

# **The BBC and digital policy instrumentation in the UK: Straitjackets and conveyor belts**

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## **Abstract**

This article goes beyond a conventional content-centric approach to public service broadcasting (PSB), to argue that the distinctiveness of the BBC as a public service communications provider lies in its historical role in delivering public policy. Unlike commercial broadcasters, who may and often do choose to ignore economic and other incentives, the BBC is relied upon to respond to government calls for assistance in implementing key policies. Broadcasting history in the United Kingdom demonstrates the crucial involvement of the corporation in pioneering and at times even rescuing policy initiatives, ranging from the introduction of the very first broadcasts, to the on-going push towards wholesale digitalization. The particular focus of this article is on the historical role that the BBC has been playing in order for digitalization policies to be implemented in the United Kingdom. At risk to its autonomy and public support, it is in this context that the BBC may be considered indispensable.

## **Keywords**

BBC

PSB

public policy

digital

switchover

broadcasting

Internet

## **Introduction**

Conventionally, the debate surrounding the BBC is framed in terms of its political and cultural contribution. In serving the needs of a citizenry, an entity distinctly different from a body of consumers/audience, the BBC is chiefly conceptualized with reference to the construction of a national identity, the embodiment of a singular public sphere, notions of quality, editorial independence, accountability, diversity and universal access. It is closely associated with the welfare of children, catering for and representing the broadest range of tastes and opinions, pluralism and universal appeal. It is thought to address market failures by offering what commercial broadcasters are not willing or able to. Even when it does not compete for an audience share, it sets high standards others have to look up to (Graham 1999; Graham and Davies 1997; Dahlgren 1995; Blumler 1992; Raboy 1996: 5–10; Ofcom 2004a: 4–9). Soon after the turn of the century the BBC and its proponents even refer to building ‘public value’ (BBC 2004b; Davies 2004), reflecting the intensifying debate on public service reform and paving the way for changes in its governance, introduced in the renewed Royal Charter in 2006 (Kelly et al. 2002; BBC 2005; Collins 2007a, 2007b). The underlying principle is that the BBC, as a public service broadcaster, is first and foremost about content – its production, composition, distribution and consumption.

This is only part of the truth, though. Public service broadcasters are indeed in the business of serving the public interest by creating and delivering content to the public. However, being public service institutions they deliver something broader and, arguably, more important. They deliver public policy. The strictly communicative aspect of this function is just one, albeit obvious, of many. Placing the contribution of PSB in this wider framework and identifying desirable functions beyond programme making and distribution enables a re-evaluation of the relevance of PSB in the increasingly threatening multichannel television landscape in Europe. In other words, if a commercial broadcasting system offers more choice, does PSB really become obsolete as free-marketeters would have us believe? Or, does it still address other areas of market failure having to do with its unique role as a public institution? Would that perhaps explain the sustained political support it enjoys in the face of the adverse climate?

This article sets out to identify areas in which the BBC responded to government explicit requests or hints by undertaking action that promoted expressed government policy. It is not uncommon either for the broadcaster to set itself into motion independently in the name of what it perceives as the public interest. This engagement often involves apparent selflessness and considerable costs to the organization. In any case, a certain degree of consistent alignment between the BBC and government policy agendas is evident from its inception and throughout its history. These initiatives make the BBC indispensable, to the point that cynics may even proclaim that they are precisely designed to secure a long prosperous future for the corporation amidst increased competition and contestation. Others may suggest that this alignment is the natural result of systemic relations between institutions responding to perceived social demands or needs. These perceptions of what

constitutes pressing social demand or need and of the appropriate ways to deal with them are more often than not consistent, which may be explained in terms of delegation, policy networking or political and cultural makeup of the institutions involved. This is not to say that clashes between policy-makers and the BBC are unheard of. Tension between them can and occasionally does occur, as demonstrated by the bitter confrontation between the broadcaster and the New Labour government leading up to the L. Hutton Report published in 2004 (Hutton 2004; Dyke 2004: 250–317).

Nevertheless, a deeper pattern of positive correlation seems to emerge. The exact nature of this congruence and to what extent the BBC responds to government policy communicated to it in more or less subtle ways, or whether they match the government agenda because of institutional and organizational constitution is of great importance in assessing the role and future contribution of European PSB more broadly. On these grounds, it is worthy of more extensive research. Here, we will identify prominent examples of that pattern and flesh out the case for public service broadcasters as public policy brokers. For the purposes of this article, the focus will be on the BBC, but some parallels with other European public service broadcasters will be drawn.

### **The mass audience**

The very establishment and early operation of the BBC as British Broadcasting Company in 1922 and as British Broadcasting Corporation later in 1927 invented British broadcasting. As Jean Seaton points out, ‘broadcasting – the transmitting of programmes to be heard simultaneously by an indefinitely large number of people – is a *social* invention, not a technical one. The capacity to broadcast existed long before it was recognised’, as the prior use of ‘wireless telegraphy’ testifies (1981: 135, emphasis

added). A mixture of market imperative, political pressures, personal visions and circumstance led to the establishment of an organizational structure that gave birth to PSB (Crisell 1997: 12–9; Scannell 1990: 11–6; Biggs 1985: 83–96). Crucially, the mass audience was constructed in the process; this is the first and perhaps most ground-breaking contribution of PSB (Scannell and Cardiff 1991: 277–303, 356–80).

In the long period that followed, and while performing its duties of informing/educating/entertaining the public and building a nation at the same time (Scannell 1990: 14, 1996: 25–27, 31–32), the BBC introduced various initiatives. It can be argued that in doing so, by definition, it implemented public policy, all in the name of public interest. Certain interventions though are more striking than others, particularly when they do not involve content output, which is normally the core function of a broadcaster. This article will focus on the drive towards digitalization from the mid-1990s onwards, which provides a number of illuminating examples.

### **Digitalization**

The on-going deregulatory efforts first initiated by the Thatcher administrations of the 1980s place faith in the belief that liberalized markets stimulate competition, produce growth, increase consumer welfare and generally serve the public interest. When it comes to the media, this signals the replacement of the tightly regulated, concentrated communication model with one that favours plurality of competing media outlets. This change in political outlook paved the development of early multichannel radio and television landscapes across Europe. In the United Kingdom, the advent and expansion of new delivery technologies, like satellite and cable, alleviated some of the restrictions imposed by scarcity of the electromagnetic spectrum. It lowered technical and market

barriers to entry, thereby enabled multichannel television, throwing the previous regime of rigid regulators and protected broadcasting monopolies into question.

This transition alone had a significant impact on time-honoured broadcasting systems, but what promised to really shake things up was digitalization and the resulting technological convergence of broadcasting, telecommunications and information technology.

Digitalization allows for more efficient use of the available transmission capacity, further increasing the number of offerings. The pro-market position suggests consumers then can have more choice, citizens can enjoy a free marketplace of ideas, more minority groups and tastes are catered for. Also, content and hardware innovation, investment, competition at home and competitiveness abroad, growth – all are stimulated. At the same time valuable spectrum is freed up for other uses, primarily advanced mobile telecommunications applications, generating additional revenue for the Treasury.

It is not difficult to see why the switchover to an all-digital broadcasting system makes for such an appealing proposition. Governments in Europe and elsewhere jumped on the digital bandwagon, eager to see analogue transmissions cease. For this to happen though the take up of digital services had to reach near-universal levels after a transition phase of coexistence of the two systems. Crossing this threshold proved more of a challenge than policy-makers hoped and this is when the role of public service broadcasters becomes so catalytic, indispensable even, as the following examples demonstrate.

### **Digital Audio Broadcasting (DAB)**

In the context of this general drive towards digitalization, Europe came up with a standard for digital audio transmission, known as DAB, that aspired to replace conventional analogue radio transmissions. This new standard enjoyed widespread

support ranging from political and funding bodies to industry and coordination alliances all over the world. The problem was that it was trapped in a vicious circle between receivers' manufacturers, broadcasters and consumers. Understandably, the average consumer did not want to replace his/her existing analogue radio set, which was in perfect working condition, with an early digital set worth upwards of £2000 each, particularly as there were no digital transmissions around to be received yet. Similarly, the microelectronics industry was reluctant to start mass production, which would force costs down, so long as there was no clear indication of consumer demand. Finally, commercial broadcasters did not wish to make the first move in the hope that they would enjoy a handsome return on a long-term investment. The uncertainty and timeframe involved, coupled with the inherent radio broadcasting industry undercapitalization and consequent bias towards short-term strategies, worked as disincentives.

To pull DAB out of the deadlock, the UK government encouraged the manufacturers to adopt the new standard by making clear its long-term commitment in the digitalization policy. To that end it made repeated political statements of support, introduced relevant legislation in 1996, and participated in international fora, like the 1998 Radio in the Digital Era conference organized by the EC and the WorldDAB Forum, an international coordination body. It even put pressure on car manufacturers to fit new cars with DAB receivers, something considered a crucial factor in the take-up of this technology (Klontzas 2001: 307–08, 313–20, 323–24; EUREKA 2001; Amor 1998; CEC 1998: 28; Department of National Heritage 1995; Broadcasting Act 1996; Marks et al. 1998: 56; Brown 1998; WorldDAB Forum 2004; UK Digital Radio Forum 2000).

The key gesture of commitment, however, came from the BBC when in September 1995 it started parallel digital broadcasting of its analogue signal to an essentially non-existent audience of 30 households and a miniscule number of digital receivers in circulation, available at prohibitive cost. The plan of the BBC was to achieve 60 per cent coverage of the UK population by March 1998 at the cost of £11m (Barboutis 1997: 689). This contributed an essential platform for technical experimentation.

This example of BBC intervention highlights in the most emphatic way how a public service broadcaster assumes its role as a public institution acting in the public interest and takes a costly initiative that facilitates the successful implementation of an expressed public policy in danger. The BBC has the economic resources, gravity and longevity to be in position to play this role that clearly involves a sense of mission, long-term vision, sustained effort, clout and capacity to undertake high risks. The market seemed unable or unwilling to rise to the challenge and in this situation no reasonable amount of incentivization would seem to be enough to mobilize commercial players to adopt DAB.

### **Freeview**

The UK government saw the availability of a free-to-air digital terrestrial television platform (DTT), alongside subscription services offered by BSkyB's digital satellite and NTL/Telewest-controlled digital cable, as an essential ingredient in any realistic plan to achieve analogue switch-off between 2006 and 2010, the timeframe set initially. Before switchover to digital would become an option, two conditions, set by the government, had to be met. As Tessa Jowell, Media Secretary, specified: 'First of all the accessibility test – in other words that everybody who gets analogue at the moment will be able to receive digital – and secondly the affordability test, that the digital equipment is



affordable' (The Guardian 2002b). Universality, as a legacy of public service communication, was inscribed into the switchover process through mandatory availability, affordability and accessibility criteria. The Switchover Support Scheme, supporting installation of household reception equipment, usable technologies and consumer training, was an example of that commitment (Sourbati 2011).

DTT was precisely aimed at those households that resisted conversion to digital through the Pay-TV route. For a low one-off fee, people could buy a set-top box, later to be integrated into the new television sets, enabling them to receive a limited number of digital services, including all current terrestrial channels, through a conventional terrestrial aerial. This option was meant to drive digital penetration up and, according to Chris Smith, the former culture secretary, to 'ensure healthy competition for Sky and cable' (The Guardian 2002a). This alternative was offered in November 1998 by the Independent Television Commission (ITC) licensed OnDigital, a consortium of Carlton and Granada, the two major shareholders behind ITV, the major commercial free-to-air broadcaster. The service was hampered by significant signal reception problems and was forced into uneconomical rights acquisition deals in competition with dominant pay-television player, BSkyB. Following a last-ditch relaunch as ITV Digital in August 2001, the venture finally collapsed in May 2002 with £1.3bn debt, leaving the DTT platform in limbo (The Guardian 2002c, 2002d; Dyke 2004: 184–85). Chris Smith, architect of the government's plans to switch off analogue TV by 2010, voiced the concerns of the government:

The demise of ITV Digital does of course make the broad timetable that had been in place, aiming for an overall switchover from analogue to digital by 2010, more difficult. It may be that the timing will need to be revised in due course. (The Guardian 2002a)

And he went on to say:

But the government does have a role in securing the long-term public interest – which must surely be to have a wide choice of good-quality television channels and programmes available to the greatest number of viewers.

It can't and shouldn't dictate what that choice should be, or who provides it, but it ought to be engaged in making sure that a choice does in fact exist.

And in furthering that purpose, one of the government's tasks must be to try now to ensure that the digital terrestrial platform doesn't disappear altogether. (The Guardian 2002a)

Sure enough, by mid-June 2002, the BBC came up with a joint proposal with transmission business Crown Castle for the old ITV Digital licences, promising a 'fresh start' for troubled digital terrestrial (The Guardian 2002d). Soon afterwards, Free-to-view (later Freeview), a coalition of the BBC, Crown Castle and BSkyB, was licensed by the ITC, the industry regulator at the time (Dyke 2004: 183–87). The platform would contain up to 28 channels, including CNN, a new history channel, all the existing non-pay digital channels, such as BBC Choice and ITV2, and the five analogue terrestrial channels. It

would also be backed by the BBC's biggest-ever marketing campaign. In the chairman of the ITC, Sir Robin Biggam's, words:

The commission believes that the BBC/Crown Castle application is the most likely to ensure the viability of digital terrestrial television. It will target those viewers who have not been so far attracted by digital TV and will help facilitate the move towards digital switchover. (The Guardian 2002f)

Two years after the launch of the service in October 2002, the project was considered a resounding success with between 2.9 and 4.4m households (depending on the estimate) receiving the service. So much so that analysts forecast Freeview was set to replace Sky as the UK's favourite way of watching multichannel television by the end of 2007 (The Guardian 2004b). This considerable customer base and rosy prospects were too tempting to ignore, leading to the development of Top-Up TV, a low-cost pay-TV add-on component to Freeview. Top-Up TV was essentially a cut down version of Freeview Plus, the bid that lost the battle to the BBC consortium and its completely free service, favoured by the ITC (The Observer 2004).

### **'Freesat'**

In April 2004, the BBC called for, and offered to support the introduction of a satellite version of Freeview after warning the government that it would miss its target for switching off the analogue television signal. 'Freesat', as the proposed service came to be known, alongside digital terrestrial and commercial digital satellite and cable, was described as vital in crossing the 95 per cent penetration threshold by 2010, since

otherwise certain regions would only have access to digital through BSkyB's payable service (BBC 2004a: 18, 2004b: 62; The Guardian 2004c). This initiative can be seen as an immediate response to Office of Communications' (Ofcom) *Driving digital Switchover: A Report to the Secretary of State*, published earlier that month. In that report, the regulator highlighted the importance of a free-to-view digital satellite option for universal digitalization (2004d: 50, 74). The initiative enjoyed the support of the Consumer Expert Group that submitted a favourable report to the Department of Culture, Media and Sport (DCMS 2004b: 18).

In March 2003, the BBC had already made a move in the same direction when it decided to beam its satellite broadcasts directly to households, hence bypassing BSkyB's chargeable carriage and encryption service completely (Dyke 2004: 187–91). Designed to generate savings of £85m over five years, this decision meant that 'households with a satellite dish and decoder box [would] no longer [need] a Sky subscription or Sky viewing card to watch the BBC and around 70 other free-to-air channels that [were] available'. A year later, when Ofcom's and BBC's recommendations for 'Freesat' were presented, this free-to-air satellite market accounted for less than 0.8 per cent of the households (The Independent 2003; The Guardian 2004c).

However, these developments and the BBC threat forced BSkyB into an unexpected strategy twist. In June 2004, within just three months after BBC's announcement, BSkyB announced its own, soon to be launched, subscription-free digital satellite TV package, which would offer viewers 200 television and radio channels for the one-off payment of £150. This represented an attempt by BSkyB to pre-empt the BBC's move, and to control the new platform, in the hope that viewers would at some point be tempted to upgrade to

the subscription service. The announcement came at a time when BSkyB's penetration seemed to have levelled off at 7m subscribers (Guardian 2004d, 2004e).

### **Digital television and radio services**

In the 1980s, industry and governments alike discovered that, despite their burning desire to persuade the public to indulge in new media technologies, it was new and appealing services that sold the hardware, not the other way round (Dupagne 1997; Owen and Wildman 1992). Most people would not buy into digital for the sake of it, unless they saw a tangible benefit in doing so. At the time, the aphorism 'Content is King' was common currency, and it had become widespread belief that the British were too complacent with their basic service and unadventurous with their viewing or listening habits. In this context, the BBC's initiatives to introduce a range of digital-only television (BBC News 24, BBC3, BBC4, CBBC, CBeebies and BBC Parliament) and radio (1Xtra, Five Live Sports Extra, Radio 6, Radio 7 and BBC Asian Network) services were of great importance in pushing digitalization forward. It is true that these were content outlets, and content provision is what any broadcaster, not just public service broadcasters, is primarily about. However, given the gravity of the BBC in terms of branding, quality, trust and resources, their contribution were meant to go far beyond simply offering more choice. They increased public and industry confidence in the new platforms and gave consumers a reason to invest in them. The impact was further enhanced by a sustained and crucial BBC campaign promoting the new services as well as platforms.

This was widely acknowledged in numerous independent reviews of these digital services, even when their audience shares were disappointingly low. In its 'Assessment of the market impact of the BBC's new digital TV and radio services', published in October

2004, Ofcom praised BBC's hitherto contribution to digital take up and to setting high standards others had to meet (2004b: 4–7). Although Ofcom expressed its concern over the likely long-term chilling effect the BBC presence might have on investment from commercial players, who might feel overwhelmed by the formidable BBC competition, it claimed that

Even, in a digital world, however, it is likely that the BBC will have some role setting standards and encouraging different forms of competition around broadcasting content which provides public benefits. (2004b: 7)

In Phase 2 of its earlier 'Review of public service television broadcasting', Ofcom raised the same long-term concerns, but nevertheless invited the BBC to continue to take a leading role in the United Kingdom plans for digital switchover (Ofcom 2004c: 79–80). The sentiments of this important document were echoed in the 'Independent review of the BBC's digital television services', known as the Barwise Report (DCMS 2004c: 6, 10–12). The same ideas permeated the UK Digital Television Action Plan, which focused and coordinated, under government leadership, the efforts of government, broadcasters, manufacturers and consumers groups in fulfilling the switchover criteria by the 2010 deadline:

Every day, more homes make the change [to digital]. This has to be a willing decision, people do not want to be pushed, bullied or cajoled. Only a compelling offering will foster this – a key factor behind our decision on BBC new services

and the requirement for the BBC to promote digital television. (Digital Television Action Plan 2004: 3)

The same document assigned the BBC the explicit task of producing a plan to promote digital television and to undertake a campaign to promote the uptake of digital TV and radio services and equipment generally (Digital Television Action Plan 2004: 21).

### **The Internet**

The BBC's proactive engagement with new technologies could not have missed the Internet. Philip Graf's 'Independent review of BBC online' voiced similar reservations to Ofcom's regarding the potential market distortion the BBC involvement might cause, but like the BBC's own review published almost a year earlier (BBC 2003: 75–85), Graf's report attached great importance to the role the broadcaster could play 'as a home on the internet for those who wish to have a safe guide and introduction to the web'. It also acknowledged that 'BBC Online has a role to play in supporting the Government's objectives to promote broadband take-up. It has the brand, the potential to produce innovative and interesting content, and the means of promotion in order to play such a role' (DCMS 2004a: 11).

In the same vein, a 2003 KPMG report, commissioned by the BBC, testified that:

The BBC was a significant factor in bringing between 1.5 and 2 million individuals in the UK online [...] Encouraging more British people online grows the universe of internet users. This is good news for all companies operating websites aimed at the UK market. It increases potential e-commerce and

transactional revenues. As the internet becomes a mass market medium, it is likely that advertisers will switch more of their spend online from other media. Ancillary revenues arising from connection charges and consumer investment in hardware and software will also rise. (KPMG 2003: 160–61)

It is interesting to note that Graf's report anticipated the era of high broadband penetration in which content might also be distributed on an 'on-demand' basis over fixed or wireless links (DCMS 2004a: 60). BBCi already offered a small selection of television programmes to broadband users, alongside streaming its radio broadcasts in real time and archived form. Furthermore, the BBC Creative Archive promised to offer long-awaited public access to the very extensive BBC's content catalogue. Taking advantage of rapid rolling out of broadband and hoping to overcome copyright obstacles by implementing the Creative Commons model, already working in the United States, the BBC had 'broader public service ambitions to pioneer a new approach to public access rights in the digital age'. By doing so, it hoped to stimulate the growth of a creative culture (BBC 2004c).

Lawrence Lessig, the Stanford law professor who in 2003 asked the US Supreme Court to declare copyright legislation unconstitutional, proclaimed:

The Creative Archive upgrades the vision of digital literacy from code to content, and [...] will not only 'drive demand for bandwidth, software and hardware tools in the UK to unprecedented levels' but also create a new generation of savvy



media consumers who ‘instinctively understand how multimedia works’, putting the UK into pole position in the digital race. (The Guardian 2004f)

And elsewhere he is quoted as saying:

The announcement by the BBC of its intent to develop a Creative Archive has been the single most important event in getting people to understand the potential for digital creativity... If the vision proves a reality, Britain will become a centre for digital creativity, and will drive many markets – in broadband deployment and technology – that digital creativity will support. (BBC 2004b: 63)

Very quickly, BBC’s online portfolio grew substantially to incorporate a range of content delivery services and interactive facilities, as part of its announced Creative Future, much to the annoyance of the British Internet Publishers’ Alliance (BIPA), the industry lobby demanding that the BBC be reined back on its ambitious online endeavours that might ‘have an adverse impact on competition’ (Klontzas 2006: 611–12, 2008; Hills and Michalis 2000: 477).

### **Tensions and prescriptiveness**

The renewal of the BBC’s Royal Charter in 2006 followed a series of independent reviews of the BBC’s services, a public consultation launched in 2003, a Green Paper in 2005 and a White paper in 2006. That period highlighted tension between the views of the public, overwhelmingly in favour of the BBC, and those of an industry that saw in the BBC a formidable force that, while enjoying secure public funding, jeopardized the

development of a competitive market, when left untamed (Ubiquis Reporting 2004; Barnett 2007: 96–100). Indicatively, in response to the 2003 *Review of the BBC's Royal Charter*, BIPA proposed that all BBC Online content 'should be not only justified and defined but clearly distinctive from commercial offerings' (BIPA 2005). The government clearly shared the industry's concerns in line with European competition policy, but at the same time continued to treat the BBC as a policy instrument. This produced a schizophrenic policy discourse that was

structured around the tension between this market distortion potential of the BBC, and the proactive role it is invited to play in promoting digitalisation. On the one hand, there are calls for it to be restrained to providing services that are distinctive from what the market can deliver. On the other, it is expected to lead the way into the digital era. (Klontzas 2006: 613)

Changes in the governance of the BBC, seeing the replacement of the Board of Governors with the BBC Trust, and the introduction of service licences and the Public Value Test were meant to improve accountability of the corporation and restrain its ability to expand. Conversely, 'Building digital Britain' became the BBC's additional special purpose that all its services should aim to fulfil in the new Royal Charter period. This prescribed a more active role for the BBC (DCMS 2005, 2006). Georgina Born makes the point very succinctly:

There is a puzzle at the heart of BBC–government relations. If the government is relying on the BBC to deliver core policy objectives by fostering the transition to DTV and encouraging Britons to go online, how, then, to make sense of its accelerating reviews of the BBC’s operations, commercial and otherwise? [...] In sum, government institutions dictated BBC policies, which provoked competitors’ hostility, which in turn elicited government sanctions against the BBC. [...] The message is: commercialise and compete, but not too well; while the government behaves towards the corporation as a hectoring nanny. (Born 2005: 497–98)

## **Discussion**

The list can go on to include a variety of educational initiatives, such as the early 1980s Computer Literacy Project that paved the way to digital Britain by putting the BBC Microcomputers in the class and introducing two generations of school children to the wonders of the digital age (The Guardian 2002e; Personal Computer World 1981). Or, the Digital Curriculum, an online service covering the key elements of the school curriculum, to be made available for free to every school in the UK in 2006 (BBC 2004b: 73–74). Or, a myriad of media literacy, Open University and civic participation projects like the iCan web resource (BBC 2004b: 66–67). Or, the government plans envisaging the BBC as playing an active role in promoting UK direct broadcasting by satellite (DBS) in the early 1980s (Goodwin 1997: 43–48).

The principle that cuts across the involvement of the BBC with the building of digital Britain is more about policy-making and implementation of government agendas than strictly content provision to the licence-fee payers. Often, this is the case in the most

blatant way, with DAB and Freeview as striking examples of the BBC coming to the rescue of policies at risk. Other examples, such as the introduction of colour television in the 1960s and the Adult Literacy Project of the mid-1970s suggest continuity, rather than a new trait acquired in the digital era (Hargreaves 1975).

Even when particular initiatives appear to concern content, the policy discourse reveals that this is often a red herring. The digital-only television and radio services set up by the BBC in the run-up to the switchover served far more than the insatiable appetite of the audience for more programmes. The online operations of the BBC went beyond simply filling an identified gap. All these moves were gestures of support to the new media technologies. They reassured consumers and industry players alike of the long-term commitment of a major, well trusted public institution in the emerging alternatives. At the same time, they represented attractive options, designed to lure consumers into converting in order to get access, bringing full digitalization and broadband Britain ever closer.

It is not entirely clear how the mechanism behind the BBC's alignment with government agendas really works, as research evidence is not forthcoming. Neither is it consistently dependable, as the occasional confrontations with the government indicate. It could be plausibly argued that the public service broadcaster senses or is told in more or less subtle ways what is required of it and it acts accordingly, in the name of public interest.

Governments and public service broadcasters arguably share the same concerns and agendas as public institutions with the same sociocultural origins and long-established institutional affinity.

A significant incentive for the broadcaster is that by bailing the government out on crucial matters, it gets to determine the developments and makes itself indispensable. For example, most Freeview set-top boxes would have no Pay-TV provision, with the BBC claiming that this would give the platform the best chances of success with the consumers, following the collapse of ITV Digital. In his book, *Inside Story*, Greg Dyke, former Director General of the BBC, reveals what most suspected all along: that Freeview, offering free channels exclusively with no means of collecting subscription fees in most households, was an opportunity for the BBC to associate itself with DTT and secure its long term viability, in the face of industry and political attacks. According to the same account, another less selfless reason behind the introduction of Freeview is that, despite the BBC's stance of platform neutrality, getting as many people on Freeview as possible was in the BBC's best interests, as the broadcaster enjoyed greater audience shares in Freeview than in BSkyB households (Dyke 2004: 186–87; The Guardian 2004a). This and forward-looking programming decisions are credited to Dyke as 'future proofing' the BBC (Born 2005: 486, 490–91).

Born's (2005) very substantial anthropological study of the BBC offers valuable insight into its institutional culture in the pre-switchover era, particularly in connection with creativity. More focused research into how and why the BBC historically responds to public policy agendas seemingly spontaneously is necessary. However, closer examination of expressed public policy reveals that since the early 1990s, the government has become progressively more explicitly prescriptive. It 'arrogates to itself a continuous power of surveillance and demands an inappropriate intimacy with the corporation's workings. Little institutional autonomy remains' (Born 2005: 500).

It is pretty clear that the corporation is now regarded in some important parts of Whitehall as just another government department, with its licence fee a ready source of cash to support a variety of policy objectives – at no apparent cost to the taxpayer. (Hewlett 2007)

This shift towards increasing prescriptiveness distinctly involves the BBC's contribution to wholesale digitalization of the media and communications infrastructure in the country. As the time for the renewal of the Royal Charter was approaching, these expectations on the BBC culminated in the introduction of a sixth public purpose in the 2006 White Paper: 'A public service for all: The BBC in the digital age', echoed in the 2006 BBC Royal Charter. Previously, the BBC's five public purposes required that it would sustain citizenship and civil society, promote education and learning, stimulate creativity and cultural excellence, reflect the United Kingdom's Nations, regions and communities, and bring the world to the United Kingdom and the United Kingdom to the world. With the addition of a sixth public purpose, the BBC was perhaps more explicitly than ever required to drive public policy by helping build digital Britain as part of its remit. This becomes clearer in the 2009 'Digital Britain' report and the licence fee settlements in 2007 and 2010, where the corporation is given a long list of expensive commitments. The BBC was now required to facilitate and promote the transition to digital, provide targeted help for the most vulnerable during digital switchover, waive the licence fee for over 75s, subsidize the development of digital television and broadband infrastructure, fund the World Service and bail out the struggling Welsh language

broadcaster S4C. Contestability of the licence fee, which historically funded the BBC, has been on the agenda and rising since the Culture, Media and Sport Committee published its *Public Service Content* report in November 2007. Under different proposals a top-sliced licence fee would contribute to funding a range of activities outside the BBC in line with policy objectives for public service content in an integrated public service media environment (DCMS and DBIS 2009: 143; Ofcom 2008: 59–60; Culture, Media and Sport Committee 2007; DCMS 2006; The Guardian 2007; Secretary of State 2010). The licence fee settlement in 2010 burdened the corporation with the additional cost of such responsibilities, while at the same time the licence fee was frozen at £145.50 for six years. This represented a 16 per cent budget cut in real terms according to some experts. It put significant pressure on the BBC to reduce costs in order to ‘live within their means’, as proclaimed by James Cameron, the Prime Minister heading up the coalition government. The 2010 agreement may be seen as marking the moment the corporation was allocated ‘a role akin to another government department, facing cuts as and when the economic situation demanded’ (The Guardian 2010).

Increasing prescriptiveness and interference with how it spends its funds may have great implications for the BBC, its cherished independence, and potentially even its viability as a public service content communicator, particularly if shifting priorities and diminishing resources erode its widespread public support. In keeping within the scope of this article, the overarching point remains that a public service broadcaster like the BBC delivers more than just content. It also delivers public, frequently industrial policy, sometimes only loosely connected to ‘broadcasting’ as such, and often where market-solutions have failed or proved hesitant. This realization calls for a re-evaluation of the relevance of PSB

in the United Kingdom. Evidence suggests that this is not a uniquely British phenomenon as digitalization was driven by public service broadcasters across Europe (Iosifidis 2007). If PSB is to be abandoned or radically reduced, the considerable policy-making vacuum left in its place will have to be filled in somehow and at the moment no obvious alternatives are on offer. It is true that the commercial sector came up with a bid to replace failed ITV Digital with Freeview Plus, a payable service, and later the same people set up Top-Up TV. But the ITC decided that a completely free service, as only the BBC-backed consortium could offer, was more likely to help the DTT platform take off. It is also true that a free-to-view digital satellite service was announced by BSkyB, but again this only happened when the satellite broadcaster felt that the BBC was threatening its market share. Left to their own devices, it is doubtful whether in challenging policy-making situations such as the ones discussed here commercial players would systematically and consistently come up with propositions that would be profitable in the short- to medium-term and at the same time best serve medium- to long-term government objectives. Incentivization alone, that would not exceed the cost of maintaining a PSB system, might not achieve the mobilization of the commercial sector in a reliable, dependable way. Policy delivery made the BBC indispensable in the process of digitalization, and may make it essential in the foreseeable future.

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