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DON'T CONFUSE THE FUTURE WITH THE PAST

of

PUBLIC SERVICE BROADCASTING

By

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Identifying a key moment of Change, of Radical Change, is sometimes a matter of luck, sometimes of vision. We are at such a moment today, here in Helsinki. We can affect the future by showing the wisdom – and the courage - to set the past on one side.

In your living room there stands a rectangular frame containing, to any previous generation, an almost magical screen. You call it a Television set. On your desk sits another such screen, you may currently refer to it as the Monitor of your Computer. That distinction is almost at an end. Monitor, remember, means in Latin *a reminder, a warning*. You and I are witnesses to the final days of Television as a discrete medium, after only 60 odd years.

We are here to debate the broad plains and forested mountains of Communications – and specifically Public Service Broadcasting - “PSB”.

It is a landscape of vast and tangled growth but let us try to cut through that forest and work towards not only a new definition of what “Public Service” should be in future but also a way radically to change it.

For ever.

Pro bono publico.....Of course.

For what I shall call PSB has served us for more than half a century. Well in some cases, not well in others, as happened for too many years in my country, Portugal, where for a long period it was an instrument of the right wing dictatorship of Salazar and his successor Caetano, and, after the 1974 Revolution, it was occupied and used by the Portuguese Communist Party and its allies in the Portuguese Armed Forces.

I am not proposing to bury PSB. However I do hope we may say in years to come that we, in Finland, in September 2008, made a significant contribution to that Radical Change.

Guess when this was written:

“The mechanical apparatus of entertainment has recently been greatly multiplied....It is yet too early to speak in detail of the probable effect of television...it is not impossible that the time may come when without leaving his armchair, a man may be a seeing, hearing, member of the audience in any playhouse, cinema or concert hall throughout the world. If this power is ever brought to mechanical perfection, there is little reason, except the desire to be gregarious, that anyone but a few should go in person to any place of entertainment again.

From which it follows that, for want of a local audience, theatres, cinemas and concert halls may be closed down and all entertainment be concentrated in studios supported by an international organisation of televisionists. By this gigantic pooling of resources we might obtain the most wonderful entertainment the world has ever seen, but might, if the control fell into the wrong hands, see all entertainment debased to the level of international millions or used for the vilest propaganda.

The same danger, though in less degree, attended the first coming of wireless, and has been averted by raising wireless above commercial competition. The development of television will need to be watched with equal care.”

I could not ask Mr Charles Morgan’s permission to quote that because he wrote it for the BBC’s Yearbook in 1930, believe it or not. He might well have been speaking of the Internet in 2008 though he had yet, of course, to experience the real benefit of commercial broadcasting! I speak as a modern “televisionist”!

But before I enter the landscape of the Net, let me offer you another, briefer quotation:

“One thing cannot be stated too often. Television is an integral part of Broadcasting. The essence of Broadcasting is that it is a means of communication capable of conveying intelligence into every home simultaneously. ...it has been consistently sought that that intelligence shall be made up of information, entertainment and education. Whether the matter is aural or visual ...the responsibilities are identical. The purpose should be the same. While television is an extension of Broadcasting, it is the most vital and important extension Broadcasting has yet known...”

That was written in 1952 also for the British Yearbook.

I myself would make a very similar assertion about the important extension of the Internet. So let us *not* pretend that the Internet is *not* part of Broadcasting.

Let us rather review the whole landscape and see how Public Service Broadcasting should in future be altered to fit in the Age of the Internet.

But first let's just recap[itulate] a bit of history. How did we get into the current state of unfair competition - unresolved today despite the clear inequity?

Where Public Service Broadcasting emerged, it was *not* born into a *Market of Communication*. The notion that PSB filled a vacuum left by Market Failure is as valid as supposing that a religion serves its congregation through the failure of some commercial activity. The story varies much from country to country and the timescales and broadcasting patterns differ greatly across Europe but basically PSBs began to broadcast first radio and then TV *with public funding*, although in some countries they were allowed to carry advertising. Where there was no licence fee, the State Budget paid (in some countries, like Portugal, everybody, even those who never watch TV, also pays, through the electricity bill, an "audiovisual contribution" totally allocated to the PBS). The scarcity of the spectrum was the reason involved for the PBS monopoly.

Then commercial stations arrived with income from advertising in a field always limited by spectrum – and where therefore the rules were established by the governments. The time of cohabitation started: A cohabitation where PBS lives on the main floors and private TV in the cellar.

With technological change came more spectrum, more channels and more competition but the rules did *not* change to accommodate a radically different scene. After analogue came digital, after terrestrial came satellite and cable, after dialup came broadband and mobile. The world of Communications was barely recognisable within a decade. But the rules still have not changed to bring both order and fairness.

PSBs have acted as though they were commercial players and established strong, even dominant positions while using public money. PSBs are now major publishers online (and sometimes in print and of course in radio!) competing head to head with commercial newspapers and magazines. Public and private broadcasters compete with both broadcast and non-broadcast content, as consumers (some licence fee payers, some not) choose to watch or download movies and TV output via the Internet and Mobiles.

For years now we in the private sector have challenged the way the PSBs have distorted the market. We have tried to rein in their expansion. But we have been tinkering at the edges because Governments have not been prepared to bring them to heel.

Why? Perhaps some instinct tells politicians they may be able to influence a PSB or to guarantee a neutral service of News. Motivations may differ from nation to nation but the time is at hand when they will be *obliged* to act when Convergence becomes a reality. It will be the consumers themselves who refuse to pay the licence fee.

Let us just remind ourselves of what Convergence really means. In a few years time, you will go to the monitor on your desk or in your living room – they will be identical except in size. You may not actually possess what we now call a TV set. You will click an icon and read your email, click another and book a flight, click a third and check the news from a PSB website, click again and watch the interview referred to by that website on a fourth which used to be the commercial national TV News station but actually provides *all* its output over the web. But some people will never now click on the icon of any PSB site/station. If so, why should they ever again pay a licence fee for a service they never use?

Governments *must* start to review this future scenario - for the future is now inevitable. Consumers not politicians will be the driving force to end PSB public funding throughout Europe over the next 10 to 20 years. So let our friends in Government and the Commission begin *today* to consider what action to take.

To achieve a clear view across a Level Playing Field you need a flat empty plain. The field of Communication has, as I have suggested, become a forest of increasingly tangled and haphazard growth. New tectonic plates have already built mountains and undisciplined rivers have cut deep gorges. But now that the internet, cable, digital, mobile handsets blur the distinctions between different media, different forms of transmission and different means of delivery, the very term PSB no longer has any clarity of meaning.

The “public service” broadcasters themselves have little conviction of purpose other than to survive or hopefully thrive in the fast spreading forest of communication. In the undergrowth – and sometimes even in the clear light of day – they use commercial tools and advertising and sponsorship to secure their positions and expand their domains. They may be founded on public money but they often add commercial income and compete unfairly. Key to this confusion of purpose and therefore control is that inside the European Union each nation makes its own definition of what is or is not PSB and so, from country to country, we have widely differing versions of input and output.

That which cannot be clearly defined cannot be regulated with legal certainty. We cannot see the Wood for the Trees. We need therefore to recognise that any approach to the reorganisation and proper regulation of the jungle of modern communications must have more to do with the principles of good forestry than legal niceties. The time has come to call a spade a spade. Or should I say an axe an axe... and cut through the trees and work towards a new outline for the wood. That means felling whole swathes of the forest.

We need a *radical* solution.

To illustrate the possibilities, I am going to borrow part of the proposal of a former BBC producer and manager who went on to write some of their most successful comedies that you might have seen: “Yes Minister” and “Yes, Prime Minister”, already classics. Given his background, Sir Anthony Jay’s

proposal is especially fascinating, if devastating to some....[PAUSE] and persuasive.

Sir Anthony Jay proposes reducing the BBC of the future to a single digital TV channel of high quality programmes (they currently have 11 TV channels) and two main Speech Radio channels, plus a sports channel, several music and a whole stable of local stations)....to do this by the end of its charter in 2016 by which time he believes public funding will no longer be tenable. The BBC currently receives a statutory income from every householder with a TV set. Not to pay is a criminal offence.

I take this example because, though each nation in Europe will have a different pattern of broadcasting and different paradigms of funding, the principles will have some similarities to the BBC, and the solutions to each of our own national problems could involve similar actions.... though perhaps dissimilar outcomes depending on the shape of our own broadcasting organisations.

We cannot expect even the most brilliant Commissioner in Brussels to produce a new Broadcasting Communication that will have a lasting and beneficial outcome unless we ourselves play a persuasive role in sorting out the sometimes chaotic competition we see in our own countries and the programme schedules that flow from them.

So let me just hammer home the principles underlying that radical plan for the BBC and offer them to you as food for thought, food which requires a sharp knife! I shall then set out the way PSBs can fund their futures. And then suggest what action we might take.

First, Convergence. PSBs may or may not be producing marvellous programmes but what they *are* doing is making them available online as well as on TV so in future a TV licence or similar public funding is untenable.

Your own Finnish analogue system has gone from 2 PSB channels with 2 commercial to a digital system with 4 PBS, 7 commercial and 18 Pay TV.

Why should any viewers in any country be required by Law to pay for what they may not watch? The state licence fee (or taxation) is moribund. Assume it will disappear within ten to fifteen years.

Secondly, what are your PSBs doing that the commercial channels are *not doing* where you live? Are you *proud* of your PSBs' current output? Do you *need* several different PSB TV channels? Are they indeed *different* and providing programmes which a PSB *uniquely* can provide? Or are they in headlong competition for audiences with much of the output on other channels?

And what about your Radio networks? How do they measure up in the 21st Century to the new listenership they now address? Do you need a PSB pop channel when the advertising funded channels do popular music rather well?

Or a Classical Music channel when most who listen seek their music from other sources?

I began with a reminder that PSBs did not arise from a market failure. But now we have an overcrowded market, let us stand the question on its head and ask just two questions

1. How should PSB be funded?
2. What output do you want from your PSB channels?

I am going to make a crucial assumption – that the new generation of PSB stations or networks that evolve in the next decade will be smaller and leaner - devoted to “high quality programming” (I shall come back to the definition of that evasive description) and to output that their local population is prepared to fund directly by subscription or sponsorship. They may of course get significant income from sales if they produce outstanding programmes!

No country has enough potential advertising spend to fund both commercial and PSB broadcasting outlets. So these relatively small new organisations must be *programme led*. They must be the hot houses of talent and creative energy, *not* great Institutions, *not* Monoliths as some broadcasting bodies have been in the past and some still are today. Their non-programme activities must be cut to the bone. They must be machines to make and commission programmes and to earn or raise the money to make more.

As Government runs down the public funding, the current PSBs must start to optimise their assets – sell off land no longer needed by a smaller organisation, rent out unused studios, increase the sales of DVDs and, vitally, look deep into their programme archives to find other jewels that lie there unexploited, which their own audiences and viewers in other countries would love to watch or listen to... online on their converged, rectangular, monitor, screens.

One model for this brave new world might be the American system where local TV (PBS) and Radio (NPR) stations develop their own programme schedules within networks. Some programming is local, some nationally commissioned. They have a bit of core funding direct from Government but most of their money comes from individuals, foundations, companies, subscriptions and sponsorship. In practice that has meant that the American PSBs broadcast relatively demanding output to fairly small numbers of people because most of their output is not “mass entertainment”.

Another model might be closer to the Jay notion for the BBC where the organisation now has substantial resources and a huge library to exploit so any such national PSB, which in future offered a schedule of high quality programmes plus some mass entertainment, could rely not just on subscription and local fundraisers but on the sale of entertainment programmes and the exploitation of its other assets.

But let me come back to that definition. If we are going back to basics a term like “high quality” programmes is difficult to define. Yes one can say: unbiased News and Current Affairs, Comedy, Drama, Documentaries, Children’s but you can also add any other genre that the PSB channel can afford to make. But does that mean they have to be “high brow” *for a minority*? No, there is no reason why a producer should not seek a large audience, to make the programme not only “good of its kind” but also “popular”. Is there a gold standard for a future PSB programme? Probably not.

A definition, with solid boundaries, should guide the emergence of more output which organisations would be really proud of.

Jewels, yes, let’s call this next generation of high quality programmes “Jewels”.

More wonderful natural history programmes, properly resourced documentaries, news that addresses the tricky issues fully and fairly, better more innovative comedy, fine historical drama that goes beyond sex and violence....fewer Soaps, less Reality exploitation of vulnerable exhibitionists, fewer formatted food/gardening/wife-swapping/freak shows.

If national Governments (or their citizens) signal the future ending of funding for PSBs by redefining their remits and limiting their size whereby they can have adequate resources to produce Jewels, we shall have a significantly better ranges of programmes available throughout the European Union in a decade’s time.

Whatever the new shape of PSB in future, it is absolutely essential that they are accountable to and controlled by a truly *independent* regulator to ensure that they stick to the [new] rules, and to rein in their natural temptation to expand and go for populist programming to boost audience share.

These are not the ideas of a cultural vandal nor the cynical proposals of Commercial Broadcasting to neuter the opposition. Not at all. They are a means to help PSBs to return to their roots, to rediscover a quality they have let go as they fought for audience in an overcrowded marketplace. With only a TV channel or two plus a couple of radio services to pay for, these new leaner, meaner Broadcasters will attract good producers by offering decent salaries and generous budgets to make output which sparkles.

Commercial broadcasters in their turn, while always anxious to optimise their audiences and advertising revenue, will find they have a new standard against which the public judge their output too. Remember that in a market where Rolex competes with Cartier and Chanel with Prada, those firms have to produce better products and market them with greater skill. The lowest common denominator need not apply.

For the moment we are still stumbling through the jungle of the new Communications, axe in hand maybe. But if we are honest, we know that lopping off the odd branch or even felling a hectare here and there will make little difference. So what action should we take?

We need to explain in clear, even strident terms that broadcast TV, as we knew it, is no more. That unfair competition by PSBs in a rapidly expanding market has had the effect of lowering the lowest common denominator and that the regulators are party to this cultural change.

We need to warn national Governments and Commissioners in Brussels that consumers will refuse to pay taxes for services they never use.

We need to say we have a solution that will safeguard PSBs but only those which will earn their own keep and will raise standards with fair competition.

We need to work with all our fellow foresters to reshape the whole....so that once again we can see the Wood for the Trees.

End