

Shouting toward each other:

Economics, ideology, and public service television policy

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The biggest challenge in determining the future of public service television and the BBC is that there is little debate and informed discussion, but rather a surfeit of partisan viewpoints shouted toward opponents.

We need more objective and reasoned thought as the UK considers what to do about public service television. Proponents of more and less public service television make impassioned, ideologically based arguments that are often deficient in substance and misconstrue the purposes, functions, and operations of public service television—thus obscuring the underlying issues and choices that the UK faces.

A sensible debate can only start by recognising that there is nothing sacrosanct about public service television. It is merely a policy tool for achieving desirable social outcomes given the economic characteristics of broadcasting. The fundamental question in the debate is thus whether changes produced by the growth of commercial content provision and contemporary distribution technologies have reduced the necessity and ability of the public service television tool to provide those outcomes.

The fundamental purposes of public service broadcasting are uncomplicated. Its objectives are to provide quality programming that 1) serves the information and entertainment needs of the public, 2) supports national identity and culture, 3) provides service to underserved groups such as children and minorities, and 4) meets the specific local needs of communities and regions.

Public service broadcasting was developed in an age when technical, economic, and business conditions made it difficult for other types of operations to [effectively serve those social purposes](#). The UK is now in a national debate about the roles of public service broadcasting in meeting those purposes in the digital age in which other types of operations exist.

In recent decades, critics have vociferously challenged public service television at every opportunity and much of the UK press has been less than forthright about the reasons for their criticisms. Some have criticised it out of self-interests in profits of commercial broadcasting firms. A few critics have opposed the very existence of public service broadcasting on ideological grounds. Most critics, however, perceive value in public service, but [argue](#) its scale and scope reduce effective governance or harm development of the commercial broadcasting sector.

I do not believe that ideology should be absent from the debates over broadcasting. Such discussions are necessarily ideological because they are about choices between reliance on the state or the market. The arguments, however, should be backed by persuasive evidence and made with recognition that the

real choice in the current discussion is not one between the state and the market, but rather what is the appropriate balance between them.

To begin with, one must accept the undeniable facts that public service broadcasting has been singularly successful in meeting UK broadcast needs during the past 9 decades and since full-scale provision of UK television began following World War II. The UK television market today is lauded by television system observers worldwide for the quality, choice, and social service it provides UK citizens. The UK market is recognized for providing the best public service television and creating a highly successful commercial market with the largest revenues in Europe.

We must also recognize that public service television experienced unparalleled growth until 2010, when its resources began to be [reduced and constrained](#) by policy decisions. Nevertheless, the cuts that have already taken place have addressed and are ameliorating many of the criticisms levelled against public service television and it has lower market impact than public broadcasting in many European nations.

Public service television—especially the BBC— has become institutionalised, however, and changes are difficult. It is determinedly supported by those who benefit from the employment it offers and supporters of public service broadcasting who see any criticism as a threat or do not wish to consider other possible tools for achieving the desired social outcomes.

The focus of attention on public service television is appropriate because it is a creation of public policy, funded by policy choices, and because policymakers will have significant influence on its future. As the contemporary debate develops, however, it is important that public service broadcasting not be considered in isolation from developments in commercial broadcasting and the content that is provided by broadcast and digital audiovisual services as a whole. It also needs to be recognised that all broadcasting, cable, and other services have been made possible because of public policy and public investments and that the BBC has played important roles in technological and product developments that benefit commercial providers.

The continued usefulness of public service television as a policy tool must be assessed within the broader perspective of the contributions of the broader broadcasting and digital sectors to national life and should not consider public service television in isolation.

Key questions

For the inquiry and debate about public service television to contribute to an effective policy solution, bigger questions will need to be addressed:

- What functions should television serve in social and public life? What does UK society need from it?
- What roles will broadcasting—public service and commercial—play in the growing environment of streamed linear and non-linear programming? What will broadcasting contribute to the content environment that non-broadcast providers do and will not?

- What functions and needs does public service television fulfil that are not adequately performed or met by commercial broadcasting and digital streaming? Must public service television only fulfil those functions and needs or should it be allowed to have a broader impact on society?
- To what extent, if any, does public service broadcasting keep the commercial sector from having adequate resources to grow, prosper and contribute to the economic well-being of the UK?
- If the scope and service of public service television are diminished further, what requirements can be placed on commercial broadcasters to meet the social outcomes desired from broadcasting generally or the functions lost by reducing the scale and scope of public service television?

Key evidence for the debate

A good deal of existing economic and policy research can inform the debate. Some key evidence has emerged. In aggregate, the research reveals that:

- The fundamental economic and technical conditions that led to the creation of public service television no longer exist. Broadcasters now have the ability to exclude those who have not paid from receiving broadcasts and funding mechanisms—subscriptions and advertising, among them—now exist to fund the creation and distribution of television content.
- Not all audiences are equally valuable and interesting to commercial firms either because advertisers are indifferent to some viewers—particularly older and less wealthy individuals and households—or because viewers are unable or unwilling to subscribe to services offered by the commercial firms.
- Public service broadcasting provides universally accessible content because it does not deny content to viewers who do not have subscriptions or are unable or unwilling to pay for streamed or downloadable content. There are social benefits for having a wide range of content available to everyone in the country and for broadcasters that make that breadth of content available.
- Commercial audio-visual providers operate with differing incentives than public service broadcasters and are less concerned about the social impact of their programming. Consequently, they tend to offer less original programming, less domestic programming, less culturally significant programming, and less programming dealing with social issues and public concerns.
- The ability to serve narrower audiences through non-broadcast means is increasing. Production of quality original content for them remains a challenge, however, because it tends not to be commercially viable or produces only limited income. The bulk of quality programming originates with production for broadcasters.
- Digital audiovisual content distribution via firms such as Netflix, LoveFilm, and Hulu is primarily foreign content that does not support domestic identity, culture and values.
- It is possible to use policy tools to achieve public service objectives outside of public service television, but the extent to which they are effective over time is uncertain.

CONCLUDING REMARKS

As contemplation of current and future roles of public service television continues, it is useful to consider five salient points:

1. Public service television provides universal access and values all viewers equally, including those who are less valued by commercial firms.
2. Public service television provides social and cultural benefits beyond merely providing content that commercial broadcasters are unwilling to provide. It does more than address market failure to provide some genres of programming and services to minorities.
3. Public service television is distinctly UK-oriented, providing content that serves UK social, cultural, and political interests beyond those provided by commercial broadcasters as a whole.
4. Public service television has the potential to interfere with business development of some commercial content providers, constraining the UK economy and denying some additional tax revenue.
5. Funding for public service television has already been significantly diminished, leading to reduced services and impact on the market. The effects of the reduced funding need to be considered during the deliberations taking place about the proper scale and scope of public service television.

Economic issues and policy evidence require that a balance be sought between those who argue for unfettered public service television and those who argue that the market alone can meet the UK's audio-visual content needs. Neither option alone will produce an optimal social outcome. The placement of unwarranted constraints on either public service or commercial provision, however, will reduce the benefits that citizens receive from the UK television market.

Getting the policy choice correct will require thoughtful deliberation and cautious choices, lest the UK risk destroying what is probably the best television system in the world today.

Suggested Readings

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