
PSB – the last decade and the future: lessons from the BBC and the UK

Georgina Born

Professor of Sociology, Anthropology & Music,
Cambridge University

*Uncertain Vision: Birt, Dyke and the
Reinvention of the BBC* (Vintage, 2005)

Overview -

- Introduction – what is PSB?
 - History and characteristics
- 2 founding premises:
 - Understanding organisations
 - Understanding audiences
- Birt's BBC and its legacy – the 90s
- 2000s: Hutton crisis, Charter Review
- Now: Going digital, and the future of PSB

What is public service broadcasting?

1) The BBC monopoly (1927-55)

Initially (pre WW2) equated with the BBC – 3 elements:

- 1) **Economic** – public funding, *not* commercial (US)
 - 2) **Political** –
 - Independence from govt: *not* state controlled (USSR)
 - Universality: creates a '*national culture*' – popularity yields legitimacy; universal 'public sphere' (Habermas)
 - 3) **Cultural and social** –
 - Institutional embodiment of *ethos* of public service, integrity, and high editorial and cultural ambition
 - Aim to inform opinion and develop or elevate ordinary tastes: citizenship and cultural purposes
 - 'Mixed programming': services that *combine* information, education *and* entertainment
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Problems with the BBC?

■ **Cultural:**

- ❑ Cultural elitism and cultural homogeneity?
- ❑ London-centric and failing to reflect UK's diversity? > tensions between 'national' and 'regional' services

■ **Political:**

- ❑ BBC's tethering to government?: a) Charter review; b) setting licence fee; c) appointment of Governors
- ❑ Over-cautious, deferential, cleaving to political centre?
- ❑ Propaganda role in crises (eg WW2, 03-04 Iraq debate...)

■ **Economic:**

- ❑ Justifying licence fee funding vis a vis limits of audiences

Public service broadcasting after WW2:

2) Competition (1955-c.1980)

- PSB = a regulated broadcasting ecology or system based on limited and benign competition:
- **ITV: 1955 on**, overseen by Indep. TV Authority: BBC 'faces its own likeness' – same ethos
- > **Benign competition: *limited* competition between well-funded producer-broadcasters**
- Competition for *audiences*, but *not* for revenues, and *rising* revenues...
- > 1960s sees creative innovation between BBC and ITV, esp. in TV drama, entertainment and journalism

Public service broadcasting after WW2:

3) Cultural pluralism era (1982-c.1990)

- **Annan Report 1977:** broadcasting to be 'opened up' to new cultural currents and social realities; criticises outworn notions of balance and impartiality
- **1982: Channel 4 begins**, *regulated* by IBA, *funded* by subsidy on ITV companies, *commissioning* programmes from outside production companies
- *Remit* for experiment and innovation, serving minorities and pluralism (of opinion, and in employment – Workshop movement)
- 80s on: growth of independent production sector

4) Deregulation, new technologies and commercialisation (late 80s to present)

- **Late 80s:** growth of cable, satellite and then digital TV in the UK; rise of Sky
- Increased competition for revenues
- Fragmentation of audiences and markets
- Balance of broadcasting ecology in UK **shifts** from PSB-oriented to *mainly* commercially-oriented – frantic competition for profitable demographics
- ...Affecting ITV, C4 and (from 1997) *five*
- Sky's strategy: control of platforms > channels > premium content (sports, films): *vertical integration*

1) Founding premises: understanding broadcast / production organisations -

- **Organisational *conditions* have profound effect on what is produced by creative orgs –**
- Needs 1) **good organisational culture or ethos / ethic:** ambition, high quality, independence and truth-telling, innovation, risk-taking...
- *And 2) approp. incentives: rewards* these qualities
- *And 3) economic and employment conditions, and organisational structures,* that provide **foundation** for the above
- *All came apart in 1990s BBC under DG Birt!*

Organisational cultures – the BBC's example:

- Organisational culture is an elusive variable: What is it? How does it come about?
- Requires *founding* philosophy or principle (Reith and later DGs and govt Committees supporting this philosophy)...
- ...and its *institutionalisation* – *making an organisation founded on the principles*
- ...and the *historical*, long-term success and popularity of that institution and its services
- ... while producers / employees ***internalise the culture as an ethic and apply it in their work***
- ... which necessitates good, sustained employment conditions to nurture identification and loyalty to the organisation

2) Founding premises: understanding audiences and media cultures -

- **Key error: neo-liberal idea of ‘consumer sovereignty’**
 - Rational consumer: knows exactly what s/he wants
 - Seeks maximum ‘choice’, equated with multichannel TV
- **But audience tastes are not pristine and autonomous!**
- **Instead, we should conceive of audience tastes**
 - ... **as a sub-set of wider cultural processes**
 - ... and as ***cumulatively conditioned by what’s made available for audiences to consume***
- **This is NOT an elitist argument but sociological fact**
- Thus low quality populist TV *conditions* audience tastes and expectations further in this direction
- Only alternative: provision – via regulation for benign media ecology and institutions that support ambition and creativity – of high quality, challenging, *pleasurable* programs!

BBC in the 1990s: John Birt's era as DG

- Birt: Deputy DG 1987-93, DG 1993-2000
 - **Overview - what Birt did:**
 - Saved the BBC from privatisation
 - ...And did so, under great political pressure (Thatcher, Major, Blair governments), by ***zealously implementing neo-liberal economic reforms – marketisation!***
 - ...Which drove the BBC in a ***populist direction and seriously undermined creative well-being***
 - ...While presciently preparing BBC for digital age
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Birt's reforms (1) - Marketisation

- **Marketisation: 4 aspects –**
 - 1) **External:** 25% independent production quota
 - 2) **Internal:** Producer Choice: 'efficiency', 'value for money' > high ratings become goal – seen as 'KPI'
> **value engineering:**
'libidinalisation of entrepreneurialism'
 - 3) **Production / Broadcast split:** 'level playing field' for in-house and indies > marketises commissioning and schedule planning
 - 4) **Market research:** tendency to reproduce hit shows – discourse of 'giving audiences what they want' – market research shown to prog-makers: 'we want more light medical drama for Friday evening...'

Birt's reforms (2) – Maximising 'VFM': the tariff-based funding programme model

- **Secret! key symbol of Birtist management: use of ratings as KPI in attainment of Value For Money -**
- Commissioning centralised and rationalised
- > Schedule slots mapped according to target demographic, ratings, budget, genre sought
- > Programmes 'ordered up' for that template
- Dictates parameters to prog-makers: erodes autonomy
- *Example: VFM in Drama via cost / share formula:*
- Adding 4th episode of *EastEnders* for £25m would add 0.5-1% share; whereas in other Drama genres, £100m outlay would add 0.1% share – strategist says rhetorically: 'When you see the numbers, where do you think they put the investment?' – into a 4th episode of *EastEnders*.

Birt's reforms (3): Implanting audit, accountability via consultants

- Increased bureaucracy to oversee -
 - 1) Huge growth of middle management, consultants, strategists:
 - Corporate Centre costs reach c.£80-90m p.a. or 24% of annual budget (despite 'efficiency' mantra)
 - Governmentality: through implanting new values (efficiency, VFM, entrepreneurialism, audit...)
 - 2) Audit and accountability processes -
 - constant cycle of self-monitoring: **'institutionalised reflexivity' displaces attention from core purposes:** quality, innovation, risk-taking in programs & services
 - > **Thus transaction costs very high! Counters 'efficiency' aims of marketisation, core purposes**
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Birt's reforms: Results

- ❑ 1) Combined w. increasing **casual employment** and **decreased training** and career progression >
- ❑ > 2) **Outflow of talent**
- ❑ > 3) **Decreased loyalty, trust, identification** with BBC ethic among producers > lower standards and weakening of organisational ethos
- ❑ and 4) Risk-averse, centralised commissioning causes formulaic, repetitive, generic programme ideas, and increasing self-competition
- ❑ ***Result is LOWEST COMMON DENOMINATOR programming, similar to commercial sector!***

Effects of Birt's reforms: eg BBC Drama -

■ BBC Drama:

- ❑ *commissioning* of progs becomes centralised to unprecedented extent > formatted drama
- ❑ popular series expand, single plays decline: reduction in risk and innovation
- ❑ decreasing autonomy for producers & writers
- ❑ onerous management causes outflow of key drama staff to independents... who offer safe ideas back to BBC so as to secure commissions
- ❑ > encourages safe and formulaic drama

Effects of Birt's reforms: eg BBC

journalism – News and Current Affairs -

- Unprecedented centralisation of journalism:
 - Newsgathering - World Service incorporated for first time
 - Bimediality – TV and radio news integrated
 - Added layers of editorial supervision – ‘super editors’
 - > Declining autonomy for programme editors - becomes mere ‘output editing’ of pre-packaged news items
 - Reporters ‘serve’ increasing no. of TV & radio outlets: ‘regurgitating copy’, ‘reprocessing material and not actually witnessing events’ – (perhaps 18 outlets per day!)
- > Result is safer journalism - distributed and marketed for more channels, new formats – News24, Radio 5Live, BBC News Online...

Effects of Birt's reforms: commercial and international expansion -

- Key development under Birt: commercial expansion via BBC Worldwide (commercial wing)
- New joint venture commercial channels (BBC World, BBC Prime, UKTV channels...)
- Sales of programmes, rights, formats, merchandise..
- Thus BBC more commercially successful than ever
- ...**But *cross-contaminates non-commercial parts of BBC, esp. production departments***: budget and staff cuts force them to be entrepreneurial and seek *international co-production & markets* for progs

Zooming out to the big picture: 1990s to present - a **recursive cycle of forces** -

- 1994 White Paper, *The Future of the BBC*: should expand commercially, internationally, into new media
- BBC does so (was already getting into new markets..)
- > **Furious reaction from competitors**: BBC 'abusing privileged position' 'distorting markets', 'state aid'
- > Discourse of '**unfair trading**' from critics of BBC
- > **Incr. government interventions** that require BBC to justify its commercial and public service expansions
- **In sum: political instructions > BBC policies > competitors' hostility > government sanctions...**
- > Incoherence of neo-liberal policies and **increasing government intrusion into BBC from late 90s**

Zooming out to the big picture: late 90s on - increasing government interventions

- *Rivals' criticisms* of BBC Online, BBCNews 24, BBC3, new childrens' channels, DTV, Digital Radio channels, move of BBC1 news from 9pm-10pm...
 - > Govt increasingly calls on BBC to justify its commercial and public service expansions
 - > Escalating Govt interventions: reviews, public consultations, Ministerial approval, annual reporting to Sec of State, external auditing, competition compliance...
 - 2004-6: Govt commissioned reviews of DTV, DRad, Online, Ofcom PST review, Burns Committee...
 - **Reduces BBC's independence from Government**
 - EG: Culmination in Green Paper 2005: Creative Archive – market impact elevated over public interest
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Zooming out to the big picture: BBC's central paradox

- Need to legitimise licence fee > popularity > ratings
- But competitive ratings are necessary but *not sufficient*.
 - also range and diversity, both mass and minority appeal
 - creative risk and innovation
 - less popular genres (arts, science, CA) in peaktime
- > *BBC must do more than commercial broadcasters!*
- Contradictory criticisms since 90s:
 - 1) When programmes / services are popular, BBC criticised for being 'too commercial' > *doesn't merit public funding*
 - > Market failure model: should 'fill the gaps'
 - 2) When BBC takes 'market failure' route, its accused of being minority broadcaster, insufficiently universal!
 - > *Merits no public funds (US PBS, Canadian CBC)*
- **Thus BBC 'damned if it does, damned if it doesn't'**

Dyke (2000-04) and the Hutton crisis: Dyke as antidote to Birt -

- Dyke rolls back many of Birt's reforms
- Consolidates populist drift of BBC1 under Birt
- '01: BBC1 overtakes ITV's share for 1st time
- Champions in-house production, focusing again on creative strength and popular output – eg sports
- Expands BBC's nascent, inventive digital services: Online, digital TV and radio networks, cross-platform
- Huge success with Freeview: free-to-air DTV for 40% of Britons who don't want US-style pay-TV

The 2004 Hutton crisis: Gilligan and Kelly

> BBC DG and Chairman resign -

- **BBC journalism** under Dyke reanimated, delayed
- > More autonomy: 'original', risk-taking journalism
- Andrew Gilligan emblematic of culture change: unorthodox, 'print journalism' approach
- Gilligan's criticisms of government's actions on Iraq *WMD compounded* by lax oversight (Marsh, Dyke, Governors) - focus on resisting govt pressures
- > Laid BBC open to attacks by Downing Street
- > Hutton Enquiry finds against BBC > Governors lean on top execs to resign
- My judgment (and history!): public interest served by Gilligan's report, Kelly right that dossier 'sexed up'

Now: the BBC since 2004 – Charter Review

- 2004 on: BBC under new management! DG Mark Thompson and Chairman Michael Grade
 - Ambiguous signs of greater political caution
 - Less obvious in journalism, *more in BBC policies*
 - Danger of political expediency: pre-empt government by offering what it wants - dangerous!
 - **Several major reforms being offered:**
 - 1) **Governance: improved self-regulation –**
 - Separation of executive (DG, Bd of Management) from regulatory body: Bd of Governors becomes **BBC Trust**
 - But! Govt appointments to Trust unreformed; strength of research base unclear
 - Thus increasing democratic orientation, but ambivalence over mechanisms to ensure optimal democratic representation
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Now: Charter Review -

- **2) Cutting BBC in-house production:**
 - BBC offers to **reduce in-house production** to max. 60% and increase independent prod to < 50% (WOCC of 25%)
 - ***Seriously erodes BBC's production capacity when only BBC now free of commercial pressures in production***
 - > Widespread myth about indie's creative superiority
- **3) 'Measuring Public Value':**
 - Capitulation to New Labour/Ofcom 'KPM' regime
 - Offer to measure 'public value' in all BBC activities
 - How can cultural value be measured? > sticks to beat BBC
 - Makes public all criteria of services and prog-making

Now: Charter Review

- **4) BBC to take UK into digital future:**
 - Govt asks BBC to carry *alone* costs and risks of switchover to digital TV: highly controversial!
- **Future of licence fee?** At present safe with Labour: but level unclear (BBC wants £126>£150 by 2012)
- ..despite calls by critics for BBC to retreat to 'market failure', replace licence fee w. subscription funding
- > In return for governance reforms so BBC self-regulates effectively: *correct and overdue*
- Future uncertain: Burns/Birt proposal for PSB Commission to top-slice l.fee to fund PSBs beyond BBC (ie Channel 4, Ofcom's PS Publisher...)

Charter Review and the 2005 Green Paper -

- > All rests on new **Ofcom definition of PSB**: as those *genres* (arts, science, CA, documentaries) that commerce won't make: '*good-for-you TV*'
- Extraordinary narrow definition, ignoring a) crucial role of popular progs in PSB; b) organisational *conditions* that *enable* high editorial, prod standards
- Instead, (erroneously) assumes that any kind of organisation can produce high quality programmes if funded to do so – no matter how untrained and casualised the employees, or commercial the ethos

Digital television – why is it happening?

What's it all about?

- Growth of DTV is entirely an artefact of Labour policy: 1999 announced plans for switchover
- Why? DTV seen as way to ensure UK's international primacy in ITC markets and 'knowledge economy'
- And (wrongly) as means of universal Internet access
- ...which is seen as mitigating social exclusion, political apathy, digital divide: a magic bullet!
- But pre-2003 surveys showed 40% of Britons did not want Sky-type commercial multi-channel DTV
- Only since Dyke's Freeview has take-up of DTV soared into < 70% - free-to-air, limited channels

Digital television – Britain is NOT the USA! (and nor is Australia...?)

- Assumption in industry and policy that UK will follow same transition to multichannel TV as US: extreme fragmentation where networks have 17% share
- Questionable: in UK 5 networks have 70% of peaktime share (85% in Freeview homes)
- But has very real effects: causes broadcasters to develop strategies that lead in direction of US!
- Discourse of greater ‘consumer choice’: but because of economics of TV, multichannel TV offers mainly repeats, global formats and cheap programmes
- Good TV is expensive! And audiences prefer high quality, well-funded local/national programming

The Future? The Balance of forces...

- BBC's legitimacy – stems from:
 - Strength of BBC TV, radio, BBCi: quality of services >
 - + BBC's perceived 'accountability' >
 - > BBC's public esteem: currently solid
 - Press perspectives <> commercial and political antagonists – always hot
 - BBC's share and reach – accelerating competition
- > Influences political / government will!
- > Affects funding level! > quality.. cycles round...
- Currently in the UK *all looks reasonably healthy*

The Future: Crucial importance of *institutionalised* independence (Oz beware!)

- But BBC's position – and that of all PSBs – can be further strengthened *constitutionally*:
 - Robust independence (and protection from Govt bullying) requires *institutional structures* (third party) to insulate PSBs from Govt
 - Key eg: Germany's KEF: fully indep. body to oversee two PSBs and recommend l.fee level
 - Further enhanced by defining PSB in law as backstop to policy and interpretation
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The Future: BBC's digital activities: inventive experiments in new media...

- BBC online, 4 Dig TV channels, 5 Dig Radio networks including niche radio (Asian Network, 1Extra - black music station for black community and white others...)
 - **But also:** 1) *Cross-platform events:* linear & non-linear – eg themed events: 'Asylum day', 'Black history month'...
 - 2) *Interactivity enhancing linear broadcast forms:* eg Radio 4's *The Dark House*
 - 3) *'Action Network' website* in response to political disengagement: database, archive, virtual meeting place for issue-based politics - space for self-representation, self-organisation, empowerment?
 - 4) *Wired City - BBC Hull Interactive (£25m / 5 yrs):* PPP with local & regional govt, broadband based wired city - local production of TV and radio, educational uses...
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The Future: PSC, digital media and new forms of communicative democracy...

- PSBs must take a role in orchestrating a benign media ecology – both nationally, and internationally
 - ... though not all PSBs can be the BBC!
 - But only PSBs can be delegated by governments to analyse their own geo-social space and, on that basis, intervene creatively to optimise communicative democracy
 - In light of ethnic diversity, multiculturalism, inequalities: role of enabling marginalised & minorities to speak in own idiom, voice *both* to ‘themselves’ *and* to majority
 - > Fostering ‘practices of toleration’ (O’Neil) and ‘politics of complex cultural dialogue’ (Benhabib) through universal ‘mass’ *and* niche channels > eg *Newsnight DVD*
 - Need to promote awareness of connection between rich communicative democracy and well-being of national political culture (contra USA’s ‘logic of segmentation’!)
-