

Broadcasting Policy in the 1980s: an overview.

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Delivered at the "There's No Such Thing as Society"?

Broadcasting, the NHS and 'the public' A one day symposium at Bournemouth

University, Talbot Campus -Friday 29 January 2010

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I want to talk about what happened to broadcasting policy in the years leading up to and during the 1980s. I want to look a little at the key ideas that influenced the shifts in broadcasting policy in the 1980s, where they came from and what their implications have been.

The BBC was established in 1922, gaining its Royal Charter in 1926. From the word go it was understood to be a kind of public service. That idea was fairly complex. It had its roots in the Victorian middle class idea of service, in cultural attitudes prevalent at the time critical of 'commercial culture' and it was also, essentially, a top down idea. But as the work of Asa Briggs, Paddy Scannell and David Cardiff have shown it was subject to criticism and change from the start (Briggs, 1961, 1965, 1970, 1979, 1995; Scannell, 1990; Scannell and Cardiff, 1991)

In the 1940s the BBC had to broaden its sense of what the 'public' was as part of its war effort (Nicholas, 1995). It brought into its programming a clearer sense of the

range of publics in society, by creating a tiered system of broadcasting during the war and the Third, Home and Light division from 1946. In the 1950s the sense that this public could be served in the context of a regulated commercial service was embodied in the 1954 *Television Act*. Thereafter ITV and the BBC became the pillars of public service broadcasting. BBC radio was joined by regulated public service commercial radio after the 1972 *Sound Broadcasting Act*. The basic idea was that in order to meet the needs of the public as a whole you needed positive regulation of commercial and non-commercial output- regulation which *required* broadcasters to do more than just meet market demand.

In the 1960s and 70s the way broadcasting served and conceived of its public was attacked from the right, by groups like Mary Whitehouse's National Viewers and Listeners Association, and from the centre and left by organisations like the 76 group. In fact if you examine the debates in the 60s and 70s you will encounter a bewildering array of criticisms of broadcasting and its purposes (Briggs, 1995; Sandbrook, 2005, 2006). The Annan Committee (Home Office, 1977) which reported on all of this in 1977, tried to ride two horses; it sought to expand the system by developing different kinds of service and regulation, but also by keeping the basics of the system intact; especially the ITV and BBC duopoly and the dual system of financing based on advertising and the licence fee.

In 1979 when Margaret Thatcher was elected there had been a lot of debate about the future of broadcasting, but it had, in general, been within the tramlines of arguments about how to expand, or develop the public service tradition. This was a tradition

supported by many Conservative MPs such as Willie Whitelaw and it was certainly entrenched in the Home Office, the body responsible for broadcasting.

But the Conservative government elected in 1979 was led, but not initially dominated by, individuals interested in changing the general balance between state and the market in UK society. During the 1980s it was this commitment to what was, in essence, a version of 19th century economic liberalism that set the pace for developments in broadcasting – ideas associated with the Institute of Economic Affairs. The IEA was set up in 1955 and produced a stream of documents targeted at opinion formers and policy makers, decrying the collectivist state policies in health, transport, telephony and, to a lesser extent broadcasting (Cockett, 1995). There were many other influences at work on the Tories in the 1970s, but this one proved to be very significant. It was part of the wider switch of allegiance amongst policy makers from the 1970s onwards across the Anglo-Saxon world towards versions of what we now call neo-liberalism.

Policy on broadcasting changed slowly over the decade, with the major changes finding legislative expression in the 1990 *Broadcasting Act*. The 1981 *Broadcasting Act* established Channel 4. This Act was the last major piece of legislation based largely on the traditions of post-war public service broadcasting. But it had a sting in its tail. The Act created Channel 4 as a commissioner of independent productions made outside of the in-house systems in the ITV and the BBC which then dominated the industry. The introduction of a new sector based on independent production was the result of demands from a broad coalition of often left of centre reformers in the 60s and 70s who called for the opening up of broadcasting to new voices (Darlow,

2004). It found a place in the legislation of the radical Tory government of Margaret Thatcher (1979-83) in part because it chimed with that government's support for entrepreneurship. The measure satisfied the desires of the libertarian producers of the 1970s and the new entrepreneurial spirit of the Thatcher government. Later in the 1980s, after the publication of the Peacock Report, government support for independents hardened and it made the BBC and ITV commission large amounts of their output from this sector. It ran parallel with the government's policy of contracting sections of the public sector out to private companies.

The key moment, however, was the Hunt report on Cable, published in 1982 (Hollins, 1984). It addressed the developing technological revolution that dominated so much talk in this period by arguing that future developments in cable should be market driven. The next stage in the debate arose in 1984. The BBC had to put in a bid for a new license fee settlement. This was a cue for a range of interests, some commercial like Murdoch's News Corporation and sections of the advertising industry, and some ideological like the neo-liberal Adam Smith Institute, to argue that the BBC should take advertisements and that both ITV and the BBC should become more market orientated. The row over the BBC's funding was high profile and coincided with a period in which the BBC's leadership, under Alasdair Milne, was not viewed favorably at No 10. Indeed, Mrs. Thatcher made it absolutely clear that she supported putting advertising on the BBC (O'Malley, 1994).

In March 1985 the government established the *Committee on the Financing of the BBC*. The appointment of Alan Peacock as Chair, a distinguished welfare economist and member of the neo-liberal economics think tank, the Institute of Economic

Affairs signalled that the Committee would have economics, rather than the social and cultural dimensions of broadcasting at the centre of its concerns. The other major appointment was of the journalist Samuel Brittan, who, at the *Financial Times* in the 1960s and 1970s, had played a key part in winning political support for monetarist economic policies. These were both formidable intellectuals with a grasp of both economics and a known sympathy for ideas promoted by the neo-liberal think tank, the Institute of Economic Affairs.

It had the following terms of reference:

‘(i) To assess the effects of the introduction of advertising or sponsorship on the BBC’s Home Services either as an alternative or supplement to the income now received through the licence fee, including

(a) the financial and other consequences for the BBC, for independent television and independent local radio, for the prospective services of cable, independent national radio and direct broadcasting by satellite, for the press and advertising industry and for the Exchequer; and

(b) the impact on the range and quality of existing broadcasting services; and

(ii) to identify a range of options for the introduction in varying amounts and on different condition of advertising or sponsorship on some or all of the BBC’s Home Services, with an assessment of the advantages and disadvantages of each option, and

(iii) to consider any proposals for securing income from the consumer other than through the licence fee’ (Home Office, 1986; para.1).

The first two elements of the remit formed the core of the Report's deliberations, and the third provided the springboard for a consideration of subscription, pay-TV and electronic publishing.

The Committee's Report rejected the idea that the BBC should take advertising, and instead proposed a vision of broadcasting in which consumers and producers would engage in direct transactions for programmes:

'Our own conclusion is that British Broadcasting should move towards a sophisticated market system based on consumer sovereignty. That is a system which recognises that viewers and listeners are the best ultimate judges of their own interests, which they can best satisfy if they have the option of purchasing the broadcasting services they require from as many alternative sources of supply as possible. There will always be a need to supplement the direct consumer market by public finance for programmes of a public service kind (defined in paragraph 563) supported by people in their capacity as citizens and voters but unlikely to be commercially self-supporting in the view of broadcasting entrepreneurs' (Home Office, 1986:para.592).

The instrument that was seen as enabling the development of a consumer driven market was technology, in the form of subscription, or pay-per-view television. This, combined with freedom of entry for producers into the market, without the panoply of regulation that existed in the 1980s, would allow consumers to choose for themselves what they watched, rather than have the bulk of their viewing presented to them by State sanctioned broadcasters. Regulation would therefore be reduced to a minimum

and measures taken to finance some public service programmes which the market could not, or would not, produce. It recommended a staged shift to consumer sovereignty, with a series of recommendations addressing the immediate context, building up to a situation in which direct payment by consumers for programmes, rather than the licence fee or advertising, would fund output.

As befitted the thrust of the report, the BBC was left with the licence fee and the focus shifted to ITV where measures to increase competitiveness could be taken. The BBC was dealt with by the sacking of the BBC's Director General Alasdair Milne and the installation of a new regime, chastened in many ways by the bruising encounters the Corporation had had with the government and ready, under the leadership in the 1990s of John Birt, to appear to be putting its house in order (O'Malley, 1994; Goodwin, 1998; Born, 2005).

The Conservative governments of the 1980s and early 1990s accepted the Peacock proposals to index the licence fee to the Retail Price Index, to impose a quota of independent productions on the BBC and ITV and to allocate ITV franchises by auctions. Regulation of commercial radio was eased and the 1990 *Broadcasting Act* established a new 'light touch' regulator for commercial TV and satellite, the Independent Television Commission. Thereafter new commercial services came on stream with a minimum of regulation and the ITV system was allowed to become more commercial in outlook, shedding its regional organisation in England and Wales and becoming one company, ITV plc. At the same time ITV was allowed to drop significant amounts of its public service programming on the grounds that it was facing intense competition for revenues, especially after the late 1990s when digital

television began to spread such that by 2008 the majority of households in the UK were multi-channel homes. The BBC survived the 1980s, but in the 1990s was forced to introduce an internal market for programme making and to sell off sections of its infrastructure.

That is a **very** bald description of events that clearly leaves out more than it should.

For the time remaining I want to look at the origins of these ideas, the nature of one of the core ideas and say something about their bearing, as I see it, on the practice of the institutions of the day.

Most people have viewed the Peacock report as signalling a revolution in policy. Indeed it was. Much of what happened in the 1990s and 2000s owes a great deal to the approach articulated in the report and elaborated by the hoards of economists and political supporters that followed in its wake.

But the origins of all these attitudes go much deeper. They are rooted in the revolt, from the 1930s onwards, centred at the London School of Economics, by neo-classical economists like Hayek, and Arnold Plant against Keynesian economics and the encroachments of the state on individual liberty. These writers usually argued that the Welfare State and state intervention in the economy, including broadcasting, was both inefficient, and in danger of resulting in authoritarian government. The basis of society should be individuals acting freely as economic and social agents, not as collective entities, within an enabling legal framework regulating contracts, security and crime. Writing in 1982 Alan Peacock argued that, 'one turns to Hayek for the rejection on normative grounds of collectivism as a solution of post-war economic

problems'. Hayek's contribution was to show that the fact that collectivism is inefficient:

'was a proposition which might be accepted or rejected on the basis of reasoned argument and empirical analysis, but that it was totally undesirable on moral grounds whether as Fascism, Nazism, or Socialism was a different order of argument...In short collectivism in the end cannot tolerate freedom of thought and the associated reconciliation of differences by compromise and toleration' (Peacock, 1982:36-7).

There was a stream of publications from the 1950s onwards adapting this kind of thinking to broadcasting, most notably by Ronald Coase, whose attack on the BBC's monopoly published in 1950, sections of which were read by Alan Peacock in the late 1940s. These and other arguments fed the view that future technological change should be used to break up state centred broadcasting. It was these ideas that people in the 1980s associated with the journalist Peter Jay, but they had deeper roots (O'Malley and Jones, 2009).

The attack on broadcasting in the 1980s then was many things, but at heart it was a normative attack. A section of the political elite considered that the norms underlying the settlement in broadcasting, as in many other areas of state activity were simply wrong – and they had economic tools which they believed could put things right. They transferred their general ideas about markets, individuals and the state, to the specific context of broadcasting, and thereby fostered a notion of the public as made up, essentially, of economic agents pursuing their individual goals. This of course

chimed with the social and cultural libertarianism, often associated with the left, which flourished in the 1960s and 1970s.

This was at core an individualist conception of society grounded in classical liberal economic theory, something that was exemplified in two formulations of the public that figure in the Peacock Report. The first we have seen:

There will always be a need to supplement the direct consumer market by public finance for programmes of a public service kind (defined in paragraph 563) supported by people in their capacity as citizens and voters but unlikely to be commercially self-supporting in the view of broadcasting entrepreneurs' (Home Office, 1986:para.592).

The second appears later in the report: public service broadcasting would, in 'a full broadcasting market' function as 'the collective provision...of programmes which viewers and listeners are willing to support, in their capacity of taxpayers and voters, but not directly as consumers' Home Office, 1986:para.580).

The concept of the public was therefore disaggregated in the Report in to the categories of citizens, taxpayers and consumers, with that of the consumer taking precedence. Policy on broadcasting should not be based on some, as they saw it, undefinable notion of the broader public good or 'public service'. People, acting as consumers, not members of some wider collectivity, would express their preferences for programming through the market. It followed that the old notion of 'public' content in television was to be reduced to whatever consumers liked, but were not willing to pay directly for.

This re-conceptualising of broadcasting saw the ‘public’ element that had been so important in the debates since the 1920s relegated to the margins of the policy arena. For a variety of reasons the conception of the public as consumer, although dominant in subsequent policy practice and rhetoric, did not wipe out the older broader conception of the public completely. But it was part of more general assertions by theorists and politicians that undermined the notion of ‘public’ as necessarily implying collective action and collective social and economic provision (O’Malley, 2009, 2009a, 2009b).

I want to stress that the developments in the 1980s though dramatic were the product of much complicated political manoeuvring, not least of all within the Conservative party and the Civil Service. The changes that were seeded in those years took time to work their way out and are still doing so today.

How all of this played out on radio and on screen, only those who worked in the institutions, or have studied output in detail as is the case with many of you here, can tell. I suspect that the impact of these changes was felt differently at different points in different organisations. It was expressed not only through things like contracting out, but also through the anger and fear generated amongst people employed in broadcasting, and the gradual drip drip effect of changes in institutional culture.

I would also suggest that changes on the screen were affected by other cultural, political and social changes in the 1980s and not just the top down changes imposed by the political regime of that decade.

Whatever shifts there were in the conceptualisation and realisation of the 'public' on radio and TV they were taking place within a context in which, in a range of services including broadcasting, a surge of definitions redefining what the public was and how it should function in the politics of the nation were taking firm shape and winning over a whole generation of broadcasters, educators, politicians, opinion formers and civil servants.

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