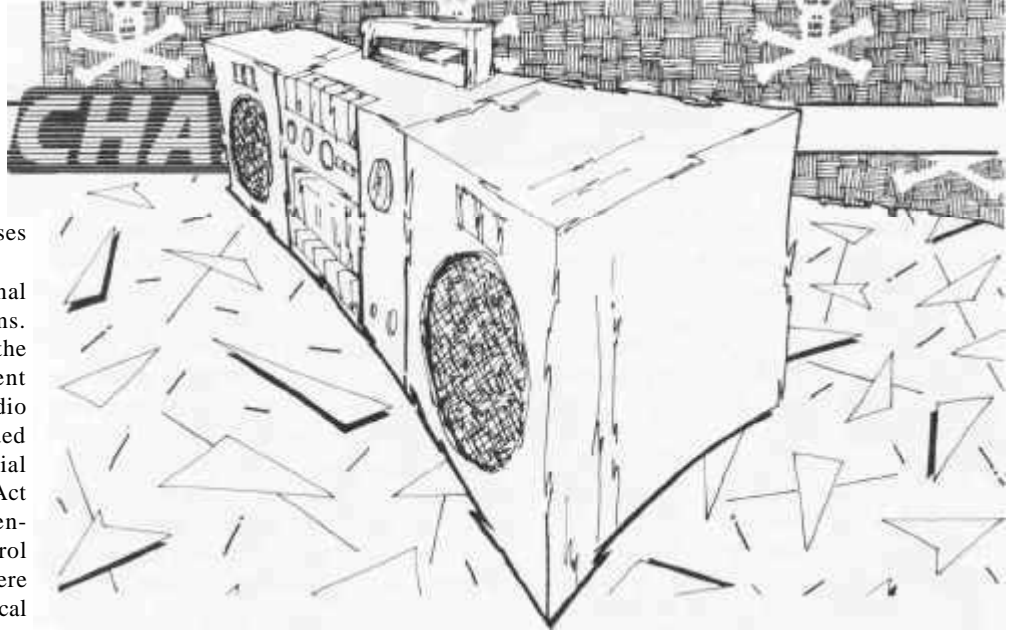


THE PRESSURE FOR PRIVATISING RADIO

Thomas O'Malley

Early this year the Government will invite public views on proposals to establish a new tier of 'community' radio stations on top of the existing system of BBC local and national and IBA local stations. In fact, the broad outline of future changes are already apparent and the likelihood is that by the end of the decade there will have been a growth of legalised small scale commercial radio. At the same time there will be a reduction of the controls exercised on behalf of the public by bodies like the IBA over the content of the material broadcast. Companies running these stations will no longer be required to provide their localities with a service which mixes speech and music and which 'informs, educates and entertains', but will simply be expected to



provide programming which maximises profits.

Until 1972 the BBC ran four national and a few experimental local radio stations. A campaign waged during the 1960s by the advertising, entertainment and equipment manufacturing industries, the pirate radio stations and Conservative MPs, succeeded in securing the introduction of commercial local radio. The Sound Broadcasting Act (1972) placed the new system of Independent Local Radio (ILR) under the control of the IBA. By the end of 1984 there were 48 commercial and over 30 BBC local stations.

Although these stations are meant to be local their output is largely the same across the country: pop music, DJ chatter, weather checks, public service announcements and, on ILR, advertisements. Critics have argued that the stations do not reflect the interests of the communities they are supposed to serve and have called, variously, for more accountability from existing stations or have looked to some form of 'community' radio as a solution. But the real pressure for change has come from quarters who want a relaxation of government controls and an expansion of commercial music-based radio. Both types of critics use the term 'community radio' to indicate the kind of change they want, even though they clearly want different things. But it is those critics arguing for an enlarged commercial radio network who are influencing policy in this area.

The factors which will govern the shape of the changes in radio have been at work for a number of years. The Thatcher government has shifted away from traditional Conservative Party support for public service principles in broadcasting and is itself under pressure from the Right within the Conservative Party who are arguing for deregulation of broadcasting. Pirate radio stations have campaigned for deregulation and, on this point, are in broad agreement with ILR companies organised through the Association of Independent Radio Contractors (AIRC). Even the IBA has agreed to demands from the AIRC for less regulation, and it wants to see a growth of small-scale commercial radio.

In fact, the Conservatives are encouraging the rapid expansion of new communications technologies (cable, satellite) under private ownership where possible, and with the minimum amount of public discussion or regulation. The Hunt Report (1982) advocated the establishment of a privately financed cable system, 'reg-

ulated' by an authority with few powers of control over programme content, in marked contrast to the obligations laid on the IBA. In the past major innovations in broadcasting have been preceded by relatively detailed public inquiries (Pilkington, Annan). However, the Hunt Report marked, in the speed of its compilation and the brevity and partiality of its final form, a clear departure from customary practice, and drove a coach and horses through traditional notions that broadcasting should be regulated in accordance with public service principles to ensure universal availability, a high standard and a wide range of educative and entertaining programming.

The BBC will have to defend itself more vigorously as the pressure from the Tory Right for stronger measures increases. The Adam Smith Institute has argued that the BBC should take advertising and that the IBA should lose many of its current powers over programme content. The Institute goes on to argue that there should be an expansion of commercial radio so as to 'encourage truly local radio stations - perhaps serving no more than a few thousand listeners, run on small budgets with largely voluntary staff and charging advertising rates affordable even by one man (*sic*) businesses. . . With liberalisation of the existing licensing arrangements, a true freedom of choice will come to exist.'¹ Any discussion about the expansion of commercial local radio will inevitably call into question the very existence of publicly financed BBC local radio.

Pressure for deregulation from outside the Conservative Party has come from the rapid growth of pirate radio since 1981. Estimates of their numbers vary from 50 to 100, some lasting only a few weeks. The claims the pirates make for audience figures are hard to check, but a recent survey has called into question the assumption that pirates are poaching large

numbers of listeners from existing stations.² The offshore pirates, *Caroline* and *Laser* play continuous pop music and hope to reap substantial profits by selling advertising spots to American companies wishing to reach a large European market. On land, in spite of the odd progressive station (eg *Breakfast Pirate Radio* in London), the bulk of pirates are simply claiming to satisfy a market for music and small scale advertising not catered for by the BBC or IBA. These include stations such as *Horizon*, *Skyline*, *JFM*, *London Greek Radio* and *Radio Jackie*, which are frequently run as small businesses. Because they operate illegally, don't pay rental for transmitters or copyright fees and are run largely by unpaid labour, they can keep their costs low. Some receive free records from record companies anxious to promote their wares even though they know copyright is not being paid.

In fact, the main function of radio piracy has been to bolster the case for deregulation and more commercial radio. Meanwhile, with radio audiences declining and increased competition for advertising revenue from cable and TV AM, the AIRC have lobbied the Government for a relaxation of controls over their activities. Last June, it asked the Government to allow ILR companies to be able 'to trade with the same degree of freedom as other commercial enterprises'. This meant dismantling the IBA's powers over programming, broadcasting hours, shareholdings, advertising and diversification - controls built into the Broadcasting Act to inject a degree of accountability into the commercial radio system. Once these have gone, the AIRC would be happy to see an increase in commercial radio stations.

Once upon a time these demands would have stood little chance of a sympathetic hearing at the IBA. But things have changed since John Whitney, former managing director of Capital Radio, became

Director General of the IBA in 1982. Whitney makes no secret of the fact that he would like to push the Authority's relationship with the companies away from that of a regulator and its servants. 'I like the word partnership' he said. 'It is much more indicative of the role in which I would like to see the IBA viewed in the next ten years'.³

Under Whitney this partnership has already begun to develop. The IBA has fostered the growth of regional (as opposed to local) stations by encouraging mergers (Gwent and CBC) and granting new franchises to established neighbouring companies. (Hereward recently got the Northampton franchise). Restrictions on sponsorship have been eased and the networking of programmes to attract national advertisers has been encouraged. Last November the Authority announced a package of concessions to the AIRC which amounts to a giant step along the road to deregulation. Companies are to be allowed much greater leeway on hours of broadcasting, share structures, advertising copy, clearance and diversification of activities. Rentals are to be reduced by 10% and the Authority is to press the Govern-

ment to reduce the taxes on station profits. Savings are to be made by reducing the amount of supervisory work done by the IBA through its regional offices, its local advisory committees and its machinery for dealing with educational and religious programming on ILR. Regulation, claims the IBA, will remain intact but will be administered with 'a lighter touch'.

So the Government's proposals to change the radio airwaves will be shaped by a combination of factors. The precise detail of the changes may not exactly fit the picture outlined, but there can be little point in supporting the developments as they seem to be emerging. For the diverse, accessible and accountable mass audience radio system which many in the labour movement would like to see will not emerge out of the present climate. In fact, the likelihood is that by the 1990s radio in the UK will, along with other forms of mass communication, be run on principles similar to those operating in Fleet Street.

The proposals present the Left with a serious challenge because they are about the wider movement towards deregulation in broadcasting. Our traditional response has been to favour off-the-peg alternatives

to the existing system, like community radio, and leave the mass broadcasting organisations to their own devices. This is clearly not adequate to the task. Effective responses to the proposals must address the impact of any changes on the whole of radio broadcasting and also the effect of deregulating commercial radio on the controls governing ITV and BBC TV and radio. Campaigning against deregulation and the expansion of privatised radio has to be one part of a process which simultaneously, confidently and coherently, asserts the need for, and extension of, public control, not just over radio but throughout the broadcast sector. These proposals provide us with the challenge of meeting the aggressive incursions of the broadcasting free marketeers with their first serious challenge in six years of Tory rule. It is important that we meet them head on and do not concede to their attempts to push radio into the open market.

¹ *Omega File: Communications* Adam Smith Institute (London 1984) p 41-2.

² *Pirates Over-Rated Broadcast* 17/8/84.

³ D Taylor *Changing Face of the IBA Broadcast* 6/1/84.

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