

65th PRIX ITALIA – THE TREE OF IDEAS  
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**PUBLIC SERVICE  
BROADCASTING  
IN THE 21<sup>st</sup> CENTURY  
Renaissance or Retreat?**



Lord Patten of Barnes  
Chairman of the BBC Trust

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*Sunday 22 September 2013, 7.30 p.m.*

***Introduction by Anna Maria Tarantola, President of RAI***

Good evening, Lord Patten. Ladies and Gentlemen.

It is a great honour and pleasure for me to introduce the first BBC Lecture at the Prix Italia. For all of us who care deeply about the Public Service, who believe in it profoundly and who work to promote it, the Prix Italia is an ideal occasion to meet and join together.

For this reason, I am extremely pleased to announce the establishment of the BBC Lectures at the Prix Italia, thanks to the extraordinary initiative and support of the BBC. The audience here today is proof of the interest in and importance of this initiative. I am sincerely grateful to the BBC. And I am especially happy that we can inaugurate these Lectures during the Prix Italia's sixty-fifth anniversary celebrations.

The Prix Italia is a vibrant, dynamic, attentive and vital international community. Its meetings are an important occasion for reflection. We all need to reflect on the challenges we are going to face in the second decade of the 21st century. Thanks to our radio, television, and Web networks, we have a privileged vantage point to observe and understand where the world is heading. We are all convinced that the Public Service will continue to have important values to transmit and an important role to play in our societies. But what must we do to make a difference? And how? What is our mission in a globalised world? What audience expectations, both stated and unstated, must we meet? What content, what Web offerings, and what online services should we provide using new communication technologies? And again, what resources can we count on? We must produce programmes of undeniable quality and high added value. This is clear. But what about the details? These are the questions I think we all ask ourselves: as citizens, as Public Service operators, as institutions.

Lord Patten, it is an immense honour to welcome you this evening. Your speech "Public Service in the 21st Century: Renaissance or Decline?" deals with crucial topics. We look forward to hearing your thoughts on the role and future of the Public Service. Lord Patten needs no introduction. But let me just say a few brief words about his extraordinary background. Lord Christopher Patten of Barnes is well-known and respected around the globe, as one of the most prominent figures in British public life. He has held, and still holds, innumerable positions of responsibility in various areas of culture, academics, politics, and diplomacy, at home and abroad. After an illustrious political career as a distinguished Member of Parliament, he was appointed Governor of Hong Kong in 1992, overseeing Hong Kong's return to the People's Republic of China in 1997. From 2000 to 2004, Lord Patten was the European Commissioner in charge of external relations. He is currently Chancellor of the University of Oxford and Chairman of the BBC Trust. He represents the BBC and is guarantor of the best interests of licence fee payers. His opinions count. He is listened to, because his words are backed by cultural

sensitivity, enormous experience and exceptional international awareness. The BBC is an authoritative and prestigious broadcaster, a point of reference for every European Public Service. It was the first broadcaster to treat its audience - its viewers, listeners, and Web users - as citizens, not customers. This, indeed, is the essential difference between the Public Service and commercial broadcasters.

Thank you, Lord Patten, for the privilege you have granted us! Thank you for accepting to deliver the first BBC Lecture at the Prix Italia.

## **Introduction**

Madam President, secretary-general, ladies and gentlemen.

It gives me great pleasure to be here in the city of Turin, the cradle of Italian liberty, to give this inaugural BBC Lecture at the Prix Italia.

The Prize and I are more or less contemporaries, both of us of born in a time of austerity in the shadow of the last great European war. Thankfully that austerity didn't stop RAI and the founders of the Prix Italia from creating, in 1948, an international radio and television competition which attracted the best programmes and programme makers from around the world. The early entries came largely from national public service broadcasters and in the ensuing decades of the 20th century those broadcasters enjoyed an astonishing period of expansion coupled to economic and creative prosperity.

The 21st century, by contrast, has seen the rise of new technologies and new competitors. The comfortable monopolies and duopolies on which public service reputations were founded are a fading memory. And as a new era of austerity bites, politicians and competitors look on publicly funded broadcasters with occasionally greedy eyes. Yes, times are very different now. We who believe in broadcasting as a public service stand at a cross roads in which we have a choice - renaissance or retreat? Will we, like the creators of the Prix Italia, believe in the big ideas and learn to cope with different economic times? Or are we prepared to see the achievements of the past undone? That is what I'd like to examine today.

## **Founding principles and the development of PSBs**

It's fashionable nowadays to dismiss those things we find unfashionable by saying that we wouldn't invent them today. I've heard it said of the licence fee, which finances the BBC. Why, in a world in which there is so much media choice, is there any longer a need for public service broadcasters funded by licence fees or taxation. The implication is that PSBs are an accident of history - relics of a bygone age when the barriers to entry in broadcasting were so great that the market could not provide all that was needed. I'm not sure that's true, but if anyone is to take the credit for the spread of public service broadcasting, or the blame, depending on your point of view, then the BBC is certainly in the frame. It was without question the model for early broadcasters across much of Europe and beyond.

I wish I could tell you that the founding father of the BBC, Lord Reith, was responsible for coining the phrase which helped to definite the purpose of PSB, but that honour lies with the American radio pioneer, David Sarnoff. Writing in June 1922, before the creation of the BBC, he said this:

'Broadcasting represents a job of entertaining, informing and educating the nation, and should therefore be distinctly regarded as a public service.'

No one has put it better since.

Radio in the United States was developed primarily through private enterprise. The BBC and the rest of the world might easily have gone the same way had it not been for the British Government's refusal to permit advertising when the forerunner of the BBC, the privately owned British Broadcasting Company, launched the world's first national radio network in 1922. Instead the fledgling company was allowed to collect a radio licence instead. The reason given was that advertising would – it was thought - 'lower standards'. Was that high minded idealism? Or was it fear of the powerful Press barons whose fortunes were founded in large part on advertising? Certainly the newspaper industry was wary of the newcomer and went so far as to extract an agreement from the Government banning news programmes on the radio before seven in the evening.

That state of affairs didn't last long. Radio in the United Kingdom got its break during the British General Strike of 1926 when newspaper publishing was interrupted and the ban was lifted. In a nation divided by an unprecedented industrial relations conflict the public was immediately impressed by news bulletins which reflected the views of both the Government and the strikers. Politicians may not have liked it, nor newspapers, but the public did. Before the year was out the Government had accepted that a new entity, independent of both the government and business, should administer broadcasting. Thus it was that the BBC was born on New Year's Day 1927 as an independent monopoly, established and protected by Royal Charter.

The new director general, John Reith, was rather keen on monopoly which he referred to as one of the four fundamentals of broadcasting. The others being public service, a sense of moral obligation and assured finance.

He was wrong about monopoly. But he was right about the rest. For more than 80 years secure funding has helped to protect the BBC's independence as a part of the public realm that is beyond the control of the State. The consistency of its public service mission to inform, educate and entertain is also striking. Today the line borrowed from the American, Sarnoff, is still there at the front of the BBC's Royal Charter.

The creation and development of public service broadcasters more or less along the lines of the BBC took place across much of Europe and beyond both before and after the Second World War. By making high quality radio, and later television, available to all at a modest cost they have radically changed and enriched our lives.

And this is not just about independent and impartial news and current affairs, important though that is. It's about so much more. It would not be an exaggeration to say that in the second half of the 20th century, public service broadcasters effectively democratised art, culture and education - putting what had been the preserve of the wealthy, the metropolitan and the learned within the grasp of all.

One has only to compare the quality and variety of programmes in areas where the PSB model has dominated, and where it has not done so, to see the difference the public service ethos has made. Here in Italy RAI has stood as a bulwark against the worst excesses of those who see audiences simply as a means to make money. It's the difference between giving viewers great programmes like Inspector Montalbano, which we enjoy so much in the United Kingdom, and television of the lowest common denominator. The same distinction applies in most places.

Look at the achievements of the European Broadcasting Union over many years in sharing news, sport and music between public service broadcasters across the continent and beyond. Who else could or would give you the best seats in the house at the Metropolitan Opera in New York, the New Year's Day Concert in Vienna, and the Last Night of the BBC Proms in London. Rich or poor you can enjoy it all because the public service broadcasters who make up the membership of the EBU believe in an ideal in which they invest in the best and share it as widely as possible as part of their free-to-air services.

There's so much more I could say because putting the public first has achieved so much for us: the encouragement of minority languages and programming, the pivotal role played in the extension of democracy in the Balkans and Central and Eastern Europe, support for formal learning. All of it made possible by security of funding and a sense of public duty.

Nor should we forget the contribution of public service broadcasters to audiences abroad. For many years now the BBC World Service and the external services of other national broadcasters have provided a lifeline to communities around the world in some of their darkest days. We should not underestimate the value of that contribution to our fellow citizens wherever they may be.

Certainly then we can be proud of what the public service broadcasting model has achieved in the past, but we can't rest on those laurels. The world moves on. The old certainties have gone. New technology offers both threats and opportunities. New competitors are bigger, richer and often faster than us. Politicians are less supportive than they were. The economic climate is cold. And not all the baggage we carry from our illustrious past is as noble as our mission would suggest. There are demons without and demons within. Let us start with the external challenges.

## **The landscape today**

Like any institution, national broadcasters come in for a good deal of public criticism. Some of it is unfair. Some of it is nakedly commercial. It's certainly a common cause of complaint among programme makers. But let's not forget that much of the attention we get simply reflects the central role broadcasters now play in public and family life. As the Irish playwright, Oscar Wilde, observed, the only thing worse than being talked about is not being talked about. Moreover if broadcasters wish to be adventurous and to lead taste - and I think we should - then criticism is both inevitable and invaluable.

Some of the criticism should be taken very seriously indeed. The fact that we are paid for by the public should make us sensitive to the way we spend that money. Profligacy, self-indulgence and waste are as inexcusable among public service broadcasters as anywhere else in the public sector. Perhaps more so as we are the ones who so often hold others to account. Openness and transparency are the best custodians of responsible house-keeping, and the newspapers which spot our falls from grace are frequently doing us a favour, painful though the headlines may be. It would be nice, however, if more of them recognised that not everything is bad.

## **Technological change**

Nothing, I suspect, keeps the diligent public service broadcaster awake at night more than the pace of digital change and its ability to disrupt the media market and attract consumers in new and unpredictable ways. If we look back a decade, the BBC was a big player, both domestically and internationally, with a global income of approaching four billion pounds in sterling. Apple turned over about the same and Sky wasn't far behind. Google was on less than a billion and YouTube hadn't been invented. In less than 10 years they have come to dwarf the BBC in both scale and income, while this year, BT, a multi-national telecoms giant almost four times the size of the BBC, entered the UK television market having snapped up a package of rights to broadcast English Premier League football. Not only are these newcomers big, they are also cash rich, innovative and quick to market. Consumers like their products and services. This is the new landscape in which public service broadcasters must find a way - a landscape in which the old barriers to entry which protected traditional broadcasters for so long are fast disappearing. And that's far from the only challenge.

## **Austerity and independence**

Webster's dictionary made 'austerity' its word of the year in 2010 after it emerged as its most popular online search term. For many public service broadcasters it's probably been the word of the year ever since. Amid the explosion of competition I've described, the incomes of the PSBs have been falling in real terms, sometimes dramatically, in the wake of banking and sovereign debt crises.

PSBs funded in whole or in part by advertising have also been hit by the advertising recession, a problem compounded by the migration of advertising investment to the internet. Those reliant on support from direct taxation have been at the mercy of sustained reductions in public spending.

Of course it is right that public service broadcasters should share the pain of those they serve when it comes to addressing the financial challenges we face. We rely on the support and affection of the public and we shall not keep it if we ignore what is happening in society at large. That said one looks to Governments to act sensitively. In some cases they have, for example by offering funding from taxation when reliance on advertising has proved impossible.

But support is not always on offer – for example, the decision of the Greek Government to close and silence the Hellenic Broadcasting Corporation on 11 June last year was Draconian. Whatever the Greek Government may have thought of the editorial or managerial performance of ERT, it seemed to many of us disproportionate to bring to an end more than seventy years of public service broadcasting in a single day at the stroke of a politician's pen.

It was therefore heartening to see the support of the Greek people for their national broadcaster and I believe that the arguments in favour of continued support for public service broadcasting will, in the end, usually win.

Independence from the state is at the heart of the public service proposition and we should guard it jealously. So should politicians if they are serious about freedom and democracy. They should think twice about the message they are sending to voters before they meddle in the affairs of those who serve the citizen from that part of the public realm which lies beyond the state. But if we want to be trusted to run our own affairs with the minimum of interference then we must be prepared to put our own house in order. And here I came to the baggage from the past which we must address.

## **Challenges within**

It seems to me that the assured funding which furnished public service broadcasting with such strength and confidence for so long also sowed some seeds of weakness. Guaranteed income, coupled to economic prosperity and the rapid expansion of first radio, then television and more recently the internet, created a broadcasting elite. That elite enjoyed, in some cases still enjoys, secure jobs, high salaries and generous pensions. Understandably, the emphasis was on creativity rather than accountability and perhaps inevitably there was a degree of complacency about the management of public money. Hand-in-hand with prosperity went complexity and over-management. And at the same time our much prized independence meant that we were unused to external scrutiny.

I don't want to point the finger at others. We have more than enough experience of all this at home. When I arrived at the BBC a little over two years ago I found an outstandingly successful broadcaster full of talented and innovative people. I also found too many bosses who worked hard but were paid too much and presided over processes and relationships of labyrinthine and often unnecessary complexity. The relentless and admirable advance of transparency in UK public life, underpinned by freedom of information legislation, was flushing that

out. The BBC was being asked questions about pay, perks and public money which it found uncomfortable to answer.

Licence fee payers don't expect the BBC to pay sky-high commercial rewards to people who work for a public service. They do expect the BBC to deliver the highest quality programmes and services. It needs - and indeed it has - excellent people to do that. The challenge is to balance these demands in the right way.

To its credit, the BBC has understood and acted on this. Executive pay is falling. Reward for the director general has been cut by almost 50%. Pensions have been reformed. Private health care is being phased out. But there is further to go. There are still too many senior managers, around two-and-a-half per cent of the workforce at the last count. I'd like to see this cut to more like one per cent by 2015 at the latest so as to create a smaller group of people more clearly accountable for spending the licence fee. It has been, and will continue to be, a painful process but it is necessary if we are to secure public confidence. Other public broadcasters are taking similar steps and for some, I know, the reductions have been more Draconian.

More broadly, I think we have been too slow to embrace the need for openness and honesty when things go wrong. I'm confident viewers and listeners understand that broadcasters cannot do their jobs without occasionally making some serious editorial mistakes or financial misjudgements. But they expect those responsible to admit it and explain it when they do. The BBC is not alone in having aggravated both financial and editorial lapses in recent years by failing to provide quick and accurate accounts of what actually happened. In our case it has cost us a good deal of money to put right. Some good people lost their jobs as a result and public confidence in our journalism and management was diminished. It is a lesson the BBC has learned the hard way. It has been a bruising experience and it is not over yet.

On that rather negative note let me pause and turn to look at the future.

## **Renaissance or Retreat?**

I stop here deliberately because although I've just painted a pretty negative picture about some of the BBC's recent experiences, within that lies a positive lesson which helps to point the way ahead. The fact is that despite enduring a year of widely reported editorial and financial lapses - and these were serious errors which merited negative publicity - the BBC remained and remains one of the most respected and admired British institutions. Moreover, by a wide margin the BBC is the most trusted provider of news in the United Kingdom. In two separate surveys conducted during the past year, approaching 60% of the public selected the BBC as the one source they trusted the most, far ahead of the next nearest rival, the advertising funded television company, ITV, on 14%. No national daily newspaper scored more than 2% when people were asked to choose a source of news they trusted the most.

I suspect the same would be true, to a greater or lesser extent, of many other national public service broadcasters in a similar situation. There is a unique bond between the citizen and the broadcaster who has no other purpose but to serve the citizen, untainted by political or commercial interest. It is a robust bond and in my view it is our greatest and most precious asset. It also has the potential to be the foundation of a new future.

But before we go there, I promised you when I began, and indeed in the title of this lecture, that I would consider the option of retreat as well as renaissance. The truth is that retreat isn't much in my nature. I daresay it's not much in yours either, otherwise you probably wouldn't be here. But it is worth spending a moment considering the do-nothing option, if only to gird our loins for something more challenging.

Firstly let's be clear that there is no way back to some allegedly golden age of public service broadcasting. Digital technology has made sure of that. The barriers to entry are down for good. This can be anybody's game now. What's more I can't say I've ever met anyone who wants to give up the internet and go back to the radio and television services of 20 years ago. So let's rule that out.

Those public service broadcasters who do no more than carry on as now while looking to past successes as proof of a right to exist have a rude shock coming. They may enjoy a short stay of execution living in a fool's paradise but ultimately and inevitably decline will set in as audiences and funding disintegrate. Conceivably there is an option for some to retreat to a narrow state-funded market failure model. Hardly an attractive proposition and I'm not sure the public would regard that as public service broadcasting.

No, for serious national public service broadcasters the way ahead has to be renaissance - to reinvent themselves for the 21st century, to find ways to deal with constraints in funding, while making the most of new technologies and learning to compete with the new players in the market. I think that can be done but it will not be for the faint-hearted. It will require broadcasters who are clear and confident about their purpose and hold tight to the ideals of their public service mission, for at heart this is an idealistic argument.

Remember first, and above all, that new technologies, new competitors and constrained funding do not change the fundamentals. The values of public service broadcasters are, and should remain, the same as they have always been. The benefits they give us as citizens remain the same. And the public's expectations of PSBs remain as strong as ever.

In the UK I have argued that the BBC is and should remain a core part of what I call our civic humanism. The same goes for public service media more widely. By civic humanism, a concept with its roots in the early Italian Renaissance, I mean our sense of shared citizenship, regardless of our different backgrounds. A citizenship underpinned by a common set of values, a common conversation - and an acceptance of mutual responsibility for our individual and collective welfare.

Public service media play a critical part in that by providing a public space for argument and creativity. By facilitating the public's engagement with democracy. By allowing citizens to test the trustworthiness of the information they get from those in authority. And beyond politics, by connecting different people and different communities to one another in all sorts of other ways.

PSBs can do all this because they have a licence to be different. Their scale, security and independence give them the freedom to experiment, to be creative, and to take risks. To surprise, sometimes to shock and occasionally to offend. It takes courage but so long as they keep their nerve audiences will thank them for it and reward them with their loyalty.

Dealing with new technology will also require confidence. Far from viewing it as a threat we should look to its advantages. Earlier I argued that in the 20th century public service media democratised the world of arts, culture and ideas by making them available to all. In this century we shall go further and democratise the means of production. This will mean a fundamental shift in attitudes for broadcasters who must say goodbye to the notion that they and only they commission and control what goes to air. Just as audiences have trusted us for the past 80 years and more, so now we must learn to trust those who pay for us and give them a bigger stake in what we do. This is already starting to happen in the BBC. The first stage has been a growing emphasis on partnerships in which we share both creative endeavour and credit with others. Let me give some examples.

In 2010, after four years of development with the British Museum, we launched a national radio series in which the director of the Museum, Neil MacGregor, used objects of ancient art, weaponry, industry and technology from within the museum's collection to illuminate the history of our civilisation. Each programme was fifteen minutes long and devoted to a single object. We called it *A History of the World in 100 Objects* and we backed it up with a website that not only provided images of each object but allowed members of the public to upload pictures and descriptions of historic objects from their own towns and museums.

A book based on the series has since become a best-seller and has been translated into more than a dozen languages with more to come. I'm pleased to say those languages include Italian so all you have to do is ask your bookseller, or perhaps an online supplier, for *La Storia del Mondo in Cento Oggetti*.

The radio series was a tremendous critical success with radio audiences of around three million and almost thirty-five million downloads of the programmes. But perhaps most important was the recognition that success depended on partnership. Neither the BBC nor the museum could have delivered the programme or cultural impact acting alone. And it wasn't always plain sailing. Broadcasters and academics don't always make easy bedfellows. Both have strong views. Both like artistic control. But the prize was worth the effort and the approach is now much imitated.

Even more ambitious is a current partnership with the Arts Council for England and an online project we call The Space.

The Space started as a joint enterprise to provide live, free and on-demand access to the work of artists and arts bodies during what was, for us, the extraordinary Olympic summer of 2012. The aim was to allow visitors to the website to experience and enjoy some of the events of the wider Cultural Olympiad.

The BBC and the Arts Council wanted to change the way people connect with and experience the arts, giving artists space to innovate and experiment and especially we wanted to build the digital skills of the arts and cultural sector by using BBC staff as mentors. Such has been the success of the partnership that it has been extended into this year and funds are now put aside to allow for the possibility that it will continue as a freely-available digital arts service.

These are some of our first tentative steps into a Renaissance which will have the internet at its heart - a world which is fast, immediate, personalised, interactive and social. Both the internet and the PSBs form part of the public realm. Both are fundamentally democratic. By bringing together the creativity of our programme makers and the social and personal elements of the internet we can unleash something exceptional.

PSBs also have a duty to do all they can to preserve the internet as an open, democratic territory. The temptation is there to try to control the flow of information between producer and consumer with the attendant risk of a reduced diversity of opinion and content. As a part of the public realm, it is essential that public service broadcasters remain a part of the open internet.

As the overseer of one of the better funded public service broadcasters, I hesitate to argue that others should be more sanguine about their income. After all, as John Reith argued all those years ago, adequate and secure funding is a cornerstone of what we do. But the need for budgetary rigour shouldn't plunge us all into morale sapping gloom. Nor should the sense that for some time ahead we'll be living in more austere times. Adequate and secure funding is probably more desirable than a generous but insecure income. Certainly the public, who foot the bill one way or another, will respect us more if we ask only for what is strictly necessary.

Uncomfortable though it may be, constrained funding drives creativity and innovation. It throws up difficult choices which compel us to preserve only the best of what we do. Necessity being the mother of invention it also prompts new ideas for working more efficiently. A good example is the EBU's overnight classical music service, Euroclassic Notturmo, an automated six-hour sequence of classical music recordings assembled from material supplied by members of the Union and streamed back to them by satellite for use in their overnight classical-music schedules. The costs and the programmes are shared by participants from the Bosphorus to the Baltic and so become affordable.

As for politicians and independence, there I am also optimistic for the future. Yes there is grandstanding. Yes there is sometimes too much meddling. Yes we need to push back when interference goes too far. But on the whole I believe serious politicians and policy makers recognise the value public service media have delivered and recognise their duty to protect and cherish it. The former European Competition Commissioner, Neelie Kroes, put it rather well. 'Media,' she said, 'is more than a multi-billion euro business. It's also at the heart of democracy and cultural diversity.' I couldn't agree more.

## Conclusion

I hope in what I have said that I have made it clear that I believe that there is an idealistic case to be made for public service broadcasting. Indeed that's the only case. It rests entirely on the respect and affection in which broadcasters and the public hold each other. For so long as the public has a strong connection with PSBs, market failure will not be the only test of whether they should continue to exist. To preserve that connection we must continue to earn respect. That means scrupulous attention to openness, transparency and value-for-money. It demands fearless journalism, distinctive programming and the courage to champion big ideas.

I can't imagine that it was easy back in 1948, amid the ruins of post-war Europe, for RAI to commit scarce funds to launching an international competition for broadcasters. But it did. A single bold stroke designed to support and bring together the highest standards of artistic and cultural programming across radio and television. For 65 years the Prix Italia has been RAI's gift to the world. That is the bold thinking that is needed and public service broadcasters should ask themselves constantly: What is our gift to the citizen? What is our gift to the world? We exist for no other purpose.