

**“REASONS FOR CHANGING OVER TO
A PLURALISTIC FRAMEWORK TO BROADCASTING
FROM A PUBLIC SERVICE MONOPOLY
FRAMEWORK IN BRITAIN”**

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In this paper I am going to examine the reasons for changing over to a pluralistic framework to broadcasting from a public service monopoly framework in Britain. By doing this, I would like to examine the impact of technological developments on the television broadcasting system and the financial policies about it.

Historical Background

The BBC came into existence in 1923 as an private monopoly radio company and became a public corporation in 1927. Shortly before the II World War the BBC started experimental television broadcasting and a service was set up in 1946. The BBC is almost entirely financed by a licence fee paid by television set owners at a level fixed by the government and formerly collected by the Post Office (1).

The monopoly of the BBC was broken by the Television Act of 1954 which authorized an alternative system of television that was to be financed by the sale of advertisement time. Independent Television (ITV) began broadcasting in 1955.

The BBC was allowed to set up a second channel in 1964, BBC 2, which was organized to provide educational and minority interest programmes, for instance, for minority groups. In 1980 a second ITV channel, Channel 4, commenced broadcasting. Unlike other channels, it does not produce

programmes of its own. This channel commissions much of its programming from the independent producers, which are usually produced for minorities and encouraging innovations (2).

Except satellite and cable television channels, today, the main structural feature of British broadcasting is that it is a regulated duopoly in which the programming of broadcasting is dominated by two organizations: The BBC on the one hand and the ITV and Channel 4 on the other (3).

Basic Features of British Broadcasting

British broadcasting has always been regarded as an respectful information source not only in the country but also abroad. I would like to write about just two basic features of British broadcasting system which gives an idea about the framework of public service broadcasting in Britain and the approach of British governments to the matters related with broadcasting.

First, from the early days of the BBC, the director generals of the institution have been very careful about the relationships between the BBC and the British governments. The first director-general of the BBC, John Reith, for instance, put forward the basic principle from the beginning that "broadcasting in Britain should be constituted and recognized as a public service, and moreover one which was independent of government control" (Quoted by Windlesham, 1980) (4). Even in the early years of the BBC, according to Wildlesham, "the broadcasters and the Home Office are in accord rather than in conflict as to their fundamental aim, namely to preserve a free and independent system of radio and television" (5).

Second, I think, the success of the system lies under its ability to re-organize itself according to the changing conditions. Transition from the monopolistic broadcasting to duopolistic one constitutes a good example. Sir Robert Franser, the director general for the first fifteen years of the ITV has described what was the Independent Broadcasting Authority's mind at the time:

"It had seemed to the Authority in 1955 that one thing in Britain beginning to go wrong was the over-concentration of the control, ownership and direction of the means of communication; the process which had reached its absolute extreme in the BBC. The Authority therefore thought it is wise to carry as far as the economy of the ITV would allow the principle of dispersion and pluralisation..." (Quoted by Windlesham, 1980) (6).

There has been a common agreement that the competition between the BBC and the ITV raised the standard of programmes within each organization. One of the reasons for this is that there is no real competition for income between the two institutions since their income resources are different. The BBC's fixed revenue from licence fee and the ITV's secured income from advertisements (by not allowing the BBC to show advertisements) enable these institutions to make more efficient and extensive plans about their future programme investments.

The ITV is like a mosaic with its fifteen regional companies. They produce and show both networked programmes seen nationally and local programmes that vary from place to place and appeals specifically to regional loyalty. On the other hand, the BBC constitutes the cornerstone of public service broadcasting and fulfils a national function to "inform, educate and entertain".

Effects of Technological Developments

The system of "public service broadcasting" in Britain came under challenge in the 1980s, mainly, because of technological developments in the communication industry. Since it has become possible for audiences to view whichever satellite channel they like, it became inevitable for the British government to re-structure the existing framework of broadcasting system in the country. In the White Paper, Government stated their belief that "the chance is inevitable as well as desirable" (7). After the abolishing of the BBC's monopoly in 1955, this is the second major shift in British broadcasting system which has been taking place since the second half of the 1980s. It is obvious that the ramifications of this change will be more extensive considering both the on-going nature of the technological developments and the steps taken by the government.

Satellite

As an outcome of technological developments satellite has made one of its major impacts on broadcasting, especially on television broadcasting. Since it has come to existence, national broadcasting monopolies are no longer tenable. That is why countries have been trying to re-regulate the framework of their broadcasting systems. The effects and consequences of satellite broadcasting to the United Kingdom should be examined both at national and international levels.

Under the light of new developments in the world since the early 1980s, such as technological (i.e., satellite and cable television), political and international (i.e., end of the cold war, the collapse of socialism etc.), it has become inevitable for the UK to adapt the existing broadcasting system to new emerging conditions. Considering the rich heritage of British broadcasting there is a tendency to preserve strong elements of continuity, although some radical decisions have had to be taken. As it is indicated in the Peacock Committee's work, "the fundamental aim of the broadcasting policy in the UK should be to enlarge both the freedom of choice of the consumer and the opportunities available to programme makers to offer alternative wares to the public" (8).

The possibilities created by the developments in communication industry provides new opportunities to realize these aims. Indeed, there seems to be no obstacle to stop this process, as long as the government is determined to carry it out. However, the realisations of these aims rises some issues as it always happens in such a big scale of transformation. the change involves wide ranging social, political, economic and interational implications.

Priority to Market Forces

The general approach in England as proposed in the White Paper and largely embodied in the broadcasting Act 1990 is that the market should decide how far and how fast the change takes place towards the pluralistic broadcasting system. The development of cable and satellite channels in the United Kingdom provides a good example of the implementation of this policy.

The British viewer has not yet turned on any scale to cable since 1982 because of the general satisfaction with terrestrial broadcasting and the lack of original programming on it. Only seventeen stations are actually operational, throughout 72 franchises have recently been granted by the Cable Authority, which appears to have worked hard to secure bids (9). According to Blumler and Nossiter, one reason for the fate of the cable in Britain has been "the hesitation of potential investors considering the high cost of installing cable system and the absence of any significant revenue in the near future" (10).

Satellite television appears to be replicating the fate of cable in the British context. British Satellite Broadcasting (BSB), which consisted of five channels (the Movie Channel, the sport Channel, Now, Galaxy and the Power Station), was in financial difficulties in 1991 due to lack of advertising reve-

nue. Following this, SKY took over BSB and is now known as BSKYB which is currently broadcasting (at the end of August 1992) with six channels (SKY Movies Plus, the Movie Channel, SKY Sports, the Comedy Channel, SKY 1 and SKY News).

International Implications of Satellite Broadcasting

One of the major issue satellite broadcasting has raised is that it is not practically possible for governments to control the content of the programmes received from many countries, each of which has different views on how broadcasting is to be regulated and financed. This is partly because of the lack of international regulations and mainly because of the difficulties of enforcing the national regulations on extra-national companies. However, some remarkable steps are being taken, especially in the context of the European Community (EC), to ensure that the programme contents of satellite broadcasting is supervised.

It is clear that if there are internationally recognized regulations to keep the satellite television programmes above a quality threshold, governments become more receptive of foreign television programmes. As satellite broadcasting makes national frontiers less impermeable than before, the international television programme trade will increase. This provides very good opportunities for Britain because its broadcasting has a high international reputation which enables the UK to play major role in international television trade (11). The popularity of English language constitutes another advantage for British television programmes to reach large audiences through satellite.

The Framework of Popularist Broadcasting

The outlines of the transition toward a pluralist broadcasting from the public service broadcasting in Britain has been already clarified. According to the Broadcasting Act 1990, "the Government's aim is to open the doors so that individuals can choose for themselves for much wider range of programmes and types of broadcasting" (12). In this context, the general approach of the Government to the matters may rise in the pluralistic broadcasting system is that "there need to be no contradiction between the desire to increase competition and wider choice and concern that programme standards on good taste and decency should be maintained" (13).

Viewers in Britain will be able to choose from a much large number of

channels in the near future. In addition to the four terrestrial channels, there may be fifth, may be sixth channels if they are technically feasible. At least a dozen channels will be available for direct satellite transmission to domestic receiving dishes in the near future. The price of dishes is falling sharply, which will increase the number of people who can receive satellite broadcasting.

Financing Broadcasting

One of the biggest question in the context of pluralist broadcasting is how the terrestrial and satellite channels are going to be financed. According to the White Paper, "all television services, including the BBC will be given freedom to raise finance through subscription (subject to proper safeguard)" and "the government look forward to the eventual replacement of the licence fee which will, however, continue for some time to come" (14). It is obvious that the availability of more consumer choice in a pluralist broadcasting system will increase competition since the television channels need to attract consumers in sufficient numbers to ensure their own survival in the marketplace (15).

Under the previous system (duopoly) there has been no competition for revenue but for audience between the BBC and the ITV companies since their income resources are different. Although the ITV companies get their revenue from advertisements, duration and content were regulated by the supervising body, the Independent Television Authority, in order to minimize the influence of revenue source over programme content (16).

The idea of competition for audiences but not for revenue has provided the success of duopolistic broadcasting system in the United Kingdom. Within the context of the duopolist broadcasting system, the BBC has always been very careful about the balance between different types of programmes on that channel. But when there is competition for revenue between a number of channels (terrestrial as well as satellite channels), there is a fear that the quality of programmes may decrease. As one broadcaster put it about the possible consequences of changed funding for the BBC: "British television is overall remarkably good; could well be better; but would be worse if thrown open to free-market wolves" (17).

The rapidly falling cost of adapting sets, so that only those viewers willing to pay can receive signals, will allow even satellite channels to charge for services. Therefore, desire to divert the financial system of the BBC from

licence fee to subscription system seems to be sensible. Otherwise, as new television services are flourishing, the system of financing the BBC by a compulsory licence fee alone would be difficult to sustain.

Conclusion

Considering the technological and international developments in the world, the radical steps from the framework of "public service broadcasting" to pluralistic one had to be taken in the United Kingdom. Under the conditions of the competitive and pluralistic broadcasting system, it is believed that British broadcasting will maintain and strengthen its quality, diversity and popularity, although there are some opposite ideas. However, it is hoped that the combination of supervision of the Independent Television Commission on programme quality and the effects of free market forces can maintain the quality above a certain level.

Changing the BBC's revenue source from licence fee to subscription system might result in some degree of decrease in the quality of its programmes since it is to compete for subscribers with other terrestrial as well as satellite television channels. This competition may push the BBC to produce too many popular television programmes at the expense of the programmes for special interests.

NOTES

1. Coase R.H., **British Broadcasting**, Logmans, Green and Co Inc., Toronto, 1950, p.67.
2. Young Sir Brain, **The Paternal Tradition in British Broadcasting**, Heriot-Watt University, 1983, p. 82.
3. Windlesham Lord, **Broadcasting in a Free Society**, Basil Blackwell Inc., Oxford, 1980, p.18.
4. *Ibid.*, p.38.
5. *Ibid.*, p.42.
6. *Ibid.*, p.49.
7. The Secretary of the State, **Broadcasting in the '90s: Competition, Choice and Quality**, Presented to Parliament by the Secretary of State for the Home Office, Her Majesty's Stationary Office, London, 1988, p.16.

8. Peacock Alan, **Report of the Committee on Financing the BBC**, Her Majesty's Stationary Office, London, 1986, pp.97-105.
9. Blumler Jay G. and Nossiter T.J., **Broadcasting Finance in Transition**, Oxford University Press, Oxford,1991, p.263.
10. Ibid., p. 270.
11. Drummond Phillip and Paterson Richard, **Television in Transition**, The British Film Institute Press, London, 1985, p.27.
12. Mr. Secretary Waddington, **Broadcasting Act 1990**, Presented by Mr. Secretary Waddington supported by the Government, Her Majesty's Stationary Office, 1989, p.44.
13. The Secretary of the state, Op. cit., p.22.
14. Ibid., p.25.
15. Valjanovski Cento, **Freedom in Broadcasting**, The Institute of Economic Affairs, London, 1989, pp.125-127.
16. Seymour-ure Colin, **The British Press and Broadcasting since 1945**, Basil Blackwell Inc., Massachusetts, 1991, p.48.
17. Blumler, Op. cit. p. 285.