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Media Structures in
Changing Europe

The British Media: Structures in Transition

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Public debate on media policy in the UK has tended in the past to coincide with Royal Commissions of Enquiry and the passage of any subsequent legislation through Parliament. This has changed in recent years for a number of reasons. In the 1980's the media scene has been characterised by a constant series of technological, commercial and governmental initiatives during a period in which the media have come to play increasingly important roles in the economy, as actors in the political process and as providers of entertainment. In parallel there has been a growth of specialist publications (e.g. the academic Media, Culture and Society, the professional British Journalism Review and the radical Free Press of the Campaign for Press and Broadcasting Freedom). In addition, the media themselves have substantially increased the extent of their self-scrutiny: the *Guardian, Independent* and *Sunday Correspondent*, for example, have media pages, and there are comparable programmes on radio and television, such as Channel 4's Right to Reply, The Media Show and Hard News. These, together with the expansion of media studies in higher education, have greatly broadened the opportunities for informed discussion during the past decade and have contributed to the fact that questions concerning media policy have become a fixed item on the political and cultural agenda.

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Recent debate has centred round such issues as the restructuring of broadcasting to accommodate new technologies, to allow new entrants and to provide increased choice for audiences. The quality of future programming, alternative proposals for the financing and regulating of the system and the inter-relationship between these elements continue to exercise the minds of politicians, media practitioners, the City and analysts. Questions regarding ownership and control, traditionally a concern of the political left, have received more general consideration of late, particularly in relation to broadcasting and cross-media interests. In addition, there has been widespread concern over official attempts to prevent both print and broadcast journalists and editors from publishing material that is clearly in the public interest. By contrast, public debate on the press has tended to concentrate on the ethical standards of certain mass circulation newspapers.

Some of the leading actors themselves have sought to initiate or further the discussion, using their own media as a platform. For instance the *Times*, owned by News International (Chairman, Rupert Murdoch), campaigned vigorously for the BBC to be broken up, a situation, had it arisen, that could have been exploited commercially by the parent company.

In terms of priority, however, it cannot be argued that issues affecting media policy generally rank as high overall as they deserve, given the potential and actual power of the media to disseminate information and shape public opinion. Two factors might be singled out as contributing to this condition. First, in the words of one civil rights group, there is 'a traditional British belief in the benign nature of the country's institutions'.[1] Most people in the UK lack direct personal experience of life under an occupying foreign power and of totalitarianism. This engenders a widespread complacency in respect of ideals such as press freedom. There is as yet no entrenched freedom of information, no right of access to official documents, in the unwritten British constitution, and correspondingly no statutory right of privacy. And secondly, the fact that over 30 agencies are involved in the actual formulation of media policy makes for fragmentation (Tunstall,1983) and is responsible for policies that, in Seymour-Ure's words (1987:270), are 'unco-ordinated, expediential, partial, indirect and, in terms of a public political agenda, largely invisible'. Nonetheless, recent events have ensured that questions of media policy have received substantial public attention, as will be seen below. However, that policy, in traditional British

1 Charter 88 brochure, 1990

style, continues to be made pragmatically and in piecemeal fashion, rather than according to principle.

A Topology of the National Media

Despite its relatively low economic status - 12th in Europe, 17th in the world[2] - the UK is media-rich. Its broadcasting services and press offer a pluralistic range which overall measure up well by way of international comparison. However, there are restrictions on reporting and imbalances in terms of provision to non-elite groups which caution against too complacent a diagnosis of the current media topology.

The four terrestrial television channels (BBC1, BBC2, ITV, Channel 4) broadcast programmes which are both diverse in character and high in quality. Many would argue that this is a direct result of the regulated competition that has been a feature of British television since the 1950's. Thus all channels must carry a mixed diet of programming that conforms to specific technical, professional and moral standards. Audience figures in recent years have shown that the two publicly funded BBC channels in aggregate are at most only marginally less popular than the two commercial channels (1989 average: BBC 1: 38%, BBC 2: 10%, ITV: 43%, C4/S4C: 8%). This rough balance over an average of more than 3 hours viewing per person per day suggests a surprisingly wide measure of satisfaction with the existing broadcasters.[3] Nevertheless, 44% of viewers claim never to be able to find what they want when they want to watch it[4]. Relative independence, diversity and discriminating standards of output apply also to much of radio in the UK, the four national channels broadcast by the BBC (a fifth is due to start shortly) and the many local radio stations either run by the BBC or by commercial operators. But changes are already under way which will have the effect of exposing both television and radio far more to the impact of market forces.

In the meantime, cable television has got off to a slow start. A cautious public response, inconsistent government policy and lack of corporate investment are largely responsible for the fact that only 1.3% of UK homes

2 In terms of GNP (1988 figures)
3 Source: BARB
4 Source: NOP, 1989

were connected to a cable system in 1989 - the lowest incidence in Western Europe. The relative lack of good English-language programming and the popularity of hired videos of movies have also contributed to this noteworthy statistic. In recent months, however, very substantial foreign investment, particularly from the United States, has begun to change the outlook for the British cable industry, which stands to benefit further from offering satellite channels, telephone and interactive services. By contrast with cable, the growth of video recorder ownership has been very striking in the UK, which, with 60% of TV homes having a VCR by 1987, has the highest ownership figure by far in Europe.

It was thus into what many regarded as an audiovisually saturated market that quasi-DBS television was introduced in 1989, after a period of years in which low power European satellite transmissions had had only a modest impact on the domestic scene. From Sky, however, and other English-language providers on the medium-powered Astra satellite, the British public were offered a highly publicized additional six channels of news, sport, movies and light entertainment on 'themed' channels (another innovation in British television). In so doing they more than doubled the existing number of television channels for those with the requisite receiving equipment, though it is arguable whether they have made a significant addition in terms of diversity. So far the take-up by viewers, either direct or via cable, has been slow but steady, with Sky's owners, News International, estimated to be losing approximately £2-3 million per week. In April 1990 competition intensified with the addition of British Satellite Broadcasting's five DBS channels, a service that has aimed more up-market than Sky and has a policy of funding British film production. Both Sky and BSB are entirely privately funded, with their financial viability dependent on a mix of advertising revenue, subscription fees and sponsorship.

Much of the UK press enjoys a high reputation both at home and abroad. The British public are particularly avid newspaper readers, second only to the Swedes in Europe, with 67% of adults reading a national morning paper on an average weekday. There is also a strong tradition of Sunday newspapers, often counterparts of weekday titles, with the same owners, but mostly operating as separate units. No less than 73% of the British adult population read a Sunday newspaper. 11 UK national dailies and 11 Sundays are published in London and distributed throughout the whole of the UK. A clear divide separates most of the populist 'tabloids' from the 'qualities'. At one end of the market the former emphasise entertainment and specialise in sport, scandal and human interest stories (especially concerning royalty and

show business personalities). With revenue deriving mainly from cover sales, they aim at the mass market; thus the *Sun*, the market leader, sells 4 million copies daily, followed by the *Daily Mirror* (3 million). Two more titles have circulations in the 1.5 - 1.7 million range and a further two between 290,000 and 890,000.[5] The pattern is repeated on Sundays, but with even higher figures; the News of the World, for instance, sold 5.1 million copies every week in 1989 (though in the early 1950's the figure was over 8 million.) However, the notion of a neatly polarised market oversimplifies the situation; a small number of middle-range papers continue to occupy the space between the 'serious' and 'popular' papers, though mostly with declining circulations.

At the other of the spectrum, the five daily and Sunday broadsheet newspapers provide extensive and authoritative coverage of politics, economics, finance and the arts, as well as sport and lifestyle features of their own. The dailies sell between 200,000 and 430,000, though the *Daily Telegraph* (1.1 million) is an exception. By contrast with the tabloids, circulation figures are relatively small and advertising revenue of greater importance. Many advertisers are prepared to pay high rates to reach readers who are drawn mainly from the top socio-economic groups. In consequence these elites are over-provided for in relation to their numerical size. The *Sunday Times* similarly dominates the Sunday scene, with sales at 1.2 million, twice that of its traditional competitors, the *Observer* and *Sunday Telegraph*. Since the autumn of 1989 this market has grown increasingly competitive with the addition of the *Sunday Correspondent* and the *Independent on Sunday*. These papers, together with the daily *Independent*, are part of a recent trend away from a politically partisan press at the 'quality' end of the market. Nevertheless, the majority of national newspapers are still Conservative in their political stance, including the best selling papers, both daily and Sunday, tabloid and broadsheet.

The magazine market has traditionally seen publications rise and fall, often rapidly, with well established titles maintaining positions of dominance. A striking trend of the late 1980's has been the successful launch of UK versions of Continental women's magazines such as *Prima*, *Bella* and *Elle*. By contrast, the traditional 'British' women's magazines have steadily declined in popularity. The circulation of the best-selling Woman's Weekly, for instance, has dropped from 1.7 million in 1970 to 1.1 million in 1989 and

5 Source: ABC, July-December 1989

its display advertising revenue fell by over 9% between 1988 and 1989.[6] For many years the consumer magazine market has been dominated by one publishing company, the International Publishing Corporation (IPC), which owned 10 of the 20 best-selling titles in 1989.

Regulation

Over the centuries the British Press has moved from being a highly regulated medium of communication to one that operates in a largely deregulated environment. During this period, first the seventeenth century licensing system was abolished, then the punitive newspaper taxes of the eighteenth and nineteenth centuries were repealed. Increasingly, the general public was judged by ruling elites to be sufficiently mature and the democratic state sufficiently robust to permit a free market of information, opinion and entertainment. Indeed, the 'serious' press of the mid to late 19c successfully generated an image of itself as the 'fourth estate' of the realm, an essential bulwark of parliamentary democracy (Boyce, 1978). Whilst not every new title since then can claim such high moral purpose with conviction, there remain no legal barriers preventing the launch of a newspaper or magazine.

With the advent of broadcasting in the 1920's, the UK - in contrast with the USA - opted for a 'traditional' regulated approach. The protection of the public from the siren voices of commercial operators as well as the opportunity to promote a worthy national broadcasting culture provided the motives for the policy makers. The British Broadcasting Corporation was established in 1927[7] as a monopoly producer and distributor of radio and, from 1936, television programmes. 'The broadcasting service', as recommended by the Crawford Committee in 1926, 'should be conducted by a public corporation acting as Trustee for the national interest and its status and duties should correspond with those of a public service' (quoted, Report of the Committee on the Future of Broadcasting,1977:9).

The BBC was - and still is - financed by public money through a licence fee and regulated 'at arm's length' by the state, though sometimes subject to overt prescriptive interference by governments. Insulated in this way from market forces (both competitors and advertisers) and formally independent

6 Source: Media Week, April 1, 1990

7 Originally the British Broadcasting Company (1922), a consortium of companies manufacturing radio sets.

of government, it created a high-minded ethic of public service broadcasting - public accountability, quality of output and universal reception - which has endured. Many other countries have indeed adopted this model for their national broadcasting organisations. As a Corporation the BBC has a Royal Charter together with a Licence that entitles it to its income; these are reviewed and extended at intervals (the current Charter expiring in 1996). The Home Office, through Parliament, has periodically determined the level of the licence fee payable by anyone owning or renting a tv set. The possibilities this allowed of political pressure, particularly during the period preceding the fixing of a new fee, have not been lost on centres of administrative and political power in Whitehall and Westminster. For the past three years the licence fee has been index linked to the rise in retail prices.

The other means of potential control by the state is through the composition of the BBC's Board of Governors, the regulatory body which is the BBC in law and which notionally represents the British public. In practice, though, it is largely composed of members of the Establishment ('the great and the good'). Nevertheless, it functions as a buffer between government and the broadcasters, appointing the Director General, the chief executive of the BBC, and the Deputy Director General, and has a responsibility for overall policy and 'oversight of management'. Appointments to the Board are made by the Queen in Council on the advice of Home Office and have by tradition ensured that a balance exists across the political spectrum, within limits. As in effect part of government patronage it is an area in which prime ministers such as Harold Wilson and Margaret Thatcher have taken a special interest.

The Corporation was established on the recommendation of a government appointed Committee of Enquiry (named after its Chairman, The Earl of Crawford). Since then other committees have been from time to time set up by successive governments to appraise the state of media in the UK. One such, the Beveridge Committee on the BBC (1949-50) recommended that television, like radio, should remain a monopoly in the hands of the BBC. But a minority on the committee proposed the breaking of the BBC monopoly, a view which ultimately prevailed in the establishing in 1955 of Independent (commercial or 'private') Television by Act of Parliament.

In two important respects ITV has maintained its distinctive character. First, unlike the unitary BBC, ITV is a federation of 15 publicly quoted, regionally based companies, which cooperate in producing a nation-wide network with local opt-outs. Secondly, its revenue derives almost exclusively from sales of airtime for 'spot' adverts within and between programmes. Three further components complete the ITV system: ITN (Independent Television News), the separate news organisation; TV-am, the contractor providing breakfast-time television; and Oracle, the teletext service. Supervising all these, together with Channel 4, is the Independent Broadcasting Authority, a separate regulatory body set up at the same time as ITV itself[8], with powers to ban the transmission of programmes it deems would be against the public interest. The IBA exercises these powers from time to time, but its institutional need for credibility, similar to the BBC's, protects it from acting as an automatic state censor.

Despite their obvious differences, British 'public' and 'private' broadcasting have much in common. Both sectors are overseen by a body of lay representatives appointed (directly or indirectly) by the Home Secretary to represent the general public. Both broadcast mixed programming - news, current affairs, drama, educational and religious programmes - as well as sport and light entertainment. And despite - some would argue because of - the different sources of funding, they both subscribe to the ethic of public service broadcasting. Unlike the BBC, the IBA also allocates the franchises to broadcasting companies and controls television advertising, both in terms of type and quantity. All political advertising, for example, is banned, and that for charities only permitted as recently as 1989. While religious advertising is now on the agenda, strict rules will apply to avoid the worst excesses of televangelism. In conjunction with the ITVA, the industry association representing the ITV companies, the IBA previews commercials to ensure they conform to the rules, and since 1972 has had a similar responsibility for commercial radio.

The BBC and IBA have also devised separate but comparable guidelines to assist programme makers and executives in determining the content and presentation of all broadcast material. These are periodically reviewed to acknowledge changes in public taste, for example in respect of scenes of violence. The strict requirements that both bodies place on broadcast journalists and their editors remain in place to ensure accurate and non-partisan reporting. In addition, the Broadcasting Complaints Commission was established by Parliament in 1981 to investigate complaints from viewers and listeners about alleged invasions of privacy and inaccurate or

8 Originally the ITA (Independent Television Authority), it changed its title in 1972 on assuming responsibility for the new independent local radio stations.

unfair reporting. Its adjudications are required to be carried on air and in the programme magazines, the Radio Times (BBC) and the TV Times (ITV and C4).

This trend towards increased 'consumer protection' in the area of broadcasting was further emphasised with the establishment by the Home Office in 1988 of the Broadcasting Standards Council, after sustained pressure from the moral entrepreneur lobby. As the public watchdog in matters of taste and decency, the BSC was charged with drawing up a code on the portrayal of violence and sex to guide the broadcasting, cable and video industries. Despite fears to the contrary, this has turned out to bear a close resemblance to current practice. Monitoring output, considering complaints made to it, commissioning relevant research, and publicising all of these complete its list of functions. The BSC will shortly be given statutory status as a result of current legislation.

Controls on the press are largely voluntary. Two bodies act as the main watchdogs, both established, financed and run by the industries involved: The Press Council, dealing with print and photo-journalism, and the Advertising Standards Authority. The Press Council (established in 1953), has both professional and lay members. Inadequately and inappropriately funded, it rarely has the resources to take the initiative in monitoring press performance. Instead it adjudicates on complaints from the public, a process which, until recently, has not produced a speedy and satisfactory outcome. It recently revised and strengthened its code of journalistic practice, which has gained the support of all national newspapers. But as a voluntary body, the Press Council has no powers to impose bans or fines for breaches of the code. Offending newspapers publish adjudications in full, but the Council cannot determine their size or position. As a result, these are not infrequently buried on an inside page or, worse still, have on occasion been accompanied by contemptuous comment (Robertson, 1983).

The 1970's and 1980's witnessed gross intrusions of privacy by sections of the national tabloid press together with examples of chequebook journalism that flagrantly contravened the Council's precepts (Press Council, 1983). For such papers considerations of commercial advantage outweighed professional scruples enshrined in a code with no binding force. The ineffectiveness of the code prompted the National Union of Journalists to boycott the Press Council throughout the 1980's, though it rejoined in 1990 after publication of the revised code of practice. However, this recent publication is widely seen as a 'last ditch' attempt to pre-empt threatened legislation which would place additional restrictions on press freedom in the

UK. The government appointed Calcutt Committee on the press is expected to recommend a continuation of self-regulation when it reports shortly.

A further indication of current anxiety in the industry is the unprecedented step taken by the editors of all the national titles in producing their own code of practice in 1989. After declaring their determination to defend the press from government interference and to campaign for a freedom of information act, they accepted the need, for example, to show greater respect for privacy, to provide readers with a fair opportunity for reply and to avoid racial slurs. Recent libel damages of up to £1 million awarded against certain tabloid newspapers have also encouraged the press as a whole to exercise greater responsibility and voluntary restraint. In a public bid to improve the existing means of self-regulation, US-style 'readers' representatives' have been appointed on national papers. These ombudsmen (as yet there are no women) have powers to question journalists and editors and to require prompt statements of correction and apologies. Whether this innovation is effective has still to be demonstrated.

Advertising in the press is overseen by the Advertising Standards Authority (established in 1962), a voluntary body whose members comprise both practitioners and lay people.

Like the Press Council it has devised its own code of practice, which is from time to time updated. It also offers a free advisory service to advertisers in order that these may avoid contravention of the code. Each year it receives some 8,000 complaints from the public, but by contrast with the Press Council it is funded well enough for it also to engage in a systematic process of monitoring advertisements throughout the British press. Adjudications of complaints are published monthly and are intended to act as a deterrent. The ASA has no powers to impose fines or bans, relying as it does entirely on the moral suasion it can bring to bear on advertisers and media owners.

To speak of direct state control of the British media is misleading. It is certainly true that the Home Secretary, and other ministers, are entitled to ban any broadcast material and to require the broadcasting of any material that they may choose. However, the very overtness of these reserve powers is the reason why they are rarely exercised. A gentlemen's agreement, on the other hand, has the advantage of being both informal and discreet, e.g. the voluntary D-notice system covering areas of national security.

Throughout the 1980's the government has used the courts and the police in its attempts to suppress media disclosure of politically embarrassing

information and the extent of state secrecy in the UK. The Tisdall[9], Ponting[10] and Spycatcher[11] affairs provoked widespread criticism, as did the Special Branch raid on BBC Scotland offices in Glasgow in 1987, involving the pre-transmission confiscation of film and scripts of the television series Secret Society. There has also been a continuation of official pressure on broadcasters' treatment of the sensitive political issue of Northern Ireland. Representations by the Home Secretary of the day succeeded in getting the programme At the Edge of the Union[12], in the Real Lives series, first withdrawn, then re-edited, and a sustained campaign of denigration was launched by the government and sympathetic newspapers against the makers of the documentary Death on the Rock[13] (Golding, 1986). More recently, in 1988, the Home Office imposed a broadcasting ban on interviews with members of three legal political organisations in Northern Ireland (including Sinn Fein) and eight proscribed organisations, so as to deny publicity to the views of 'terrorists', a judgement which was subsequently upheld in the courts.

General legislation, such as the libel laws, the law of confidence and the Contempt of Court Act (1981) are also invoked to constrain journalists and editors (Crone,1989). The consequence in recent years has been a trend towards restricting the scope of what may be investigated and reported. The absence of a Freedom of Information Act only exacerbates this trend, as does the increasing tendency to seek legal injunctions to delay or prevent publication of sensitive information.

Finally, Norman Tebbit, the former Cabinet minister and former Chairman of the Conservative Party, has recently harrassed the BBC by persistent accusations of political bias and misinformation. In a blatant

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9 Sarah Tisdall, a junior civil servant, served a prison term after she broke the Official Secrets Act in 1984 by leaking documents to the Guardian concerning the planned media handling of the stationing of cruise missiles.

10 In 1985 the senior Ministry of Defence civil servant Clive Ponting was found not guilty of breaching the same Act after leaking two documents concerning the sinking of the Belgrano during the Falklands War.

11 The Government unsuccessfully conducted a lengthy series of legal actions against the author and publishers of Spycatcher, a book concerned e.g. with alleged treasonable activities by MI5 agents.

12 A BBC television documentary on two Ulster political 'extremists'.

13 A Thames (ITV) investigation of the shooting of IRA suspects on Gibraltar by the British security services.

attempt to curb its editorial autonomy he has publicly attacked the BBC for its alleged anti-Conservative and anti-government bias, aided and abetted by sympathetic newspapers and by the right-wing Media Monitoring Unit. Yet empirical evidence for the period 1976-89 suggests exactly the contrary: while viewer perceptions of BBC bias in favour of Labour have ranged between 3 and 9% (with a mean score of 4.6%), the comparable statistics for a perceived pro-Conservative bias range from 12 to 27% (mean:18.7).[14]

The general situation is causing sufficient concern for the international journal Index on Censorship to have devoted its September 1988 edition to the growing curtailment of freedoms in Britain, in particular that of the press and broadcasting. The International Press Institute voiced similar opinions during its 1989 London meeting in London.

Ownership

The only major media organisation in the UK which is publicly owned is the BBC. All the rest - newspapers, magazines, independent radio and television, cable and satellite - are in private or corporate ownership. Political parties no longer own newspapers as they did before the start of the century, nor can they be shareholders of radio or television companies.

Ownership of the UK press today is mostly in the hands of a small number of conglomerates. There is also considerable cross-ownership with other media. The largest share of the market (national dailies and Sundays) is controlled by News International, the British subsidiary of the Australian registered News Corporation, in which the Murdoch family has a 47% stake. News International's titles comprise the UK's best-selling daily newspaper, the *Sun* (popular) and the best-selling Sunday papers, the *News of the World* (popular) and the *Sunday Times* (quality). To these must be added the *Times* (quality) and *Today* (middle market), bringing the total number of titles to five and the combined circulation to 11.4 million. In terms of market share, this represents 33% of national daily sales and 36% of Sunday sales. In addition, Sky television, Sky and Elle magazines, Pearson (publishers of the Financial Times), Collins the book publishers, Hatchards the booksellers and TNT, the delivery service, are all wholly or partly owned by the group.

The pattern is largely repeated in the case of Murdoch's most significant rival Robert Maxwell, whose media interests include the Mirror Group of

14 IBA annual study of public attitudes, quoted by Steven Barnett, 'TV: The political bias?', British Journalism Review, vol.1, No.3, 1990, p.65

newspapers: the *Daily and Sunday Mirror*, the People, and the *Scottish Daily Record and Sunday Mail* - all of them popular papers generally supportive of the Labour Party. Other Maxwell interests include a stake in two ITV contractors and cable television; scientific and educational publishing; AGB, the audience research organisation; and since May 1990 the weekly English-language newspaper the *European*, of which Maxwell himself is both proprietor and executive editor.

The combined circulation figures for the national newspaper titles owned by these two groups, together with those of Associated Newspapers and United Newspapers, are 13.1 million daily and 15.8 million on Sundays. Expressed as percentages, 85% and 90% respectively of the national market are controlled by four media conglomerates. Critics have argued that this degree of concentration is a major cause for concern in a democratic state, especially when there is clear evidence of proprietorial direction of editorial policy. However, two additional factors need to be taken into account. First, ownership across the whole range of media is at present a good deal more diversified than in the press alone; and secondly, the successful launch of four new national newspaper titles since 1986 has gone some way to extending the ownership, and diversity, of the UK press. (Tunstall, 1983; Curran & Seaton,1988).

The major exception to the normal pattern of ownership in the British press is provided by the *Guardian*, which is the only national newspaper owned by a trust. Instead of a press baron, the paper's ultimate owners are the members of the Scott Trust, comprising representatives of the original owners, the staff and 'external' members. This 'collective newspaper proprietor' (Schlesinger,1986:5) has since 1936 used its investments in other newspapers and media sectors to provide financial backing for the Guardian, when necessary. The newspaper is thus not obliged to make profits, and when it does, these are not distributed but reinvested. Since there are no shares to buy, the paper cannot be the subject of takeover bids. Such a combination of factors permits the editor of the Guardian the maximum of editorial independence to run it as he deems fit (Hetherington, 1981).

The 15 regional companies (and TV-am, the provider of breakfast television) that constitute independent television are public limited companies listed on the Stock Exchange. The IBA controls on their shareholdings are another indication of the protected status of British broadcasting to date. Each company operates independently, selling airtime and making programmes, but consults with the rest through an informal arrangement known as the 'flexipool' in arranging the network, the selection and scheduling of programmes that make up the national ITV channel. In this respect five companies (Thames, London Weekend, Central, Granada and Yorkshire) have been the major players for many years, operating what has amounted to a cartel, and dominating the smaller 'regional' companies. What will happen to the structure and networking arrangements of ITV after the provisions of the forthcoming Broadcasting Act have been implemented by 1993, is still a matter of conjecture. Although there is as yet no corresponding national network for commercial radio, the scene is dominated by three or four large companies who own most of the UK's 40+ local 'independent' companies.

Finance, Subsidies and Sponsorship

As with controls, so with subsidies: there are no direct links between the state and the media in the UK - with one exception. The BBC World Service is financed by a grant-in-aid from the Foreign Office (£119.8m in 1988/89) to enable it to broadcast overseas in 37 foreign languages. Over the years the Service's reputation for accurate and impartial journalism has earned it a special significance in terms of British cultural diplomacy. Recent research estimates that it has 120 million regular listeners - a 60% increase since 1980 - more listeners than Voice of America, Radio Moscow and Deutsche Welle combined[15]. However, the BBC's repeated requests for state support for a corresponding World Television Service have regularly been turned down, consistent with the government policy of forcing it to compete in the marketplace, both at home and abroad. Thus in 1990 the Government refused the BBC the sum of £3.4 million, as a result of pressure from its domestic rival Independent Television News (ITN) and other commercial interests.

ITV companies, by enjoying a monopoly on television airtime sales, have needed no subsidy. Indeed, they have often provided the income necessary to support other areas of a company's business, and have usually been so profitable that governments have felt obliged to levy extra taxes either on their turnover or profits. Nowadays overseas sales of programmes and programme-related goods at home increasingly augment the traditional sources of revenue for both the ITV companies and the BBC. The latter has

15 Source: Guardian, June 7, 1990

its own international marketing and merchandising arm, BBC Enterprises, which has steadily increased in importance.

Channel Four might be regarded as a subsidised television channel. The IBA, of which it is a wholly owned subsidiary, charges the ITV contractors a fee for the right to sell C4 airtime in their respective areas, which it passes on to C4. The channel makes almost no programmes of its own, but acts a publisher, commissioning work from independent producers and ITV contractors and acquiring foreign product. This separation of revenue raising from programming decisions is unique in the UK media system, and has played a major role in ensuring that the fourth channel fulfilled its remit to be innovative and challenging, without having to seek popularity in terms of mass ratings. From a shaky start in 1982 it has gone on to generate often sizeable upmarket audiences which advertisers find irresistible. It has also contributed in no small way to the rejuvenation of the British film industry through its commissioning policy.

A number of newspapers are not financially viable and can only continue to exist for the purposes of prestige, propaganda or public service as a result of cross-subsidization. This clearly only applies in the case of titles owned by well capitalized companies or conglomerates. Less profitable concerns and interest groups in the UK cannot look to state subsidies for help in launching or maintaining a publication. It is largely market forces rather than democratic concerns about pluralism that determines the ecology of the British press. The last Royal Commission on the Press, which reported in 1977, reaffirmed the principle of non-intervention when it declared:

'We are strongly against any scheme which would make the press, or any section of it, dependent on government through reliance on continuing subsidies from public funds. We are also opposed absolutely to the establishment of any public body which could, or might have to, discriminate among publications in such a way as to amount to censorship in the sense of preferring to support some publications and not others' (Royal Commission on the Press, 1977: 112)

This was despite the fact that the period 1960-71 had witnessed the demise of seven national newspapers, resulting not simply in a reduction in the number of titles but the loss, in two cases, of papers supportive of the Labour and Liberal parties. In other words, the policy of non-intervention has not been neutral in its effect, since it has led to a diminution of the range of available voices, particularly in the middle market. Over the years the political left has campaigned for state intervention to correct the UK press's predominantly right-wing bias, but without success. Proposals have included the redistribution of advertising revenue to newspapers requiring financial support and the establishment of a media enterprise board to assist the launch of new media ventures (Curran, 1978 & 1986).

Though not technically classed as a subsidy, the state does grant the press one major tax concession by exempting it from the payment of Value Added Tax on sales revenue, saving newspapers alone up to £100 million p.a. according to one estimate from the 1970's (Smith, 1977: 102). This figure, however, applies to a period when advertising was also exempted. While that is no longer the case today, the savings to newspapers, and additionally to periodical and book publishing, remain substantial. Suggestions over the years that these concessions might be removed have met with vigorous protests and critical references to the 'taxes on knowledge' repealed a century and a half ago.

Until comparatively recently, direct sponsorship was not tolerated in the British media, out of anxiety over editorial integrity. In 1989, however, ITV weather forecasts became the subject of a deal with Powergen, the electricity company. Previously there had been many examples of television coverage of commercially sponsored sporting events (football, cricket, snooker etc) and even direct programme sponsorship of minority sports (e.g. Sumo wrestling on C4). Some Independent Local Radio stations and the Today newspaper had also found outside sponsors. But through the evening weather forecasts a large section of the British public became aware for the first time of a phenomenon that can be predicted to be a familiar part of the media scene in the 1990's. In a political climate which encourages a more relaxed attitude towards regulations, the old restrictions on sponsorship are being eroded for all types of programming, with the exception of news and current affairs.

Regionalisation/Centralisation

London's position of dominance in the political, financial and cultural fields in the UK is of long standing. The major decisions affecting the way the country is governed, investments determined, and artistic fashions set continue to be made in the capital. The centralisation of power in these areas is mirrored to a large extent also in the British media system. From the beginnings of the mass media in the nineteenth century the relatively small geographical size of the country and a comprehensive railway network

allowed the metropolitan daily and Sunday newspapers to be distributed throughout the UK. For these reasons and because of the growth in concentration of newspaper chain-ownership, the rest of England and Wales are now poorly served by regional morning papers, when compared with their European neighbours. There are, for instance, only 10 paid-for dailies published in the English regions, with a combined circulation of 616,000. However, the evening paper market is characterised by a plethora of titles, though each is a local monopoly, including the London *Evening Standard*. But the fact remains that the agenda setting function of the morning press on major issues is almost exclusively confined to London based papers.

Scotland, by contrast, celebrates its distinctive character as a separate nation within a unitary state, with five morning and three Sunday papers for a population of five million.[16] This makes the Scottish press an exception to the UK norm and renders it more akin to European models, as in other areas of the national culture (e.g. the legal and educational systems). Newspapers such as the *Glasgow Herald* and the *Scotsman* (Edinburgh) address both a regional community and a nation. Their popularity, and that of the largest-selling morning paper, the *Daily Record* (circulation 775,000) and Sunday paper, the *Sunday Post* (circulation 1.3m)[17] demonstrate a clear market advantage for newspapers produced north of the border. Of the major Scottish titles only the last is owned by a Scottish-based company, D.C.Thomson of Dundee. Otherwise the ultimate responsibility for allocative control of resources and commercial strategy rests with media conglomerates with headquarters outside Scotland[18]. This long-distance chain of command has led in recent years to industrial strife in the case of the New York based multinational Thomson Organisation, owners of the Scotsman and *Aberdeen Press* and Journal. It is clear that editorial policy is not always determined in Scotland, though in the case of a paper like the Glasgow Herald there is no evidence to suggest that the owners intervene in any direct way.

As regards broadcasting, it is radio, both BBC and ILR, that caters most effectively for local communities. In addition to its chain of local radio stations, the BBC provides three separate services for what it terms the

16 Representing 9% of the total UK population of 57 million (source: OPCS Population Estimates 1989)

17 Two of the highest figures in the world in terms of market penetration.

18 Lonrho owns the Glasgow Herald though a subsidiary; Mirror Group Newspapers the Daily Record and Sunday Mail.

'national regions' of Scotland, Wales and Northern Ireland together with a Gaelic language service. Television, by contrast, remains dominated by the UK national networks that characterise BBC, ITV and C4, though both the BBC in the (national) regions and the ITV companies in their own areas do make and screen a small amount of their own programming during opt-outs. The relationship between the 'periphery' and the 'centre' in relation to questions of access and budgets has been a contentious issue in recent years (Meech, 1987).

Language and Ethnic Minorities

Despite the fact that ethnic minorities account for 4.5% of the total British population and as much as 15% of the population of Greater London, the amount and range of dedicated spaces in the mainstream media remain extremely restricted[19]. There is only one daily newspaper of any size, the *Daily Jang* (circulation about 15,700, but with a massive 200,000 readership[20]), which serves the Asian community. None of the national titles acknowledges the existence of different linguistic communities by carrying items in anything other than English. A few regular slots, it is true, are to be found on network radio and television, usually at unpopular hours. But only Channel 4, in fulfilling its commitment to reflect multiculturalism in the UK, has conspicuously commissioned series for broadcast during peak time, such as Bandung File or Eastern Eye. A major obstacle has been the relative lack of people of ethnic origin with the requisite technical and production skills, resulting from past recruitment policies - a situation which is gradually improving. The recent allocation of community radio franchises to ethnic groups is a further recognition of their specific cultural needs.

One national minority group has fared conspicuously better in recent years. The Welsh, alone in the UK, have their own alternative television service to Channel Four: Sïanel Pedwar Cymru (S4C) and their own Welsh Fourth Channel Authority. The result of intense political pressure on central government in the late 1970's and early 1980's, including, decisively, the threat by the Welsh nationalist MP Gwynfor Evans to starve himself to death, S4C is a unique combination of C4 and BBC programming. Speakers of the Welsh language number only 1 in 6 out of a population of 2.8 million. Nevertheless they receive 4 hours of peak-time television in Welsh every

19 Source: OPCS Population Trends 54, Winter 1988

20 Source: Benn's Media Directory 1990

day, a service which is subsidised by the rest of the UK commercial television system.

The smaller linguistic community of Gaelic speakers in Scotland, after years of token programming by BBC Television and the Scottish independent television companies, was rewarded in 1989 with a promised of £8 million from the Government for television programmes in the Gaelic language. At present the uses to which this money are to be put and the motives behind the concession remain unclear. But at a time when the legitimacy of the government in Scotland is under threat[21] and opinion polls show a majority of Scots in favour of some kind of political devolution, such a policy decision appears to have been motivated by more than purely cultural considerations. In terms of radio, BBC Scotland has operated a Gaelic language station, Radio nan Gaidheal, since 1984, which broadcasts 27 hours a week.

Despite such manifestations of linguistic/cultural identity in broadcasting provision, there is no corresponding pressure for wholly Gaelic or Welsh language newspapers. Local papers and even the national Scotsman may carry special columns in the relevant language, but otherwise small circulation magazines have to cope with such needs as exists. In general, therefore, it is true to say that language plays a lesser role in regional-national identities in the UK than it does in other areas of Europe and elsewhere.

Recent developments

Technological change, in the form of satellite, broadband cable and video, has been one factor in the changing face of the British media. At least as important has been the political and ideological commitment on the part of the Thatcher administrations of the past 11 years to free market economics. As central tenets of Conservative Party ideology, competition and consumer choice have been thought to be inadequately provided by the main existing broadcasters, the BBC and ITV. Instead, these have been accused of operating as a 'comfortable duopoly' in a pseudo market, with neither needing to be overly concerned with audiences or the competition. Similarly, protectionism in the form of a 14% quota on non-EC product has insulated UK television production from the disciplines of the international marketplace. Thus the broadcasting organisations have grown complacent,

21 The Conservatives hold only 10 of Scotland's 72 parliamentary seats.

unresponsive and overstaffed, so the argument runs, and their already high costs have risen faster than the general rate of inflation. Greedy unions and supine management, it continues, have conspired together to maintain a cosy status quo.

Outside broadcasting one particularly influential group, the advertising lobby, had a special interest in breaking the ITV monopoly on television advertising. It argued that by increasing the number of channels and thereby promoting competition among suppliers of airtime advertising rates would drop. This in turn would stimulate demand, not least from small businesses which had previously been deterred by the high rates, and thereby help boost the economy. Independent television programme producers were another group with an axe to grind. These companies, of varying sizes, competences and ideological persuasions, campaigned vigorously for greater access to the national airwaves and found a sympathetic ear among government ministers.

Over the years British governments, both Labour and Conservative, have registered displeasure at the critiques of official policies and their implementation that have been aired by the broadcast media. The relative autonomy of the broadcasting institutions from the state has, however, provoked the extreme annoyance of successive Thatcher administrations. In times of crisis, in particular, much of the national press can be depended upon to rally to the support of a Tory government. The BBC, ITV and Channel 4, on the other hand, are in varying measure and at different times frequently regarded as 'unreliable' and even branded as threats to national security by the current Prime Minister and her press office. The BBC was singled out for special criticism in 1982 as a consequence of the non-partisan approach of its some of its current affairs programmes about the Falkland War. And despite extreme caution and internal self-censorship the Corporation's coverage of the troubles in Northern Ireland has regularly been subject to official attack. (Schlesinger, 1983).

Considering all these factors, together with the generally worsening relations between the BBC and the government, it is not surprising that the latter chose to set up a Committee of Enquiry in 1985 to examine whether the Corporation should be permitted to take advertising. In the event the Peacock Committee rejected this option, but decisively influenced the policy debate surrounding the future of broadcasting as a whole in the UK. The subsequent White Paper on broadcasting (1988) and the Broadcasting Bill (1989), with their commitments to a more deregulated, market-led system, owe much to the recommendations of Peacock.

. Following the Peacock Committee of Enquiry, a Broadcasting Bill initiated by the Conservative government was introduced in 1990, which at the time of writing, is still in the process of being modified by Parliament. The ensuing Broadcasting Act later in the year will have a number of far-reaching effects on the British media. The remainder of this paper is therefore given over to a consideration of the most likely and important of these changes.

But first, mention must be made of the media group which arguably has done more than any other to help keep successive Thatcher governments in power through its consistent ideological support. News International, Rupert Murdoch's operation in the UK, led the way at the national level in curtailing media unions' power when it transferred its newspaper printing operation to Wapping, in the East End of London, in 1986.[22] The task had been made easier by the 1980 and 1982 Employment Acts, which inter alia outlawed the practice of secondary picketing. During the 1980's the company has benefitted on several occasions from favourable government treatment. There have been ministerial decisions not to refer its newspaper acquisitions (the *Times, Sunday Times* and *Today*) to the Monopolies and Mergers Commission, the anti-trust agency in the UK, whereas others were so referred. And at present ministers are known to be keen to provide appropriate assistance to its commercially innovative, but hugely expensive satellite venture, Sky.

Since a central concern of the Broadcasting Bill is to extend the range of existing terrestrial television and radio services, there is to be a fifth television channel and, for the first time, three national commercial radio stations. By contrast with previous such extensions of national network broadcasting, there has been virtually no debate about the role and purposes of Channel 5 and only a cursory discussion of Independent National Radio. In addition, community radio will be promoted through the allocation of several hundred more franchises.

The main area of debate, however, has concerned ITV, or Channel 3 as it is to be known in future. The present system of awarding ITV franchises on the basis of past performance and programme plans will be changed to one whereby the cash value of a franchise application will be of special significance. It is to be balanced against considerations of 'quality', but

22 The move to Wapping precipitated the end of Fleet Street as the concentrated production centre of the national press, now dispersed in different parts of the capital.

precisely how this is to interpreted remains open to conjecture. In addition, companies granted a franchise will in future not be protected from takeovers. There are to be no barriers to foreign ownership, so long as this is restricted to EC individuals and registered companies. Limits will be imposed on the numbers of franchises a company can control and on cross-media ownership, in an attempt to allay fears of overconcentration, e.g. a maximum of 20% has been set on the stake a newspaper proprietor may own in a television franchise. However, the precedent of press acquisitions in the UK cautions against attributing too much success to such legislation in a market environment.

Another proposal, well trailed in advance, requires broadcasting institutions to contract at least 25% of their output from independent producers. The process of change entailed by this is already under way, both among ITV companies and the BBC, and has resulted in their assuming some of the 'publishing house' character of Channel 4 in contrast to their accustomed practice of vertically integrated production. It is also apparent that cross-network programme provision has begun, with the BBC taking both formats and programmes from ITV.

New arrangements are proposed for regulating the broadcasting system of the 1990's and beyond. For these purposes, commercial television and radio will be split. The IBA will become the Independent Television Commission which will also absorb the Cable Authority, while radio will be the concern of a new Radio Authority. These new, more commercially oriented regulatory bodies are expected to operate 'with a lighter touch' than the IBA, that is, with a reduced commitment to the obligations of public service broadcasting. Whether these intentions will actually be realised is open to some doubt, although it is clear that the competitive environment about to be created will be much more complex and diverse.

The Broadcasting Standards Council will be placed on a statutory footing, thereby increasing its powers of censorship over matters of public taste and decency. Its remit may also extend to advertising in future.

And finally, satellite operators from outside the British Isles - such as Sky - will not be subject to the same UK regulation as British Satellite Broadcasting, a national service using UK broadcasting frequencies.

Conclusions

At the start of the 1990's the British media are subject to a number of contradictory pressures. The libertarian policy of extending choice to 'give people what they want' will bring broadcasting more into line with the press and its myriad publications. The expansion of audiovisual provision is already a reality, just as there has been a growth recently in the print area. This may result, for the first time, in a similar two-tier system as in the newspaper sector, with a higher quality product for those able to afford it. Nor does deregulation of itself necessarily lead to greater diversity. For this reason, the market itself is not to be allowed wholly to determine the range and standards of programmes. Controls will continue as now to ensure that some elements of public service remain: for example, accurate and impartial news coverage, as well as educational, religious and regional programming. Indeed, broadcasting will be subject to additional and more severe restrictions with the extension to television and radio of the Obscene Publications Act. And on the journalistic side, pressures continue to limit the activities of investigative reporting, many of which would be unacceptable elsewhere in Europe.

Secondly, while aiming to widen access to the airwaves for new players, the government is creating a situation in which a powerful group of international media owners could come to dominate the broadcasting scene, despite the well-meaning provisions of the Broadcasting Bill. Much of broadcasting in the UK is set to follow the model of its 'free' press. But that, as we have seen, has an oligopolistic character, the result in part of government reluctance to invoke available anti-trust legislation. Deprived of its traditionally protected status, then, British broadcasting is being driven out of its gilded cage into the international jungle beyond.

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