



Damian Tambini, Senior Research Fellow at the UK's Institute for Public Policy Research, opened Day 2 of the ABA Conference 2002 with a paper entitled *The new public interest - the changing role of the state*. Below is a condensed version of his keynote address.



ABA Conference 2002

Paper: Damian Tambini, Institute for Public Policy Research, UK

I have been given a very broad, and difficult task today: to talk about the new public interest and the role of the state in broadcasting policy. The title is an invitation to step back for a moment and ask where broadcasting policy is going in the longer term, and address the question of whether, as we have heard for a long time now, there is some kind of paradigm shift going on that will fundamentally redefine the actions and role of governments in subsidising and regulating broadcasting across the globe.

With most advanced countries putting their policy proposals in place for migrating to 100% digital broadcasting over the next decade, we are clearly at a transitional stage. But this is a policy transition fraught with risks. Sectoral interests – that control much of the knowledge and information about developing markets, are busy bending many a government's ear in the pursuit of narrow and short-term interests. Policymakers – and I am speaking from experience – find it is a challenge to rise above the melee, get access to accurate data behind the hype, and advise on a broader public interest.

How will we know, in 10 to 20 years time, if the policies we are now adopting are those that identify the appropriate level of state involvement, and if they really adequately define and protect the public interest? The broadcasting institutions and regulations that we currently have reflect the outcome of a mixture of political expediency,

compromise and sheer luck, along with a smattering of design. Can we really expect to steer the transition to digital in the direction of some abstract 'public interest'.

The answer is that we have to. Where things go wrong the cost to people's basic cultural life, education and to democracy is too great. Broadcasting has never been so central, particularly to our democratic life, and we should be aware that there are potential outcomes – either of the *Bladerunner* or of the *Big Brother* variety – that would amount to a grave historical failure.

Whereas we do not know what the future will be like, nor what consumers will choose to buy or do, we do know something about the direction of change. In the UK – my focus today – and elsewhere, there will be a good deal more choice and consumer control in the future, and that more, eventually most people will regularly access a range of interactive services from the home. We know that forms of delivery are becoming increasingly substitutable for one another and that digital stimulates development of new services that can be accessed from a range of devices. We know that with this innovation will come more marked inequalities of access, skill and use in digital technologies.

These developments challenge the ways that liberal democracies resolve the tensions between the sometimes competing goals of freedom of information and speech, and abstract

notions of the public interest. We are fairly agreed on what we want, which is a media that serves democratic debate, supports individual rights such as free speech and privacy, and promotes education, citizenship and culture whilst protecting us, where we demand it, from harmful material. But it is becoming less clear how best to achieve those ends.

Large-scale institutional changes are dependent on changing technologies as well as political will and of course 'events'. So in global terms regulation and policymaking for different communications media have varied a good deal depending on degree of access to technology, stage of development, nature of regime etc. There has, however, been in many places a commitment to something called public service in broadcasting.

The title given to me was *The new public interest: the changing role of the state*. I should mention my role in all this. As head of Media at the progressive think tank Institute for Public Policy Research (IPPR) and head of the Program in Comparative Media Law and Policy at Oxford University, I have been running one of the key stakeholder policies in the UK over the past couple of years. I was also appointed by the UK government to advise on the Communications White Paper. I am, therefore, both in and out. I have had the luxury of feeding in ideas into the debate but I cannot be held finally responsible for the process of selection or the final result – nor indeed

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the tardiness of that result!

Is the UK state, under 'new Labour', operating with a new notion of 'public interest' in broadcast policy? This is a work-in-progress and only history will tell, but I can say a little about developments in the UK so far.

One shift that has been genuine under the new government is a move to take broadcasting seriously as an industry. After publishing research on performance of the newly named 'creative industries', Ministry officials were often to be heard poring over the real nub of the problem which was that Germans apparently spend less on importing UK programming than they do on importing programming from ... Australia.¹

Since there has been widespread agreement on these public interest objectives, public policy on broadcasting has become an esoteric, technical field, the preserve of a few experts and dominated by debate among broadcasters themselves. But to perpetuate this at a time when new technologies threaten to transform the institutions of public broadcasting would be a grave mistake. The challenge as we shift to a digital environment is to open the debate to a broader audience, and redefine the role of the state and the public in this policy field.

As the UK moves to digital, public policy must address how to carry on the best in public service communications and use the new opportunities offered by digital

transmission for the benefit of all of the public. Rather than trying to protect the status quo, as the broadcasters themselves tend to, we hope to open up a positive debate about how to respond to current technical and market change, and envisage a digital communications ecology that serves the UK public.

The broadcasting legacy of the current UK Government will be laid in two stages. Firstly, a pair of Bills, which was supposed to be published before this conference, set out the new regime for broadcasting regulation and establishes a new single regulator replacing the 'alphabet soup' of current regulation.

Secondly, the Government will leave its mark on the nature and goals of public service broadcasting. New Labour has already redressed the tendency of the former government to run down the license-fee funding base of the BBC by giving them a generous license fee settlement. But in the run up to the renewal of its charter in 2005-6, it has an opportunity to begin a real debate about the nature of public service broadcasting.

In the draft legislation and the previous white paper, it is clear that the Government has recognised the challenge of the digital transition and is setting out a flexible regulatory framework to encourage the transition to digital whilst seeking to protect the public interest. The most interesting aspects are the proposal to merge the existing regulatory bodies into Ofcom, the new 'tiered approach' to content regulation

and the reform of ownership

If there is one thing that I have been surprised by in the current round of reform and debate on regulation it is the volume of debate and the detail. UK communications stakeholders are suffering a bad case of consultation fatigue right now. But that symbolises one of the key advantages of a single regulator. As the same communications companies are increasingly diversifying into a broader range of services, they will become subject to ever more small regulatory authorities that can compound the serious regulatory burden they face, leading to turf wars and inter-regulatory conflict. Ofcom incorporates the three broadcasting regulators together with Oftel, the telephony regulator and the Radiocommunications Agency, the body responsible for spectrum planning together with some smaller regulatory bodies. If successful it will deliver faster, better decisions, it will focus scarce expertise in a fast changing sector, it will benefit from scale and scope economies and be more effective in dealing with large incumbents.

The tiers approach

I will not go into detail regarding how the UK government has interpreted its promise in the White Paper to clarify the public service quid pro quos in a new tiered approach to regulation. That remains to be seen.

We are yet to see the mark the current

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UK government leaves on the tradition of public service broadcasting. What I have to say is a personal view and an outline to what I see as some of the parameters of the coming debate.

In my view, the UK Government has not yet developed a coherent policy to deal with the current challenges to PSB. In his last speech as CEO of Channel Four last year, Michael Jackson declared PSB dead. But this seems paradoxical at a time in which the BBC and also Channel Four, like your public broadcasters, have been able to launch new digital services, and are financially in a state of rude health in comparison to their commercial rivals. The BBC for the first time since the 1950s rated better than ITV last Christmas, and continues to rate well. The UK Government under Chris Smith made statements to the effect that PSB becomes more, not less important under the new market and technical conditions.

The challenges to PSB – whether PSB is delivered through subsidies, benefits in kind, or license conditions are deeper and longer term.

There is also a growing debate about the role of public service in a world in which significant numbers of citizens have access to interactive digital platforms. If public service broadcasters can think positively about new kinds of public service in the new environment it is in terms of thinking about their role in delivering electronic public services, and e-citizenship that they will be most fruitful. The first wave of Internet-based

public interest projects foundered because of uncertain goals and a lack of user motivation, but this is not to say that more pervasive interactive media will not have a profound impact on our democracy. There is clearly a genuine need for a body to consolidate and re-intermediate between the citizen and the bewildering array of public services online. And this cannot be under state management. This is a space that the public service broadcaster, which is beholden neither to a given commercial interest, nor the government of the day, would be best placed to fill. This is behind the reported promise of Greg Dyke, Director-General of the BBC, to add the word ‘connect’ to the BBC holy trinity of ‘inform, educate and entertain’.

New challenges

Policy thinkers, whether in Government or out will have a challenging decade defining the public interest in the new broadcasting field. The transition to digital not only muddies traditional regulatory distinctions between telecoms and broadcasting: a raft of other issues that broadcasting regulators have not always dealt with come under the rubric of ‘public interest’ objectives that will be increasingly important.

At the current time of declining investment and slowdown in demand, digitopians are a little more sober. Politicians are less exercised by the ‘digital divide’, but there are new equalities

of access to television, and an emerging debate in the UK about a lack of access to the programming on the new BBC services such as the BBC4 arts channel, for instance. And as interactive services via television emerge, broadcasters will have to develop codes of practice and guidelines for their treatment of personal data. Privacy itself will increasingly become a public service provided by communications providers, albeit in a way that seems increasingly constrained by the international and security situation. The UK Government is looking at new ways of pricing spectrum that reflect real costs, even when the spectrum is given to broadcasters.

Conclusions

So much for the theory. What about the practice? The road to digital is neither smooth nor inevitable. In particular there have been concerns with our digital terrestrial platform. What should a minister, asked about whether they would support a failing digital platform, say?

The question here, particularly when a key digital platform is in crisis, is what balance of public and private investment will deliver universality of access, and what pallet of services we deem to be necessary for the individual consumer to be included.

The UK Government, along with the Australian Government and many others has taken the first crucial step in backing the notion that the transition to digital



Features



Old public interest	New public interest
Elitist view of quality.	Negotiated quality.
Impartiality.	'Connect'.
Proactive role of the state in education and culture.	Offering access and choice in education services.
Didactic voice of the broadcaster in 'hammocking'.	Public service delivery, quality and impartiality by choice and by consultation.
Pluralism through strict numerical limits.	Pluralism through competition, open access, and enhanced public interest tests for mergers.
Mass representativity.	Access to niche services.
Minor industrial policy concern for program market.	Major industrial policy concern for technological leadership, and TV exports.

and diversity, an issue that has parallels here and in all similar medium-sized markets.

At the end of the day, it is for the 'new public' and their democratically elected politicians to articulate what they think the new public interest in broadcasting is. Let us hope that they have the tools to do so. We are no longer in an ideological landscape where there is a clear notion of 'public good, private bad' or vice versa. Most governments have taken the crucial first step in seeing the transition to digital as a good in itself. In doing so, they are embracing choice over the old didactic public service. Some of them might now be nervous as the new competitive terrain comes into view, but none of them can turn back the clock.



itself is in the public interest. In so doing, it has gone with what many see as an inevitable tide of technology-driven change. But it is only now that the true extent of the new terrain comes into view. Given the debt that cable companies NTL and Telewest are carrying, we faced the possibility that we will approach analog switch off with only one major digital platform provider, BskyB controlling the main platform.

In my view, the UK government would not switch off analog if to do so meant giving a monopoly to one platform operator. It will be less likely to continue to pursue the action plan for switch over

if the consequence is to enhance the position of that player.

Luckily, those scenarios are not likely. NTL's debt restructuring should be successful, and even if ITV Digital, the DTTV operator does not come out of administration, that will not signal the end of the platform. We may see a future for cheap free-to-air digital terrestrial with enhanced services.

But how to deal with the most sensitive issues, such as ownership rules, that you are grappling with here? In the UK, the Government has shown an understandable reluctance to deal with the issue of concentration of ownership

1 Department for Culture Media and Sport. Creative Industries Mapping Document (1999); David Graham Report (1999)