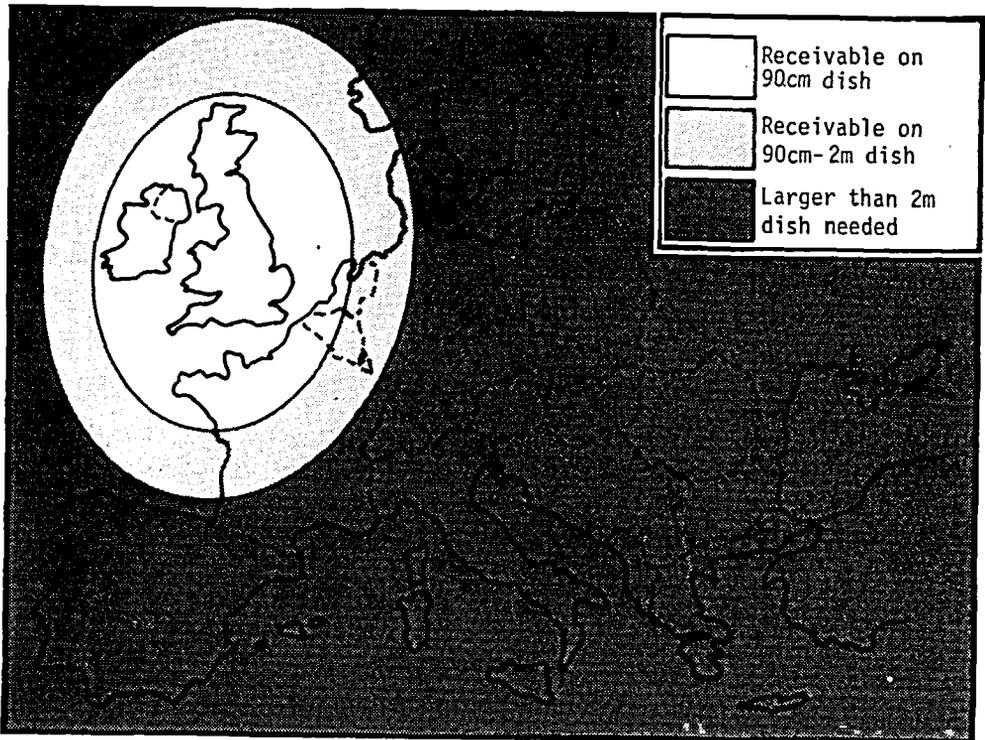


BROADCASTING AND THE STATE: BRITAIN AND THE EXPERIENCE OF CHANNEL 4

BY JOHN ELLIS



Satellite 'footprints' enabling European viewers to pick up programmes on a range of receivers.

THE CURRENT DEBATE around the expansion of broadcasting talks of 'deregulation' and 'opening national broadcasting to

international forces'. Currently fashionable proposals concern competition within national broadcasting arrangements, and transnational multi-channel satellites. The role of the state in broadcasting is relegated to the scrap-heap of history – along with questions of ethics, culture and even commercial viability. In its next phase broadcasting (by which I mean television broadcasting, as radio is already transnational) seems likely to be constituted by the haphazard results of large-scale gambles by media entrepreneurs. There will be precious little of the 'freedom' promised to producers or consumers. The level of financial risk is too great: the costs involved in launching satellites, of feeding multiple channels with entertainment material and laying cable to supply signals, all preclude a multiplication of the kinds of people and ideas that can be involved. Broadcasting will remain a high-cost activity, further complicated by the high degree of initial capitalisation involved.

In such a context, the state has to be involved. The state has to ensure that social values countervail those of the market. And nation states equally have to agree common rules of conduct for transnational broadcasting operations. We have not yet reached the stage where TV broadcasting is a candidate for 'deregulation': it is in no way comparable to publishing, where a multiplicity of outlets exist – books, magazines, newspapers – on a local and a national level so that state regulation can be seen as anathema. With TV in Europe, we have no equivalents of books and magazines; we are merely seeing the creation of the equivalent of national newspapers. Even in the United States, those equivalents of magazines that have been created (specialist cable channels) have had an extremely difficult time: though MTV (music video) and weather forecasts have proved financially viable, the attempts at a 'Culture Channel' have all collapsed, and even some feature film entertainment outlets have had to merge.

Broadcasting, then, is still legitimately the subject of national political debate, and of state intervention or regulation, even in those places where 'deregulation' has gone furthest. However, the state in many countries has proved singularly unable in the past to respond to this role. Television has not been regulated by principle: it has been the subject of political expediency, 'damage control' and improvised ideas. Perhaps this was inevitable when the shape of broadcasting and the nature of broadcasting were profoundly unknown even to its participants. The national broadcasting systems that have evolved through this process are strikingly different and serve their publics and cultures tolerably well. But now we know a lot more about broadcasting and its role in our culture. Surely it is time for the state to learn as well, and conduct its broadcasting policy according to publicly debated principles rather than a disorganised retreat in the face of (false) calls for a 'free market'?

The example of Britain and its evolution towards a rather weird mixed system can reveal many of the problems and blindnesses of state broadcasting policy. For British broadcasting is inching its way towards a crisis, a crisis caused to a large degree by the state itself: the Thatcherite state.

Britain's national broadcasting consists of one large quasi-state conglomerate, the British Broadcasting Corporation, responsible for two national television channels (one with about 40 per cent of the audience, the other with about 10 per cent) which is nominally independent of the government, financed through the sale of mandatory TV licences, and responsible for its own internal regulation. A different regulatory body, the Independent Broadcasting Authority, is responsible for the two channels that carry paid advertising: one again with about 40 per cent of the audience, the other with 10 per cent. But these two channels are not supplied with programmes by a large corporation like the BBC, they are supplied by commercial production companies, under two different arrangements. The mass channel, ITV, has been divided by the regulatory body into a series of regions, each with a single contractor (except London, where there are two) responsible for supplying the whole week's viewing. In practice, almost all of the output is shared, creating a national network. The minority channel, Channel 4, is a national channel whose central broadcasting organisation commissions its programmes from independent suppliers, rather than making them itself. Half of the material comes from the companies that have regional ITV franchises. Half comes from large and small independent production companies, most set up specifically to supply Channel 4. Channel 4 aims to be self-sufficient, funded from advertising. But in the short term it is funded by a subscription levied by the IBA (the regulatory body) on all the regional ITV franchise holders. They, in return, sell the advertising space on Channel 4 in their region. After three years 'on air', some are breaking even or showing a profit.

This system is the result of piecemeal regulation, and has created a delicate 'ecology', in the current expression. Each new facet has been created by the state to counterbalance the last one: the state has been reactive rather than innovatory. Even so, several lessons about the principles that should govern state intervention in broadcasting can be gained from the British example.

The BBC was the government of the 1920s' response to the demands by the manufacturers of radio equipment that the state and not they should be responsible for supplying radio entertainment and information. Initially a private company set up by a conglomerate of radio manufacturers, it was nationalised by a Conservative government and made into a state broadcasting monopoly. At the heart of this BBC were two principles: first, that the BBC should be a single corporation with a monopoly of radio (and subsequently TV) broadcasting; second, that it should have formal independence from the government in its own internal affairs, yet the government should appoint its Board of Governors (a formula often used in British politics with some success). Both of these principles have proved defective. The notion of the independent but government appointed Board failed the vital political test of real power

with the 1926 General Strike. The then Director-General, John Reith, put the BBC's broadcasting potential at the service of the government, rather than at the service of moderately fair reporting. More recently, the BBC's independence has been further eroded by the Thatcher government's attitude to appointments to such 'independent' bodies. Where previous governments, Labour and Conservative alike, have appointed a mixture of the political and the opposition's supporters as well as their own, this government's appointments have been deliberately partisan. The second aspect of the BBC's initial constitution was the cause of more concern from the late 1930s onwards. The nature of the BBC as a single corporation with a monopoly of broadcasting quickly led to a pervasive internal complacency (of which Reith's gesture in the face of the General Strike might also be a symptom). The BBC was slow to innovate in matters of programme-making, especially where popular culture was concerned, as well as the presentation of news and the interrogation of political figures. Even in the 1950s, Members of Parliament agreed scripts in advance rather than submit to real questioning. And in that decade, with its rapid increase in viewing, the BBC's conservatism became an acute problem.

As a result, the British state began to consider a corrective measure: the creation of a second television channel. Thinking about this was profoundly inflected by the large lobby for advertising on TV, which had seen the success of commercial TV in the USA. Others saw the *problems* of commercial TV from the same model; but the eventual constitution of a commercial broadcasting organisation received support from the Left as well as Right – largely in the hope that it would break the monopoly of the BBC and lead to real innovation in the kinds of programmes available. The initial model of commercial TV in Britain bears the imprint of this bi-partisan development. It had two basic principles: that a regulatory body should award contracts to *regional* contractors rather than a single national body; and that finance for the whole operation should come from the sale of advertising space separate from the programmes. These were decent enough principles, learned from the major problems of commercial TV in the USA, but they lacked a realistic financial perspective. So the state's piecemeal solution to the BBC's national monopoly position created major problems: ones which have since become common in the constitution of commercial TV broadcasting.

The regional contractors had high initial costs: the Independent Television Authority, then the regulatory body, provided transmitters, but they had to provide everything else. And the initial costs of actually providing programmes was greater than expected, especially if a large amount of regionally-made material was used, as was initially planned. And, for all the advertising industry's enthusiasm for commercial TV, initial income from advertising was less than projected. After 18 months of operation, some contractors were facing bankruptcy. So the ITA permitted major variations in the mode of operation of the regional companies. They were allowed to form what amounted to a network, with each

regional company providing a proportion of the programmes to be shown by all at the same time on the same night at peak hours. Even more extreme, the contractor for the North East, Granada, was permitted to farm out its entire programming to the Midland regional contractor, ATV. Secondly, the rules about advertising were relaxed, so that programmes of paid promotional material could appear (later they were abolished). Thirdly, the number of game-shows with prizes was increased. So the regulatory body compromised in three areas: advertising, programme content, and the regional nature of the system they were policing.

Three years later, a rather incautious Lord Thompson, the press baron who controlled a minor franchise in lowland Scotland, likened a commercial TV franchise to a 'licence to print money'. Yet the ITA were unable to make up the ground they had lost. The major British commercial TV channel is still a national network first, with only minor regional input. The state did not insist on a return to a genuinely regional TV; instead it imposed a levy for 'excess profits' on regional ITV contractors, a levy that is still in force today: the companies effectively pay for their licence to broadcast in proportion to their commercial success.

The lesson of this episode is that of the costs involved in starting up any new commercial broadcasting operation. The costs are greater than initially appear, and a cash flow crisis is likely to occur after the first year's operation. This is simply because the revenue from advertising is difficult to predict during the period that it takes advertising agencies and their clients to learn how to use the new medium: and for that medium to learn how to deal with them. The ITA (now IBA) should have foreseen this as a rule governing *all* expansions of commercial broadcasting, and not just the ground-breaking ones. But as the next expansion of the early 1980s demonstrates, they did not.

Two expansions of British commercial broadcasting were canvassed in the 1970s, and introduced in the 1980s. First, an expansion of the existing channel to broadcast in the mornings: 'Breakfast TV'. Second, an entirely new commercial channel, which by wide consent would act as a 'publisher' of programmes commissioned from independent suppliers (as recommended by the Annan Committee which inquired on the subject). Breakfast television (opened in Spring 1983) was a single national franchise given to a company, TV-AM, which promised extensive news coverage. Three years later, we have an atrophied news coverage and some very down-market entertainment and chat, provided by what is nominally the same company, though its ownership has changed significantly and every single one of its original executives has departed. The reason is simple enough: the company was dangerously undercapitalised, so it could not bear the large-scale losses it incurred in its first two and a half years of broadcasting. Both in constructing its own studio, and in its original staffing levels, the company was too ambitious. The IBA should have realised that the provision for start-up costs was inadequate; but if they did, they chose to do nothing about it. The final blow (which again should have been foreseen) was that the BBC opened its own rival

Breakfast TV service, using existing resources, some few weeks before its commercial rival. The BBC's service drew larger audiences initially, and under these circumstances, advertisers were unwilling to use TV-AM as an outlet. TV-AM is now commercially viable—at the cost of having completely changed its style, content and staff.

TV-AM demonstrates the incompetence of the IBA as a regulatory body. The Authority has acquiesced in every change to the form and content of the Breakfast TV service. The IBA should have recognised the undercapitalisation of TV-AM as a company, and, crucially, should have foreseen the possibility of competition from the BBC. Theirs is a case of complacency; but the further lesson to be learned for future state intervention in broadcasting is that start-up costs are an even more crucial issue with increasing competitive tendencies in broadcasting. The original constitution of ITV caught the BBC unawares: the BBC's service changed slowly to respond to the new audience tastes and new broadcasting assumptions about the audience that ITV revealed. But with TV-AM, the BBC responded as a competitor... and succeeded. However, the competition involved was harmful in its effects, reducing one potential news-at-breakfast channel to two chat-at-breakfast options.

The state operated differently with Channel 4. One of the most amazing features of the Channel's constitution (with hindsight) is that it was produced by Conservative legislation. A long history of lobbying, a heavyweight report from the Annan Committee, and, above all, the existing example of BBC 2 as a minority channel successfully running since the late '60s—all these currents contributed to the eventual legislation for the Fourth Channel. In other words, the legislation was a work of consensus politics, inflected by Tory ideology but not born of it. Nowadays, Thatcherism would ignore all influences except those from its own camp: had Channel 4 been set up only a couple of years later, the results would have been different indeed. As it was, the Channel was set up to be a publisher of programmes (*pace* Annan), rather than 100 per cent from non-franchise holders.

The chief advance in state thinking was around the brief of the Channel: according to the Act, it was to be devoted to 'innovation and experiment', an odd stipulation for a commercial channel, and an even odder one for a piece of Conservative legislation. Nevertheless, the IBA recognised that a different channel to its existing ITV was to be created as a result of the Act, and that therefore financial provision should be made for the inevitable losses that would be incurred in the first years of operation. Hence the ingenious system of a levy on the regional ITV contractors, in return for the right to sell Channel 4 advertising space in their region. This system is not without benefits for the ITV contractors: their subscription to Channel 4 reduces their liability for excess profits tax, and they can begin to turn a profit when advertising revenue increases. And since they provide 50 per cent of Channel 4's programmes, their under-used staff and facilities are better employed. It is a system, in short, that has allowed a progressive and even controversial minority TV channel to be launched as a channel carrying advertising (and aiming, in

the longer term, to be supported from advertising).

This, then, is the current structure of British broadcasting: four channels, two commercial, two directly state-owned, none truly private. The state has played a central role in developing this structure, more by luck than by judgment, it seems. The main lessons to be learnt from the British experience are these:

- 1) The 'arm's length' principle of state control has many advantages in the day-to-day operation of broadcasting (a relative freedom from political interference except in times of crisis), but it also has distinct disadvantages. The initial design that government legislation provides is often changed radically when broadcasting begins. The internal complacency of any sector of broadcasting can only be changed by addition of new broadcasting outlets rather than by direct intervention. The controlling bodies (especially the IBA) confine themselves to tinkering with the system on a day-to-day basis, and do not insist that changes in working practices brought about by temporary expediencies are later corrected.
- 2) State thinking about broadcasting does not seem to involve sufficient economic calculation. In particular, the set-up costs of any new broadcasting expansion seem to be drastically underestimated. This forces an emergency which can only be dealt with by abandoning social and cultural considerations in the face of the short-term demands of the market.
- 3) With the exception of Channel 4, state broadcasting policies have integrated the functions of programme production into the same organisation as those of broadcasting and overall editorial control. The monolithic structures thus set up (whether BBC or ITV companies) then become quite conservative and complacent, making the introduction of new ideas, new personnel and new working practices very difficult.
- 4) State policy has been dominated by piecemeal thinking, using the expansion of broadcasting as the means of 'adding on' a corrective to the perceived problems of the existing system. In these circumstances, the debate about the existing problems of broadcasting can be easily swayed. Indeed, the debate around the constitution of ITV as a commercial channel in the mid-1950s was the first time in British politics that large-scale commercial lobbying took place: advertising agencies and large consumer-goods corporations were able to create a climate of opinion favourable to an advert-supported channel rather than any other.

II

Recent Conservative policy decisions have exacerbated these problems of British state approaches to broadcasting. Under the banner of deregulation, both cable and satellite broadcasting have been left to the whim of market forces. The state has been left with no real role, apart from that of specifying the kinds of technologies to be used. However, deregulation has its limits in the Tory mind: although the complex apparatus of rules and understandings about cultural priorities has not been transferred from the existing broadcasting sphere, one obsession still resists the re-

lentless drive towards deregulation. The threat of obscenity still has to be repulsed, and suitable restrictions have been built into the cable legislation. Direct satellite broadcasting will be more difficult to control, but currently pending legislation (the Churchill Bill to extend the Obscene Publications Act to broadcasting) would provide some kind of legislative purchase on the activity of satellite channels.

But the Tory attitude to cultural politics stops once the fear of obscenity has been placated. Technology and control are the areas where the Tory version of the state thinks itself able to intervene. So local authorities have been excluded from participation in local cable enterprises; and private capitals—Thorn EMI, etc—have been left to fund cable provision from their own resources. This can only be explained by the fact that the government did not perceive cable as a cultural or entertainment resource. Rather, they regarded the laying of high-quality cable transmission networks as a priority for the future development of business: towards information technology in the home. They wanted entertainment to lead cable to people's houses so that they would be ready for home banking, home shopping, etc. Hence the government's insistence on high technical standards and private ownership under licence. In the event, the old problem of start-up costs has again become crucial: private corporations are not willing to invest the vast sums needed to provide fibre-optic cables for all the cities' streets. Cable TV is an outstanding example of the failure of free market policies: a social and infrastructural need was perceived by the state, and a formal structure was devised to encourage private capital to fill that need. Very little, if anything, has come of it.

However, the current government has tried on a number of occasions to interfere directly in the details of broadcasting content elsewhere. In one notorious case, in 1985 the then Home Secretary, Leon Brittan (responsible for broadcasting) wrote to the BBC Governors asking that they withdraw *At the Edge of the Union*, a scheduled documentary featuring a Sinn Fein politician¹. Leon Brittan made his letter public. The Governors considered the matter . . . and agreed. An avalanche of protest followed, with the predictable face-saving climb-down by the BBC Governors. But the damage was done: the nominally independent Board had been so stuffed with Thatcherite political appointees that it had given way to the most inept piece of political pressure that British broadcasting had ever experienced. The principle of 'arm's length' control of broadcasting had been breached for the first time outside a political crisis.

So the Conservative government has eroded existing state policies in two areas. With new broadcasting media (especially cable), they have excluded positive cultural considerations from the remit of the state; and in their dealings with the existing broadcasting sector, they have abandoned the traditional 'even-handed' approach of past governments in favour of brutal political manipulation, first by appointing their supporters to the independent controlling bodies, and then by demanding publicly that they should do what the governing party demands. Their third

¹ See Liz Curtis, 'British Broadcasting and Ireland', *Screen* March-April 1986, vol 27 no 2, p 47.

initiative was to try to change the funding arrangements for the BBC from the licence fee system to an advertising-based BBC. This would reduce the current (slim) degree of diversity in broadcasting funding in Britain to a single source of revenue. In the event, only the advertising industry itself seems to favour this option (since it would inevitably drive down advertising rates on TV), and it is expected that the idea will quietly disappear as impractical. Even so, the cumulative effect of Thatcherism on broadcasting has been to edge it towards an unproductive crisis, where existing broadcasting institutions are destabilised, and new developments are left with no effective economic regulation.

Conservative policies have advanced and deepened an existing crisis in state attitudes towards broadcasting brought about by the expansion of broadcasting opportunities. Since these opportunities are unclear, involving new technologies, large capital investments and a drastic expansion in the volume of programme material needed, the idea of 'deregulation' appears attractive. However, the expansion we are facing will still leave broadcasting as a scarce and largely unavailable resource: something to be received and consumed as entertainment (with some information) by the vast majority of the population, rather than to be used by them. The size of investments needed to set up new broadcast channels will dictate a maximisation of audience for a long time to come, until the technology is mature and the initial capitalisation has been amortised. In such a situation, where expansion will only multiply existing forms rather than alter them, the state still has a valuable role to play in countervailing the forces of the market. The state has to adopt policies appropriate to a modern democracy in dealing with the scarce resources of broadcasting. Hence the rest of this article is devoted to sketching some policy priorities, ones which acknowledge that the plurality of voices in our culture is an unequal plurality, and thus that state policies should be weighted in favour of the weak.

III

Such policies should be detailed in three connected areas: culture, structure and funding. In each, the tendency must be to promote pluralism. Broadcasting may be a scarce and valuable resource, but it does not follow that it should be exclusively assigned to the few, nor dominated by the administrative elegance of single streamlined structures. This need not imply the introduction of muddle and chaos (because they are themselves powerful instruments of control), but it does imply a devolved rather than a centralised structure, and one that is not easily susceptible to political control or financial blackmail from any one source.

Cultural policies towards broadcasting should promote tendencies which move away from the creation of a mass culture, towards a more federal or fragmented culture. Differences between individuals and between social groups should be both celebrated and understood, rather than played down in the interests of social harmony or audience maxi-

sation. British TV tends to equate these two aims of harmony and audience size: it's a convenient attitude for all concerned. But the result has been to confine to the margins, or even exclude completely the voices of the poorer, weaker and culturally distinctive sections of British society. Despite the existence of certain programmes geared towards the black communities, we still have a scarcity of black characters in drama. American imported series, formed with a policy of positive discrimination, provide black characters in substantial numbers, and are a stark contrast to British produced drama. On British TV, blacks are largely relegated to news and documentary: as a result, they are in danger of being seen as 'social problems'. Though programmes for the black audience (one pioneered by Channel 4 and subsequently taken up by BBC 2) are a significant innovation, on their own they are not enough. A duty to deal with ethnic minorities and their cultures is the statutory minimum that should be imposed by the state on its broadcasting organisations; a wider framing of legislation on this question is needed. This would encourage positive discrimination in casting drama, and discourage the presentation of ethnic communities as outsiders or social problems.

The example of the small advance of British broadcasting in the area of ethnic minorities should not blind us to the weird way that it still refuses to address substantial (and not always minority) groups within the community. We have no TV programme specifically for women, or for particular kinds of women. For some reason I cannot understand, it is considered to be a 'controversial' question, even though *Woman's Hour* is about to celebrate its fiftieth anniversary on BBC radio. Similarly, we have over four million unemployed people in Britain, and many are of necessity heavy TV viewers. But we have no programme that addresses itself to the unemployed specifically, and very little drama which takes the problems and possibilities of joblessness as its central theme. With the unemployed, perhaps commercial reasons have some influence, since the unemployed are not great consumers as a rule. But the real reason, as the example of the vast unaddressed audience of women shows us, is that TV is unwilling to consider the idea of talking to a fraction of the population rather than potentially the whole population. Such an attitude makes the promotion, celebration and understanding of cultural differences a very difficult task. The state has a duty to counteract television's tendency, as a scarce medium, to try to address all of the people all of the time.

The Dutch broadcasting system provides an example of a system that promotes diversity. The criticism often levelled at it, that its diversity is a source of weakness not strength, merely applies to the current system of two Dutch domestic channels. Arguably, the Dutch system would become stronger with a multiplication of channels. Currently, nine separate production companies provide programming into the two channels. One is a central news and programme acquisition service, the other eight are organisations linked to the main political, religious and cultural tendencies in Dutch society. Broadcasting time, licence and advertising revenue are all allocated on the basis of the size of membership of the

organisation. The organisations vary from Catholic, Protestant and Evangelical to a former pirate station. The pressures of maintaining a membership allied to a political or social outlook who are also looking for 'entertainment' has produced a drift away from the initial intentions of the broadcasting groups. However, the basic system of diversity linked to a membership system to support it does produce a diversity of approaches to political and social affairs, *all of which are explicit*. One of the major problems with TV in most countries is that news is constructed on a unified basis: it claims to be 'objective' (although much is recycled government press releases), and in fact becomes news from the political centre as a result.

Diversity is a cultural policy that should equally be applied to imported material. There is no point in fostering a recognition of cultural richness and difference within the boundaries of the nation-state if imported material comes almost exclusively from one source. The current situation in Britain is that economic considerations have dictated a policy on imports that has doubtful cultural results. The major broadcasting unions have an informal but effective arrangement that British TV should show only 15 per cent imported material, excluding cinema films. In principle, each domestic industry should have some kind of protectionist measure like this, since it is TV's rule of thumb that 'production is expensive, purchases are cheap'. But the British system, for all its informality, has a serious flaw. Since it considers all imports alike, it means that the quota is effectively used up on US material. We have little from Europe, virtually nothing from the Third World. The obvious solution (proposed once by Jack Lang, the French Minister of Culture) is to add a positive action element to the quota system, stipulating percentages of material from different parts of the world (so much from South America; a mandatory purchase from Africa; definitely only this much from North America). The percentages should be open to adjustment, but the incentive would be on actually obtaining material from those parts of the world whose images we never see outside news reports.

A further facet of promoting cultural diversity concerns the regulation and censorship of broadcasting. The current system in Britain relies on the regulatory organisations seizing upon and banning or cutting programmes which are made at the 'outer limits' of what is acceptable in their eyes. The result is that the broad range of broadcasting is not regulated. Objections are raised from a variety of sources to many of the routine broadcast images. There is still an appalling level of racism and of insult to women in many so-called comedy shows. There is concern from the Right about what is called 'violence' and 'sexual promiscuity'. There is feminist concern about violence directed towards women, and about violence presented as a major and desirable facet of masculinity. These complaints have left the regulatory bodies at something of a loss: they have proposed inquiries and investigations, but nothing else. Meanwhile, they continue to maintain ill-defined bounds over which broadcasters must not step. The situation is topsy-turvy. Regulation of broadcasting implies a regulation of the whole of broadcasting rather than its

limit-cases. In these circumstances, the regulators would have to be responsive to a continuing public debate about programme standards, a debate initiated by them. The question of limit-cases would then become much less important, freeing some broadcasters to carry on innovatory work in areas where TV has refused to tread, without, for all that, allowing blatantly exploitative work to be made or broadcast. Regulation must be democratic and concerned with the whole of the output. Any other system discourages diversity in broadcasting.

Cultural diversity has to be underpinned by a similar principle in the *structure* of broadcasting, as the example of Holland has already made clear. Channel 4 in Britain has also shown that broadcasting need not be undertaken by a monolithic corporation. Other broadcasting set-ups give similar examples. The West German system (initiated by the British occupying forces) is regional (as British ITV failed to be) and takes a considerable amount of product from independent producers (and has done for many more years than Channel 4 has been in business). Even the US broadcasting system consists of local stations affiliated to networks rather than any national monolith.

However, it is a peculiarity of nation states that they conceive their broadcasting according to their own ideal self-image. Where a state is trying to unify and control (albeit democratically) the activities within its borders, then it conceives broadcasting as a unified and controllable activity to which the model of the vertically integrated corporation seems appropriate. Hence the BBC, commissioning programmes from itself, which it then broadcasts; a model similar to that of many other states. But this vertical integration of the editorial, production and broadcasting aspects of TV is by no means necessary. Channel 4 has demonstrated that production can be separated, and in many (but not all) cases can bring great cost and editorial benefits. Channel 4 commissions programmes and approves budgets, monitors the progress of productions relatively closely, but it can only exert an overall and vague control that still leaves a degree of operational flexibility for the actual producers.

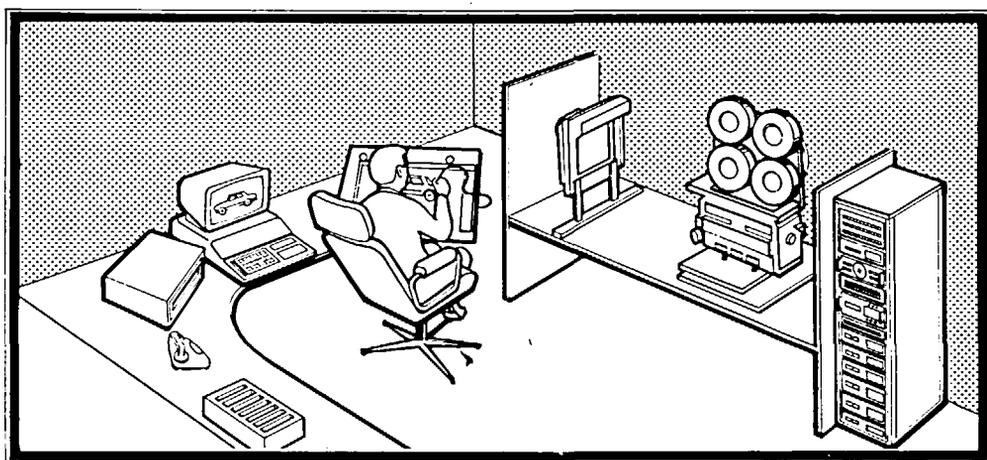
The advantage of such a model is that the management of the architecture of broadcasting—scheduling, planning, overall cost control and basic editorial decisions—are the responsibility of one organisation, but the detailed editorial decisions and financial decisions are in the hands of a large number of differently constituted companies. Hence decision points are multiplied, and multiplied beyond a pyramidal structure of management which is inevitable in a single organisation. Multiple decision points means that decisions are very much more difficult to control from the centre. There is rather more room for individual initiative and for more adventurous approaches. Of course, the system has its drawbacks, and many British independent producers see starvation around the corner if they do not continue to get broadcasting work.

The system of commissioning from independents provides, in principle at least, a greater degree of pluralism in the broadcasting output. It allows for a rather greater degree of openness to new ideas, since there is rather less opportunity for complacency and ossification

than is provided by a large organisation. Equally, there is a rather greater degree of interchange with people working in other media (journalism, theatre, cinema, publishing) than is provided by a monolithic broadcasting organisation whose ways are inevitably rather mysterious to outsiders.

But such a system also has its disadvantages: the inevitable instability of independent production companies makes for a rather ruthless pursuit of profit at times; and the experience of Channel 4 has shown that the provision of equipment hardware in independent facility companies constitutes a large (and sometimes very profitable) expansion. Video technology is very expensive, and the kinds of companies formed in this area are a stark contrast to the independent production companies. A new, and relatively unforeseen, financial nexus has been formed in the technical facility sector. Channel 4 has no formal relation with this sector except the purely market one of providing a large proportion of the production work that they undertake (excluding the other staples of commercials and music videos). In the British situation, the rapid expansion of this sector has meant a real competition between different organisations, but already take-overs are occurring, and one new giant has even made a take-over bid for one of the ITV regional contractors. There is little point in promoting diversity at the level of programme production, only to find that there is little diversity at the level of technical facilities. For facilities can be managed and packaged in a variety of different ways, some of which are completely inappropriate for some individual producers or kinds of programmes.

A simple illustration of this comes from television history: the initial large-scale investment in studios still makes its mark on much TV output, which is still staged in some electronic limbo. One of the more satisfying achievements of Channel 4 has been to reduce the dependence on the standard studio-presentation format. Studios are just too expens-

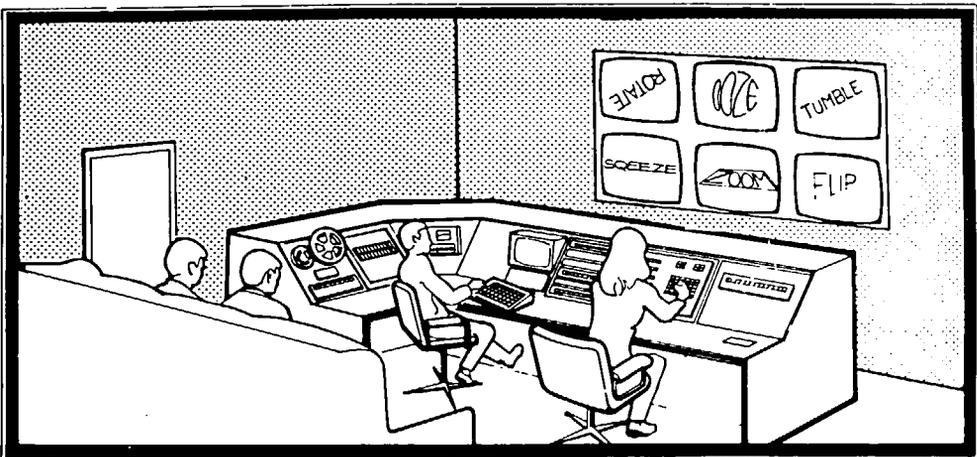


The new financial nexus of Channel 4's 'independent' facility sector...

ive to hire for such purposes, so a number of programmes have adopted different presentational procedures.

A pyramidal broadcasting monolith tends to be secretive about its internal workings, but when production is separated from the management of broadcasting, the flow of information between the two sectors has to become reasonably public. Information about editorial plans and priorities should be made public so that each individual producer can keep informed. In practice, Channel 4 at least has not learnt this lesson, and has been extensively criticised as a result. A valuable opportunity for public scrutiny of a broadcasting organisation has been lost as a result; and there is a lingering suspicion that work has sometimes been gained through information gleaned from being in the right place at the right time. Nevertheless, such problems come from the real difficulties of adjustment that Channel 4 has demanded of British broadcasting: not the least of these is one of broadcasting management finding themselves open to relatively public criticism from producers—and from the press with whom producers talk. Such things never happen at the BBC, since Channel 4 still remains the only broadcasting market for independent producers. But after three years of the Channel, there is now a considerable degree of pressure on the ITV and BBC to commission some of their output from independent producers. Channel 4's monopoly of independent work can be considered a temporary phenomenon. Once the BBC and ITV take a considerable amount of out-of-house product, the consequences for British broadcasting will be great—and probably beneficial to the variety of voices on TV.

Finally, diversity is a principle that should be applied to the *funding* structure of broadcasting. There are three current methods in operation around the world. One is funding directly from the state (with the direct political control of broadcasting that this implies) or the more indirect method of the licence fee, which in Britain funds the BBC. Every TV



... left, computer graphics input and above, digital effects suite at London's Moving Picture Company.

used has to have a licence, the price of the licence is set by the government, and it is collected by state organisations. Hence the government still has a financial lever on the BBC (one that has been used by the current government) – of refusing to increase the licence fee. The second method of funding is through the sale of advertising time, revenue from which is meant to pay for the rest of TV's output – though, as we've seen, there are liable to be large initial losses in getting the system to operate as intended. The third system is one tied to the audience's actual use of a particular TV service, either by subscription in the case of closed cable or encoded satellite systems, or by direct (tax-deductible) donations, as with smaller stations in the USA. It's rare to find a broadcasting structure that integrates all three of these funding means. If political independence can be fostered by funding diversity, it would be ideal to propose a broadcasting structure which would be funded part by state revenue on a quasi-automatic basis; part by income from advertising; and part from a contribution directly from viewers in proportion to their use of the service. However, despite the Dutch example, there are insuperable problems with the third, since it is almost impossible to gauge the use of TV in the same way as the use of gas or electricity. And even were that possible, it would still be desirable to gauge the degree of pleasure gained

In Britain it can be argued that the BBC's lack of advertising puts a premium on the available space on the other two channels, so that the BBC's income should be related in some way to the income of the commercial system. This would seem feasible since the state still collects an amount of excess profits tax on the ITV franchise-holders' operations. Perhaps this money should be incorporated into the BBC's funding? The intimate connections in this area should at least be recognised so that the level of the license fee is related to the amount that the ITV franchise holders contribute as excess profits to the state. This would ease the BBC's current dependence on the government setting the level of the licence fee.

Advertising itself is a complicated area. There are two forms of advertising on British TV. The recognised form of 'spot' advertising consists of a group of 30 second (or longer) short advertisements in groups every 15 minutes or so, interrupting programmes. The less recognised form is of sponsorship of programmes themselves or of events (often sporting events) which are televised, and the similar system of 'product placement', making sure that characters in fiction use certain brands (of cars, furnishings, clothes) rather than others.

Spot advertising has advantages as well as disadvantages. The British system allows the insertion of advertising breaks within programmes, at 15 minute intervals. These provide handy pauses to 'make a cup of tea' or conduct other domestic activities. Viewers' attention to TV tends to be discontinuous, so it can be argued that spot advertising *helps* producers by pacing their programmes for the audience. On the other hand, advertising spots can disrupt the mood of a programme, or appear totally objectionable alongside, for instance, news images of famine (but

perhaps this juxtapositioning is a good thing too). Spot advertising quickly creates a contract with viewers, who recognise its place as different from the programmes, and helpful in their viewing (or rather, non-viewing) habits. Spot advertisements, too, by their repetition, can be more complex and more innovatory (particularly in graphics) than a programme destined to be seen once or twice only. Spot advertising tends to influence the styles adopted by programmes and much television humour.

Above all, spot advertising, as long as it is marked as separate from the programme, is *explicitly* advertising. This is not so with the second form of advertising on TV. This is the covert advertising that is becoming more prevalent. Everyone is familiar with the hoardings that appear around the grounds of televised sports. But we are not so aware of 'product placing': the mechanism by which agencies ensure that particular kinds of cars, furnishings, clothes, locations are used in major US series. US broadcasting rules require an acknowledgment that such-and-such a company has provided cars or clothes, etc. But now that series like *Dynasty* and *Dallas* appear all over Europe, the agency that used to deal with tie-in marketing (of *Dallas* tee-shirts for instance) now operates more in the area of product placement, making sure that European market products are used in the series. Money must change hands in this arrangement, but it is an unacknowledged arrangement, as many transnational tie-ups are. Such advertising, of course, does not provide any income to the transmitting organisation at all. And that revenue question is a problem; just as the use of such promotion is suspect because it does not declare its identity as advertising to the audience.

Sponsorship is an extension of this principle, one that British commercial TV is beginning to enter. Channel 4 producers are now being encouraged to seek corporate sponsorship for their programmes. Sometimes, for instance with a series about *The Countryside*, corporate sponsors are interested only in promoting their company image (in this case, a building society). In other cases, problems of editorial control inevitably loom. Since sponsorship is being explored as a means of boosting production budgets, it causes long-term structural difficulties for the TV organisation indulging in it. Even though a steadfast refusal to accept projects because of their sponsorship potential can be maintained without difficulty, it is still difficult to see how the existence of sponsorship in boosting the income of the TV channel can help unsponsored programmes. For it is likely that producers able to raise sponsorship will want to increase their budget with that money, rather than allow it to release funds for other productions. Sponsorship has superficial attraction for broadcasting, but it inevitably implies a blurring of the separation that should exist between advertising and programmes in any socially responsible TV station. It certainly makes the task of diversifying the funding sources for broadcasting much more difficult. For as soon as advertising (in any form) enters into programmes, the argument for other forms of funding, whether direct from

viewers, or from the state, becomes much less tenable. Broadcasting under the licence of the state may never find itself in thrall to advertising interests to any dramatic level, but it's a principle of any organisation that it will avoid 'unnecessary' confrontation and conflict. Hence programmes on important social issues where advertisers' interests are at stake (the use of drugs in medicine, or additives in food) will become that much harder to mount on a routine basis. British TV has managed to resist this pressure rather more than pressure from governments. It remains a danger where broadcasting exists on advertising revenue alone. Hence editorial independence can be promoted by a diversity of funding sources.

I have tried to use a series of examples drawn from the patchy policies and activities of the British state to draw out a realistic state policy towards broadcasting. This centres on the principle of diversity. It seeks to promote cultural diversity and difference rather than the repetitions of a hegemonic culture. It seeks to underpin this cultural diversity with a pluralistic structure which attempts to distance the point of programme production from the overall running of broadcasting, rather than integrating the two functions into one organisation. It seeks to find funding in a diversity of sources wherever possible, but remains adamant that advertising revenue should be separate from the business of making programmes. All of these principles have had numerous advocates. I hope that by pointing out the interconnectedness of these principles to have added another: that the way broadcasting works should be explicit to its viewers, rather than hidden and obscure. Only then can broadcasting be made accountable to the public it serves, and to the state which (in theory) is the guardian of the public's varied interests. Until such a real public accountability is built into broadcasting, we will continue to see the best-laid schemes of the state laid waste by the short-term demands of the market.

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COMMODITIES



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