appropriate to the subject or indeed the platform (BBC 2007: 18–19).

Already, the existing rules allow a wide range of styles and approaches to news within a broad tent of impartiality. The challenge to broadcasters is absolutely to reach out to young and BME viewers – and you can see on the digital television and radio channels new approaches which work – the BBC's 1Xtra for example. The BBC's conclusions from its review were that impartiality was the hallmark of the BBC – and non-negotiable – and that in the more complex political and social environment of the twenty-first century, breadth of view and range of ideas and contributions was more important than a mechanistic 'on the one hand, on the other hand'.

Broadcast news is on the edge of revolutionary change – with multimedia newsrooms able to tailor high quality, impartial journalism for a variety of platforms and styles in television, radio and broadband. The tools and technologies to reach and connect with the traditionally 'hard to reach' are there – and they offer the real prospect of expanding impartial news into spaces currently dominated by the partisan.

The real threat to diversity is much more the diminution of resources and reduction in reach of the existing commercial broadcast news players. The ITV News Channel has closed and ITV's regional news service seems threatened (Tait 2006); Sky News has lost its slot on Virgin and may not retain its slot on Freeview (Neil 2007). The strength (and independence) that comes from having three strong news organisations with different funding models and different channels of distribution can no longer be taken for granted (Ofcom 2007).
The danger, in a media world where first-hand reporting and specialist

analysis is becoming harder and harder to fund, is that plurality could be used as a cloak for a retreat by British television from the journalism of verification and investigation which has been supported by a structure which is now clearly under pressure. Already the costs of covering conflicts safely has driven all but the strongest news organisations around the world to rely increasingly on news agencies and stringers for pictures and copy (Tait 2007).

In broadcasting, more than any other form of journalism, comment is so much cheaper than first-hand reporting that a relaxation of the impartiality rules could encourage the emergence of a new and unwelcome form of television news consisting of partisan opinion and agency pictures. Far from encouraging diversity, the risk is that cost-cutting will lead to a greater uniformity of content.

The biggest danger of the current debate about impartiality is the assumption that impartiality is doomed. It may be under pressure, but it is highly valued by citizens. It is a key part of the BBC's role in society and it is the most important contribution that the commercial PSBs make to the public good. Impartial news is still a major part of the brands of the commercial PSBs. ITV has reversed its disastrous decision to abandon *News at Ten*; much of the discussion about the future of Channel 4 centres on how to preserve *Channel 4 News*.

Other media organisations – news agencies such as Reuters and AP, newspapers such as the *Financial Times* – have built their business models on being impartial and trusted sources of information. And the public's desire for impartial media does not stop at broadcasting. When the Cardiff researchers asked whether they thought the press should be impartial in reporting an event such as the Iraq War, 88% said yes (Lewis *et al*. 2006: 169).

The current definition of impartiality as interpreted by the regulators is certainly flexible enough for new approaches to news to deal with the issues of diversity that all broadcasters recognise. It can accommodate foreign news channels as different as Fox News and Al-Jazeera which are primarily aimed at non-UK audiences with different expectations from those of viewers of the mainstream UK news providers. It can allow *Channel 4 News* to operate with an attitude to news which is very different from ITV news, produced by the same company, ITN, but both within the bounds of the expectations of an impartial service.

Over the last twenty years British television has learned to tailor news programmes and services for different audiences while maintaining a commitment to accuracy and impartiality. The solution to the problem of disengagement lies in tailoring programme styles and agendas to target hard-to-reach groups; it does not lie in abandoning core professional values.

The optimistic scenario is one where impartiality is seen not as a contributor to disengagement but as part of the solution. One eventual outcome might be a 'kitemark' for media organisations

which work within impartiality guidelines to distinguish their journalism from those who do not – a distinction which could extend to online and broadband news. Regulation should continue to have a role in television journalism to reinforce a culture of impartiality which remains an essential part of the DNA of British broadcasting.

In the converged space, brand reputation will matter. Newspapers will seek to bring their brand values – including their opinions – to their services; broadcasters will be equally determined to use their reputation for impartiality. With media organisations all converging on the same space, impartiality will remain the journalistic USP of the BBC and others. Reports of impartiality's imminent demise are greatly exaggerated.

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5.3 Impartiality – The Case for Change

Tim Suter

The near-universal hostility to Ofcom's recent musings about impartiality has almost certainly ruled off limits any change to its rules in the near future. A conference of academics, politicians, news professionals and policymakers, co-hosted by the Reuters Institute and Ofcom, saw a motion that "Diversity in news is more important than impartiality" crushingly defeated.[1]

Although I am the vanquished proposer of that motion, what follows is not intended as an attempt to re-fight lost battles. But my experience, both at Ofcom and before that at DCMS as the Communications Act was passing through Parliament, convinces me that these questions will need to be addressed at some point. I therefore offer an assessment of the main criteria against which any such decision should be taken.

The first two are largely empirical:

- the interaction between the requirement for impartial news and levels of disengagement in the audience; and
- the extent to which such rules are actually enforceable.

There are then a number of more philosophical questions dealing with the principles behind the rules:

- the desirability of platform specific rules in an increasingly platform neutral world;
- the role of content rules in a regulatory environment increasingly built around audience information and labelling;
- the genuine degree of protection against potentially harmful material afforded by the rules; and
- finally, the possibility that a single set of rules, universally imposed on an increasingly diverse range of services, will serve to undermine the rules themselves.

Impartiality is expressly required from all broadcasters through the Communications Act 2003.[2] The practical expression of the statutory requirement is through the detailed sections of the Ofcom Broadcasting Code, which came into force in 2005.[3]
In broad terms, broadcasters must not only present the news accurately and impartially, but must also ensure that, when dealing with matters of political or industrial controversy, any views expressed are specifically balanced by opposing views expressed either in the same programme or in other, editorially linked programmes within the same service. There are particular rules that single out matters of 'major' political or industrial controversy, typically those dealing with issues of national or international importance.

The first criterion against which any future judgement should be made is the extent to which the requirements on impartiality are affecting

the perceived relevance of news to the audience, or making them feel otherwise disengaged from public debate.

The recent evidence Ofcom was able to adduce was at best inconclusive: while it could point to rising levels of disengagement from broadcast news, especially among the young,[4] it struggled to make a direct link between this and any perceived chafing against the strict requirements of impartiality. Indeed, the audience as a whole continues to rate impartiality very highly as an important attribute of television news: 87% of all adults, and even 73% of young adults.[5] If anything, the problem seems more likely to occur when particular sections of the audience perceive partiality in the reporting – Ofcom's qualitative research found significant levels of concern at the representation of stories and agendas as they relate to specific minority groups.[6]

In this context, it is worth observing that the rules around impartiality only affect the way any given story is presented: they have no bearing on a channel's choice of stories. It is therefore entirely possible that a news service could pursue a policy to exclude particular types of story without triggering any breach of the impartiality rules. Audiences may feel themselves disengaged from a news service that appears to ignore stories that reflect their interests. Ofcom's evidence appears to suggest that, particularly with regard to the young, there is a potentially growing problem here: while 81% of young adults agree that it is important to keep up to date with news and current affairs, 64% of them also feel that much of the news on television is of little relevance to them personally.[7]

This is not, clearly, a problem of the impartiality rules themselves: but support for them could be undermined if there were a popular perception that they guaranteed balance in the choice of stories rather than just their treatment.

The second criterion that Ofcom and others will need to assess is enforceability. With some 750 or so channels broadcasting under an Ofcom licence, the regulator's ability to monitor output, even if it wished to, would be severely limited. Furthermore, that output includes a large number of channels, properly licensed by Ofcom but targeting either non-UK audiences or specific linguistic and ethnic communities within the UK.

It is here that the discretion afforded by the law, to judge whether any given reporting is 'duly' impartial, is most likely to be applied. The Broadcasting Code recognises that the concept of 'due' requires special definition:

"Due" means adequate or appropriate to the subject and nature of the programme ... . The approach to due impartiality may vary according to the nature of the subject, the type of programme and channel, the likely expectation of the audience as to content, and the extent to which the content and approach is signalled to the audience.[8]

Often such a judgement will require a sophisticated understanding of the political and cultural debate which lies behind the item. Although such items may be potentially the most inflammatory, they may also be the very cases where the regulator is least able to judge whether the balancing was indeed sufficient to meet the 'due' criteria. There remains a set of questions about the principles that underpin the rules themselves.

The fact that the requirement for impartiality stretches back to the beginning of broadcasting, but not into print journalism, implies that it relates to some specific characteristics of broadcasting. Of these, two are particularly important: the necessity for state intervention to secure access to spectrum and therefore audiences; and, linked to that, the potential of the medium to exert a powerful influence over public opinion.

However, the huge majority of channels are now no longer dependent on public resources to reach audiences: and as a result, audiences can chose from many hundreds of channels. Many of these channels will share ownership with unregulated, non-broadcast news services: and, as linear and non-linear services share the same pipes, and arrive on the same consumer equipment, it will be increasingly difficult to distinguish between them.

The state is, of course, still heavily involved in broadcasting, and shows every intention of remaining so. It is inconceivable that any requirement for impartiality could be lifted from publicly owned channels, or channels which enjoyed public subsidy, either direct or indirect: the distinction between **public** broadcasting and **state** broadcasting is far too precious, and the impartiality rules are a vital protection for the public channels themselves against any form of political interference. If Ofcom ever finds itself having a serious argument about maintaining impartiality on public service channels, then something far more serious has happened than is envisaged in the scope of this chapter.

In an environment, therefore, where public service broadcasters guarantee reference points for other news providers and audiences can still be pointed to 'safe havens' of impartial broadcast news, the regulators and policymakers will have to ask themselves four questions.

First, **what impact does the combination of almost unlimited choice and technical convergence have on the applicability of rules to all broadcast channels**? The regulator will be increasingly called upon to justify any automatic extension of rules simply by virtue of its choice of distribution method. This will become particularly pressing as the same audience is equally available between different forms of distribution.

Second, **what will be the impact of a regulatory shift towards protection delivered by content labelling and information rather than regulatory fiat**? This will be a highly significant philosophical change in content regulation. The centre of gravity of future regulation will

consist of giving audiences the tools they need to take their own informed decisions: any rules that take that responsibility away from the audience will need particular justification.

Third, **how real is the protection for audiences**? Paradoxically, the greatest danger may lie in the regulator over-claiming success: if audiences believe that everything they see on television is impartial, and therefore to be trusted, the regulator may have done them a disservice. Already there is no way for them to know whether the partial news service they are watching is in fact licensed in the UK and therefore bound by UK laws, or instead licensed in a different administration with a less strict approach to news broadcasting.

Fourth, and finally, **when will the strain of a single set of universally applied rules lead to an unacceptable degradation of the genuine protection they claim to offer**? It is already the case that viewers from particular minority ethnic groups believe that the way their community is presented is partial – and yet complaints evidence to the regulator does not suggest that they follow this up. The perennial discussions about how *Fox News* slips under the net of the impartiality rules suggest that their application is already open to some doubt. It may indeed be that the public are already anticipating a world where the rules only apply to the major, public channels.

Impartiality is important – but only as a means towards the end of news services that audiences can confidently trust. In this regard, one piece of Ofcom's recent evidence is particularly striking. While virtually all of those polled believe that impartiality and truthfulness are important, a significant number of them are prepared to trust the news delivered by television without believing that it is impartial: although 85% trust BBC One, for instance, only 54% believe it to be impartial.[9] The 31% who trust the news but don't think it is impartial suggest that in future the regulator may be dealing with a shifted balance of trust: where indeed policymakers will be able to trust the audience to make sense of the news for themselves.

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4. Ofcom 2007: paragraphs A1.176–A1.240.
5. Ofcom 2007: figure A1.21.
6. Ofcom 2007: A1.152–A1.167.
7. Ofcom 2007: figure A1.29.
8. Ofcom Broadcasting Code (2005): Section 5: Meaning of Due Impartiality.
9. Ofcom 2007: figures A1.23 and A1.25.

5.4 A Diversity of Understanding: The Increasing Importance of Major Public Service Broadcasting Institutions

Jean Seaton

Why, in the brave new world of boutique views, grazing media-snackers, bespoke news consumption, when you take your news Indian, American or football-style, with auto-didact news producers and content swappers, happy connected chatters, posters and eager opinionators all jostling for attention over the net, could we possibly need a big BBC news operation to produce news diversity both nationally and internationally? Don't we have more of the stuff than ever before? Isn't all of that teeming life diversity?

Certainly the information world seethes with many kinds of plenty: but not more 'news' in the vital sense of original and reliable knowledge. There is a fatal confusion between news-selling (of which there is a great deal more) and news-gathering, assessing and making – (of which there is a good deal less). Ofcom, in its 2007 *New News, Future News* report, full of state-of-the-art economic analysis of the costs of 'news' committed this fundamental category error, failed to consider news-**gathering** costs. Sellers commoditise the news for audiences but few invest in finding out anything that they and we do not already know. Previously, in the old mass world 'news' was what just what 'newspapers' and 'news broadcasts' did. It was the heady mixture of (sometimes) novel information and eye-catching sensation – all of the processes were aggregated and were easily recognisable in the end product. But now, to mistake the variety of vehicles that sell news for the news unearthing they depend on is to mistake the wood for the trees. We need to take the production of news apart to see what is of consequence to the public interest.

It is the hunter-gatherers of the news ecology who inform our collective lives. Too much news capacity is confined to the backrooms where information is processed and not enough spent on people on the street. Nevertheless, editorial intelligence and the integrity of some news decision-making are part of what makes news valuable. It is the widening of the parameters of public knowledge and discussion, based on trustworthy judgements (and the resonating of public issues out into comedy and drama and back again) that matters. The diversity that is of public interest is in a variety of news sources and the alternative and additional principles governing the selection of stories.

There is another common confusion: innovative audience consumption patterns are also mistaken for 'news' variety. Of course audiences, with their creative exploration of technical opportunities are re-making all the media industries from music and art to book publishing and the news. We are in the middle of the first economic revolution in how cultural production is paid for in 200 years and it is throwing up new forms (as well as new business models). Yet audiences' hunger for experience and the industry's anxious

inspection of consumers' new habits has lead to another fallacy. People nibble on news from old-fashioned analogue television and radio, on digital channels, on the net, on their phones, iPlayers, on bits of paper, at whatever times for whatever purposes; they pluck news cherries for their own interests and hand them round to their friends. Nevertheless, more and different consumption patterns do not mean there is more newly originated news out there. One change is that audiences are able to **avoid** what they are not 'interested' in more effectively than ever before. But the news that we have to be concerned about is still the new knowledge that alerts you to your environment, the knowledge that allows a collective discussion in public about things that it turns out matter.

There is another old-speak confusion that gets in the way of clear thinking about now. In pre-lapsian time (like a decade ago) the problem was to secure space for a variety of views in the opinion bazaar. The problem was keeping the arteries of opinion open because there was a shortage of opinion-expressing opportunity. The argument for public service was that it required an enforced variety of opinion to compensate for its powerful position. Yet this negative anxiety evolved into a positive injunction to use impartiality as an instrument that produces better informed accounts of events and their causes. The idea became a determination to evade ideological, commercial, political and special interest capture: this value is as relevant as ever.

However, now you can find any opinion you fancy, find somewhere to express any view you want. Commentators are paid princely salaries to have them, bloggers bristle with them, you can catch *Fox News* with its dedicated partisanship, visit evangelical websites, while phone-ins, message boards and chatrooms bustle with people all eager to show and tell what they think. Much of the current affairs blogosphere is stridently masculine; a worrying new gender divide is emerging – leaving half of the human race bored by political discussion. Nevertheless, the market in views is a public forum; it sharply corrects complacent proprieties at home, while, in the Middle East and Africa, a torrent of opinions is having a potentially telling impact on the public spaces of those societies. Why then is a big impartiality trader like the BBC still relevant?

One answer is because now the problem not what publics think – but what they know. It is evidence that matters. This is why impartiality and objectivity are as salient as they ever were. They also impact on the opinion agenda. Nearly seventy years of empirical research has shown that the media do not determine what you think: but they do set the agenda of what you think about. People have many ways of forming views, rumours can be as influential as facts if lots of people believe them and they are not corrected by sceptical reality-checkers. Properly funded news polices veracity and stretches public horizons: it also represents and amplifies public concerns. The fertile facts that map reality and form the basis for views are what we need to be concerned to preserve.

The other 'opinion' problem is how we are to be brought into relationship with un-congenial views: the 'others' that we may try to avoid. The volume of opinion-expressing is also confused with a variety of opinions expressed: more does not mean wider. More may be a mob. Niche-partisan news-selling and comfy silo-consumption means that the range of acceptable expression within communities is often a spirallingly narrow one. Both nationally and internationally great swathes of opinion talk and listen only to other like-minded publics. News can speak across these boundaries if it tells reliable and recognisable accounts of events. People attend when they hear their own reality accounted for justly. It is part of the task of enlarging our collective imagination and attaching our fickle attention to uncomfortable things that we don't understand, that we would often prefer to ignore but which will affect our lives. Proper news is a rationality explorer: it shows you unflinchingly why people in their circumstances have the attitudes they have. So the diversity that matters is the diversity of the unexpected and plain reporting.

Yet the 'new information' bit of the 'news' is not growing. All over the Western world we have lost scrutiny capacity. Paradoxically, in a world where everyone says everything is 'global', news values have become more parochial under the intense heat of competition.

Novel sources of reliable news on the net are difficult to identify because search engines are inadequate. The online story of news is one of concentration not diversity. One recent study showed that the "4,500 news sources updated continuously"[1] from all around the world, boasted about by one search engine, were overwhelmingly lifted and pasted from just four places: three news agencies Agence France-Press, Associated Press, Reuters and the BBC. The news-sellers and opinion-strutters add their interpretations to a limited set of sources. Another study looked at the decline of "local" reporting in cities across the world.[2] Those who put new things on the collective radar **are** an early warning system; we know that democratic institutions simply fall into weary corruption without them.

It is argued that popular need and commercial opportunity will throw up some way of making money out of news-selling, and that markets will respond to the public's continuing need to be reliably informed and will pay for the resource necessary to do so. It is hard to see where this has happened so far. This is why a big, well-resourced news organisation, such as the BBC, is likely to produce more diversity than a small one. Calming, objective, news-testing is present on the web: in the BBC. Because it spends money on news-gathering and can (and must) invent new news forms. Nevertheless it is the feet on the ground with the Taliban, with the outcast political parties in India or in the back streets of Birmingham that matter. There is no alternative to people witnessing events: reporting is a kind of testimony and we need more quizzical interrogation of the world. 'Citizen' journalism is a magnificent democratic tool but it needs situating by people who understand how the world on the ground smells. Variety still depends on stroppy-minded journalists just pursuing stories that are of consequence.

Moreover, we need big news organisations like the BBC's because it has the range to match the institutions we live within. Modern government is large. Global forces impact on individual lives. Commercial players seek to translate their interests into politically favourable situations, lobbying is powerful, expensive and rarely sponsored by citizens The resources devoted to fixing favourable news stories are far larger than those devoted to resisting them.

Huge international info-tainment businesses often regard news as an expedient political instrument or just a useful a brand identifier. Their first concern is not with the quality of information that democratic citizens need. Why should it be? But this ought to be the first interest of a big public service news provider. The BBC can bring variety to public discussion because it is large enough and belongs to the public.

There is another reason for supporting a big news organisation in the spinal column of a big content producer like the BBC: it becomes the nervous system of a variety of engagement. News is often considered as a public service good in its own right (which it is) but there is little discussion of how news seeps into the tissues of an organisation. The traffic is creatively two-way: comedy, games, drama and children's programmes metabolise news into stories that foster different kinds of discussions of the issues of the day. News alerts programmes to reality, they nurture creative engagement with our predicament.

Diversity is in the public interest – but modern societies suffer from collective attention deficit disorders. In the fidgety non-linear world of the dis-aggregated attendor how do you mobilise people to notice things? One answer has been sensation, a febrile brew of self-righteous indignation stirring, shock, salaciousness and attack journalism. Another is to punch a message across all platforms. One of the things democracy needs that the news can do is shout and make a fuss about things citizens ought to know. A large institutional public service broadcaster can amplify the message across all of the carefully coloured outlets responsive to different audiences. It can nuance a message but simultaneously hang onto the things that collectively make a difference. Even better, it can do that internationally.

The BBC is a world resource. This is what makes its news (if it is managed correctly) so fit for purpose. From the IMF to the UN, the African Union and the WTO, and through a burgeoning empire of charities and the NGOs the world is being re-made by international institutions – in our own self-interest we need international audiences to hold them to account. We need to understand the world we act in: elite understanding is never a substitute for public knowledge. It is the BBC's duty to explain the world to publics that adds diversity and value to its news-gathering. Indeed, simply attempting to describe reality accurately is a universal value. It is harder to tell the truth to the many different understandings that ricochet across the communities that straddle the world, but the BBC has the capacity to speak with authority on behalf of accuracy.

In the anxious twenty-first century the frontline of every bloody conflict – as well as every commercial endeavour – is in human minds. Fortunes are made and battles won far away from battlefields – in the ideas people have, yet the West has leached scrutiny capacity at an alarming rate. News-making is a knowledge industry: part of the advanced economy of understanding that is remaking the world.

Stupid societies make bad decisions. Those that cannot have a common discussion of the realities (both the jolly and the unnerving) of their predicament become tyrannies – either aggressively nasty or myopically stumbling places replete in trivial comforts but unaware of simmering problems. Getting the thinking around news-making right so that it goes on discovering and alerting us to the unexpected (as well as comforting us with the deliciously shocking familiar), and inventing new ways tickle the public fancy is important. But the variety that matters is in the hard slog of telling us little stories that we will come to see as important – it is news-gathering and news agendas that we have to think about. Keeping information honest is not a luxury: it is a matter of self-interested survival.

Endnotes

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6. Public Service Content in an Age of Participation: The Future of Citizenship, Local News and Local Engagement

A key citizen rationale for Public Service Broadcasting is that it helps us to be better informed and to give us the tools to participate in our society and local communities. But how do these roles change as the internet, rather than broadcasting, delivers so much of our information and helps reshape communities and their traditional media outlets? Helen Margetts outlines the ways in which the Internet has challenged other channels and become the first port of call for information seeking. But she also discusses how PSB involvement can help work against online polarisation, bring citizens with different interests to 'meet' each other, and help sustain democracy and citizenship. Adam Singer offers a different perspective in seeing plurality primarily as a function of the long-term trend towards increased availability of bandwidth combined with the growth of media literacy.

For some, local media are the key casualties of the online age, as fragmenting advertising revenues drain money away from local journalism. Simon Waldman sees a burgeoning in location-based activity posing significant opportunities for consumers and software developers but some real challenges for local media firms to adapt to the new world. Roger Laughton provides an historical perspective on local and regional news provision by public service broadcasters, and offers a relatively optimistic view of the prospects for plurality of content supply at least in the larger markets. He raises some interesting suggestions about the balance for future public intervention between measures focused on content as opposed to infrastructure.

6.1 Citizens and Consumers: Government Online versus Information for Informed Citizenship

Helen Margetts

In 1990, if you had wanted to find out some public information related to your geographical locality, such as the name of your local MP, or the time of your local refuse collection, or your nearest GP surgery, or your council tax liability, or how to vote, or about a campaign against a local property development, what would you have done? You would probably have looked in a telephone directory or local newspaper, telephoned your local council or visited a local library or post office. For most of these tasks, you would have had to make a telephone call (possibly being routed around a few council offices and expecting to be on hold for a while) or visit a physical location. You would not have switched on your computer, radio or television because you would not have expected these devices to be of any help (although possibly providing some distraction while you waited on hold).

In 2008, if you are one of the majority of UK citizens who have access to the internet (67% in 2007), the internet would probably be the first port of call for finding out any of the above. Survey evidence suggests that in 2007, 64% of internet users would go to the internet first (rather than a telephone or personal visit or directory) to find the name of their MP, and 55% would go to the internet first to find information about their taxes or local schools (Dutton and Helsper 2007: 24). These figures for public information seeking tasks are not as high as the percentage of internet users who would go to the internet first to undertake some sort of interaction with a private firm, for example to plan a trip (77%) or buy a book (67%) but they are significant and rapidly growing (up around 12% from 2005, Dutton and di Gennaro 2005).

So having chosen the internet as the best route, it is most likely you would pull up a search engine (probably Google, at the time of writing) and key in a few carelessly chosen words. The chances are that some relevant web site would appear in the top ten results of your search and that you would be able to find the information you need from that. It is quite possible that you could go further, and actually carry out some or all of the tasks for which you wanted the information (such as writing to your MP, donating to a campaign or finding out GP surgery times or applying for a parking permit) online. Your task would be, in comparison with 1990, simple.

This short essay explores the implications of this shift in information-seeking behaviour for government and other pubilc service providers in the digital age. It uses what we know about how people use the internet to obtain political and government-related information – necessary accoutrements of citizenship – to investigate possible trends after digital switchover.

Public providers of information in the digital age: nodality and competition

Clearly, in 2008 it is potentially much cheaper and easier for public organisations to provide information to the public than it was twenty years earlier. A web site is cheaper to maintain than a call centre and cheaper by far than staffing an office where people may visit, or even a post room. Information can be automatically tailored very directly to the micro-local, via postcode searches and provided in a 'zero-touch' way, whereby no official has to 'touch' the transaction. And the marginal costs of additional users are virtually zero. Information can be provided twenty-four hours a day, seven days a week, at no extra cost and some information can save future time consuming interactions with the public, such as the necessity of rejecting invalid benefit claims or seeing in person a patient with a complaint that can be self diagnosed with online medical information and treated with time or a visit to the pharmacy. Many of these facilities will also be available on digital television.

In this sense, it might be argued that the internet has greatly enhanced the visibility or 'nodality' of public sector organisations. Nodality is one of the four 'tools' of government policy identified by political scientists (see Hood 1983; Hood and Margetts 2007) as a label for being at the centre of social and informational networks. An organisation with high nodality can easily disseminate information to citizens. National governments rely heavily on nodality for many public policies and some policy-making initiatives, such as a public health campaign, can take place entirely with the use of nodality. Most public policies, however, rely additionally on one or more of the other four 'tools': authority, treasure (usually money) or organisation. However, the nodality of local (or indeed national) public organisations has not automatically increased in the online world. In some ways, it can be argued, there has been a net loss of nodality and certainly the route to obtaining it has become more complex. Hood (1983) defined nodality as something that governmental organisations possessed almost by virtue of being government, but this notion is challenged in the age of the internet through far greater competition. A local council in 1990 could make sure that telephone numbers relating to its key services were in an appropriate place in the Yellow Pages and more or less leave it at that. If people wanted to know something about local council politics or services the chances are they would look there or phone the main switchboard. Few other options were available. And if a local council wanted to push information out to its local population, there were a limited number of recognised outlets (GP surgeries, community organisations, local libraries, local radio channels) by which it could do so.

Now that the majority of people will turn to the internet first, the council or other public provider must make sure that their web site is the one that people find, regardless of what search term has been keyed into Google. In experiments held at OxLab, an experimental laboratory for the social sciences at the University of Oxford (see Escher and Margetts 2007) we asked subjects to answer a range of

questions relating to government, politics and government services, many relating to locality. Less than half of these questions were answered with government web sites (see Escher and Margetts 2007). The BBC site was a relatively popular source among non-governmental sites selected (a key source of information about local schools, for example), but a substantive number of private sector sites were also accessed. The site www.upmystreet.com provides a whole range of information about local house prices, policing, crime as well as information about local businesses and services. Now privately owned, the site was originally created by a team of internet enthusiasts from publicly available government information who wanted to demonstrate just how much could be freely and easily provided online if an organisation wanted to provide it.

For almost every topic, the range of information sources available has expanded enormously. For local news, a huge range of newspapers, television channels, news aggregators and blogs are as likely to come up in a Google search as any other source. Whether they appear in the top ten results (beyond which most users do not look) rests on a range of factors, including a search-engine algorithm, the exact nature of which is a closely guarded secret, but the number of inward links from other sites and (increasingly) user numbers are certainly included. Private sector organisations tend to be better than public ones at developing strategies to optimise their sites for search engines. And 'infomediaries', sites which offer information and restrict direct access to the actual provider have joined the competition in abundance. Usage of e-government lags far behind that of e-commerce in the UK (the 2007 Oxford Internet Survey found that while 90% of internet users had bought or looked for goods and services online in the last year, only 46% had interacted with government online in any way) and as major social innovations based on user-generated content (so-called Web 2.0 applications) such as social networking and Wikipedia rose to public prominence in the mid 2000s, a report on Government on the Internet in 2007 could find hardly any use of such applications in government (NAO 2007).

Another competitive element to the new environment is the dispersion of citizens' attention. Public organisations are accustomed to put out information in one place and expect citizens to come there, analogous to the Council switchboard example given above. The UK central government's policy now is in fact to gradually close down the 2,500 government web sites and focus attention on just two main sites, www.direct.gov.uk for citizen services and www.businesslink.gov.uk for businesses. But many important discussions take place in other forums. The voluntary organisation Asthma UK, for example, must readjust to the fact that 20,000 people are discussing Asthma on Facebook and may never visit their web site. If Asthma UK want to be involved in the discussion, they must go to Facebook and join it. Likewise, local issues are quite likely to get discussed in local forums and public organisations could set up as many discussion boards and chat facilities as they like, it would not guarantee participation (as the Dutch environmental agency found when it created a bulletin board to discuss traffic congestion in 2000, only to find that all discussion was

taking place on a web site called the 'pub of the tired cyclist'). In general, private firms and interest groups have coped with this new environment better than governmental organisations. They are accustomed to investing in the strategies necessary to push information out to people, for example through advertising in a range of media. Basically, private companies are used to a competitive environment and have highly developed media and advertising strategies which government organisations are not accustomed to matching. And looking at it from a 'tools' perspective, for interest groups information is their dominant 'tool'; without authority and with limited access to treasure and organisational capacity, nodality is their key way of operating.

Consumers, citizens and communities in the digital world

So what will this new competition for nodality mean in the post-digital switchover world? Prolonged use of the internet means that people have changed expectations in terms of the way they find things out. First, they expect to use search. In our experiments mentioned above, almost all users when given the choice used search as a way of finding information and the engine chosen was almost always Google. When they have found what they want, they are quite likely to select some application that will automatically feed them further information; that is, when they have found what they want, they may take some further step to ensure that what they want can find them, such as through their Facebook profile or RSS feeds, or some customised web site. And if they do not, many organisations have every incentive to take the step for them, for example recommender systems that tell them what sort of books they might like, or films they will enjoy. The success of commercial organisations online (by 2006 there were 15 billion .com sites, 40% of the total, compared with 2 billion .gov sites, less than 4% of the total, see Sunstein, 2007), means that people are more likely to have developed their online behaviour as consumers, rather than citizens, making ever more individually tailored choices about the goods and services they buy.

These changing expectations about how to find information relevant to their role as consumers have implications for how people behave online as citizens. Some commentators have argued that this characteristic of internet behaviour allows people to customise their news, local information and political world to a quite alarming extent, so that they narrow their horizons, filter out any undesirable information and strengthen pre-existing judgements. Sunstein (2007) argues that for citizens, the new plurality of information sources will lead to a read over of consumer sovereignty into news consumption: the creation of 'the Daily Me' (Negroponte 1995; Sunstein 2007). In Sunstein's view, this fragmentation into individual views will lead to considerable difficulty in mutual understanding, as the internet increases people's ability to hear echoes of their own voices and works against the chance of any kind of shared public forum that signifies a democratic environment. Just as many newspapers already offer online readers to customise their front page so that they only

receive news about things that already interest them, the massive increase in choice facilitated by digital television will enable them to watch only what they already know would interest them. As Bill Gates put it in 1999 (quoted in Sunstein 2007: 39) 'When you walk into your living room six years from now, you'll be able to just say what you are interested in and have the screen help you pick out a video that you care about.'

So what would 'local community' look like in this world? From Sunstein's perspective, it would mean that as individuals redefine localities around themselves, which do not necessarily include any actual geographical locality, the internet is already working against the existence of any public forum, where citizens are exposed to a range of views, discussions and debates, on which a 'well-functioning system of free expression' (at the heart, he argues, of the republican ideal) is dependent. On this view, with digital switchover, the chances of any public space in the online world for a local 'community' would be reduced. Citizens would interact with only the little bit of their local community that they are already interested in (which might just be rubbish collection) and the other communities they identified with (however narrowly specified) might well be a global social network and bear little relation to their locality.

Public broadcasting and citizenship in the digital future

Such predictions led Sunstein to put forward a number of possible recommendations for the role of public broadcasters to work against online polarisation in the digital age. To some extent the BBC web site embodies some of these, such as deliberative domains (through bulletin boards associated with general news programmes), public subsidy, a mission to promote education and attention to public issues, and the 'creative use of links to draw people's attention to multiple views' (Sunstein 2007: 192). The BBC web site has certainly played an important role in the UK online environment, with its huge and early investment in online services and massive usage figures (3 million weekly unique visitors in 2008). For our subjects in experiments, the BBC site was often the site of choice for answering government-related questions. The UK provides an interesting contrast with other countries such as the US, which has a far more fragmented news environment; the site is by far the most used source of online news in elections, for example. By entering any part of the BBC web site, users enter a much larger world regardless of their own steps to personalise their environment, by searching and bookmarking their favourite programs. They are offered links and reminders of government, politics and the public world, with the potential to take people outside the 'Daily Me'. In this way, the internet has the capacity to present citizens with a very large – as well as many very small – world.

However, on the internet, even a public service broadcaster as massive as the BBC faces competition from a new breed of niche internet TV channels. Social networking sites and popular blogs have spawned web video shows such as DiggNation (Revision 3) and

BoingBoing (Deca.tv), already receiving hundreds of thousands of internet viewers and produced at a fraction of the cost of traditional television. It seems likely that such enterprises will expand and multiply, moving beyond their currently predominantly geek- and youth-oriented genre. In 2006, the BBC announced its plans to redesign the web site around three concepts 'share', 'find' and 'play', allowing users to 'create your own space and to build bbc.co.uk around you' (*Guardian*, 25 April 2006) and to use next-generation search capabilities to extend choice to the massive BBC archive. It remains to be seen the extent to which users of the site use the new iPlayer and similar facilities to create the world predicted by Bill Gates quoted above and ignore the worthy facilities that the site currently provides. It is possible to visualise a continuing role for the BBC in creating a multi-view presence online – the challenge will be to retain and reach out for links with the new world of internet TV and the niche markets of viewers that are increasingly rejecting the traditional linear TV-watching model where 'you're seven feet away and sitting back' (*Observer*, 24 February 2008). At the time of writing, a search on the BBC site brought only one link (from Radio 5 live) to DiggNation, the most popular of the new channels.

In the UK, the BBC is still the key forum for public debate in elections and research has shown its web site to be the major source for election news in the UK. In the 2005 election, about 70% of people obtained elections news from the site and there was little difference between the BBC's share on TV and online (Schifferes 2006). But this central position could well change. In the US, the 2008 election was heralded as the first US 'YouTube' election as the massive video-sharing site (20 million users a month) was host to a huge range of low-cost public comments and campaign contributions (not necessarily, as they must be on TV, endorsed by candidates) which were rapidly circulated across millions of both internet and network viewers, often with TV networks providing links between dissemination networks as well as publicising videos. In the UK, the impact of YouTube on election news coverage might be expected to be even greater, as (in contrast to mainstream television) it will provide the capacity for a huge range of unregulated low-cost campaign publicity. The BBC (and other traditional TV outlets) can play a vital role in such an environment, drawing public attention to key developments on other media, reinforcing them by disseminating them across different constituencies of viewers and providing links to and between them, but it is very different, far more extrovert, co-operative and outward-looking, from their traditional role. Viewers will not want to 'hear about' or 'read about' videos that they know they could easily link through to in real time.

To work against the dangers predicted by commentators such as Sunstein, it seems that institutions of democracy and citizenship have to enter the online world in a more pro-active way than they have done so far. Governmental organisations tend to rest on their laurels as far as nodality goes, rather than adjusting to the new environment and entering the competition. UK central government has to some extent overcome this problem through the use of an intermediary.

It has handed virtually all its democratic interactions with citizens over to the small charity, MySociety, which has developed a number of web sites (often under contract to government departments) such as www.TheyWorkForYou.com (providing users with details of the speeches and votes of their political representatives); www.WritetoThem.com (which writes to representatives on citizens' behalf); www.FixMyStreet.com (which encourages users to input complaints or comments about local facilities which need fixing and passes them on to the local council); and the No. 10 Downing Street petitions website, which allows citizens to start up and sign online petitions to the Prime Minister. All these sites represent democratic innovations which seem to enhance citizen involvement in government. They are all small-scale, simple and standalone, and are developed in the face of resistance from various parts of government, which means that they make a rather piecemeal contribution to democracy.

In the end, to influence public goods, democratic interactions have to be brought together – even if they are disparate elements arguing different points of view. The internet and associated technologies enable citizens to find what they are interested in and to find each other. But in the digital age, there will still be a role for democratic institutions to fill gaps and join up networks to ensure that different groups of citizens with different interests 'meet' each other and 'meet' government. Public service broadcasters and public organisations more generally need to prioritise this integrative task and be more pro-active in bringing online applications which enable it to centre stage in the digital world.

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6.2 Bringing the News to Where You Are

Roger Laughton

Local news services have existed in Britain since the first newspapers appeared in the seventeenth and eighteenth centuries. Print remains the medium through which most of us still receive news and features about where we live.

Analogue broadcasting is a one-to-many medium. Scarce spectrum, a regulated broadcasting system and high production costs inhibited the growth of local radio and television services in Britain during the twentieth century.

The arrival of digital media at the end of the twentieth century now enables a range of different services, including more localised news, to be supplied to consumers and citizens, although successful commercial business models have been slow to emerge.

Defining 'local'

The term 'local' has been used in different contexts. In big cities, your neighbourhood can be local, although broadcasters describe a service targeted at the whole city as local. In rural areas, where you can drive ten miles to find a supermarket, a neighbour may live in the next village.

Ofcom (2006: 11) recently defined 'local' services as "any targeted at geographic communities ranging from a neighbourhood of a few hundred or thousand households to a major metropolitan area with a million or more inhabitants". This definition includes communities of interest, such as ethnic sub-groups, within larger population areas. It will be used in this chapter, although the public interest issues vary according to the size of the population that is targeted.

Regional and local broadcasting in the analogue age

Politics and geography played a major part in the early development of twentieth-century broadcasting – particularly in their influence on the spread of local broadcasting.

Transmitters, enabling radio broadcasts to be distributed, needed to be sited where optimal coverage of listeners could be achieved. Across the vastness of the United States, local stations emerged independently of each other. But not in Britain.

Local autonomy was never an option in a crowded island. The BBC was a regulated national service from the start, funded by the licence fee. Nevertheless, there were valued local opt-outs in 1925. As a BBC memorandum noted, "those who have not been much in the Provinces cannot assess the extraordinary value placed upon the local station by provincial listeners" (Briggs 1961: 395).

In England, BBC regional broadcasting came to be established around three mega-regions, loosely reflecting the divisions of Anglo-Saxon England – North, based in Manchester (Northumbria), Midlands in Birmingham (Mercia) and the West in Bristol (Wessex). The same landscapes that shaped human settlement in the ninth century formed the framework of effective transmitter coverage in the twentieth century. The BBC's Welsh services were based in Cardiff, its Scottish services in Glasgow and its Northern Ireland services in Belfast. These nations and mega-regions formed the framework of the BBC's radio and television networks until the 1960s.

The arrival of advertiser-funded television in 1955 led to the establishment of a heavily regulated ITV Network formed of fifteen regionally based licences, held by independent companies with regional monopolies of advertising revenue and specific requirements to produce programmes for their region.

The BBC's response to the arrival of a competitive television network was to sub-divide its television mega-regions in order to compete more effectively in news provision. Thus, for example, the West Region, by the mid-1960s, had three television news regions based in Bristol, Plymouth and Southampton. Now there are fifteen such regions in England.

But neither the BBC nor ITV provided local services until 1969. Then, with the support of a Labour administration, the Corporation, still holding a radio monopoly, introduced a network of local stations, ahead of the arrival of commercial competition, replacing its historic regional radio coverage. Today, there are around fifty local BBC radio services, each serving populations of several hundred thousand, with plans for a network of sixty-six.

Commercial local radio began in 1973, under a Conservative government, committed to increasing competition. Ten years later, 60% of the UK population was within range of a UHF signal. By 1988, there were sixty-six commercial radio stations in Britain. In that year, another liberalising Conservative government permitted local stations to offer different services on their MW and VHF services. This led to a dramatic increase in the number of commercial radio stations. Local services tended to consolidate under the ownership of larger radio groups during the nineties. There are now over 300 different local FM and AM stations. In addition, 149 community radio stations have been licensed by Ofcom, the media regulator.

The costs of providing local news services, as well as the technical problems of providing adequate coverage, were the most potent brake on their expansion in the analogue age.

The most salutary reminder that what is possible is not always affordable is the story of cable in the United Kingdom. Cable is a highly suitable medium for local services, with the consumer able to receive a wide range of channels through a pipe that comes into the home.

But, as the British cable pioneers discovered, the capital costs of setting up a cable system were so hefty that the additional costs of establishing a half-decent news service could not be covered by commercial income. So pioneer services in Greenwich and Swindon opened in the early 1970s and closed in the 1980s.

More ambitious ventures, such as LIVE TV in London, were tried in the 1990s; these too did not generate a sufficient rate of return on capital invested. For a small country, satellite – with its universal reach – proved the medium of choice for additional commercial services. The 1996 Broadcasting Act made provision for a new form of local television service, licensed under the Restricted Service Licence (RSL) regime. RSL holders were allocated unused analogue frequencies and broadcast to specific areas, such as the Isle of Wight (Solent), Oxfordshire (SIX TV) and Manchester (Channel M). Once again, creating a profitable business proved extremely difficult.
So, the overall picture, as the analogue era ends, is as follows:

- The BBC covers most of the country with its local radio services, all of which include locally generated content. Despite piloting new local services between 2001 and 2006, about which more later, no commitment to local television had been made by the end of 2007. However, the BBC's local Where I Live sites, targeting the same areas as its local radio services, now include video and audio news content as well as text.
- The ITV stations, most now under common ownership in England and Wales as a result of consolidation, continue to provide regional news and features, although the network has indicated that, when analogue signals are switched off, it intends to maintain only such regional and local services as are commercially viable.
- More localised TV services have yet to prove themselves commercially and have had limited access to spectrum.
- Local commercial radio offers a range of news provision, with the smallest stations often taking a syndicated service from larger stations. Content regulation by Ofcom ensures minimum quotas of local programming. In addition, the media regulator, has awarded 149 community radio licences, providing services on a not-for-profit basis to small geographical areas.

Opportunities in the digital age

In the analogue age, there have been separate television, radio and print services. In the digital age, content, much of it interactive, will be available any time and anywhere on a wide variety of platforms. An increase in available delivery mechanisms challenges arguments for regulatory intervention based on spectrum scarcity and market failure. In particular, the heavily regulated broadcasters now find themselves cheek by jowl with unregulated newspapers, both adapting their services to a multimedia marketplace.

The transfer of advertisers' revenue from print and linear television to the internet means there is an imperative for commercially funded news providers to publish their content on all available platforms. There is a consequent regulatory challenge to define the local markets within which competition takes place.

Fulfilling public purposes locally

Some commentators have argued that better communication links, virtual and physical, have weakened ties to where people live. But, in practice, detailed audience research repeatedly reports a demand for more local news, as does the survival of many local and community activities. People may belong to more communities than they once did, but their strongest ties are usually to their immediate neighbourhood (Ofcom 2006).

Ofcom identified six distinctive functions for local digital content, fulfilling public purposes. These are:

- delivering enhanced services;
- engagement and participation;
- communication, access and inclusion;
- providing local news and information;
- supporting local production and training;
- advertiser access to local markets.

Publicly funded local content

The BBC, faced with audiences for regional news programmes in long-term decline, identified more localised digital services as a way of fulfilling its own public purposes in the run-up to the review of its Charter (BBC 2004).

The Corporation embarked on a major initiative, Connecting Locally, between 2001 and 2004 in the BBC Humberside area. Over a three-year period, the BBC invested over £25 million in a variety of new local services, on and off screen.

The investment increased audiences for a more localised regional news and was generally regarded by the BBC as a success. *Calendar*, ITV's regional news programme, lost viewers, but the *Hull Daily Mail*, the long-established regional paper, despite holding major concerns about what it saw as unfair competition, did not appear to be adversely affected by the BBC's initiative. Consumers and citizens in Hull benefited, but at a high cost to UK licence payers. If the BBC had used Hull as a model for a national roll-out, the cost would have been around £500 million a year nationwide.

In 2005/2006, the BBC embarked on a less ambitious pilot, providing six distinctive local television services, delivered by cable, satellite and broadband, in the area covered by its Birmingham-based regional news programme for the West Midlands. The trial was based on the existing infrastructure of local radio and Where I Live online sites and

needed, on average, an additional six staff in each area. In practice, licence-payers were offered a daily ten-minute news bulletin about their local area.

An independent review of the pilot reached the following two conclusions (Laughton 2006). First, the choice of the BBC's local radio areas as the spine of future BBC local digital-content delivery was endorsed. Second, investment in additional news gathering and publishing in the local broadcasting areas had enabled the BBC to offer additional public value for licence payers according to the BBC's own criteria.

But any roll-out of more localised content services inevitably raised questions about the future of the BBC's existing English regions. At the same time, transmission costs of delivering sixty-six live local news services would be high and universal availability of such services would be difficult to achieve.

So, following what was, for the BBC, a disappointing licence-fee settlement, new linear local digital television services look far less likely than a modest increase in the multimedia content of the BBC's Where I Live sites, supported by an equally modest increase in the number of multi-skilled journalists who can create such content.

Additional BBC services are not necessarily the only means of funding pubilc service digital content. Direct government subsidy has been tried too.

Local authorities and the national government have supported ultra-local broadband initiatives, such as Carpenters Connect in East London, a community site serving a social housing estate, and Digi-TV in Kirklees.

ITV

In 2006, ITV launched ITV Local in the Meridian region and has since rolled it out more widely. This is an attempt to provide more local content on broadband, particularly more advertising and user-generated video. It has not been accompanied by added investment in news gathering.

Michael Grade, ITV's Executive Chairman, has questioned the viability of regional news and feature services as analogue switch-off approaches. It seems unlikely that ITV will be a major player in the long term, unless it finds a new commercial model for such services, possibly in partnership with other content providers.

Local TV

Development of local services has been held back by twin uncertainties – lack of guaranteed access to spectrum and lack of a credible business model.

An interesting experiment has been Channel Six, operated by the Milestone Group and based in Oxford. SIX TV holds an RSL licence, but its parent company has tried to build a multimedia regional company by buying newspapers and radio stations in the areas where its broadcast signal can be received. The problem, as with other RSL licence holders, has been uncertainty about the future licensing regime and lack of sufficient revenue to generate compelling content.

Channel M in Manchester, owned by GMG, is a bold attempt to harness the news-gathering capabilities of a successful local newspaper and to translate them into local content services in print, audio, video and online. With a million consumers within range of its signal, it should be able to access significant commercial revenues. It is too early to judge its success. Other RSL holders, although now benefiting from licence extensions that will last till analogue switch-off, do not appear to have identified successful revenue generation models. The Isle of Wight service has closed down.

Local radio

Listeners can choose from over 300 FM and AM commercial radio stations. Digital programme services are being introduced. Ofcom has noted recently that "from the listener's perspective, the picture is bright in terms of choice, range, quality of programming and innovation, right across the UK" (Ofcom 2007a: 1).

Yet, overall, commercial radio revenues have been in decline for years, which is why Ofcom has recently recommended a lessening of radio's regulatory burden. The objective is to enable smaller stations to safeguard their viability and to sustain local programming commitments.

Local newspapers

Local newspapers remain the dominant and, usually, the most trusted suppliers of local news. They have a long-term investment in the raw material on which news suppliers depend – original journalism targeted at ultra-local markets.

Local dailies have faced serious circulation declines in recent years. But local weeklies, usually serving smaller areas, have shown considerable resilience in the face of competition. As advertisers' revenue migrated to the internet, local newspaper groups, after a slow start, began to show signs of adapting to the new medium in 2007.

In Kent, the newspaper group KoS Media launched a regional TV news service, *yourkenttv*, as well as eight new websites to accompany eight new free local newspapers.

The Archant Group announced plans to develop a personalised online news service on its regional newspaper websites. By introducing geo-tagging, users would be able to prioritise the news they saw online according to where they lived.

Johnston Press built a multimedia newsroom in Preston, prior to a national launch. It has also just completed a roll-out of an online family announcements service across all of its 281 newspaper websites. In addition to booking birth, marriage and death notices in the traditional way, users now have the added option of an interactive, personalised web page, as they might on an international social networking site such as Facebook.

Different initiatives will suit different areas. The significance of these developments is that the local press, already invested heavily in local content production, is reacting to the need to protect its unique local relationships by offering interactive digital content, including specially shot video, to its consumers.

The rapid spread of user-generated content, using broadband distribution, is an important factor. Local newspaper websites are increasingly trying to ensure they incorporate user-generated online material in their output. They are right to do this; other media players such as Google are already drinking at the same revenue pool.

Broadband now reaches nearly 60% of the UK population. Internet advertising rose by over 40% in 2007. Local news suppliers must ensure they participate in this growth if they are to stay in business.
The problem facing local papers is not a decline in local loyalties. It is increased competition for advertising revenue.

Future options

Ofcom (2006) proposed five possible public purposes for digital local video and interactive content. They are:

- to inform ourselves and others and to increase our understanding of the world, with particular focus on issues relevant to our locality, through news, information and analysis of current events and ideas;
- to stimulate our interest in and knowledge of arts, science, history and other topics, particularly those relevant to our locality, through content that is accessible and can encourage informal learning;
- to reflect and strengthen our cultural identity, particularly that based on shared local identities, through original programming at a local level, on occasion bringing an audience together for shared experiences;

- to make us aware of different cultures and alternative viewpoints, through programmes that reflect the lives of other people and other communities, especially those within our local area;
- to support and enhance our access to local services, involvement in community affairs, participation in democratic processes and consumer advice and protection.

Debate now must centre on whether these objectives can be achieved in the digital age without continuing regulatory intervention. If such intervention is needed, what form should it take?

The BBC has already moved on from its West Midlands pilot. Its newsgathering services are under unified editorial control, thus ensuring its massive nationwide journalistic resource can support all its outlets in video, radio and online. With the future of digital terrestrial spectrum still unresolved, no decision has been reached about whether, at some future date, there will be live, more localised news bulletins on DTT, cable and satellite. Continued development of the Where I Live sites may well be the preferred option.

What the BBC should do now is to define its position within the overall market during its current licence period so everyone else knows the gorilla's place in the jungle. Will it maintain its English regional structures? Can it afford the investment in additional local journalists? As its multimedia services develop, should it pay for bandwidth as it has done in the past for transmitters?

There is no evidence that a BBC network of sixty-six multimedia broadcast stations – covering the whole of the UK – will prevent commercial competitors entering local markets where money can be made. However, in the short term, it may well be that uncertainty over the BBC's plans is inhibiting decision-making by others.

With the retreat of ITV, the most likely source of independent local digital news content in future remains those regional newspaper groups, already invested in local news provision funded by local advertising, and commercial local radio.

Advertisers will increasingly look towards a single local market for their campaigns. This will intensify the commercial pressures for existing media ownership rules to be relaxed, particularly at the ultra-local level.

In an ideal world, there would be choice between news providers at national, regional and local levels. But, at the ultra-local level, where the BBC has no plans to provide services, the issue may well be not the maintenance of choice, but the survival of any service at all. There can be no certainty that new digital business models will sustain commercially funded journalism, as valuable to local democracy as it is to national democracy.

That said, it is too soon to pre-judge whether and how there needs to be any further regulatory intervention. Ofcom's *Digital Dividend Review* (2007b) proposes opportunities within an auction process for new local television services using interleaved spectrum to emerge, enabling new players (not only broadcasters) to enter local markets. But there are no guaranteed slots and no commitment to universal coverage.

Similarly, Ofcom's approach to the future of radio is to expand the scope of radio services, as set out in the 2003 Communications Act. Commitments to localness and plurality of voice are maintained. But deregulation and industry consolidation are likely to gather pace alongside the move towards digital broadcasting.

A 'wait-and-see' approach makes sense for now. Most local markets in the larger urban areas, with populations of several hundred thousand, should be able to support at least one commercial multimedia player besides the BBC.

But consumers and citizens in less highly populated areas are likely to face a double jeopardy – unable to benefit from the outcome of Ofcom's auction and not yet connected to the broadband mainline. Here, I think, is a case for considering a different kind of market intervention. Just as Public Service Broadcasting, in the analogue age, was universally available, so there is a strong argument that universal access to content in the digital age (as well as plurality of ownership) will be best achieved through the completion of a high-speed national broadband network.

There is a compelling democratic case for government to support the completion of such a national network in areas where it would be uneconomic for operators to do so. This would be the most effective way of ensuring that both Ofcom's and the BBC's public purposes, as well as other public goods, can be delivered, nationally and locally.

With the coming of IP-TV, consumers and citizens are increasingly likely to receive local news and information online – from neighbours, from bloggers, from local news services. Public intervention should focus on ensuring every household, from the Shetlands to the Isles of Scilly, has the same opportunity to be part of these local and national conversations.

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6.3 The Changing Nature of the Local Market

Simon Waldman

In the fifteen years since the arrival of the first web browser, the internet has fundamentally changed the way that we connect with information, people and organisations.

And the rate of this change is doing anything but slowing down. Billions of pounds spent each year on R&D by the likes of Google and Microsoft, or by venture capitalists looking for the next big thing, are driving a continuous process of innovation that is global in scale, but all too often, very local in impact.

At an extreme level – as a result of wizardry in Mountain View, California – I can go to Google Earth to find out who has the biggest garden in our road. Should I then want to go out to drown my sorrows after finding out that it isn't me, I can go back to Google type in 'pubs in Esher' and be presented with a list of ten fine establishments accompanied by a map showing exactly where they all are.

In both cases, I'm being offered a better local information service than was imaginable even five years ago – even though the providers of that service probably couldn't even spell the name of the village I live in, let alone know where it is.

Should I seek further consolation, I can then go to Wordpress.com, from a San Francisco-based start-up to start a blog about life in Surrey with an inadequately proportioned garden. Or perhaps go on to Facebook and start a support group for the horticulturally challenged masses of West Surrey.

In both cases, I'm being given the tools to communicate and connect with people in a way that was impossible a few years ago. It still feels like a very local activity – but in both cases it is happening on a global platform.

In each of these examples the critical enabler – for discovering information, for enabling communications and connections – is web-based software. And if I have one prediction to make about the future of local information and communication it is this: ever greater value will migrate to those who provide the software that makes things happen.

The result is that the competitive landscape and economic models that we are likely to see will be very different to those that we have become used to.

This is true of the general information market – but it is even more so with location based activity, for two reasons. The first is that developers like it because our location – whether given explicitly as a postcode or a point on a map – or interpreted from, say, a GPS signal in a mobile device – can be precisely defined, and act as a filter to

a vast array of content. The second reason is because the business people like it. The online local advertising market in the US is forecast to be worth $13bn this year according to Borrell Associates – that is a big market to aim at. And as discussed, a software solution that works in the US will often migrate to the UK with relative ease. As a result, there is no shortage of start-up activity and innovation here.

Much of it comes from a fusion of Yellow Pages style directory with a community and review section. Recent years have seen a rash of UK start-ups in this area: WeLoveLocal.com, TouchLocal.com, TrustedPlaces.com, Tipped.com are all offering variations on this theme. But it goes beyond this. Take four examples of how location acts as a powerful and useful filters: the blog and news aggregator from the US: Outside.in and Everyblock.com, and from the UK: FixMyStreet.com and, 192.com.

Outside.in takes the mass of blogs out there and allows you to navigate them geographically – asking bloggers to tag their posts by location. The result is a grass-roots-up review of a given neighbourhood.

Everyblock.com is a new service, funded by the Knight Foundation, which aggregates masses of public data (for example, crime statistics, restaurant public health inspections) and allows you scan these block by block.

FixMyStreet.com is the latest offering from MySociety.org which allows you to type in your postcode and report problems in your neighbourhood immediately to the council.

And 192.com combines a mass of data sources to combine searches on the electoral role, business directories and land registry data. The amount of information that subscribers can gather just from the initial input of a postcode is quite staggering.

Meanwhile, geography is also becoming a critical filter for text, pictures and video.

Many years ago, Topix.net launched in the US, aggregating news from thousands of sources and letting you search by your zip code. Now Google (yes, them **again**) has entered this market in the US – and in the UK they have launched a politics site that lets you type in your postcode and get headlines just relating to your constituency.

At the same time both the photosharing site Flickr and YouTube now carry geo-data. As a result, at the same time as swooping through Google Earth to see how big my neighbours garden is, I can also see YouTube videos according to where they are from. Think of it as a geographical EPG, and imagine where this might go if all news clips were similarly tagged.

The wealth of content made available online from both traditional providers (newspapers, broadcasters, directory publishers), public

bodies and increasingly from amateur providers is ripe for sifting and sorting according to where we live.

And all of this is heading in one direction: making location-based information more useful and accessible than ever before.

Which devices this happens on is largely irrelevant. Yes, some of it will be mobile; some of it through the PC and some of it through the TV. In each case, the value chain is slightly different – but the consistent theme is of a proliferation of content, and a shift in value to those who organise it and those who facilitate connections between like-minded individuals.

However, this future model is not without its problems – not least for traditional content providers who now find themselves one step removed from consumers and, all too often, advertisers.

Local and regional newspapers, for example, face profound structural challenges as they try to define their role in this new ecosystem. In previous decades they created value by aggregating editorial and advertising and offering exclusive targeted access to their audience.

Such exclusivity is no more. Advertisers have a host of digital offerings to choose from, and readers have dozens of places to go – not least the BBC's ever-burgeoning digital offerings.

It is convergence, yes, but not in the 'gee-whizz-I-can-watch-video-on-my-mobile' sense of the word. It is a convergence of what have traditionally been seen as distinct business sectors. Software, broadcast, directories, newspapers, telcos are all treading on each other's toes and trying to nudge each other out of the way.

The net result is a structural shift in the economics of traditional local and regional media businesses, and consequently an ever-diminishing appetite to invest in strong local journalism.

And this is the nub of the matter. This has to be of concern to all who care about ensuring citizens remain truly informed about their area. Yes, a wealth of local data is being liberated on the web. Yes, a culture of participation is allowing everyone to create and distribute their own content. But the process of journalism is an integral part of local democracy, we will all be poorer if this proliferation be accompanied by a dilution in local and regional news coverage.

It goes beyond this immediate impact on the local market. Regional and provincial journalism is the lifeblood of national journalism. The next generation of lobby correspondents, of reporters who will tell us what is happening in far-flung corners of the world, who will win awards for exposing corruption in the City and Whitehall will be groomed on your local *Argus*, *Echo* or *Star*.

The world of blogs and wikis, citizens' journalism and user-generated content has brought with it the promise of a new world of local

content. It is true they have introduced a wealth of new content for search engines and aggregators to collate, and the element of participation has brought a new dimension to the media landscape. Some stars have emerged from this explosion. But the brutal truth is that no one has made this new world of local content work commercially.

In the US, the enthusiasm around citizen journalism on a local scale has been somewhat punctured since one of the movement's pin-ups Backfence.com folded last year.

In the UK, a start-up such as Rick Waghorn's My Football Writer, which covers Norwich City with wit, verve and unwavering commitment is a shining example of regional editorial entrepreneurialism, but it is one site around one topic in one region. An exception that proves the rule.

The most commercially successful local digital businesses tend to have one thing in common: they make no significant investment in original content. That said, publishers and broadcasters on both sides of the Atlantic have appropriated these new tools and ways of working as they innovate and evolve their output for this new local landscape.

We see more video and more community elements and more user-generated content. Sites are restructured to become more search-engine friendly. Stories, audio and video are geo-tagged. The creative efforts and intentions are now impressive – we can see the creative seeds of the future of local and regional journalism. The question is whether the business model exists to allow these seeds to develop.

Much of this is going to be down to the market. Local advertisers will make decisions whether to spend with their local paper (and its web site) or radio station or with Google or any one of the dozens of digital alternatives they are now offered.

But regulation also has a part to play. And I urge anyone who is looking at this market from a regulatory perspective to consider three things.

First, that at a local and regional level we can no longer talk about broadcasting as a discrete market, there is already a converged local information, entertainment and advertising market, and the degree of convergence is only going to increase in the coming years. This affects the way we have to see ownership restrictions; it also affects the way we have to think about the possible market impact of any public service interventions in the local and regional arena.

Second, time is a factor. Regulators need to realise that the coming decade is a period of fragile transformation for local and regional publishers and broadcasters. They are leaving behind the certainties of the past for a future that is at best only 40% defined. They have to bring both readers, listeners, viewers, advertisers and shareholders with

them. During this process, any increase in activity in the local markets from the BBC – or, for quoted companies, even the threat of such an increase – will have disastrous consequences.

Third, that innovation needs to be both commercial as well as editorial. The long-term challenge for this marketplace is to develop businesses that deliver both the public value that we expect from local regional and provincial journalism and the economic value that is critical for the health of UK plc. This has worked in the past, and provided there is the right regulatory environment, there is no reason why it won't work in the future.

I should stress, finally, that this is about clearing the path for the future, not clinging on to the past. No business has a God-given right to exist. And, in the coming years, it is very likely that we will see some names we once thought immortal fall by the wayside. But we should be aware that what is currently happening in the local and regional media markets is more about revolution than evolution, and requires radical thinking from all involved.

6.4 It's Literacy, Jim, But Not as We Know It: Mass Literacy in the Digital Age

Adam Singer

A brief history of bandwidth

The printing press was only half a revolution, as without the invention of cheap paper it was going nowhere. It took 200 cattle to make the parchment for the Lindisfarne Gospel. This implies that if parchment were used today, we would need 1.8 billion animals to keep Waterstone's stocked. If a simple definition of bandwidth is the amount of information that can be transferred in a given moment then the biggest bandwidth restriction in medieval Britain was how to avoid drowning in dung. It was the huge fall in the cost of memory as provided by paper that drove the print revolution.[1] It is in the nature of communications revolutions that today's paper is doomed to be tomorrow's parchment. The thermionic valve that created radio, TV and computing consumed so much power that it soon became parchment to the paper of the transistor. Both the print and the electronic communications revolutions took off when paper or transistors became so cheap we could afford to waste them. Both are revolutions of abundance.

Cheap print and paper gave the literate man, such as Samuel Pepys and his famous blog,[2] a convenient place to jot: it encouraged literacy, and gave 'the common "us"' a recorded voice. As literacy spread from elite to mass, so society's view of itself grew more diverse and expressive. Our impressions of the First World War differ from the Wars of the Roses, not just through the dimming of time, but in the levels of information available. In the First World War most private soldiers could send a letter home, and these shaped our feelings about that event; few foot soldiers could do the same from Towton – the 'Somme' of 1461.[3] To achieve this fecundity of historic mulch you needed mass literacy, inexpensive pens and paper, and cheap postal distribution. The foot soldier of 1461, through illiteracy, is mute, but the voice of his 1916 counterpart lives on.

Millions of letters were sent home from the trenches of the First World War; only a few survive and only a very few of those are by Sassoon or Brooke. The web adds mass distribution to private correspondence; blogs are just open letters and scattered diaries, and the difference between them and the print world is the level of abundance. All content is user-generated content, and from out of 'the common "us"' emerge the occasional J. K. Rowling, David Bailey or Arctic Monkeys: but mass literacy, be it print or electronic, gives 'the common "us"' a greater chance of finding our talent, and if we find it wanting then we can just enjoy using and playing.

The images of the July 2005 London bombings, or Saddam Hussein's execution, illustrate that the mobile phone is the pen of now. I write this as Motorola release the Z10, a handset with which you can edit, add sound and visual effects, plus commentary, and upload without

a PC. *Stuff* magazine describes it as "Hollywood in a box. More or less...", but by the time my six-year-old grandson is a teenager, writing in sound and picture will be like using a pencil – seamless, ubiquitous technology that he won't even think about.

In Japan the first 'txt' novels – books written on a mobile phone – are being published and there are now festivals of moby' phone movies. In asking who will want to watch, or read, these outpourings, one discerns an ancient lament against the mass having a voice, that invariably accompanies increasing literacy. It's easy to forget that we only know Shakespeare, Austen and Dickens because they were products of rising mass literacy.

Digital merely denotes a transition in technology, and as digital technology becomes ubiquitous the word 'digital' will vanish into normality. We currently use the word 'digital' like a nosegay in times of plague – 'digital divide, digital inclusion, digital policy' – to perfume our anxieties about traditional media's future, the nature of literacy, and fears of creating an information deprived underclass. Yet information deprivation and economic deprivation are the same thing. The economic poor are the information poor and as such have always been with us: solve economic deprivation and the 'digital divide' will solve itself. Digital media is not going anywhere soon where print has not already been. In a digital world there is no such thing as different media, only different items of bandwidth. Books are low-bandwidth, records are higher bandwidth, and TV or games are higher again. Bandwidth may rise but the economics of media, as explored by print over the last 500 years – purchase, subscription, borrowing, advertising and free – remain the same. Old media never dies, never fades away, never gets replaced; it just slides down the bandwidth pole.

Bandwidth, mass literacy and public service content

The virtues of plurality – of content, authorship and of distribution – depend, as they have always done, on the growth of literacy; without mass literacy the emancipation offered by increased bandwidth cannot be accessed. Public service content has always been an engine in driving literacy. Every time bandwidth increases it changes the way we use and experience media, but as bandwidth rises the shock of engagement grows. The debate on the way in which information affects society is not new; we saw it in the nineteenth century with the arrival of cheap books, then in the twentieth century with television, and then video games: the shock of increased engagement is the same for each generation.

In the beginning there was the 'public service' word, when Sumerian cities needed tallies for taxation; in the middle ages there was the Rule of St Benedict – a proto Reithian act of public service content. With its emphasis on studying the written Bible, it drove literacy. In the 1200s the Universities of Paris and Bologna encouraged authorship, and through the years we saw public content flourish in the rise of libraries, public lending, museums, universal education, broadcasting.

Tim Berners-Lee, while at CERN, a publicly owned laboratory, invented the worldwide web that ran on a network originally funded by those same public defence dollars that also pay for the public content we use on our Sat Navs.

Each era has its own act of public service 'broadcasting', and the role of public service content is to blossom, seed and fade: 1,000 years for monasteries, 200-ish years for book-based public lending libraries, and the same eventually applies to Public Service Broadcasting (PSB) as we currently know it. Every time bandwidth increases it fragments the audiences that sustained old media institutions and raises the question 'What is the role and form of public service content that will help literacy in a high-bandwidth digital world?'

Literacy is the mastering of technology. The stroke of a brush, letters inked by a pen, they are all the technology of recording. Reading and writing are so normal that we can overlook that literacy is a technical act, like operating a games console. The invention of 'digital' may be a transformative act, but less so than turning a sound into letters. The question, as for any debate on literacy, is what level do we need, and when, and what do we need to do (if anything) to achieve it?

At the moment, it is virtually impossible to achieve new media literacy as a traditional act of public policy. Conventional literacy is a mature and stable information-handling system; because it is not constantly changing it makes it easier for society to achieve a level of mass literacy (even though it's taken us 9,000 years to get here). The 'new media literacy' of the digital age is much harder to achieve because of the current rate of technological change. However, we have all become a little bit converged, as the benefits of digital literacy are so great that many of us have mastered them without much help. In twenty-five years we have learnt to operate analogue and digital mobile phones, plus generations of games consoles and personal computers with incompatible operating systems. We have adopted email, the internet, downloading and digital cameras. There are over 20 million games consoles in the UK; 84% of all adults have used a digital mobile phone, and 61% of UK households have an internet connection, and presumably most of us have become self-taught typists. Some are more adept at using 'digital kit' than others, but then that's true of reading too. There may not be enough 'new media' literacy but it's an astounding acquisition of skill in a remarkably short time. The difficulties in mastering digital kit are in the ever-changing details of operation, seldom in the concepts.[4]

Digital literacy: plurality, rights and regulation

The challenges of plurality in the digital world will inevitably be different to the way we have conceived them in the recent past, where arguments for plurality have been framed by a regime of licences and government control. The analogue world of incentives, obligations and prohibitions has disappeared. We may be struggling not with 'new media literacy', but 'new media mores'

– the responsibilities that go with our new freedoms. How should we construct codes of behaviour in a connected world?

For example, our anxieties are often focused on the protection of our children; how do we police the seditious sites that encourage anorexia, assist suicide, or promote terrorism? We only have these problems in a web world because we have mastered the technology. So how does the balance between rights and freedoms change in this world, and how do we deal with the real question, which is not the receiving information but how one interprets it?

The accepted mores of information – lies, slander, libel, treason, heresy, taboos of perversion – to name but a few – were laid down a long time ago, and are easier to maintain when there are physical and linguistic borders. In an information age there is no such territoriality – villages, towns, regions, nations, hobbies, academic pursuits, political persuasion, religion and faith are all 'communities of interest'. Some communities are more important to our sense of self and identity than others. The question is how do you preserve a group, nation, tribe, community of interest, in an era when the natural borders against informational corruption are collapsing? How do we extrapolate the controls and mores that define us into a virtual world?

The problem[5] for any form of control is that "The internet sees censorship as damage and routes round it",[6] and in the web world this is true of most forms of 'top-down', imposed, regulation, be it for the protection of minors, or copyright. So if imposition is difficult, how to do you grow a regime for a net world that provides the desired structure?

For me this lies in the ability to navigate, find, tune in, filter out – not so different from what's gone before – but at higher levels of bandwidth. The crucial skill is to differentiate the real from the false (though this was always true) but we can now discern a digital future in which the only difference between reality and a 'video' game is the level of bandwidth.

Differentiating between the real and the faux has always been an acknowledged problem. Nineteenth-century books on household management addressed the issue of iron filings placed in tea by amoral grocers to deceive the scales, by running a magnet over them. In the late twentieth century we realised that the easiest way to run a magnet over what we consumed was to mandate the accuracy of labels. The information on labels rises constantly, as the market responds to information, telling us percentages of fruit, or meat, calorific and fat contents, organic or free-range, and where it's come from.

The guidance should be: only consume information that is labelled. Most of us like to know something about the food we eat, or the clothes we buy, so the moral should be don't eat any information unless you know where it's been. The mores of the information age should be that false labelling and inadequate description become a crime.[7] Anyone who can write their name can create a label, and

digital information is capable of meta data – being labelled – thus we are all capable of labelling digital content.

The print world over years devised ways of doing this – notes on a fly leaf, the letters after an author's name, what books got stocked, laws of libel, academic disciplines of checking, researching and editing, the filter of intermediating commercial publishing – all added up to a vast range of checks and guidance which did not render one safe, but helped. Similarly, we must create new forms of balance and protection in the digital world? New because most of our old systems of ascribing authority in print were preserved by the economics of print, but the economics of the digital world are different.

If the internet world is about disintermediating what is between you and the information, it is also about disintermediating the protections. It is inevitable, as technology stands at the moment, that the role of the state to protect in terms of information will diminish, therefore citizens will need new skills to protect themselves. It's like computer viruses – the state cannot do much to protect you, you have to do it yourself, and everyone's notion of harm will be different.

I don't believe the internet is a wild, lawless place, but there are areas of legitimate anxiety[8] and it will take time to create an effective etiquette. On the web, regulation is the quick fix of the 'do something' classes, but it seldom works. We need to adopt systems that evolve and get more complex over time. The web is essentially algorithm-based, and anything algorithm-based is gameable, and games equal rules. Labels allow us to insert sub routines – little algorithms that will develop rules over time and influence the web. These algebraic organisms will be the coral of the web, slowly aggregating until they become the reefs that influence the waves of information behaviour. In an information age the devil may be in the details, but God is in the algorithms.

Endnotes

1. The first paper mill in the UK was built in 1494 (eighteen years after Caxton set up his press) by John Tate in Hertford.
2. OK so he wrote in the seventeenth-century version of PGP encryption (pretty good privacy) and it wasn't published until the nineteenth century, but in modern terms it was still a blog.
3. Battle of Towton, 29 March 1461, approximately 20,000 men were killed. That's one in 100 of the Black Death-reduced English population. First day of the Somme causalities were roughly one in 2,000 of the British population.
4. One reason why print and paper were so successful was that the skills needed to read printed books were identical to the skills needed to read manuscript books. Unlike each new piece of digital kit there was no change in operational skills.
5. One that technology might or might not solve.
6. John Gilmore; see http://www.wired.com/politics/security/magazine/15-11/ff_chinafirewall, last accessed 19 March 2008.
7. To be clear I am not saying you have to create a label, there will always be an urge to be anonymous; just that if you do create a label you have to be honest about it. Thus creating a demand for honest labels, as I will be more likely to consume information of known provenance.
8. The same ones that have always existed in print.

7. Plurality and Democracy in Scotland, Wales and Northern Ireland

The contributions here by Philip Schlesinger, Geraint Talfan Davies and Newton Emerson throw some light on what many see as the central paradox in discussions of broadcasting policy in the nations of the UK: namely the contrast between the politics and the economics. Devolution means that far more power is now held in Glasgow, Cardiff and Belfast than previously. That's reflected in audiences' demands. Ofcom figures show that whereas 82% of people in England see Television as "an important source of news about their region or nation" the figures rise to 90%, 91% and 95% in Scotland, Wales and Northern Ireland respectively. But many see the economics heading in the opposite direction as commercial media companies struggle to generate the revenues to fund previous levels of originated content. The essays from Schlesinger on Scotland and Talfan Davies on Wales tend to confirm the sense of an impending crisis that will demand a serious policy response, whereas Newton Emerson's essay on Northern Ireland reveals a more hopeful situation, in spite of it having the smallest population and most crowded media market.

7.1 Broadcasting Policy and the Scottish Question[1]

Philip Schlesinger

Introduction

Scotland – with a population of just over 5 million – is a major broadcasting production centre in the 'nations and regions' of the UK. Glasgow is the media capital. Modern mediated communication is central to Scottish national identity and television broadcasting is of prime importance to the competitive functioning of the creative economy north of the border.

Given the significance of a separate Scottish media system[2] to Scots as whole, the recent precipitous decline in the volume of indigenous television production has become a hot political issue. This came to a head in May 2007, when Ofcom's report on the communications market in Scotland showed that the country's share of UK network production had declined from 6% in 2004 to 3% in 2006 (Ofcom 2007a: 83, fig.29).

The bad news for Scottish broadcasters and producers coincided with a sea change in the country's politics. Since May 2007, a minority Scottish National Party (SNP) government has ruled in Edinburgh. The SNP has challenged the broadcasting status quo. Its election manifesto has called for a "dedicated news service and more quality programming made in Scotland". The SNP also says it will "push for the devolution of broadcasting powers to the Scottish Parliament" and that it wants the BBC "to retain more of the licence fee raised in Scotland" (SNP 2007). The recent falling-off of television production, therefore, has been grist to the political mill.

The SNP's policy wishlist is rattling the cage of current constitutional and communications law (the Scotland Act 1998 and the Communications Act 2003) and potentially challenging the Treasury's primacy in broadcasting finance. The Nationalist First Minister, Mr Alex Salmond, has made a significant move in translating a manifesto stance into a strategy that might be implemented. In August 2007, he set up the Scottish Broadcasting Commission (SBC), under the chairmanship of Blair Jenkins, former head of news and current affairs at BBC Scotland. The SBC has now issued its first interim report, focused on Scotland's broadcasting economy, the basis for any discussion of plurality of supply north of the border.

Television broadcasting in Scotland

Currently, Scotland has a plurality of supply in Public Service Broadcasting (PSB), although the continued viability of indigenous television production is a matter of growing concern. Ofcom has described the "traditional interpretation" of plurality as "based on a limited number of TV channels" (Ofcom 2007b: 5). There are two relevant aspects: the UK-wide and the Scottish.

First, Scottish viewers can access the range of programming offered on the platforms commonly available to other UK viewers. Although there is much debate about the range and quality of the overall offer, Scotland is directly plugged into one of the world's leading television systems, where the BBC, ITV, Channel 4 and Five are all still under PSB regulation.

Second, there are distinctive sources of supply relevant to Scotland regarded both as a distinct political community within the UK and also as an autonomous national culture. The only nation-wide broadcaster, BBC Scotland, produces and distributes its own television, radio and online services. However, the scale of BBC television production north of the border is a major bone of contention. At 3.5% of UK network production, this falls below the corporation's declared aim of spending in line with Scotland's population share, namely 9%. The BBC's Director General, Mark Thompson, has recently said he will take this target seriously, as has the chairman of the BBC Trust, Sir Michael Lyons. The BBC's major investment north of the border has been the £188 million spent on BBC Scotland's state-of-the-art digital HQ at Pacific Quay, which opened in September 2007. Current debate in Scotland is focused on the discrepancy between the corporation's new production capacity and the level of network commissions secured. There is also unresolved controversy about BBC programmes being labelled 'Scottish' when arguably they are not, thereby inflating the total production claimed.

SMG Television's ITV station, STV, is the main commercial PSB in Scotland. It holds the Central Scotland and North-East Scotland franchises, covering most of the national territory. STV's headquarters are at Pacific Quay, next to the BBC. The commercial future of SMG has been regularly questioned. It has shrunk considerably, first selling its newspaper holdings and then a key part of its radio assets to address its debt problems. A takeover by Belfast-based UTV was mooted throughout 2006 and early 2007. In March 2007, a new management team opted to consolidate the STV brand and to concentrate on television production. Doubts remain about the company's long-term future. Although STV is a broadcaster, it would like its production division to be classified as an independent producer, to allow it to compete for the 25% of commissions available to indies.

In the south of Scotland, ITV Border serves a small segment of the Scottish audience. Of especial importance is its local news coverage, whose future is not secure. Unlike STV and Border, Channel 4 and Five carry no specifically Scottish content addressed to Scottish viewers.

The latest addition to the scene is the new Gaelic Digital Service (GDS), run in partnership by BBC Scotland and the Gaelic Media Service, which received the go-ahead in January 2008, after much delay. The BBC Trust's reservations over the GDS's 'public value' means that it will not initially be available on Freeview but solely on cable, satellite and broadband. In 2010, its impact both on the 60,000-strong Gaelic language community and the wider Scottish public will be reviewed. It is believed that the GDS will try to use English-language production to increase its audience.

PSB channels have obligations to spend varying proportions of their programme-making budgets outside of London. Part of this 'quota' is commissioned in Scotland and is crucial to sustaining the country's creative economy.

The BBC's target for network production from the three devolved nations is 17%. Channel 4 is obliged to commission 30% of its programmes from outside the M25 area. Ofcom requires ITV to source 8% of its programmes from the nations. For its part, Five has a 10% obligation to seek out-of-London commissions.

The quota system is the life-blood of dispersed production capacity in the UK, hence the clamour to increase it in Scotland. However, Scottish-owned indies are generally very small and many lack business skills and market awareness and have problems accessing London-based commissioning (The Research Centre 2002, 2003). Moreover, the most highly capitalised and successful indies have been bought up in a consolidating and concentrating market: London-based RDF Media Group purchased IWC Media (in 2005) and the Comedy Unit (in 2006). Long-term investment by London companies in their Scottish subsidiaries is uncertain. For instance, in 2007, Lion TV Scotland – an offshoot of Lion TV, now a subsidiary of All3Media – was reduced to mere office capacity.

The SBC (2008: 15) has noted that Scotland is "under-represented in the high-value genres of Drama, Comedy and Entertainment". It has also underlined the lack of returning series, which are capacity-builders and means for retaining talent.

In news and current affairs television, BBC Scotland's direct Scottish competition comes from STV. A competitive spur in this key area is vital for the healthy functioning of the whole broadcasting ecology, and indeed for Scottish democracy. The extent to which public service obligations are retained for ITV, following Ofcom's current PSB television review, will be decisive. Ofcom will hold "ITV licensees to nations and regions news obligations until at least 2014". However, it is now considering "new forms of regulatory intervention" and has questioned the "existing model of dual BBC/ITV provision" (Ofcom 2007: 6).

Devolution and the politics of broadcasting

From 1999 to 2007, the Labour–Liberal Democrat coalitions kept a keen eye on the Scotland Act 1998, which distinguishes between 'devolved' and 'reserved' matters – namely, powers exercised in London and Edinburgh, respectively. Broadcasting in Scotland (as in the other nations) is expressly reserved to Westminster. The Communications Act 2003 reiterated this division of competences and through Ofcom communications regulation is – as before – entrenched as a UK competence.

The demand for ‘broadcasting devolution’ has become deeply entangled with the exercise of control over the news agenda in Scotland (Schlesinger *et al*. 2001: ch.2). A hugely symbolic row in 1998, which still resonates today, concerned the so-called ‘Scottish Six’: should BBC Scotland be allowed to broadcast its own 6–7pm hour of news and current affairs on BBC1? This would have entailed an opt-out from London’s network news to follow Glasgow’s own agenda, just like BBC Radio Scotland. John Birt, the BBC’s then Director General, and Prime Minister Tony Blair and senior Cabinet ministers found this possibility alarming and likely to encourage separatism. The BBC Executive decided against a ‘Scottish Six’ but BBC Scotland did launch *Newsnight Scotland*, an 11pm opt-out from *Newsnight*, on BBC2. However, the debate over news never has fully subsided. The ‘Scottish Six’ has been invoked by Alex Salmond (2007: 1), who “supports the devolution of powers to the Scottish Parliament. … to ensure the principle of editorial and creative control being exercised in Scotland on behalf of Scottish audiences.”

He is not the first to have mooted such devolution. In 2005, a previous public inquiry, the Cultural Commission – set up by Labour First Minister Jack McConnell to address questions of cultural policy – asked Scottish ministers to introduce “an element of devolution of broadcasting” and to recognise “a strong case for the establishment of at least one channel based in Scotland”, which might become Holyrood’s responsibility (Cultural Commission 2005, Annex G: 5). The Labour–Liberal Democrat Scottish Executive gave this challenge to the constitutional status short shrift (Scottish Executive 2006a: 43).

Beyond news, SNP policy poses a more fundamental challenge to the current regulatory system and this has not been widely discussed. Ofcom, while London-based, has Scottish members on its Content Board and Consumer Panel levels and has an office in Glasgow, supported by a Scottish advisory committee. The BBC Trust, also London-based, has a Scottish member, who chairs a consultative Scottish audience council.

To date, the Scottish Government has not criticised this framework for articulating and regulating Scottish interests. But we are bound to ask how parliamentary control would relate to – or supplant – existing systems. What safeguards might there be for established principles of independence and impartiality? Is the desire for ‘editorial and creative control’ restricted to BBC Scotland? How then would it relate to the BBC’s Charter and Licence? Does broadcasting devolution entail raising and spending the BBC fee (or a proportion of it) in Scotland, and if so, under which powers? Is devolved broadcasting part of a wider communications agenda? Such questions still need to be debated.

The SBC's (interim) diagnosis

Broadcasting devolution is not part of the SBC's remit, which is concerned with economic, cultural and democratic aspects of broadcasting. According to the SBC's interim economic report, the total value of production activity in Scotland was over £111 million, with just under half that figure (£54 million) attributable to commissions from the main UK broadcasting networks. Independent producers supply almost 45% (by value) of these network programmes from Scotland.

The number of employees (staff and freelance) is 2,350 (SBC 2008: 1, 8). It is not surprising that – just like the UK Government – the Scottish Government sees broadcasting as central to a competitive creative economy.

The Commission's diagnosis reflects views widely aired in recent years:

- London-based network commissioners have preferred suppliers and Scottish producers face the disadvantage of geographical distance and a lack of routine contact.
- BBC Scotland does not produce drama series on a previous scale.
- Quota commitments are not being honoured by the networks.
- Creative talent has been lost due to a decline in the range and volume of Scottish programme production.
- There has been no coherent strategy in public support for the industry by the relevant agencies, Scottish Enterprise and Scottish Screen.

Key challenges identified by the Commission for Scottish producers are the need to secure returning series as opposed to making one-off programmes, the retention of talent, and securing critical mass in programme production. The SBC hints that mandatory quotas might be needed to turn around the current weaknesses, which would require firm intervention by Ofcom.

The SBC's analysis also points towards more public intervention by the Scottish Government. There is an unhelpful division of labour between public agencies. For instance, when Scottish Enterprise pursued a creative industries agenda, this secured the establishment of Pacific Quay but the agency does not appear to see the development of creative content production as an obvious follow-up. Scottish Screen has supported modest amounts of television production and business development through its schemes but has been dominated by its film remit and hampered by a small budget. It is in transition because in 2009, subject to parliamentary approval at Holyrood, a new agency, Creative Scotland, will combine responsibility for developing the national screen culture and industries as well as the arts more generally (Scottish Executive 2006b). This is the obvious policy vehicle through which to address the wider workings of the creative economy.

Much will depend on the clarity with which Scottish Government formulates cultural policy and on the organisational capacities that Creative Scotland develops in respect of broadcasting. In a useful steer, the SBC (2008: 21) has called for closer links … between television production companies and the wider digital media sector to position Scotland … in international markets and the emerging interactive platforms and technologies.

Where next for media plurality in Scotland?

Looking ahead to digital switchover (DSO), what plurality may be expected for a television scene that has many manifest weaknesses? BBC Scotland will plainly be the linchpin of Scottish television broadcasting, although it will be faced by greater nations and regions competition as the BBC's decentralisation of production to Salford Quays takes effect. Nevertheless, network and specifically Scottish content production for the BBC will continue. We may assume that this, along with Scottish-based production for Channel 4 and other markets will sustain a small indie sector.

The GDS will be under review when DSO arrives and will have had to build its audience and reputation quickly. If it develops attractive programming in English, it could develop into a channel with a broader Scottish appeal.

Whether STV will continue to play its historic role as a competitor to the BBC and a widely recognised brand is an open question. Ofcom's (2007b: 7) economic analysis suggests the value of PSB benefits would not cover the cost to ITV of commitment to news and in nations and regions, after current obligations end in 2014.

As TV news is the key residual PSB obligation, its loss would give the BBC an effective national monopoly. If local television were to develop in the major cities, this would offer an element of plurality; however, it could not compete directly with the BBC's pan-Scottish coverage and is not likely to be in place by DSO.

To secure nation-wide TV news and current affairs coverage, the Scottish Government might choose to fund PSB programming on Channel 3 (STV and Border) on a contestable basis. Such funding would be fraught with complications, however, not least how to organize commissioning to guarantee independence and impartiality. Alternatively, the Scottish Government could directly finance a Scottish digital channel or leverage investment in such a venture whose viability would depend on identifying audience demand and securing adequate finance. It is also conceivable that – with the agreement of the BBC, Ofcom and the DCMS – the scope and mission of the GDS might be enlarged to supply programmes to a wider Scottish audience, in effect transforming it into a Scottish digital channel. But here too, questions of finance, governance and scheduling pose obvious difficulties.

Beyond television, plurality also depends on the health of the Scottish press, much of which has lost significant readership in recent years and which across all markets – red-top, middle and quality – is being increasingly outpaced by the Scottish editions of London titles. In radio, BBC Radio Scotland will undoubtedly be a key feature of the broadcasting scene. In the central belt it has faced keen competition from GMG's Real Radio Scotland. However, much of Scottish commercial radio has been in a volatile state with both EMAP and GCap recently selling Scottish stations. How to ensure the production of Scottish content is a current regulatory preoccupation. It is difficult to be certain of the future impact of online for plurality. However, in 2007, 40% of Scottish households still had no internet access, with a further 10% served only by a dial-up connection. Many – particularly older people, and the socially and economically disadvantaged – will probably remain significantly excluded from the medium. It seems likely that for many this option will remain a supplement to other media.

After completing the cultural and democratic phases of its inquiry, the SBC will report this summer. It recommendations will be a key focus for debate in Scotland – and beyond.

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Endnotes

1. I have drawn on research conducted for an AHRC-funded project (2006–2008) on 'Creativity: Policy and Practice', ID No. 112152. Although I am presently a member of Ofcom's Advisory Committee for Scotland, this chapter is written purely in a professional and personal capacity.

2. Scotland has long had an indigenous press, whose future is directly relevant for the present discussion and will be addressed below.

7.2 Plural Communities[1]

Geraint Talfan Davies

On Sunday 27 January 2008 Peter Preston, a former editor of *The Guardian*, bemoaned in his media business column in *The Observer* the lack of national coverage of the London mayoral election campaign. Despite the election's obvious appeal in terms of content, characters and importance, he argued, "somehow, this isn't a story the nation has been allowed to know much about". London complaining about lack of coverage is in the same exceptional category as 'man bites dog'. The small cohort of *Guardian* readers in Wales would no doubt have permitted themselves a wry smile, since this is a situation that they live with permanently.

During Wales's National Assembly elections in May 2007 it was *The Guardian* that carried a leader column under the title, 'The Forgotten Election', presumably as an apology for having ignored the election in its own news pages. It was not alone. Coverage of the election results was little better. On Saturday, 5 May, the first morning that newspapers could report the results, *The Sun*, the largest selling morning newspaper in Wales (28% of daily national newspaper readership[2]), carried just thirteen words on the Welsh election: "Labour lost control of the Welsh Assembly as its devolution policy fell flat". This trenchant piece of political analysis was buried in a story about the results of the elections to the Scottish Parliament under the headline 'Jocks Sock It to Gord'. I have little doubt that the research being carried out under the BBC's 'impartiality review' will demonstrate just as little coverage of the Welsh elections on BBC network news.

It is reasonable to argue that there is no obligation on a free press to take note of the domestic affairs of 5% of the population, although one might reply that if they had kept a closer eye on Stormont in the decades before 1969 we might have saved ourselves nearly forty years of pain. Although there was a good deal of comment about the prospects for, and implications of Scottish independence after the May elections, almost no-one commented on the simultaneous emergence of a minority Nationalist government in Scotland, a Labour–Nationalist coalition in Wales and a Unionist–Nationalist coalition in Northern Ireland, collectively governing 18% of the UK population, Wales presents no current threat to the union, nor does it have a significant potential for violent breakdown, nor is it in a contested relationship with another state. As the United Kingdom changes irreversibly from its unitary condition, I would argue that what is happening in the least assertive of the Celtic nations is a benchmark worthy of note. And yet, in terms of UK media content Wales is not only largely invisible to the rest of the UK but also to itself – a fact of baleful importance to the business of developing the legitimacy and public engagement of its National Assembly in its first decade.
In both Wales and Scotland, we are faced with the irony of the serious decline in the circulation of their indigenous newspapers (always weaker in Wales than in Scotland) at the very point when their emergent democracies most need them. Yet Scotland can at

least draw some consolation from the continued competition of two substantial papers – *The Scotsman* and *The Herald* – and from the investment of London newspapers in Scottish editions, albeit paying a price for that in lost pride. There has been no parallel investment in Wales, other than a short-lived experiment with a *Welsh Mirror*. A degree of plurality was safeguarded in Northern Ireland, when the Competition Commission in 1999 obliged Trinity Mirror to dispose of the *Belfast Telegraph*, mainly in order to sustain a range of Unionist opinion. The papers of the Irish Republic also add to the mix, naturally taking a keen interest in the north.

The two indigenous morning newspapers in Wales, which circulate in different parts of the country, have between them lost 24% of their circulation since 1999. Notwithstanding this decline, the *Western Mail* – the sole indigenous daily morning newspaper in South Wales – manages a return of nearly 40% on a circulation of fewer than 40,000. In the terms employed by the Competition Commission it does not enjoy a monopoly, and yet it is the only source of its kind in its area for news of Wales, and the only daily platform for any discourse in print about the whole range of Welsh policy and governance. In different degrees the same could be said of papers in many provincial cities and regions in England. There are many parts of Britain who would argue that the consolidation of ownership across regionals and nationals has not benefited the regional cash cows.

At one level the state of the national and regional press is outside the remit of Ofcom's review of Public Service Broadcasting (PSB). And yet, in such a review, the citizen must surely come before the consumer, and account must be taken of total information flows to citizens across all media. It was Ian Hargreaves, now the senior partner at Ofcom with responsibility for the nations and regions, who argued in a report for the Independent Television Commission in its dying days,[3] that never before have we been so surrounded by news, twenty-four hours a day. It was what he and his co-author, the late James Thomas, called 'ambient news'. They also concluded that immersed in this globalised ambient news, the part of the world about which people were least well informed was their own locality.

If we turn to the broadcast media, we are faced with the collapse of ITV's regional mission and the imminent end of non-news regional programming in the English regions. In many areas current regional output would be hard pressed to pass the quality test imposed at the 1990 auction. Producers of ITV regional programmes in the nations and regions complain about "having to make television programmes on radio budgets". They are thus navigated into a whirlpool of decline. In such circumstances it is remarkable how strongly regional programmes continue to be valued by the public in every piece of research. Similarly, we see an independent local radio system, whose localness is, more often than not, compromised and etiolated, and where speech plays second fiddle to music almost everywhere. It lacks biodiversity.

The progress of the debate about ITV's obligations implies that news is what matters – and regional news might just survive. But communities do not live by news alone. I will cite only one example, but it could be replicated in different ways right across England. In the late 1980s I worked as director of programmes at Tyne Tees Television. Its board and senior management were stitched into the region at every level. Our regional programming was a key means of internal connection. Now wind forward fifteen years. Not long after the Baltic gallery and the Sage Centre opened their doors a stone's throw from the company's old studios overlooking the Tyne, all ITV arts programming for the north-east region has ceased. Newspaper supplements extol Tyneside's cultural renaissance, but ITV, for the first time in forty years, is no part of it. The region has lost much more than a handful of hours of television. It has lost a prime regional asset. It has lost a partner and a champion. It has lost a powerful force for cohesion. Its public life, its business life and its artistic life, is diminished. And it has been done with scarcely a word from our centralised commentariat or from our politicians.

It is at this point that someone usually pops up to say that the clock cannot be turned back. That may be so. But, since this debate is partly about regulation, the point needs to be made that these developments were not inevitable. ITV has been brought to its current gloomy state not so much by the advent of multi-channel television as by the planned destruction of public value through the franchise auction of 1990 – a central catastrophe in the history of British broadcasting and a random tax on knowledge and entertainment – woefully poor management of its early digital investment, short-sighted and self-defeating arrangements with its advertisers, the distractions of consolidation and a consequent lack of focus on the core issue of programme making. It has been like watching someone falling downstairs in slow motion. Most maddening of all is that none of the purported aims of consolidation have been achieved.

A not dissimilar process has been at work in commercial radio, where, once again, some of the cheapest programming known to man has been transformed, in the eyes of analysts, into the most expensive, simply by multiplying its low cost across the number of localities it serves, and then using the higher figure to justify the easing of regulation. That is to take a view that is culturally centralised and entirely subservient to current market orthodoxy. Despite this Ofcom, in its statement on the future of radio, stated that we accept that there is some force in the argument that further consolidation could be in the interests of listeners by increasing the ability of the industry to invest in programming.[4]

That is a triumph of hope over experience.

It should not surprise us. There are common factors that run across the binary divide of broadcast regulation. From the days of John Reith onwards the BBC has been a centralised and hierarchical institution. In the 1930s, irritated at the placing of a Welsh MP on a government committee, only days after he had received a delegation from

Wales, Reith harrumphed into his diary, "I settled Wales last Thursday". Ironically, it is to the credit of John Birt, no mean centralist himself, that it was he who in 1991 identified the 'indefensible' fact that 81% of all network output was made in the south east. That was the beginning of the policy of 'proportionality'. The target enunciated by Mark Thompson in 2004 – 17% of production to come from Scotland, Wales and Northern Ireland – is to be reached by 2012, twenty-one years after John Birt's discovery. Even then the calculation will exclude news, sport, daytime and *EastEnders* from the baseline.

A case can also be made that ITV regionalism was, like the British Empire, acquired in a fit of absent-mindedness. Its origins lay in the need, at the outset, to avoid central monopolies in programme supply rather than in a concern for the interests of regions themselves. Although regional programme obligations increased, partly to mop up ever-increasing revenues, there was no drive to build on the regionality of the system. Breakfast television was conceived as a single UK franchise, with no room for regional news. The same applied to Channel 4, albeit with the exception of the creation of the Welsh-language channel S4C.

It is undeniable that Britain is one of the most culturally centralised societies in the world. That remains the case, despite devolution to Scotland, Wales and Northern Ireland. That is one reason why British institutions find themselves so perplexed about the recent devolution and so uncertain in their responses. It also explains the quiescence in the face of the dismantling of ITV regionalism. The growth of central government through the twentieth century has seemed inexorable – intensified by the controls of two world wars, the invincible domestic hegemony of the UK Treasury, and the controlling instincts of both Conservative and Labour governments. Post 1979, we have experienced the added twist of centralisation within an empowered private sector transfixed by the appeal of business consolidation in a globalising world, whipped on by the lash of shareholder value. It is an uncomfortable climate in which to discuss pluralism.

What place can or should a geographic pluralism command in the new order? After all, why should we worry about it in the age of the internet, with its ever increasing capacity and capability? Just as the debate about pluralism should not leave newspapers out of account, neither can it ignore the impact of the internet. It is clearly of growing importance, and there may well be a case for supporting online initiatives that increase its public value, whether through the Public Service Publisher concept or by some other means. But there is an important caveat that should be entered here. The internet has enabled the creation of an infinite number of communities of interest, but it is a long way from proving itself as the gathering place for the mass audience in geographically identifiable communities. It is doubtful whether it will achieve that for another generation, awaiting not only universal availability but near universal usage. Without government intervention it is bound to achieve that more slowly in Wales and Scotland and some rural areas of England.

That is an important consideration because all members of a community of interest are also members, whether active or passive, of a community of place. There is no need for a zero-sum game between the two, but community of interest instead of or at the expense of community of place leaves civil society vulnerable to an atomisation that is at best unhealthy and at worst dangerous. It is analogous to the growth of single-interest groups at the expense of political parties. PSB provision must be guaranteed an effective presence, and mass access in each of the geographic tiers that command our overlapping allegiances – the United Kingdom, its nations and regions and its localities – and in constructing this, there is no present equivalence between the internet and the still powerful legacy systems of newspapers, television and radio.

The situation may be different in ten years' time, but the precautionary principle applied to broadcasting should mean we do not let go of the bird in the hand for the two in the broadband bush, especially since viable broadband business models are at present scarce, and largely confined to large, unbounded geographic markets. With this in mind, the nightmare scenario would be a slow withdrawal from content regulation in advertising-based public radio and television, combined with the introduction of contestability for the BBC's licence fee, the money being used only for network services across ITV, Channel 4 and Five, or for unsustainable online initiatives, while also prompting a decline of broadcast regional and local services within a traumatised BBC.

I sense that avoiding this will be easier said than done, especially given the place at which we have arrived today, but here are some notions that might warrant some thought and debate:

- Ensure that guaranteed commitments to services for the nations, regions and localities are written into the BBC's *raison d'être*, constitution, management and governance.
- Ensure the attainment of the BBC's targets for network production from the nations and regions, along with similar targets for ITV, Channel 4 and Five.
- Conduct a regular review of the extent to which decentralisation of production in the BBC, ITV and Channel 4 also enlarges cultural diversity and representation.
- Ensure that any new public investment, either from new sources or from the introduction of contestability for the licence fee, and/or through the application of released spectrum after switchover, is used firstly for the full reinstatement of the lost public value within the nations and regions.
- Reconsider local radio-licensing criteria to encourage effective competition with BBC speech services. In areas where there are two or more commercial providers, it is arguable that one service should be speech-led. Currently, plurality of content has entailed little more than facilitating the segmentation of the music market, as a result of which the BBC has an almost total domination of the speech radio

market, a market which could make a greater contribution to an informed democracy. Ofcom has acknowledged[5] that plurality of ownership is an imperfect proxy for plurality of viewpoint, but viewpoint is immaterial if the predominance of music-led services is such that the ration of speech is too low to accommodate more than a token approach to news and information.

- Reconsider radio-ownership regulations to encourage greater diversity of ownership models for local radio that would include hybrid community/commercial ownership. This implies an acceptance of a greater degree of risk when assessing licence applications. Some degree of churn in local licences may actually be desirable, as it is among publicly funded arts organisations.
- Devolve responsibility for radio licensing in Scotland, Wales and Northern Ireland to Ofcom's advisory councils in each country.
- Test the value of ITV by re-tendering a regional franchise. They still exist.

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Endnotes

1. The background to the issues in this chapter is dealt with more fully in Davies 2008.
2. National Readership Survey, 2006.
3. Hargreaves and Thomas 2002.
4. Ofcom 2007a, para. 1.32.
5. Ofcom 2007b, paras 4.160–5.

7.3 Plurality, Diversity and Localism in Northern Ireland

Newton Emerson

Only two organisations in history have ever referred to Northern Ireland as a 'nation'. The first was Tara, a far-right Paisleyite cult from the 1970s which also believed that Ulster Protestants were the lost tribe of Israel. The other is the BBC, which ranks Northern Ireland as one of 'the nations' within the United Kingdom.

Any view of media plurality in Northern Ireland must start with an appreciation of just how small and homogeneous the region is in comparison to its grandiose BBC categorisation. Northern Ireland has a population of 1.7 million people, just over 99.7% of whom were white at the last census. Fully half live within the Greater Belfast area, rendering the province essentially one city and its hinterland. Northern Ireland's crowded media stage is all the more remarkable against this plain and narrow backdrop. In addition to the substantial presence of the BBC, which operates its own 'regional' offshoot in the form of Radio Foyle in Londonderry, the local ITV franchise is an aggressive presence with a BBC-beating audience share of 24% – the highest in the UK.[1] Ulster Television has latterly re-branded itself as UTV ("It's All about U") as it develops its interests in the Irish Republic, which include a substantial radio portfolio. But it retains a 'local' focus as the bedrock of its appeal. Of all the UK regions, people in Northern Ireland are most satisfied with the broadcast footprint of their local BBC and ITV franchises. In addition, most areas of Northern Ireland, although not Belfast itself, receive RTÉ Irish state television channels (without the inconvenience of buying an Irish television licence) plus the Republic's Irish-language TG4 and independent TV3 stations. These channels are also available on Sky and Belfast's ubiquitous cable system and should be included on Freeview soon. As a result, viewers in Northern Ireland have the greatest choice of free-to-air local and pubilc service broadcasting anywhere in the British Isles.

A preference for localism

The province has three daily newspapers plus local editions of all the main UK titles, at least one paid-for weekly newspaper in every town, and a commercial radio sector which is profitable enough to attract steady investment from outside the region. Radio best illustrates the preference for localism, which is perhaps the defining characteristic of Northern Ireland's media environment. BBC Radio Ulster provides the overall radio conversation, attracting regular audiences of up to 11% of the entire adult population and by far the largest audience share, 27%, of any BBC radio region – mostly at the expense of the BBC's national networks.[2] Rather than tackle this behemoth by going beneath it, commercial radio picks off its market share by going around it, offering a wide range of programming to more focused local audiences or demographics.

Belfast is obviously a key market but even within the city, stations target a range of age groups. Outside Belfast, town- and county-scale stations have loyal audiences and this sector is growing steadily. Northern Ireland still has the lowest number of commercial radio stations per capita of any UK region,[3] perhaps reflecting the poor economic conditions of the recent past. There are presently five commercial stations reaching over 250,000 people and five more serving populations below 100,000. Ofcom received a further nine applications for licences on this scale last year. Commercial radio is only marginally less profitable than the UK average, at £6.66 per capita compared to £7.89 nationally.[4] Radio accounted for most of UTV's 30% profit growth in 2006.[5]

Local means news

The appeal of media localism in Northern Ireland finds its natural home in local news. There is little else but news to define an outlet as 'local' when even Belfast can barely sustain a music or arts scene worth more than a few hours of coverage a week. Fortunately the appetite for local news in Northern Ireland is exceptional. Ofcom research shows that 82% of people in Northern Ireland regard regional events as 'news' – more than double the percentage for England and Wales.[6] People in Northern Ireland are also half as likely again as people in Britain to say they follow the news out of 'personal interest'.[7] Although Northern Ireland has 100% broadband availability plus identical broadband take-up to the rest of the UK, just 15% of people source their news online compared to 28% in England.[8] This indicates a strong loyalty to existing news outlets.

While radio and newspapers can best capitalise on this appetite for localism, television easily succeeds on a similar level when it chooses to do so. Northern Ireland has the highest per-capita regional programming investment in the UK, with the BBC and UTV spending £19.10 per head in 2006 compared to a UK average of £5.40,[9] delivering 5.5% of local output in their schedules against a UK average of 3.8%.[10] The apotheosis of worshipful localism is undoubtedly UTV's *Lesser Spotted Ulster*, an almost spiritual weekly hymn to some wonderful character in some wonderful landscape where everything is absolutely wonderful. Nothing even remotely like it has appeared on British screens since Southern Television cancelled *Out of Town* in 1981.

This preference for localism to the point of parochialism leaves BBC Northern Ireland in an invidious position. Already subject to all the other paradoxes of public service broadcasting, such as the assumed clash between quality and populism and the morbid fear of causing 'offence', BBC Northern Ireland also faces a conflict between its own ambitions as a UK 'nation' and an audience with far more homely horizons. Northern Ireland has the lowest national programming spend in the UK, at just £3.85 per capita compared to a UK average of £32.[11] Even this massive disparity conceals accounting tricks with the BBC nations and regions budget. For example, the network programme *Messiah* is produced in Northern Ireland but has clearly

been 'outsourced' from London. It might be less embarrassing for BBC Northern Ireland to accept that it is simply not operating on a network-capable scale, leaving it free to focus on the local programming that its viewers clearly want.

The return of 'real politics'

Devolution and the gradual return of 'real politics' have only added to this burden by compelling the BBC to cover a hugely complicated Stormont 'parliament' which in reality has little more power than an English metropolitan council. Much criticised for 'dumbing down' since the end of the troubles, the depth of BBC Northern Ireland's political television coverage is really quite excellent given the shallow nature of its subject, with dedicated weekly programmes delivering Stormont debates, party politics, public issues and even satire. Serious features and investigations are covered by *Spotlight*, which is very well resourced with as many as four full teams in production at any one time. The only place where the strain of tackling all this simultaneously tends to show is on *Newsline*, the main evening news programme, which has never figured out if it wants to be a serious alternative or just a direct rival to the rather folksy market-leading UTV bulletin which precedes it. Otherwise, BBC Northern Ireland provides better coverage of Stormont that BBC One provides of Westminster, which is either hugely impressive or hugely depressing, depending upon your perspective.

But although the BBC is streets ahead of any other local media outlet in this field, and unquestionably meets its pubilc service obligation, there is still evidence that competition keeps standards high. This evidence comes from a recent drop in standards at UTV, which has cut back on serious current affairs coverage in favour of programmes such as *Late & Live*, a *Loose Women* clone which still counts towards the regulator's current affairs quota. It was noticeable that BBC *Spotlight* began heading downmarket at exactly the same time. This is worrying when the BBC is the only media outlet in Northern Ireland that can afford to mount long-term investigations. In February 2007, *Spotlight* won an RTS award for a seventeen-month investigation into dog-fighting in South Armagh, which revealed that dog-fighting occurs in South Armagh and it is not very nice. This award will only encourage the downmarket trend.

Delivering diversity

The arrival of true diversity in the province, with the arrival over the past five years of significant numbers of immigrants has challenged Northern Ireland's parochialism and introspection and the attendant media culture. To date broadcast efforts in this area have focused more on explaining newcomers to natives than on actually serving the newcomers themselves. There are signs that the BBC is hamstrung in this area by its box-ticking culture, which resulted in the abomination of *Dinner Next Door*, in which the presenter visited various immigrants and asked them to cook a 'traditional meal'. Not only was this the lowest form of Tandoori multiculturalism but it literally reduced the

issue of diversity to a dinner-party conversation. UTV has performed much better with *Homelands to Townlands*, a deceptively simple programme which turns a camera on an immigrant for a few days and lets them tell their own story. By the time Northern Ireland gets around to addressing the multiculturalism versus integration issue dominating debate in Britain, the debate there may well have been resolved.

Mind your language

In the meantime, public debate on media diversity within Northern Ireland is dominated by the Irish language. At the last census, 167,487 people – or 10.4% of the population – claimed to speak Irish. Recent financial problems at the heavily subsidised Belfast-based Irish daily newspaper *La Nua*, which failed to sell more than 500 copies across the whole island, gives a better indication of the health of the language. BBC Northern Ireland provides a range of Irish-language radio and television programming, from news, arts and sports coverage through to schools and children's programmes, although the half-hour weeknight radio programme *Blas* is the core of the service.

Irish-language campaigners frequently compare the situation in Northern Ireland to broadcast provision in Wales and Scotland. However, this comparison is misleading. Northern Ireland has no Irish-speaking areas or native-born first-tongue Irish speakers. This does not mean that there is not significant interest in better Irish-language services but it does make it difficult to separate the language from its political and even party-political context. Like much of the public sector, BBC Northern Ireland has seized on Ulster-Scots as a possible counterweight to 'balance' the issue. Ulster-Scots is a unionist project designed to spike the Irish lobby's guns by classifying a Ballymena accent as a language. The absurdity of this claim is underscored by the failure of the Council of Europe's office of minority languages to find a single 'native speaker', despite spending a fortune trying to find one, and also by the failure of the Ulster-Scots Agency to compile a dictionary despite having a decade and £4 million to do so. This has not stopped Radio Ulster producing a half-hour Ulster-Scots magazine programme, A *Kist O Wurds*, which it puts out weekly after *Blas*, creating the distinct and perhaps not entirely accidental impression of a 'Dead and Made-Up Languages Hour'. BBC Northern Ireland's dead and made-up language original television output now stands at twelve hours a year for Irish and 3.6 hours a year for Ulster-Scots.[12] However, what finally confirms the delusional nature of pubilc service language provision in Northern Ireland is Radio Ulster's Cantonese news service, Wah Yan Jee Sing. This is the only non-English broadcast in the province which serves a practical linguistic need and it receives five minutes of air time a week. There is no Polish, Russian or Portuguese broadcasting on the BBC although newly arrived speakers of these languages make up 20% of the population in several mid-Ulster towns.

Under these circumstances it is tempting to see the Irish and Ulster-Scots language issue as a cynical 'sham fight', to use an Ulster idiom. Debates over unspoken tongues fill scheduling niches and political niches which might otherwise require debates of true significance, and the diversity of ideas is a concept kicked conveniently into the long grass by the banality of old arguments.

New arguments?

The only new post-devolution argument to emerge from this tussle is the call for broadcasting itself to be devolved to the Stormont assembly. Currently it remains a ‘reserved’ matter under Westminster’s control. This call has been given renewed impetus by the introduction of digital television and by RTÉ’s decision to drop its cross-border medium-wave radio broadcasts. Sinn Fein has recently written to the Secretary of State requesting discussions on the issue. Now that the subject of devolved broadcasting has been raised it is likely to be raised again and again, particularly by Sinn Fein with reference to the Irish language. Both Sinn Fein and the DUP will also to be influenced by a similar debate underway in Scotland. There is little doubt that sinister motivations for this will be inferred, particularly at BBC Northern Ireland, where editorial policy is a constant tribal balancing act. The relationship between journalists and Northern Ireland’s two largest parties has always been fraught and this tension has only worsened since devolution, with the media often rather arrogantly referring to itself as “the only opposition” under Stormont’s compulsory power-sharing arrangements.

The future

Northern Ireland is a culture of complaint and its media culture is no exception. This must be discounted from much moaning about the state of the local media market, which remains remarkably healthy for region of Northern Ireland’s nature and scale. But the flipside of this is near-saturation in most sectors and ultimately quite limited potential for growth in others. Northern Ireland has the lowest overall and peak-time viewing figures of any UK television region. While much of this may be due to a younger population than anywhere else and pubilc service broadcasting audiences are also holding up better than anywhere else, television remains a medium in slow decline.[13] The recent failure of two new daily papers in the province indicates newsprint saturation as well. While radio continues to grow, a trend towards consolidation of ownership means that plurality is unlikely to grow with it. Perhaps of primary concern is the impact of changes at UTV, where a 30% growth in group profit masks a 23% fall in television profit.[14] The pressure to cut costs in expensive local current affairs coverage is already clearly visible on screen. Even if the result of weaker competition does not become clear on BBC screens as well, the BBC will be a far more prominent political target amid calls for devolved broadcasting powers if regulators allow it to become effectively the only public service provider in Northern Ireland.

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Endnotes

1. Ofcom 2007: 10.
2. Ofcom 2007: 10.
3. Ofcom 2007: 10.
4. Ofcom 2007: 10.
5. Ofcom 2007: 74.
6. Ofcom: Annex 61.
7. Ofcom: Annex 63.
8. Ofcom: Annex 63.
9. Ofcom 2007: 9.
10. Ofcom 2007: 83.
11. Ofcom 2007: 101.
12. Ofcom 2007: 69.
13. Ofcom 2007: 111.
14. Ofcom 2007: 74.

8. Children's Programming

Children's programming was one of the first genres that Ofcom examined in great detail ahead of their second Review of Public Service Broadcasting. Children's TV highlights one of the paradoxes of increased choice, where a radical increase in the number of children's channels has been accompanied by falling revenues and a resulting reduction in children's commissioning. The speed of the decline in original content has lent a sense of urgency to Ofcom's findings as producers fear for their future and policy-makers worry that the nature of children's PSB is changing, without any conscious decisions by Parliament or the regulator. Sonia Livingstone examines what children might expect from television and the extent to which we can rely on it to meet their needs.

8.1 On the Future of Children's Television – A Matter of Crisis?

Sonia Livingstone

Eventful times for children's television

Pubilc service television, indeed television generally, is facing many challenges. John Naughton paints a dismal picture, observing that Broadcast TV is in serious – and apparently inexorable – decline. It's haemorrhaging viewers … And its audience is fragmenting as we shift from a 'push' to a 'pull' media ecology (Naughton 2006: 44). Crucially, he adds, "once audiences become fragmented, the commercial logic changes". While, for children's television, the drift of viewers towards alternative channels and newer media has signalled the coming crisis for some time, this was precipitated during 2006–2007 by the hotly contested debate over advertising 'junk foods' to children.

Serious warnings over the state of the nation's health, combined with a moral panic over 'toxic childhood', led Ofcom in 2006 to recognise the 'modest' but significant influence on childhood obesity of advertising food high in fat, sugar and salt, especially during children's viewing, at an estimated loss in advertising revenue to commercial broadcasters of some £30 million per year (Ofcom 2006). This decision was quickly followed by ITV's announcement that it would no longer meet its quota of eight hours per week of children's programming, a change about which, civil society groups argued, Ofcom's response could have been tougher. ITV then ceased commissioning any new content and moved its weekday children's programming from ITV1 to CITV, a channel which may not be sustainable given the absence of new commissions, while ITV1 broadcasts game shows and light entertainment when children return from school. To put matters crudely, market forces seemed to dictate a stark choice between fat kids with good telly or thin kids with nothing to watch!

Today, the only terrestrial channel to retain 'children's hour' is BBC1, though this is moving earlier in the afternoon when *Neighbours* moves to Five. BBC now faces serious cuts of one in five jobs in the Children's Department and is rumoured to be shifting children's programmes to BBC2 (Gibson 2007). Meanwhile, Channel 4 announced the axing of its schools programmes in 2007, instead concentrating on new content online, while Five makes only pre-school programmes. Clearly, this is a moment to ask about the future for children's television. Do these changes matter and, if so, why?

Young audiences – changing provision, changing consumption

Ofcom's response was to commission and publish in 2007 a major body of evidence encompassing the economics of programming, children's media consumption patterns, parents' views and concerns, industry stakeholder consultations and international comparisons,

accompanied by a public discussion paper (though not a formal consultation) setting out five options for funding children's television (Ofcom 2007). Without attempting to summarise the detailed findings, I note some key points below.

First, countering any notion of a crisis, one may read the situation as a good-news story. Children's television in the UK has seen an explosion from fewer than 1000 hours of output in the 1950s and 1960s to some 20,000 hours in 1998, recently rising sharply to over 110,000 hours in 2006. This hundred-fold expansion in the past half-century was made possible by dramatic growth in non-terrestrial dedicated children's channels – now numbering twenty-five (Ofcom 2007: 23–6). One can hardly complain that there is nothing for children to watch, though the 7% of terrestrial-only households (with children) remain excluded from this largesse (Ofcom 2007: 83). Any crisis, therefore, stems from the quality rather than quantity of provision.

The changed commercial logic has several linked causes, including: the dispersal of viewers over a much expanded number of channels, with audiences for top programmes dropping from some 10 million to a high of 2 million children; the loss of advertising revenue both as channel-share falls and as restrictions begin to bite; the shift of children and young people away from television altogether – the average time spent online by UK five- to fifteen-year-olds is now 6.2 hours per week (Ofcom 2007: 85); and the opportunity costs to broadcasters of targeting child rather than family/adult audiences in the late afternoon. The result is that children's television broadcasting in 2006 comprised just 3% of total industry turnover but absorbed 4% of spend, this totalling £170 million in 2006 (Ofcom 2007: 47).

This situation is inappropriately brushed aside by claiming that children no longer want to watch television. To be sure, they prefer to go out and see friends, describing television as 'boring' (Livingstone 2002). Yet every child wants a set in their bedroom (and most have one, Ofcom 2007: 84), they couldn't imagine life without television, switching on is the first thing they do when they come home from school, the latest celebrity reality show or teen soap opera is what they talk about with their friends at school, and their favourite websites are often TV-related. Significantly, they continue to spend far more time with television than with any other medium, and 'twas ever thus: when television was first introduced into Britain half a century ago, children's viewing figures almost immediately reached just under two hours per day (Himmelweit *et al*. 1958) – a similar level to today, not least because new media mostly supplement rather than displace old media (Ofcom 2007: 72).

In short, one should not overdramatise any reduction in children's interest in television. Moreover, children continue to want children's television – indeed, a slight rise is predicted from 30.5% of all viewing in 2007 to 31.5% in 2012 (Ofcom 2007: 182). But there is a chicken-and-egg problem here, for if the offer is reduced, commensurately falling consumption figures may seem to justify further reductions. Programmes for teenagers are a case in point: having long posed

a difficulty for broadcasters, few – even including the BBC – now attempt to address or meet the specific and legitimate needs of this audience, a fact easily forgotten when justifying continued neglect of their needs by claiming that teenagers don't care about television. We are just one discursive step from a similar 'justification' for under-serving children.

Does quality television mean UK-originated television?

While the quantity of both programming and viewing is readily measured, assertions regarding their quality will always be contested. At the heart of the crisis in children's television is the future of UK-originated programmes. Investment in original UK children's programmes fell by 17% since 2001, even though at the same time total investment in UK programmes rose by 4% (Ofcom 2007: 47). There is a question of fairness here: only 4% of total spend goes on programming for 19% of the British population (HMSO 2007), and expenditure on UK programming in particular is plummeting for children while it rises for everyone else.

In consequence, for child audiences, the offer largely comprises imports and repeats: across all the material broadcast to children in 2006, strikingly only 1% was UK-originated first-run material. It could hardly get any less (Ofcom 2007: 30).[1] Of course, there are many high-quality imports, and it is well known that children enjoy watching favourite programmes over and again. But the explosion of channels is not resulting in a similarly expanded choice.

Nor is the present offer matching children's own priorities. Children's viewing is disproportionately greater for UK-originated programming and disproportionately less for imports (Ofcom 2007: 97). Moreover, much that is imported for children is animation, so that cartoons account of 61% of programmes for children; yet they account for only 41% of their viewing. Children prefer to watch drama and factual programming, exactly the two genres most under threat. Ofcom (2007: 73), reports that drama accounts of 12% of output but 19% of viewing, while factual is 5% of output but 7% of viewing. Further, nineteen of the top twenty (i.e. most viewed) children's programmes in 2006 were BBC1 (Ofcom 2007: 102).

So, children vote with their feet for diversity in genres, especially those whose funding is most threatened (drama and factual) and they want UK programming, as indeed do their parents (Ofcom 2007: 115). But the market does not deliver according to their preferences: for although targeted by marketers and advertisers more than any child generation in history, children are insufficiently profitable by comparison with adults.

Why does this matter? As Jocelyn Hay, Chair of the Voice of the Listener and Viewer, put it, "children need programmes which reflect their own rich heritage of language, literature, values and environment" (Voice of the Listener and Viewer 2007). This should

not be misunderstood as an either/or claim: of course children also benefit greatly from representations of other cultures, particularly if these are diverse rather than uniform. Nor is it a simple claim, for children's heritage is itself diverse and multidimensional, a fact which speaks to the need for a substantial rather than minimal body of programming reflecting children's "own stories, their own voices and their own perspective on the world in which they live".[2]

All this is to recognise the politics of representation, an argument well made for ethnicity and gender (we regard it as discriminatory to expect children to view solely white or male faces on television); but unlike in other countries, where language provides a politically correct means of affirming the importance of representing the society children live in, in the UK we find this a tricky case to make, risking being interpreted as nationalistic or parochial. Yet the political will to make the case is growing. In December 2007, Janet Anderson, MP, proposed an Early Day Motion in the House of Commons that recognises the crisis by stating that: this House … believes that public service television for children plays a hugely important role in contributing to the educational and cultural development of children; and therefore calls on the Government to ensure that UK children of all ages, races and faiths have a genuine choice of high quality, UK-made children's programmes that reflect the diversity of UK culture and children's lives … on a choice of channels.[3]

Can television benefit children?

Academic research focuses less on measuring consumption and more on seeking to understand both consumption and its consequences, beneficial or otherwise. Research is clear that television provides children with many pleasures, as well as a talking point among peers, a way of discussing tricky issues with parents, a safe opportunity to test boundaries or explore emotions, a child-centred understanding of world events, and an opportunity to exercise imagination, become absorbed in narrative, appreciate new aesthetic forms and stimulate creativity and play.

Although most academic research has examined the potential harms of television viewing (Hargrave and Livingstone 2006), there is a valuable body of independent research on its potential benefits, as Davies and Thornham reviewed for Ofcom. Noting that "television is more important than other media primarily because of its universal accessibility to all classes, ages and types of children" (Davies and Thornham 2007: 6), they categorize the benefits in terms of (a) learning, focused on educational programmes rather than informal learning,[4] (b) socialization and citizenship, and (c) personal fulfilment and identity.

Much of what children get from television – in terms of it affirming their identities, and stimulating their imagination, their interaction with friends and their thoughts about the realities of daily life – may be aided by viewing high-quality UK-originated drama where, it

seems, their responses are more subtle and complex, more taken to heart when the young people portrayed and the dilemmas they face closely resemble themselves. As David Buckingham has shown in relation to children's emotional experience and their knowledge of sexuality, television content that starts where they are and takes them a few steps beyond their comfort zone is both desired by and of value to children – which is partly why they seek content that is, supposedly, a bit too old for them, and also why addressing the whole age range from pre-school up to and including teenagers is important (Buckingham 1996; 2004).

Factual and news programmes are also vital. Cindy Carter observes that children too live in situations affected by the news, including poverty and conflict, rendering protection from the news hardly appropriate – after all, we want them to be engaged not apathetic citizens. But she shows that the tendency to use images of children in mainstream news to signify suffering can be upsetting, as are negative representations of children as hooligans; hence the specific value of news created for children.[5]

In short, children do not just want or need 'entertainment'. Rather, "variety in terms of genre is beneficial, and preferred, by children, parents and teachers, both as citizens and consumers" (Davies and Thornham 2007: 14). Indeed, when she asked children to act as schedulers, she found that, regardless of circumstances or background, children always chose a public service, diverse, balanced schedule (Davies 2001).

Jackie Marsh and colleagues recently surveyed nearly 2000 parents and carers, finding that children under six engage actively with television, while their families use this to scaffold social and cognitive learning within the home in ways that link with school-based learning (Marsh *et al*. 2005). Several recent literature reviews confirm that moderate amounts of viewing benefit young children's reading, that media and critical literacies may be increased by well designed programming, and that the learning stimulated by television is broader than that occurring within schools. Thus, children can develop a range of skills through watching television, including wider vocabularies, more expressive language, knowledge of storytelling and imagination (Kondo n.d.; National Literacy Trust 2004).

In their collective response to Ofcom's Discussion Paper, academic specialists in the field of children and television argued that: Children's television, as developed in the UK, publicly funded through the BBC licence fee and partly mandated via the PSB requirements laid on commercial channels, is a model that has delivered valuable cultural experiences to several generations of children and had been widely admired internationally.[6]

Noting the potential loss of both a unique and internationally valued skills base of specialist children's producers and a highly valuable UK export, as well as the cost to children, a series of policy suggestions were made. These included an argument in favour of tax breaks

to children's producers at least until 2012, requiring children's broadcasters to meet their obligations to children across the board by imposing a fixed quota of pubilc service broadcasting, and amending the Communications Act 2003 so as to provide stronger protection and support for children's programmes. As Ofcom's review of the regulatory provision in other countries shows, genre diversity even in PSB programming (including, notably, news) does not happen in the absence of a clear regulatory requirement.

The academic response also resists the casual assumption that none of this matters because the internet will, in future, meet children's needs. To be sure, children are embracing the internet with enthusiasm, and it provides an astonishing, indeed unprecedented resource that will transform many dimensions of their leisure, learning and participation. But it remains socially divided in terms of accessibility and use. Much that is of value online is hard to find, even for the so-called 'internet generation' (Livingstone 2008). It is highly commercialised and so risks socialising children more as consumers than as citizens (National Consumer Council and Childnet International 2007). And, crucially, it introduces as many problems as it may promise to solve: 2007 was also the year in which Prime Minister Gordon Brown announced the 'Byron Review on Children and New Technology',[7] followed by the Culture, Media and Sport Committee's Select Committee Inquiry on 'Harmful Content on the Internet and in Video Games'.[8]

Citizens and consumers

Much of the debate over the future of children's television seeks a productive match between the economics of broadcasting to children and their changing consumption patterns. But this is to position children solely as consumers. Since the spirit of the Communications Act 2003 is not to quibble about the legal status of the 'citizen' whose interests the Act is fundamentally designed to further (Livingstone *et al*. 2007), let us recognise that children are citizens too.

Defining a 'child' as anyone under eighteen (not the broadcasters' fifteen or, increasingly common, twelve years old), The United Nations Convention on the Rights of the Child asserts children's rights to freedom of expression through any medium of the child's choice (Art. 13) and to mass media that disseminate information and material of social and cultural benefit to the child, with particular regard to the linguistic needs of minority/indigenous groups, and to protection from material injurious to the child's well-being (Art. 17).[9] Ivor Frønes and Trond Waage emphasise that the Convention is concerned with "not only rights to protection, speech and welfare, but also a right to unfold and develop capacities" (2006: 2). Crucially, they add, while "socialization is anticipatory; the visions of the future exist as values in the present" (2006: 3); we must ask, therefore, what values our media offer? As Jean Seaton argues, "how we talk to children forms how they think of themselves, and how we think of them" (2006, p. 128). It was precisely to address this agenda that Anna Home initiated the

internationally endorsed Children's Television Charter which seeks to ensure children's rights to receive quality programmes, the right to see and express themselves, their culture, their language and their life experiences through television programmes which affirm their sense of self, community and place.[10]

As with other citizen rights, however, ensuring children's rights are met within our current and future media ecology requires vigilance, imagination and political will. Karol Jakubowicz (2007) argues that political support for public service broadcasting in Europe should be revitalised by extending the PSB remit to encompass all 'public service media', in recognition of their growing significance to political citizenship and democracy, culture, education and social cohesion in a heavily mediated world. Others argue, rightly, for the importance of plurality in provision – meaning, in both production and in commissioning (e.g. Born 2004), and these arguments matter for children no less than for adult audiences. How high-quality programmes, encompassing multiple genres, produced in the UK as well as imported, and addressing teenagers as well as children, can be funded on channels other than the BBC is a major challenge in both the short and longer term. But the opportunities for requiring and/or incentivising pubilc service broadcasters to deliver on these objectives are barely yet explored. Finding a way to generate and sustain lively competition for the BBC without undermining the strengths of its existing and future provision for children is, clearly, a priority for regulators, industry and politicians alike.

Now that we live in a ubiquitous and complex media and communication environment, we must recognise that this shapes our identities, our culture and learning, our approach to others and thus the conditions for our participation in society. No one can live outside it, no child wants to. In this article I have not sought to assert that children should watch more television. Rather, I have argued that the television they do watch should benefit them. This is, I have argued, a matter of fairness in society, of meeting children's developmental needs and interests, and of children's rights. And as society imposes ever more restrictions on what children are free to do outside their front door (Livingstone 2008), what we provide for them at home becomes ever more crucial.

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Endnotes

1. The number of hours of UK-originated first-run programmes for children is fairly stable in recent years, the percentage drop being a consequence of the expansion in channels dominated by imported and repeated programmes – these hours were 1303 hours per year in 1998 and 1253 in 2006. See Ofcom 2007: 30. The loss of ITV's children's commissioning is yet to be included in these figures.
2. See http://www.ofcom.org.uk/consult/condocs/kidstv/responses/SaveKidsTV.pdf, last accessed 5 March 2008.
3. Early Day Motion # 585, 13 December 2007.
4. The classic case here is *Sesame Street*, whose benefits especially to disadvantaged children have been clearly shown (Davies and Thornham 2007).
5. BBC *Newsround* is all there is, however, since Channel 4's *First Edition* closed in 2003, followed by the demise of Nickelodeon's *Nick News*.
6. See http://www.ofcom.org.uk/consult/condocs/kidstv/responses/MessengerDaviesM.pdf, last accessed 5 March 2008, p. 2.
7. See http://www.dfes.gov.uk/byronreview/index.shtml, last accessed 5 March 2008.
8. See http://www.parliament.uk/parliamentary_committees/culture__media_and_sport/cms071205.cfm, last accessed 5 March 2008.
9. United Nations (1989) Convention on the Rights of the Child, http://www2.ohchr.org/english/law/crc.htm, last accessed 5 March 2008.
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9. Plurality in the Global Market: Perspectives from Europe and the United States

It is very rare that debates over the future shape of UK Public Service Broadcasting look beyond Britain. This is particularly true of the plurality discussion which tends to focus on the threats to the existing UK system. Yet the trends that are being considered, whether in terms of changing technology, consumer behaviour or business models, transcend national boundaries. So it is particularly helpful to view the UK debate in its wider context and to be reminded how history shapes institutional structures. Petros Iosifidis provides a broad pan-European perspective on the UK debate which highlights the distinctiveness of the UK approach even compared with other countries that have a long tradition of intervention in the broadcasting market. Ellen P. Goodman and Monroe E. Price offer a view from the USA on the way that issues of pluralism have been addressed there, in a system with very strong local roots but with a relatively weak national public broadcaster. Robert Picard concludes with an interesting comparative view of the economics of plurality in Europe and the US that allows him to draw some broader lessons for both systems.

9.1 Plurality of Public Service Provision: A European Dimension

Petros Iosifidis[1]

This essay looks for a European perspective on the current UK debate about the prospects for a plurality of public service (PS) provision. The starting point is to discuss whether Ofcom's concern that there should be more than one public service broadcaster is unique in the UK. Therefore the work looks at the extent to which other European countries have deliberately nurtured a plurality of PS providers or of PS programming. The essay also considers the European debate about internal versus external pluralism. The main conclusion is that citizens and regulators discuss these issues less in other EU countries because of the lower levels of legitimacy enjoyed by public service broadcasters.

The EU experience of PS institutional competition

Ofcom's concern, first expressed in the 2004 review 'Is Television Special?', that there should be more than one public service broadcaster seems to be quite unique – providing of course that one refers to broadcasting serving and competing in the same market. For example, in countries such as Belgium, Switzerland and Spain there are more than one public service broadcaster due to historical, cultural or linguistic reasons, but they normally serve different communities or, as in Spain, different regions (with RTVE serving the whole country and the seven regional broadcasters operating in various provinces, each serving only one province or autonomous community). France Télévisions, the French public broadcaster, and Arte, the Franco-German cultural channel, do not testify to a plurality of public service broadcasters, as Arte has always meant to be a niche broadcaster, and is now an artificial creation designed to serve a political purpose. France 2 and France 3 fit the bill better, but have of course been folded into the France Télévisions holding. The same applies to Greek TV broadcasters ET-1 (mainstream), NET (mainly news) and ET-3 (covering events from northern Greece) which operate under the auspices of ERT A.E., the Greek unified body of broadcasting. In the largest Eastern European country Poland there are nineteen public service broadcasters (radio and TV separately at a national level, and seventeen regional public radio broadcasters, all in the name of devolution), but again, there are no equivalent broadcasters operating in the same market.

Germany has two public service broadcasters (ARD and ZDF) serving the same national market, but as Jakubowicz (personal communication 2008) put it "that is an accident of history, given that the federal structure of ARD was imposed by the occupying countries in Western Germany, and ZDF was then created separately". Today there are nine broadcasting corporations in the Länder (states) that cooperate under the ARD, which is the first channel, and each broadcast a third channel in their own Länder. In some cases there is one broadcaster in each Land (WDR for Northrhine Westphalia),

one for several Länder (NDR for Schleswing-Holstein, Mecklenburg-Vorpommern, Hamburg and Lower Saxony), even one for a town (RB for Bremen, which is an independent town). Later on new public service broadcasters were founded out of the ARD and Mainz-based ZDF, namely Kika (a children's channel), Phoenix (an information and documentary channel), 3sat (a cultural channel in co-operation with Austria and Switzerland), and Arte (the Franco-German cultural service). This complicated system ensuring plurality of pubilc service institutions is attributed to the fact that Germany is a federal state and broadcasting issues are by definition cultural issues which are by constitution the responsibility of the Länder. Maintaining both a national channel and regionally focused ones contributes to plurality, much the same as in the UK, although in contrast to Germany where the regional output is safeguarded by the constitution, in the UK some fear that regional programming is in peril as terrestrial commercial broadcasters have been released from some of their obligations around regional (as well as religious and arts) content.

The French approach of public service broadcasters is similar to the German in the sense that it also maintains both a national provider and regional ones, but contrary to the German situation it has been hard to secure provision of regional news and political coverage. Generally speaking though there is little evidence that European countries aim for competition between broadcasters for the production and distribution of programmes in key pubilc service genres. The opposite trend is evident. In Sweden for example, up to the end of 1995 the two public channels were competing openly with each other, with SVT1 (then named Kanal 1) showing Stockholm-based programmes and SVT2 (named TV2 at the time) broadcasting programmes from other parts of Sweden. In January 1997 the two channels were reorganised under a common administration and have since co-operated closely in the areas of production and broadcasting (Iosifidis 2007). Even in Germany fierce competitors ARD and ZDF sometimes co-ordinate their scheduling in order to avoid programming duplication. There is also uncertainty as to which programmes should be considered as offering a public service, much the same as this is a continuing matter of conflict in the UK (see Born 2003).

The EU experience of plurality provision

As said there is a concern that the digital switchover and the intensified competition that will follow will force commercial public service broadcasters to water down or give up their PS remit. This has major implications for the public broadcasters which may emerge as quasi-monopolies in the provision of PS output. This is certainly true in France where PS plurality will be harder to keep going, particularly as provision increases generally across television and audiences fragment. The PS television sector is in very poor shape and is reeling from Nicolas Sarkozy's recent announcement to take advertising away from PS channels (which looks as it might create a BBC-type funding situation, but with fewer resources!). In Spain PS obligations for commercial broadcasters are not controlled at all. In fact, the

main concern is to ensure that RTVE really provides a PS output since for the last decade it has been very commercialised (at least the first channel TVE-1). In Italy there are no provisions for PS obligations on the part of non public service broadcasters. The law proposed by the centre-left government (which has still to be approved) might in fact aim at diminishing RAI's PS responsibilities (there is a provision that RAI's two main channels be privatised and the third to remain as the only publicly funded channel), without however expanding its PS obligations to other players. Likewise in Germany the commercial broadcasters are not submitted to PS obligations. The German constitutional court even ruled in several occasions that private channels are allowed to be truly market oriented as long as Public Service Broadcasting (PSB) exists. It seems as though commercial broadcasting is only allowed to exist as long as the existence of PSB is guaranteed! However some federal states have imposed excessive 'must-carry obligations' for cable operators resulting in a heavy burden, while others see only the need to oblige cable operators to carry only a small number of public channels. There is heavy lobbying from cable channels demanding to be released from such obligations as this allegedly reduces the choice of commercial channels. Ironically, if predictions about the demise or decline of free-to-air broadcasting prove correct, PSB may regain monopoly on both free-to-view programmes and on PS content, at least on terrestrial mass audience channels, as commercial broadcasters are forced to compete for dwindling advertising revenues.

Internal versus external pluralism

European nations have mainly focused on pluralism within PSB, rather than between different providers. PSB is still primarily defined in terms of internal pluralism. This has been the case in small member-states with traditionally strong and politically independent PSB systems (for example, Ireland), or small territories with a history of political subordination and control (for example, Greece). As far as the debate on internal/external pluralism is concerned in the large country of Spain, there are no clear rules for the participation of independent content providers in public TV. In fact, a few production companies take most of the cake and in many cases content providers for RTVE are 'friends' of the political party in power. Concerning the commercial channels, in many cases the production companies are wholly owned by broadcasters. The Italian way to secure internal pluralism within PSB has been reflected in the practice called 'lottizzazione', according to which each RAI channel, each news bulletin and public affairs programme, had its layers of political affiliation. Lottizzazione worked well from the early 1970s to the early 1990s, resulting in variety of output for an otherwise monolithic broadcaster. Although this practice still continues today, its legitimisation and effectiveness have shifted: today's internal pluralism is mainly related to the various scheduling and programming strategies for the different audience targets of the various channels. Only RAI3 continues to provide an element of internal pluralism. In the federal state of Germany PS plurality is considered as a cultural issue and by constitution is in the responsibility of the Länder. When German

PSB, post-Second World War, was modelled after the BBC, the prime aim was to prevent political influence on programming. However, the issue of access for independent producers has never acquired the same degree of political salience that it has in Britain.

The situation is rather different in France. France Télévisions, like Channel 4, commissions most of its production from external producers and pluralism is provided via an increase in diversity of supply. But again that is an 'accident of history', as the old ORTF production resources, hived off into a separate company upon the breakup of ORTF in the mid-1970s, were finally privatised, leaving France Télévisions with almost no production capacity, except in the regions. Production obligations, which find concrete expression in a complex set of quotas, broadcasting time limits, and multiple contributions to audiovisual and cinematographic production, aim at preserving national culture through the programming of French and European works. But internal pluralism has always been hard to secure in the French case, especially in news and political coverage. In Italy the notion of pluralism has been associated with quantitative issues. For example, the introduction of digital terrestrial television is being seen by many as the solution to the lack of external pluralism, as if more channels would automatically result in a more plural TV market! The proposed Italian Law promotes and supports a more independent and diversified pool of independent producers, but given the current political upheaval there are doubts as to whether it will ever be approved. In the Netherlands there was a plan to leave PSB organisations with the task of producing only the news and current affairs, with all the rest commissioned from external producers, but it was never implemented. Otherwise the independent production sector exists primarily because of the ruling of the TWF (now AVMS) Directive that obliges European broadcasters to commission at least 10% of their programming from this sector. It is a shame really, given that the expansion of independently produced supply has the potential to shift the internal culture of public service broadcasters and reconfigure the wider culture of TV production.

Does anyone care?

With the exception of Germany and the Nordic countries, the answer is less so than in the UK, because of the lower levels of legitimacy enjoyed by public service broadcasters in countries such as France, Italy and Spain. For instance, there is no 'French BBC' or 'Spanish BBC' in a sense that the public service broadcasters in these nations are not as legitimate and universally accepted as the BBC. While the BBC is taken for granted in the UK as it is perceived as a cornerstone of PSB and the debate largely focuses on plurality of institutions, plurality of channels and of plurality of funding sources, the public service ethos is less well implemented and more susceptible to political attack in Italy, France or Spain, where little national discussion has taken place on PS purposes (especially citizenship), content and funding methods. Broadly speaking, the debate on PSB is strictly national and lacks cross-fertilisation. Perhaps one reason for what some might argue is the stagnant condition of the discourse on PSB might be generated

by this sort of intellectual inbreeding. By taking a European dimension this article attempts to address this shortfall.

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1. I am grateful to all those who took time to discuss the issues or to provide comments: Karol Jakubowicz, Raymond Kuhn, Bienvenido Leon, Cinzia Padovani, Barbara Thomass and Runar Woldt.

9.2 Public Television and Pluralistic Ideals

Ellen P. Goodman and Monroe E. Price

Achieving pubilc service pluralism in the Unites States context is so idiosyncratic, so much a product of particular historic and governmental developments, that it is difficult to draw lessons that are useful for the United Kingdom. The differences are rooted in the distinct (1) role of federally licensed commercial stations; (2) expectations about the contributions of public broadcasting to pluralism in program offerings; and (3) structures of public broadcasting. In this brief essay, we try to show what aspects of pluralism and diversity are valued in the very special case of US media policy and how the idea of public service plays out at a time when an increasingly fractionated society faces a fractionated array of media offerings.

As a general matter, US media policy relies on structural safeguards (both market and non-market) to attempt to deal with pluralism of media outlets and pluralism of media content. Pluralism of content, more commonly called 'diversity' in the United States, is theorised to emerge from a properly structured market with adjustments needed only around the edges. So too, the composition of public broadcasting – and we will focus on public television – is left largely to the consequence of its architecture.

The US public broadcasting system is decentralised and always has been; it was never effectively consolidated. Instead, it was cobbled together from autonomous local entities with very rooted local identities (usually controlled by local non-profit corporations, sometimes by public educational institutions and, in a few instances, towns and cities themselves). The national system was designed to bring some order and scale to this motley group of providers, but the stamp of history has been virtually indelible. Public broadcasting entities have a soft mandate to air diverse programming – programming that is diverse in its source and its intended audience – but there is no federal or official metric for evaluating whether the output is sufficiently diverse. To the extent that public broadcasting fails to satisfy subjective assessments of diversity, the sanctions can take the form of reduced private support for programming, public pressure in the form of Congressional hearings and more informal criticism, and the annual threats that public broadcasting faces to its federal funding.

In the US as in the UK, Public Service Broadcasting (PSB) enthusiasts point to the role of public broadcasting in providing programming that the market fails to provide, (responding to 'market failure'). It has been in the realm of children's programming, cultural programming and programs for specific subgroups in the society that the system as a whole has had its most substantial impact. Because there is not in the United States the same emphasis on a strong 'national identity', nor is there any consensus on a substantive vision of that identity,

there has not been in US public broadcasting the same tensions between centripetal and centrifugal forces. Diversity is not in tension with reinforcing a unified national identity. At the same time, the contours of diversity and public broadcasting's contributions remain ambiguous.

Localism in US broadcasting

The expectations for public television with respect to media pluralism can only be understood against a background of the US broadcast television structure in general. Public broadcasting is an aggregation of local broadcast stations because that is the structure for all broadcasting in the United States. The commercial networks own handfuls of local stations and affiliate with hundreds more independently owned stations. At one time, before there was significant media consolidation, most commercial stations were locally owned. It was the licensing policy of the US government, beginning with radio, to delineate local service areas and structure a broadcast system around service to local communities. Thus, in the first federal laws governing radio communications, Congress established as a goal that all communities should have at least one radio station before additional licenses would be made available. The result is that there are more than 1,600 local television stations in the United States and more than 350 public-broadcast television stations.

To have such a population of transmitters is an inefficient use of spectrum and other resources, but reflects the historical commitment to facilitate broadcast responsiveness to local communities. The intensely local distribution of broadcast channels in the United States reflects a political penchant for small, decentralised centres of power. Indeed, the connection between the broadcast structure and the political structure is more than theoretical. Links between locally elected officials and the structure of broadcasting have significantly reinforced the local structure of broadcasting. Local commercial broadcasters gain an important source of revenue from political advertisements. As a result, it is in the interests of both commercial broadcasters and politicians to preserve the existing structure. Notably, non-commercial stations do not carry political advertising and most do not provide significant amounts of news programming (only about twenty public television stations do). Nevertheless, non-commercial stations also have an interest in preserving the local structure of broadcasting because they are controlled by local institutions and receive funding from the local communities to which they are licensed.

This emphasis on localism in US broadcast policy has meant a primacy of one kind of pluralism in assessing the public interest performance of broadcasters. Regulators tend to view stations that produce very little local programming (especially news and public affairs) as non-responsive to local concerns, even if it might be shown that there was little demand for such programming. After a long hiatus, mandates that commercial broadcast stations take affirmative steps to ascertain local community programming interests are again being seriously

considered. Regulatory interventions to increase local programming reflect the belief that, even where a market is structured to deliver a certain media product, there are reasons delivery may not occur. Demand for local programming may be too small-scale to warrant the investment.

Public broadcasting contributions to media pluralism

The notion of market failure, both in terms of localism and more generally in terms of diversity, serves as a central justification for public broadcasting (Price 1999). The Public Broadcasting Act of 1967 speaks of encourage[ing] the development of programming that … addresses the needs of unserved and underserved audiences, particularly children and minorities.[1]

Of course, the very idea of a non-commercial service is to provide a non-market supplementation to commercially motivated programming decisions. The market failure argument for public broadcasting rests on the premise that even where there is diversity of ownership of commercial stations, commercial considerations will keep owners from serving some segments of the audience. In this sense, public broadcasting is designed to address the market's failure to further diversity goals, including localism (Rowland 1993).
The relationship between market failure and diversity is not well articulated in US media policy, but is a much more important justification for public broadcasting in the United States than it is in the UK. American public broadcasters face many of the same contradictory pressures as their equivalents abroad. Our debate has echoes (though faint ones) of the European complaints of private broadcasters: in those instances where US public broadcast programming is popular, it raises the question of whether it is replacing or duplicating market efforts. Where public-broadcast programming is not popular, it raises the question of what purpose it is serving (Goodman 2004). It is in the area of children's programming that public broadcasting has made the best case for public support because the programming is highly rated and it is generally accepted that the market fails to supply optimal levels of children's programming.

'Diversity of voice' is one of the central stated goals of American broadcast policy. Diversity has meant many different things to regulators over the past several decades, including diversity of program genre, viewpoint, ownership and source (Napoli 1999 and 2001). The present regulatory position is that elements of diversity can virtually be attained so long as there is diversity of ownership of media outlets. This position is grounded on two factual premises that are thinly supported and in tension with each other: that ownership of media affects content choices and that a competitive market will produce diverse programming. Whether justified or not, the equation of diverse ownership with diverse content has led to a regulatory policy that relies on patterns of ownership rather than with media content, and a faith in market demand for diversity. From the standpoint of the Federal Communications Commission, this reliance

on structure means seeing public broadcasters – the local stations who are non-commercial and educational – as part of this diversity system, with their own relatively autonomous response to their own self-defined market.

The primacy of structural concerns in US media policy is also a product of the unusually evolved constraints of free speech jurisprudence on regulation. The rigors of free speech law as applied to the media have made it difficult to conceive of diversity as anything other than the structural possibility of diversity. For this reason, commercial broadcasters are largely evaluated not in terms of what they air, but whether they are structured to be responsive to diverse audience needs, particularly the needs of local communities. The First Amendment of the US Constitution, as it has been interpreted by the Supreme Court, is strongly protective of the rights of broadcasters and other media enterprises to make editorial choices free from regulatory constraint. Policies that seek to encourage or prohibit particular kinds of media content, even in areas such as minority or children's programming, are subject to more severe constitutional scrutiny than are those that merely seek to structure media markets in ways considered 'content neutral'. Regulators fearful of judicial review on First Amendment grounds are particularly receptive to theories of media diversity that rely on structural interventions.

The structure of public broadcasting

Reading the British debate over pluralism in PSB into the US context provides a set of ironies. The very weakness of the American system – the structural autonomy of local public-broadcasting outlets and the poverty of funding – provides the basis (although a weak one) for increased pluralism in the production of content. In the emerging digital (and online) world, this structure can be seen as an opportunity for experimentation and pluralism, possibly leading to greater diversity in pubilc service output.

The 350 or so local public television stations (licensed to non-profit entities, colleges and public bodies in cities and states) are funded through a mixture of sources. Of the federally appropriated funds allocated to public television, most is distributed through the Corporation for Public Broadcasting (CPB) to the stations themselves. Most of these stations – though not all – are members of the Public Broadcasting Service (PBS), which aggregates a national programming schedule that the local stations transmit in their local markets, along with any local programming. Much of the programming included in this national schedule is produced by a handful of local 'producing' stations. Other programming is purchased by PBS (or by stations themselves) directly from producers. Producers that contract with PBS may also receive public television funding from CPB, which is required to make funds available to producers from groups that are considered under-represented. Unlike the BBC and commercial networks, PBS rarely owns the programming that it distributes and PBS itself does not produce programming. Under FCC regulations, local public broadcasting stations now

have the rights to offer multiple digital channels, and each can use them in its own way. This means that KCET in Los Angeles will have a different digital PSB strategy from WNET in New York City or WGBH in Boston. Compared to counterparts in the UK – the BBC or ITV – these will be quite small operations, but they do show some promise of differentiated behaviour, a kind of crude pluralism in output that is the consequence of pluralism in provider. Local stations are producing themselves or contracting with producers for new kinds of channel offerings. Some of these program offerings, such as Spanish-language programming, are available nationally, but selected only in the markets where viewership warrants them (in Los Angeles and Denver, for example). The digital switchover creates the conditions for autonomous and differentiated responses of local stations, although the economics of program production may well result in far more national channels than would be ideal from a localism perspective. However, new national public television channels, such as Create (arts) or World (programming on foreign topics), might well further the ideals of pluralism if not localism.

There is another important way in which the operation of the American public-broadcasting system may produce pluralism despite its relative weakness compared to European systems. This is through the structure of financing we have already mentioned. The most important contrast is that the US public-broadcasting system is only fractionally supported by a federally determined source. The US system as a whole receives only about 15% of its funds from the federal government in the form of an annual appropriation. The rest of the funding comes largely from private donations, corporate funding and, in some cases, state government funding. This means a wild, almost desperately complex, diversity of funding sources. Also – and this is a significant difference – decisions on how these funds should be expended (or even what funds should be sought from whom and for what purposes) is also significantly dispersed. And this leads to a pluralism in output. True, the core of offerings on public service broadcasters is similar from station to station, but stations differ reflecting, in part, varying patterns of access to funding (their relationship, for example, to local or state government funding or local charitable foundations). Also, US public service broadcasters actively and strenuously solicit funds from their viewers and listeners; how these audiences respond or are expected to respond will influence programming in ways that differ from audience to audience and therefore from station to station. To some extent, audiences shape programming through their giving preferences. In a recent example, WNET, a relatively powerful pubilc service station in New York, wished to produce a program on aspects of teenage violence and used online methods of solicitation to obtain (at least partial) funding directly from viewers. The attraction of ironies aside, the kind of diversity that US public television produces can easily be overstated. And the system is in danger. Public television funding in the United States, in the absence of a licence fee, is both precarious and modest. The financial limitations of American public television's dependence on voluntary and corporate contributions are considerable. In the United States as in the UK, the multiplication

of media outlets and associated explosion of niche programming raises questions about the continued existence and extent of the market failures public broadcasting was supposed to remedy. The Discovery Channel, Arts & Entertainment, History, Nickelodeon, C-Span and many other basic cable channels, in addition to premium and internet channels, provide the kind of niche programming that public broadcasting has long claimed as its own. Although basic cable channels are not universally available in the same way that public television channels are, they are available to about 85% of the population through cable and satellite. Broadband penetration, by contrast, is considerably lower than that at just more than 50% of households.

These pressures on the market failure justification for public broadcasting require reformulations of and departures from the market failure argument. Increasingly, defenders of public broadcasting place less emphasis on subject matter coverage (e.g. science and educational programming) in touting public broadcasting's contributions to diversity, and a greater emphasis on soft variables such as 'quality' and on localism. Success in achieving goals like 'quality' is, of course, very difficult to measure. Such goals are also vulnerable from a market failure perspective. Without a strong theory of what public value public television is trying to deliver – that is, without strong notions of citizenship or national identity – television lacks a strong response to scepticism about the continued need for funding.

The most ambitious plan in recent years to reconceptualise what it is that public broadcasters contribute to pluralism and other public interest goals is contained in a report called the Digital Future Initiative (Digital Future Initiative 2005). This initiative, co-chaired by former FCC Chairman Reed Hundt, argues that public broadcasting must become more national in scope with strengthened national institutions. It urges private and public investment in broadband technologies, search capabilities and a national archive of digitised programming of all sorts. According to the report, public broadcasting should be transformed to focus on lifelong education, community engagement news and public affairs, and public service such as homeland security. Interestingly, the report does not emphasise diversity, except insofar as it imagines that local public stations can complement national programming and projects with a tailored local approach. The obstacle to realising this or any other ambitious reform proposal is that existing public broadcasting institutions are resistant to change, do not work well together, and have a variety of interests often at odds with each other.

Conclusion

The arrival of new technologies creates an opportunity for redefining the US public broadcasting system in terms of contributions to pluralism, and some steps in that direction are visible. But it is hard to imagine that diversity within US public broadcasting would raise the same level of interest that it has raised in the UK. Public broadcasting

in the UK and the United States are very differently situated in terms of historical development and current position. The BBC is the 800-pound gorilla in the UK media market: the demand for pluralism is a reaction to its dominance and centrality. American public broadcasting is more of a chimpanzee. PBS was created in 1967, long after the national commercial networks were well-established, and public television programming usually trails commercial broadcast programming in popularity by considerable margins.[2] A 'public value' test in the United States would not be needed to see if non-commercial broadcasters are using state subsidies to threaten or infringe on market turf. As in the UK, the need for diversity and pluralism in the provision of program offerings remains high. And it is hardly clear whether technological innovations and the proliferation of content options eliminate market failure. What is clear, however, is that the structural differences between the two contexts are a substantial barrier to meaningful comparison.

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1. Communications Act 1934.
2. Public broadcast ratings are typically higher than most cable channel ratings.

9.3 The Economics of Plurality: Europe and the USA Compared

Robert Picard

The economic bases of broadcasting and media policy in Europe and the United States have differed for more than eight decades. Although some elements of media policy and availability are now converging on both sides of the Atlantic, the deep-seated economic bases of the policies continue to create differences between the approaches.

Fundamentally, there are no differences in overarching policy goals for broadcasting. There is a common belief that broadcast content should reflect the concerns and aspirations of the people, improve them, inform them so they may take part in social and political processes, build national cohesiveness and identity, and be inclusive, portraying all groups in society and allowing them to represent themselves. Nevertheless, the means for pursuing those pluralistic goals have differed unmistakably between Europe and the US and these dissimilarities result from economic aspects of the policies.

This chapter succinctly explores how economic policy differences have affected the structure, ownership, financing and content-provision for broadcasting and the implications of these decisions on issues of pluralism.

Broadcast structure choices

The essential economic policy question confronting regulators when broadcasting emerged in the 1920s was whether the industry should be a monopoly or be competitive. Policy-makers on both sides of the Atlantic had limited previous experience with communications policies, so they extended the policy trajectories that had been established for previous public communications industries: postal services, telegraph services and telephone services. In both the US and Europe, these had traditionally been seen as natural monopolies and thus broadcast policies veered toward the monopoly approach. Policy-makers argue that spectrum scarcity promoted monopolies that required control.

It must also be recognised that the initial uses of broadcasting were maritime and military and that the initial policies for wireless communication in most nations were made by authorities who perceived needs to control broadcasting for public safety and defence purposes. During the period in which experimental, maritime and military uses of radio emerged on both sides of the Atlantic, policies were relatively similar with control vested in the Admiralty, Navy or other military authorities. However, when civilian purposes emerged, significant policy differences began to materialise.

European governments accepted the idea of monopoly and determined that operations would be in the hands of the state or

state-related institutions, whereas the US government decided that limited monopoly would be placed in private hands. Europeans forged two distinct paths, state broadcasting and Public Service Broadcasting (PSB), through quasi-governmental corporations. These decisions were based on the nature of government, philosophical ideas and historical precedents. Where authoritarian governments existed in Europe, state radio broadcasting emerged; where democratic governments were found, public service radio broadcasting became the norm. As the political and economic settings of Europe changed in the twentieth century, fascist and military governments fell and state broadcasters in former communist states were transformed into public service broadcasters (Lowe and Jauert 2005; Nissen 2006).

Americans also constructed policy based on the nature of its government and historical precedents. Policy followed the private broadcasting path. The US choice was influenced by the nature of its political philosophy and government structure. Power was decentralised into the states rather than located in the federal government. Because a general public distrust of centralised federal power existed, there was acceptance that radio should be privately operated, with initial grants of limited monopolistic rights to encourage private investments, as had previously been the policy with railways, telegraph and telephone services (Barnow 1966; Slotten 2000).

The second structural question facing European and American policy-makers was the level at which broadcasting should be operated. European nations accepted the idea that stations should be operated at a nationwide level, whereas locally oriented, local operations were established in the US. This localism principle is one of the significant differences between broadcast policies across the Atlantic. It was implemented on the theory that local stations should be established in as many localities as possible. The US choice was partly to ensure plurality by giving voice to local communities, partly to ensure that private broadcasting would not be controlled by a few national commercial entities, and partly because of geographic pragmatism. In 1920 the US had a population two and a half times larger than the UK, spread over an area thirty-five times larger. It had 2,787 incorporated cities and towns, 400 with populations over 25,000, and the 100 largest cities combined were the home of less than one-third of the US population (United States 1921). There was no technology available that could facilitate national broadcasting across the continent to serve a population so geographically widespread.

When television appeared, the fundamental structural policy approaches adopted for radio were extended to the visual medium by policy-makers in both the US and Europe.

Beginning in the 1960s, Europeans policy-makers began accepting the need for more localism and began to make provision for community radio and regional and local radio stations. As public

service and state television grew, regulators in many nations established regional broadcast windows and regional channels to serve more local needs. The development of this concept of European localism was influenced by the local model found in the US and in the pattern set for PSB in Germany when occupation forces re-established print and broadcast media after the Second World War.

These structural elements are important to issues of pluralism for two reasons. First, the greater the number of broadcasters that exists, the more likely they will provide diverse and pluralistic content. Second, the more local content that is produced, the more likely it is to be diverse and pluralistic.

Ownership approaches

European policy-makers were able to avoid questions of private ownership for many years by maintaining public service and state broadcasting monopolies in radio and television. Because broadcasting was initially based on private ownership in the US, however, questions of ownership and its effects on pluralism immediately arose.
In order to contend with those issues, US policy promoted local ownership and multiplicity of ownership through limitations on the number of stations any party could hold. This policy widely diffused the ownership of broadcasting stations. In order to increase plurality in the local system, additional policies promoted increasing the number of stations in each local market to the extent possible without harming the fundamental financial strength of pre-existing broadcasters.
When private ownership was ultimately permitted in Europe, however, regulatory schemes unintentionally limited the ability to promote pluralism through ownership by severely restricting the number of private broadcasters. That choice – combined with national broadcasting orientation – created a few large private channels held by a limited number of owners. As a result – despite liberalisation of broadcasting ownership regulations in the US in recent years – concentration of broadcast station ownership is far higher in European nations than in the United States.

The limitations on private terrestrial broadcasting in Europe led commercial entities to seek other means of reaching audiences – most notably satellite distribution. In many cases these activities began in domestic policy vacuums and almost everywhere fell outside the authority of broadcast regulators. Skirting broadcast policy promoted the development of firms such as BSkyB, RTL and Canal+ in major nations, and smaller operators in smaller nations. Because of costs involved in developing and operating non-terrestrial operations, the developments created one or two mammoth firms in the largest European nations, which then began expanding throughout Europe and acquiring the domestic operators in smaller nations. Although this process added a few domestic players, it created significant barriers to entry to new operators, produced powerful competitors to public service broadcasters, and led regulators to protect public service channels by limiting increases in terrestrial channels.

In some locations, non-governmental organisations such as foundations and educational institutions have been permitted to operate broadcasting stations, and the content provided is typically beyond that provided by public service and commercial broadcasters. From the earliest days of broadcasting, for example, the US has had non-commercial radio and television broadcasters operated by universities, high schools and not-for-profit organisations.

Financing decisions

Regardless of the structure of broadcasting or the ownership of stations, financial resources must be available or they cannot operate. The two primary means for providing these resources are market or public funding. The choice between the two is significant because it determines whether services are provided either free to the public or paid for by them.[1] Public funding may be tax funded through national, regional or local governments or by mandatory licence fees. Market funding is primarily advertising funding and conditional access fees for cable and satellite content.

If one considers the financing of public service broadcasters in Europe, one finds that the importance of income sources vary widely (Figure 1). In practice, some broadcasters are well funded, some adequately funded and some are underfunded. Public service broadcasters in Germany, Italy and the UK are relatively well funded, for example, but broadcasters in nations such as Hungary, Lithuania and Portugal are relatively poorly funded. Some broadcasters such as the SVT in Sweden and the BBC are free from reliance on advertising funding; whereas others such as RTVE in Spain and TVP in Poland are heavily dependent upon it (Picard 2005 and 2006). It must be recognised that advertising funding plays a major role in financing many public service broadcasters (Figure 2).

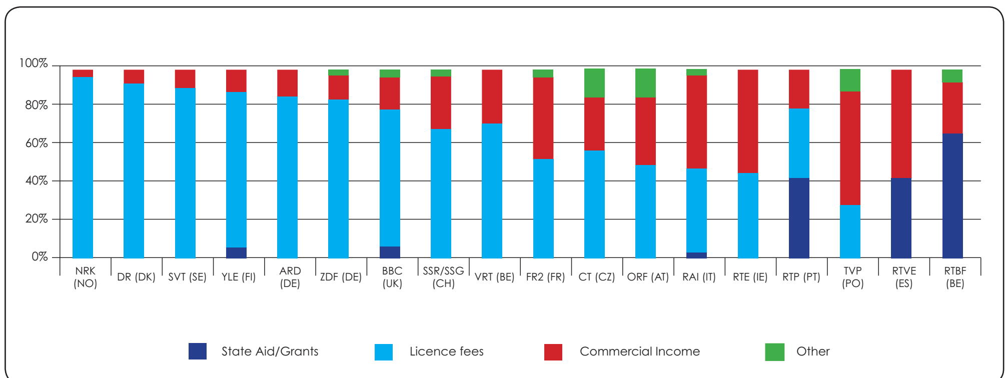

Figure 1: Sources of Funding for Selected Public Service Broadcasters. Data Source: European Audiovisual Observatory, 2007.

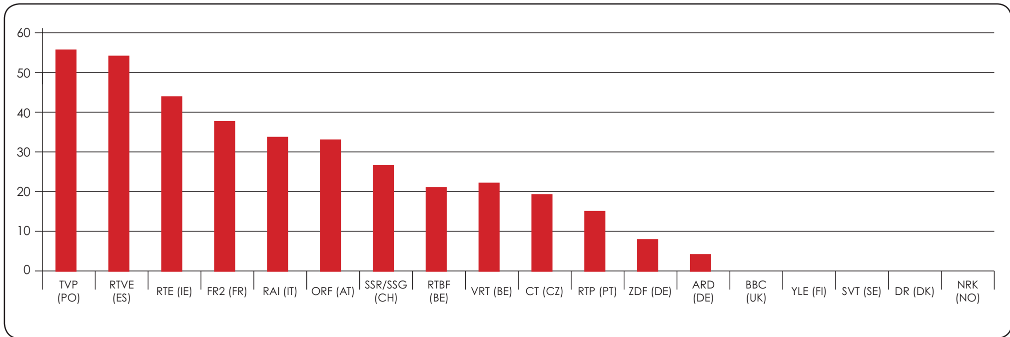

Figure 2: Advertising Funding as a Percentage of Total Income of Selected Public Service Broadcasters. Data Source: European Audiovisual Observatory, 2007.

As a whole, public service television broadcasters account for two-thirds of the income of all broadcasters in Europe (European Commission 2005). By comparison, public television in the United States accounts for only 4% of total broadcasting revenue.

Licence fee financing has been seen by many as a means of ensuring pluralism because it links those who pay for broadcasting and the broadcasters. The public, it is argued, will require the broadcaster to provide representative and pluralistic content. This link is tenuous. Many public service broadcasters have poor records in attending to or embracing their audiences (Picard 2005 and 2006). Broadcasters argue that licence fees free them from government and corporate influence, but they also free them audience influence as well. Some broadcasters have shown tendencies to produce the kinds of programming they want to produce rather than the kinds of programming the audience wants them to produce. Advertising funding, of course, can link broadcasters too closely to the interests of advertisers rather than to the audience or public service ideals. Direct funding, such as conditional access fees, is the closest financial gauge and it is notable that the most innovative, provocative and thought-provoking programming on US television in recent years has come primarily from audience-funded cable channels such as HBO, Showtime and Comedy Central. Programming from these sources is increasingly being purchased by European public service broadcasters for primetime use. This type of funding is difficult in many smaller nations, of course, because 5 to 10 million consumers must purchase subscriptions and only a limited number from the total population will be willing to do so. The limited acceptance of pan-European broadcasting because of linguistic and other cultural issues makes it difficult to aggregate consumers across the continent either.

Content provision and accountability

Significant elements in any assessment of pluralism involve the sources, quality and range of content provided. The more providers of content available, the more likely it is that the quality and range will be beneficial.

In the United States, broadcast content was initially locally produced, but a system soon developed in which locally produced programming was combined with daily programming from a few major national providers. First in radio, and then in television, contractually created networks of stations developed in which independent local stations purchase a national package of primetime programmes from a central provider who sells advertising nationally. The stations also create local programming and purchase additional materials for independent producers and syndicators. This bottom-up structure is one of the distinct characteristics of US broadcasting compared to European broadcast systems.

Although the commercial US system is excellent at providing general entertainment, concern grew over its effectiveness in providing a broader range of radio and television programming emphasising education, culture and social service that were less profitable for commercial broadcasters (Engelman 1996). Discontent of social observers, regulators and legislators coalesced around a Carnegie Commission on Educational Television report (1967) that called for the creation of public television and governmental funding to create a significant competitor to commercial television.

The Public Broadcasting Act of 1967 set up the mechanisms for public broadcasting, but without financial support necessary to be a government-funded direct competitor to the commercial firms. It established public television to provide content that the commercial terrestrial networks ignored or only weakly provided – especially educational programming and quality children's, science/nature and arts programmes. It was also recognised that radio could serve significant public purposes and made provisions to develop a parallel public radio system (Bullert 1997).
The structure of PSB in the US mirrors that of commercial broadcasting. It is built on a base of independent local stations that become affiliates of and purchase programming from a central provider – thus creating a nationwide network of stations. This central provider creates a good deal of material but local stations are free to produce their own, and some join together to market and provide their material to other local stations. This increases the sources of material and increases the likelihood that content will be pluralistic. PSB has developed effectively as providers of quality supplementary programming that offers broader content than found on commercial broadcasting; however, it still lacks the breadth and strength found in most European public service broadcasters. Public television averages a 1.4 primetime rating, higher than all but one basic cable channel (USA), but behind five leading terrestrial channels (ABC, CBS, CW, Fox and NBC).

The American content-provision pattern differs from Europe where the primary content providers have historically been large public service broadcasters who produced content for their own use. The monopolistic characteristics of public service broadcasters created limitations on the availability of domestic and European content. These limitations created demands from the public and political representatives across Europe to increase the number of channels to provide more choice and diversity, essential elements of pluralism.

Initially, policy-makers responded by increasing the number of channels operated by the dominant public service broadcaster and then – as in the UK – created additional public service broadcasters or commercially funded operators constrained with significant public service obligations. Later some nations authorised commercial channels with limited service obligations. Many of the incumbent public service firms initially resisted establishing any additional channels of their own, and then opposed the entry of new public service channels and commercial channels.

Despite the ultimate entry of new types of broadcasters, public service firms in most nations still strongly controlled domestic content production because of the costs of production and because they controlled the limited production facilities available. Recognising this situation as a problem for plurality and economic growth, one of the key provisions of the European Commission's Television without Frontiers Directive was forged in an attempt to build independent production capabilities that would create a market for European content (European Commission 1989). This was done by stipulating minimum levels of content that would have to be acquired from independent producers as a means of promoting economic growth and reducing the amount of syndicated material obtained from outside the EU.

Conclusions

The economic policy choices have produced differences in the media environments of Europe and the US, and some important lessons.

First, the localism and competition policies of the US have produced far more broadcasters and content producers than all of Europe combined. Audiences in the US are served by 13,000 domestic radio stations, 1,750 domestic television stations, three primary and two secondary domestic television networks, 250 cable/satellite channels, and 300 satellite-delivered radio channels. This system provides programming in dozens of languages, programming aimed at minority groups, and regional and local services unparalleled in Europe.

Second, differences in content between leading US and domestic broadcasters in European nations make it clear that commercial broadcasting on its own accord will not provide audiences with sufficient high-quality public affairs, children's, science/nature,

documentary and educational programmes. If these are desired, commercial broadcasters must either be mandated to provide them – and sufficient oversight provided to ensure compliance – or given incentives to provide them, or they will have to be provided by non-commercial broadcasters.

The third lesson is that whichever type of broadcaster is dominant, incumbents will have advantages in terms of habitual use and audience loyalty. This makes it more difficult for newcomers to gain equal status in the minds of audiences in the short- to mid-term. Thus, the three television networks first established in the US remain the strongest, and the public service broadcasters in most European nations remain their dominant broadcasters.

The fourth lesson is that if PSB is to have broad, direct social impact, it cannot be marginalised and serve only smaller audiences. Regular daily and weekly contact with general audiences is necessary, and that requires a broad and balanced schedule of programmes representing different genres and tastes.

There are no simple formulistic policy responses that will ensure plurality in a broadcasting system comprised of both public service and commercial broadcasters. Each nation has unique size and population characteristics, as well as cultural and identity needs that must be serviced. However, it appears that optimal results can be achieved if public service broadcasters are equal or stronger competitors in broadcasting, if public service broadcasters are equal competitors in all other media activities in which commercial broadcasters engage, and if both public service and commercial broadcaster provide a range of programming that appeals to both general and niche audiences.

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Endnote

1. In this case 'free to the public' means there is no direct payment to receive services, but the author recognises that free commercial broadcasting exists through indirect payments of higher prices on goods to pay for the cost of advertising.

10. The Way Ahead: Towards a New Communications Act

10 The Way Ahead: Towards a New Communications Act

David Levy

Introduction

The essays here have offered a vast range of insights, analysis and proposals. There is general agreement that plurality is desirable. But perhaps appropriately for a book on plurality there is a wide diversity of views and perspectives both on the nature and importance of plurality within Public Service Broadcasting (PSB) and what action might be required to sustain it.

Some contributors root their discussion of plurality within the debate on the future of PSB; for others it is something that goes wider than that, both because the market will provide a great deal of plurality and because of the conviction that rapid changes in technology and consumer behaviour mean that this debate must extend far beyond traditional broadcasting. Our contributors have offered different perspectives on how much PSB we should expect and fund, what the market might provide, where PSB plurality matters most, the extent to which it is under threat, and if so, what should be done about it and at what cost.

This plurality of perspectives makes any attempt at synthesis difficult, certainly without doing violence to the variety of views presented and so this concluding chapter aims to reflect the range of approaches discussed. But at some stage the current debate will have to move from discussion to action. And that will require real clarity in identifying the main priorities for action and the trade-offs that we are prepared to make. Implementation could take many different forms; internal adaptation by existing operators, changes forced by pressures from new players, technology and consumer behaviour, reformed regulation, or most likely, all of those things, combined with a new approach to PSB in a Communications Act sometime between 2010 and 2012.

That Act will oblige Parliament to decide on its primary goal. Will it be to patch up and repair the current system, to force a fundamental overhaul, or to abandon the system having decided that it is broken and beyond repair? This chapter tries to look towards that moment of decision and ask what approaches legislators could adopt, along with some of the pitfalls they should avoid and the difficult trade-offs they will be obliged to face. But first it is worth putting the British debate into perspective.

PSB plurality: a uniquely British problem?

As the international contributions to this book reveal, the current preoccupation with plurality in PSB is peculiar to Britain. Its origins stem both from the unique history of UK broadcasting and the abundance of generally high-quality, ambitious, independent and innovative PSB

that has characterised the UK system. The UK is not only home to the BBC, Europe's oldest public service broadcaster, but has also enjoyed a very rich PSB ecology since the creation of ITV in 1955. That richness is evident, in the extended PSB family and the amount of programme spend, to a point where the UK has the highest level of investment in programming per capita in the world.[1]

Whereas other European countries made representative pluralism a central objective of their PSBs (Curran), the British approach has been very different in being designed around multiple PSB providers, each with their own funding stream, ownership and governance structures. The result is a carefully calibrated PSB **system** that has few parallels elsewhere. The PSB plurality debate is also absent from the US, where the strong local origins of broadcasting, the lack of a mass national public service broadcaster, and the constitutional constraints on strong content obligations, mean that plurality, when discussed at all, is more likely to be approached through media ownership rules than through controls over content or PSB structures. (Goodman & Price, Picard)

This institutional and historical specificity has been combined with a technological one in the shape of the UK's unusually durable dependence on terrestrial – and hence spectrum constrained – distribution systems to reach the bulk of viewers. Cable took a very long time to develop in the UK, and while satellite achieved near universal availability from an early stage, its identification with pay TV affected take-up. Consumers in Germany, Benelux or the USA had access to multi-channel TV in the analogue era. In Britain increased choice and competition has only really arrived with digital TV, and the strong analogue terrestrial heritage has helped lay the basis for its continuance through Freeview, albeit in an environment now marked by vigorous platform as well as channel competition.

Some of the problems that are identified in the United Kingdom as being about plurality of PSB do exist elsewhere in Europe but are not located in debates about multiple public service providers. Instead, they are often seen as being about threats from globalisation, Hollywood or of a lack of funding and fragmenting advertising revenues. The result has on occasions been a fairly extensive range of regulatory obligations or controls applied to **all** players, for example to: invest in film, drama or other indigenous content, or independent productions; to show news in primetime, or abide by stringent conditions for access to cable networks, rather than efforts focused on ensuring balance **within** a complex PSB system itself. The UK system by contrast relies not so much on regulatory fiat as on an unusually strong and well-funded BBC to, depending on your point of view, distort the market or 'condition' it by 'keeping people honest'.

For many of the authors in this volume this unusual UK PSB system has delivered considerable benefits, both in terms of the direct value provided to consumers and citizens through the range and quality of its programmes, and indirectly, in terms of the benefits for the wider production economy, and the creative industries across the nations

and regions of the UK. For others, though, the status quo has been marked by excessive public intervention, sloppiness about the criteria for public support, and an undue fondness for supporting broadcast institutions rather than clearly identifiable public service content across a range of platforms. Clearly much of the UK debate over PSB plurality will depend on how one regards the benefits or otherwise of the old PSB system, and that in turn will influence perspectives on where the most serious problems might arise from threats to the current system.

Identifying the problem

The UK plurality debate brings together strong normative preferences about today's PSB system and anything that might replace it, with reliance on predictions of the future behaviour of commercially funded broadcasters, in the face of increased competition, fragmenting revenues and reduced spectrum scarcity.
These predictions lead to three main concerns. The first is whether such regulatory levers as are linked to spectrum scarcity will still work. The second is whether multi-channel competition will lead some PSBs to 'leave the family' by handing in their terrestrial licences. And the third is whether the BBC's resulting dominance of the vacated PSB space might actually reduce the choice and plurality that we've been accustomed to.

Most commentators recognise elements of each of these concerns, but there are disagreements about the scale of the threat to the current system, to PSB plurality, and the areas where it will be of greatest concern. Should policy-makers in future focus on particular genres under threat? On the dangers of the BBC dominating the PSB landscape? Or on the risks to innovation and risk-taking and a greater interest in formatted entertainment and lifestyle programming, as producers focus on the bottom line? Or is it more about the potential problem arising from the changed dynamics of the system, as increased competition substitutes popular quality for the paternal quality and expert judgement that characterised the old system?

Whichever problem is given priority, most of the proposed solutions depend on predictions of future industry and market developments. Future-focused regulation sounds attractive in theory, but in practice predicting how the market will develop, and hence which issues are the ones that really need addressing, is much harder than one might imagine. One illustration of this is the surprising success of Digital Terrestrial TV (DTT) over recent years – currently the largest digital platform which is supplying 43% of digital households – meaning that terrestrial spectrum continues to be a much scarcer commodity, and hence potentially more effective regulatory lever, than was anticipated at the time of Ofcom's first PSB Review.[2] This demonstrates the need for caution towards the sense of historical inevitability that has sometimes accompanied the debate about the decline of the commercial PSB model. Several contributions in this book show that whether in their commitment to news, investment levels in UK drama, or even children's programming, some commercially funded PSBs still

invest in areas that others might assume would require new subsidy models. Geraint Talfan Davies' suggestion that an auction be held for at least one of the ITV regional franchises would provide an interesting way of testing both the real value of that DTT spectrum and the attractiveness or otherwise of a regional licence. Similarly Newton Emerson's account of the relative success of newspapers and TV news in Northern Ireland, which is the smallest and most competitive of the UK's national media markets, challenges conventional wisdom. It suggests that when there is a passionate interest in local news and content, the general rule that as scale diminishes TV's investment in original content becomes less sustainable, may not always hold true.

Differing approaches

As we have seen, the approach one takes to any proposed action in favour of plurality depends greatly on what is valued most within the status quo, the extent to which it is seen to be under threat, and how much it is assumed that the market will or will not provide those elements. The approaches outlined by the contributors here fall broadly into two camps, those focused on modifying the present system to protect quality and help preserve plurality where possible, and those attracted by a more far reaching approach to the current system and a commitment to new structural approaches to promoting plurality.

The advocates of these structural solutions tend to be more critical of the current system and more sceptical about its sustainability. They see the current debate as a helpful opportunity to propose a complete overhaul of the existing PSB system, with a re-examination of the appropriate extent, organisation, shape and territory for new forms of intervention, including consideration of contestable funding systems and of intervention beyond both PSB institutions and broadcasting itself. There's a very rich range of proposals under this heading, including the creation of a new Public Broadcasting Authority to award funding on a contestable basis, a reduction and refocusing of the current level of public intervention, and the scaling back of the BBC combined with the restructuring of Channel 4 with some clearly expressed public service obligations.

Other solutions focus rather on finding ways in which the existing PSB system can be reformed and reinforced with the aim of preserving what we have in terms of quality and plurality. Proponents vary in the extent to which they think the system is in crisis, or simply requires some minor readjustment to ensure its sustainability. They differ too in the emphasis they place simply on ensuring some adaptation to preserve the direct benefits of the current system – in terms of the impact, quality and range of output delivered – or whether they also emphasise the need to preserve the wider indirect benefits that have flowed from it. However one needs to be wary of advocating regulatory solutions that are primarily focused on indirect benefits, whether in terms of particular parts of the production sector or certain kinds of producer. If those benefits flow from the creation of

programmes that deliver real value to audiences all well and good, but indirect benefits should not be the primary driver of policy.

Valuing the significant rather than the measureable

Much of the plurality debate focuses on specific genres that are seen as being under threat: serious news, programming for the nations and regions, UK-originated children's programming, to take just a few examples. Many of these things are indeed very important but we should be wary of placing too much emphasis on that which is monitored and can be readily counted.

There is a danger that as regulators and legislators home in on quantifiable obligations they condition the debate, create a tendency to regulatory gaming, and an undue concentration on the opportunity costs of certain genres or production obligations. It can undoubtedly be useful to highlight areas where the regulatory regime no longer meets the demands either of efficiency or the audience. But the things that are most easily measured or regulated are not necessarily those we value most in the current system. The creative or journalistic intent behind a programme may matter more than its genre label or the place where it is made. That intent might include a commitment to quality, to take risks, to innovate, to throw a new light on a story or to uncover something new through determined journalistic investigation. So in seeking solutions to genre based concerns we need to be particularly wary of replacing old obligations with new ones that simply encourage people to hit the target while missing the point about those aspects of the PSB system that really need sustaining and strengthening.

Many of these essays bring two new terms to the fore of the plurality debate: navigation and impact. The point is that what is made may matter less than whether it is readily accessible and achieves real impact. Robin Foster argues that the traditional argument for plurality, expressed in terms of the competition for quality between a range of different programme providers operating in similar genres is likely to look much weaker in the future. Overall, a lack of investment and competition at the supply end is not likely to be the greatest threat to plurality (other than in a few, albeit very significant areas) and he believes it is preferable to encourage high levels of original investment overall by UK providers rather than trying to set quotas for particular genres. This view locates the greatest threats to plurality as coming from potential obstacles to distribution, navigation and consumer access, meaning that in a more crowded market PSB content will fight for viewers able to find it and access it readily and hence to have significant impact. Other proposals in this volume, which suggest that priority be accorded to securing universal access to high-speed broadband, could conceivably be recast to ensure that at the very least, that if there was any public investment to extend broadband access, it was accompanied by guarantees that the new networks would give their users access to the widest possible range of content.

Understanding the trade-offs

As competition increases, and the market fragments, there is a fundamental trade-off to be made between concentrating investment in order to maximise quality and impact, or spreading that investment more widely to protect plurality, but at the risk of jeopardising impact. It is a new dilemma since, as noted above, we have been used to having both during decades of relative PSB plenty, marked by high levels of investment by both commercial public service broadcasters and the BBC and relatively constrained competition between them. The choice between impact and plurality is one of the most difficult trade-offs inherent in the current debate.

There are a variety of ways forward here. The minimalist view would place the priority on preserving what is already known and publicly owned. That would emphasise sustaining the BBC and Channel 4, ensuring that they each meet their remit on new as well as existing platforms, and do so in a way that promotes plurality. This could include securing Channel 4's future funding, while looking at the behaviour of both broadcasters, primarily in terms of their internal editorial and commissioning plurality. Samir Shah's kite-flying, for example, about whether the BBC might refocus its efforts in terms of the independent production quota onto a single channel and then relocate that channel outside London to provide a real change of focus of where money and commissioning power are located within the BBC, gives an indication of some of the more radical variants on this approach. Similarly, many of the proposals in Channel 4's future vision document, *Next on 4*, whether in terms of the commitment to new talent, small independent producers and collaborative new media experimentation, all head in this direction.[3]

A different approach might focus instead on coming up with new ways to secure plurality in public service content, on whatever platform, right across the media market. While the idea of viewing PSB from a new media as well as broadcast perspective is now commonplace, a more radical variant would emphasise reviewing and redistributing existing funding across the entire market, and looking at funding individual programmes and content rather than institutions. Another might try to bring together the wide range of existing public support for media activities, most of them outside conventional PSB, in order to secure the greatest impact for currently disparate activities. Peter Bazalgette's proposal of a strong but smaller BBC, where proceeds from the sale of Radios 1 and 2 and BBC Worldwide, together with those from a privatised Channel 4, might help fund new PSB models, is an interesting radical mix of elements of the status quo in the first option together with the idea of some public support for new entrants from the second.

A third, midway option would place the greatest emphasis on how to sustain the quality and breadth of the existing PSB system. This would require an assessment of the sustainability of the current range of PSB obligations, and of which PSB-type programming commercial

operators would still want to supply in the absence of regulation, in response to audience demand and to mark themselves out from other players. It would also need to look hard at the remaining regulatory levers, whether in terms of EPG positioning in an age where navigation matters more than ever, or at access to spectrum. As noted above, the continuing importance of DTT – and the increased demands that HD will place on DTT – suggest that spectrum will continue to have some value as a potential lever, if policy-makers choose to use it in that way. But while there has been much discussion over the reduction on the value of spectrum as a result of switchover, and the need for a resulting diminution in PSB obligations, there is very little discussion of movement in the other direction, i.e. an increase in the obligations on other channels as they achieve the universal reach that was previously a privilege restricted to PSB channels. A couple of authors have suggested how, in a fully digital world, digital channels that have previously had very minimal obligations imposed on them might be expected to contribute to content creation in the new system, whether through a form of 'planning gain' or an audience share related tariff (Hodgson, Morrison).

Legislation and its limits

Parliament will need to decide which model of PSB and of plurality they want to inform the next Communications Act. But it's worth being clear about which choices will require legislation and which regulation, and which can and should occur without either.
The new shape of PSB will almost certainly require new legislation. That applies most obviously to the more radical ideas for the creation of new funding institutions, contestable funding systems, a redefinition of the PSB landscape to open it up to new players, and to allow existing players, such as Channel 4, to meet their remit across multiple platforms and channels. If there is to be legislation for any of these things there will need to be real clarity over their expression and the objectives they are designed to secure. But legislation would also be required for other seemingly more incremental changes. It would be needed for a refocusing of the independent production quota and clearly legislation would also be needed to extend existing PSB-type requirements to other channels and players, or extract any 'planning gain' from them. And most additional funding sources that one might imagine for Channel 4 would also require new legislation, as well as some reconsideration of Channel 4's existing governance and accountability.

However, many of the ideas discussed by contributors to this book are not susceptible to regulation or legislation, but rather depend on the initiative of the players themselves. An increased emphasis on innovative rather than formulaic commissioning, or on serious and original rather than soft news are hard to regulate for, even if one can impose requirements on transmission times. Similarly attempts to regulate for the use of new talent, or a commitment to using smaller producers would encourage people to 'game' the system, when broadcasters will deliver far more effectively if they develop the ideas themselves. The same applies to many of the more innovative

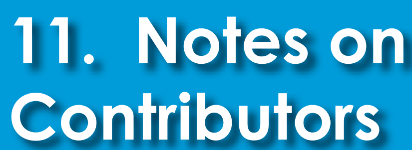
ideas about new media commissioning and internet activity where existing PSBs are involved. Even when it comes to discussions of internal plurality, PSB self-interest in opening up the maximum number of entry points for innovative ideas may be more effective and less heavy-handed than regulatory imposition, even if the regulator can play a useful role in monitoring trends, and encouraging change. Conventional direct PSB regulation as such may play a less important direct role in determining the future of PSB plurality although it will be very important indeed in terms of shaping the debate. In the age of the internet, it may be more useful to try to create the conditions for delivery of our preferred outcomes rather than insisting on trying to regulate for them.

Desires, designs and delivery

"Take your desires for reality" was a favoured slogan on the streets of Paris in May 1968. Discussion of PSB plurality has at times felt as if one only needs to agree that plurality is desirable in order for it to be obvious what needs doing. The contributors to this book have made clear that things are much more complicated than that. Future legislation about PSB will certainly require clear assessment of priorities, trade-offs and the costs and benefits of any proposed actions, before it is likely to be considered. But dangers remain, even for those who are ready to move on beyond the simple desire for plurality to discussing the design of a new system. The current UK system of PSB involves significant regulation but its plurality and the resulting competition for quality evolved through a rather serendipitous mix of circumstance and ad hoc intervention rather than as the result of any grand design. Strong, well-funded PSB combined with competition for quality have delivered exceptionally high levels of innovation, quality and impact. While at moments of change it is right to think through what might be the most effective new design, we should not fool ourselves that the theoretically perfect design for plurality will necessarily either be achievable or succeed in providing what we value most in the current system. We would have failed if we succeeded only in designing a new system that met the textbook tests for plurality and competition while failing to deliver the quality, independence, widespread use and impact that we have come to expect from PSB.

Endnotes

1. Ofcom, The Communications Market 2006: International, p. 117.
2. Ofcom, The Communications Market: Digital Progess Report, Q3 2007.
3. Channel 4, *Next on 4*, 2008.


11. Notes on
Contributors

Notes on Contributors

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James Curran is Professor of Communications at Goldsmiths, University of London, and Director of the Leverhulme Trust-funded Goldsmiths New Media Research Programme. He is author or editor of eighteen books about the mass media including, most recently, *Culture Wars*, with Ivor Gaber and Julian Petley (2005).

Peter Dale is currently the Head of More4. Starting television life in the cutting room, he directed his first *Everyman* documentary in 1980 and went on the make documentaries for eighteen years. As Head of Documentaries at Channel 4 his commissions included *The Government Inspector* and *Jamie's School Dinners*.

David Elstein is chairman of several media companies, and has been CEO of Five, Head of Programming at BSkyB, Director of Programmes at Thames TV, Editor of *This Week* and Producer/Director/Writer on *The World at War*. He has chaired the British Screen Advisory Council and the Broadcasting Policy Group.

Newton Emerson is a columnist for the *Irish News* and the *Irish Times*. He is a founder of the *Portadown News* website and a regular contributor to radio and television in Northern Ireland and the Irish Republic.

Robin Foster is Chief Adviser to the Board of Media Strategy Consultants, Human Capital, and ran the London Business School Global Communications Consortium from 2006 to 2008. He currently advises the government's Convergence Think Tank and has held senior executive positions at the BBC, the Independent Television Commission, the National Economic Research Associates and Ofcom.

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John Whittingdale is the Member of Parliament for Maldon and East Chelmsford. He was Shadow Secretary of State for Trade and Industry from 2001 to 2002, and Shadow Secretary of State for Culture, Media and Sport from 2002 to 2003 and from 2004 to 2005, leaving the post after the general election. John was elected Chairman of the Culture, Media and Sport Select Committee in July 2005.