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Establishing Public Broadcasting Monopolies: Reappraising the British and Norwegian Cases

Asle Rolland

The Norwegian School of Management BI

Center for Media Economics
The Norwegian School of Management BI
Nydalsveien 37, N-0442 Oslo, Norway

E-mail: asle.rolland@bi.no

And

Statistics Norway

Department of Social Statistics
P. O. Box 8131 Dep., N-0033 Oslo, Norway

The British Broadcasting Corporation (BBC) pioneered a development that from the 1920s onwards led to the establishment of broadcasting monopolies all over Europe. This essay reviews a comparative study of the origins of the British and Norwegian monopolies, in which their establishment is explained as the result of constraints on the policymakers. Also reviewed is an attempt to justify the Norwegian monopoly - indirectly the broadcasting monopoly institution as such - as economically and legitimately unavoidable. The essay argues that the British and Norwegian policymakers did have freedom of choice. In both countries the unfounded but imperative demand that broadcasting must be nation-wide was used to secure the transfer from private to public broadcasting. Once it had served its purpose, however, and the state monopolies were established, this demand was relegated to the second rank of public service broadcasting principles. The essay further argues that for the policymakers the establishment of state-controlled broadcasting monopolies was a political goal in itself, and not a means to correct market failures as in macroeconomic theory.

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1. Introduction

Great public institutions have their official historians. The British Broadcasting Corporation (BBC) has Lord Briggs,¹ the Norwegian Broadcasting Corporation (NRK) Hans Fredrik Dahl.² The comparison of the two institutions has no official historian, but it does have the doctoral thesis of Trine Syvertsen,³ professor of media and communication at the University of Oslo. Her topic is important. The BBC pioneered a development that from the 1920s to the 1950s led to the establishment of broadcasting monopolies all over Europe.⁴ Syvertsen compared the original with one of its copies. Her study therefore has potential to explain, at least partly, why all European countries converged to a common broadcasting model distinctly different from the one already implemented in the USA.

Britain has a reputation as inventor and exporter of institutions. It is therefore proper to ask whether what happened was the diffusion and subsequent adaptation of another great institution invented by the British, that of the public could more easily be established downhill. Hence Britain and Norway, as well as all the other European countries, chose the monopoly.

The outcome of the process obviously supports her opinion. The arguments in favor of monopoly must have made the greatest impact on the decision-makers. Particularly strong was of course the argument that constraints limited the freedom of choice. However, the argument does not presuppose that freedom really was limited. It is sufficient that influential actors were induced to see the options in that way.

This essay challenges Trine Syvertsen's notion that constraints narrowed the alternatives. It argues that the broadcasting monopoly was neither a technical necessity nor an economical or political one, but the deliberate choice of interested parties preferring the monopoly above market competition, actors with sufficient power and influence to have it their way. The analysis will also pay a visit to Hans Fredrik Dahl, who in his history of the NRK argued for the broadcasting monopoly as a necessity according to economic theory.

The assertion that the European states had freedom of choice raises the question of what then made them all choose the same solution, the state

broadcasting monopoly.⁵ Did Britain have the solution to what all Europeans could see—or hear—was the problem with the American model of radio as unregulated free enterprise: its creation of complete chaos in the ether, with all stations being interrupted and disturbed by the signals of their competitors? Did the chaos appear as the American "penalty for taking the lead," and the monopoly as the European "advantage of backwardness"?⁶ Or did the Europeans lack the freedom of choice that enabled the Americans to continue with private broadcasting and competitive radio markets even after the introduction of public regulation in 1927? Where the Europeans somehow compelled to chose the monopoly?

Trine Syvertsen argues that the Europeans did have freedom of choice, but constraints narrowed down the alternatives. The establishment of private, competitive, commercial radio markets was not impossible, but the factors leading to public monopolies financed by license-fees weighed more. The market model required strenuous efforts uphill, the monopoly model owned and/or state-controlled broadcasting monopoly. Even this question may be answered inductively on the basis of individual cases. An attempt to explain the Norwegian monopoly from the macro economist's point of view has been made by Egil Bakke, former Director of the Norwegian Competition Authority. A macro economist in a society with basically a market economy will obviously consider market competition the normal state of affairs and state monopoly the exception to the rule, i.e. the reverse of the position held by Trine Syvertsen and Hans Fredrik Dahl. Hence for Bakke the purpose of the state monopoly, like any public regulation, must be to correct market failures.⁷ However, that position was challenged by Allan Brown⁸ when he maintained that "the state intervenes in broadcasting markets not on the basis of economic criteria," but because of the "perceived social importance of the broadcasting media and their potential influence on values, attitudes and beliefs."

This essay follows Brown up to that point. It does not follow Brown when he later maintained that for this reason the state intervenes "to achieve social objectives such as the promotion of education, equity, national identity, and social

cohesion." Instead, the essay will argue that the main reason for state intervention has been to prevent others from influencing the values, attitudes, and beliefs of the citizens. Its thesis is that regulation itself has been the goal for European state broadcasting policy, at least in Norway, probably in Britain, implying that whatever has been said about the purpose of regulation, has been merely means for the regulatory goal. It argues the thesis of public choice theory that the state's primary concern is its own self-interest.⁹ The motive for European state intervention in broadcasting negated that of the USA, where the seminal thinking was that the state should *protect* the right of others to influence the values, attitudes, and beliefs of the citizens.

Bakke's economic study presupposed that regulation is a means to broadcasting ends. Hence his issue was whether the means have been *necessary* because the market would produce undesired results, *sufficient* because regulations produce desired results, and *adequate* because the benefits of regulating are greater than the costs. Bakke asked, that too like in public choice theory, whether state interference to correct market failure result in government failure.

This study presupposes that regulation has been the aim itself. However, in the language of dialectics we must ask what is the *synthesis* of regulation as means and goal. The answer is regulation as both:

- Regulation as means because it has been intended to serve a purpose, and
- Regulation as goal because that purpose has been regulatory.

The synthesis is regulation with a defensive aim, with the state's aim being to prevent others from using broadcasting for their purposes. State broadcasting policy has been cultural defense and security policy. Its foremost purpose has been to protect the state against any foreign power and national private power. Even the rhetoric of Norwegian State broadcaster NRK as the foremost defender of the national culture¹⁰ is means to the end of state control.

2. Britain and Norway

The vast majority of the European broadcasting monopolies were owned by the state, but a few were private. The BBC was both, but at different times. The first BBC, the British Broadcasting Company, was established as private monopoly in 1922. It continued as state monopoly, the British Broadcasting Corporation, from 1926. Already between the two births of the BBC monopolies

were established in several European countries. The Norwegian monopoly of NRK, operating a single radio channel, came relatively late, in 1933. At that time 591 radio stations were operative in the United States.¹¹

Like the monopoly, the idea of public service broadcasting is a British invention. It is unclear how much was known about the BBC when the monopoly issue came up in Norway, and the parliament complained it still did not know enough when making the decision in 1933,¹² which weakens the diffusion of British institutions theory. What is clear, however, is that the BBC eventually became the ideal model, not least for the NRK itself.¹³

Syvvertsen studied the origin of public broadcasting both in Great Britain and Norway.¹⁴ Her main explanation for the monopolies of BBC and NRK may "with some justification"¹⁵ be subsumed under the assumption of market failure: "The technical and economic constraints narrowed down the alternatives, and left the policy-makers with the problem of creating an institutional form which was both economically viable and more legitimate than the private companies." However, only "with some justification" because the assumed market failure must be political—the market producing a result the state would not like—rather than imperfection, the market producing less than the welfare optimum due to the product being a public good.

Syvvertsen states that broadcast products are public goods in the sense that distribution is non-excludable and usage non-rival. However, neither in Britain nor in Norway was it suboptimal *production* of the public good "broadcasting" that motivated state intervention. It was motivated by suboptimal *distribution* relative to the politically desirable. The state intervened because the market was considered unable to produce *nationwide broadcasting*. What would restrain the market from this was not lack of exclusiveness, as the distribution had no impact on the product's character of being a public good. What would restrain was that the costs would exceed the benefits of making the product available for more non-rival users. The motivation for state intervention was an assumption that the market's limit for profitable distribution was less than 100 percent of the population. Market failure was here equal to the assumed discrepancy between the natural market and the politically desirable. The market did function, but the politicians did not want what they thought it could offer.

According to Leif Johansen,¹⁶ this makes use

of the term "market failure" improper. The rationale for "distribution failure" is here the same as for "merit goods," i.e. not that externalities are demonstrated, but that "governments adopt a paternalistic role by intervening in broadcasting markets and substituting their own preferences for those expressed by individual consumers."¹⁷

The motive for state intervention was hardly to increase production of the public good until its welfare optimum, as presupposed by economic theory. Intervention to expand distribution must *reduce* production of the public good, and this indicates that the politically desirable was *lower* production of the public good than the market could offer. In the market distribution would be an expense, and limited to customers giving a net return that could be used to increase the production. Non-excludability is an income problem, how to obtain income from free riders, not a cost problem. State intervention, however, had as motive to expand distribution beyond the limits of the profitable market. The capital used to expand the distribution could instead be used to increase the production. Therefore, in the market distribution would *supply* the production with capital. With state intervention, distribution would *drain* the production of capital.

Syvvertsen argues against the "technological determinism" that permeates many debates on broadcasting" and maintains "a communication system can be organized in many different ways, and that one communication technology can be implemented into many different institutional forms. The broadcasting technology, for example could have been organized as a series of local stations, a national network, an educational service, an interactive communication system and a commercial enterprise, to mention just a few alternatives." But "the possibilities are not endless, however. On the one hand the alternatives are limited by the type of communication under study (the 'technology') and by the general constraints of the social structure. On the other he says in *Public Television*, they are limited by the specific composition of economic and social forces in the society and the period when the communication system is established." Syvvertsen therefore ends up herself explaining the establishment of the monopolies in a deterministic way. "Constraints narrowed down the alternatives."

3. The Constraints Theory Re-examined

Let us consider the most important of these constraints. "The primary constraint limiting the

options open to broadcasting policy-makers in the 1920s and 1930s was the *scarcity of wavelengths*," Syvvertsen says. This "scarcity of frequencies meant that each country would have to make do with a very limited supply of channels." Syvvertsen is not alone in expressing this opinion. For more than half a century it was an undisputed truth, cp. for example Rolland & Østbye: "broadcasting satisfies any requirements for speaking of 'natural monopolies' based on the utilization of natural resources."¹⁸

However, this assertion may be contested. Garnham maintained in 1983 that "the public service concept is based upon scarcity of frequencies ... is simply untrue. ... Channels have been limited, whether rightly or wrongly, for social and economic, not technical reasons."¹⁹ Indirectly the Norwegian Telegraph Board said the same in 1930, in a dossier to substantiate the need for a nation-wide state monopoly. "Broadcasting has proven to be a profitable business in the larger towns and densely populated areas of the country, but this will certainly not be the case in sparsely populated areas, and they constitute the main part of our country."²⁰ Contributing to profitability was no doubt that the state had granted the broadcasters local monopoly rights, but the Telegraph Board did not argue that this was an unavoidable inconvenience with the arrangement. The Board argued without reservations that radio would be profitable at the local level. What necessitated state monopoly was that radio would not be profitable at the *national* level.

No doubt there was shortage of frequencies in Britain 1926 and Norway 1933, just like there was shortage in the USA, where as early as in 1922 there were 378 radio stations operative, a figure rapidly increasing to 585 in 1925.²¹ Shortage implies there is need for entrance and traffic regulation, and in accordance with David Easton's well-established definition of politics is it a public responsibility to conduct the authoritative allocation of scarce resources.²² The alternatives to state regulation are "first come, first served" and private "regulation" by coercion. The latter happened in Norway when the radio monopoly was broken and the state left for the local radio stations to distribute transmission time in towns where the number of stations exceeded the number of frequencies.²³ However, state sovereignty over distribution must not be exerted as an admission control with private entrance being prohibited. It may also be exerted as traffic regulation for the greatest number of private

actors. In the United States limited capacity led to the Dill-White Radio Act of 1927 and the Federal Radio Commission (later FCC) for the distribution of frequencies to private stations. In Europe it led to state monopoly.

According to Syvertsen, "these technical limitations were further reinforced by the *economic constraints*." To these she reckoned the problems of making free riders pay, but apparently they did not scare private investors, as there were many enthusiasts who wanted to start radio stations both in Britain and Norway. Already in 1922 nearly a hundred British radio manufacturers had applied for a broadcasting license.²⁴ To some extent the problem of making free riders pay was brought about by the state itself, as "the PTT's, which were responsible for the collecting of fees and enforcing the law that required listeners to pay, were reluctant to be seen to operate on behalf of the private companies."²⁵

Syvertsen repeats the frequently made assertion that "establishing terrestrial broadcasting networks was an extremely costly venture in all countries, and the funds needed to establish a multi-channel system would have been impossible to raise in a period characterized by great economic problems." This monopoly argument was also put forward by the Telegraph Board in 1930, as the quote above continues like this: "A large number of the broadcasting stations, that must be placed partly along the coast, partly in the interior, in order to complete the broadcasting system in such a way that the program transmission will reach most places in our country, will according to our calculations most likely yield a deficit. Is the whole country to take part in broadcasting, the profit from operating the large stations must cover the deficit of the small ones. This is the procedure we followed when developing the telegraph and the telephone."

The Telegraph Board did not argue for the natural monopoly based on exploitation of limited resources, or for monopoly as the "natural" outcome of market competition due to unlimited economies of scale. The Telegraph Board argued for the necessity of internal subsidies. Once more the argumentation presupposed the necessity of nation-wide broadcasting. Furthermore, it presupposed that no private investor would want to develop broadcasting in this way, a presupposition that incidentally was contrary to the existing evidence, as the private broadcasters had their own national plans they intended to pursue in order to increase their income from listener licenses.²⁶ The Telegraph Board did its

best to undermine the trustworthiness of the private plans by referring to calculations showing that continued private development of nationwide broadcasting would result in redlining of non-profitable areas. Even imposing a development demand on the private concession holders would apparently not counteract this. The only guarantee against redlining was to entrust the state's telecommunications monopoly with the task to set up a nationwide broadcasting network.

Syvertsen assumes that even if private actors should find broadcasting interesting as a long-term investment, the state was the only actor that during the depression of the 1920s and 1930s was able to provide the initial capital. With public savings as the prescribed method for combating economic crisis,²⁷ one should think the state had enough problems to solve for the limited means it collected from a largely unemployed population. The argument begs the question, then the opposite reasoning is equally obvious: precisely because there was depression, unemployment, and shortage of money, the state could not afford to use its resources on idle activities like broadcasting. They were needed to keep the population alive. Under such circumstances it was impossible to develop broadcasting further than private investors found profitable. Incidentally, the state thought so, too, at least in 1924, when "the poverty of the state resulted in a solution based on private capital," as NRKs historian notes.²⁸ The interim solution was to license a private company with transmission rights for a radius around Oslo, the nation's capital and largest market.

What made broadcasting "extremely costly" was nation-wide distribution. "Should the whole country take part in broadcasting" was the Telegraph Board's reason for the cost problem. The whole country should. "In both countries the geographical expansion of the services was seen as a primary target from the very beginning," Syvertsen says.²⁹ The Telegraph Board said it like this in 1930: "Broadcasting must be organized so that it works as a unified arrangement for the whole country. Its primary purposes must be, as it often has been said, enlightenment, education, entertainment, and ordinary information service. It must aim at fulfilling its high cultural task in the best possible way and with the most perfect technical means available."³⁰ We notice the validity of an observation made by Bakke, that "political interference is often characterized by a maximizing mentality: Only the best is good enough. In the market the actors normally will

optimize: Good enough is the best."³¹ The Telegraph Board did their best to validate the statement that broadcasting would be "extremely costly."

However, the Telegraph Board did not think that the state should finance the development of nationwide broadcasting. The *market* should finance it. The quote from the Telegraph Board continues like this: Broadcasting "should furthermore be organized so that it works economically as a unit for the whole country, and should by means of listeners' license fees and other duties be able to pay its expenses and not be a burden to the Treasury or local public budgets." Where after the income source for NRK was widened to include advertising, as for its forerunners, until the German occupants abolished it upon arrival in Oslo in April 1940.³²

Syvvertsen's argument is that the *extreme costs* of establishing terrestrial broadcasting networks made state monopoly unavoidable. However, the *extreme incomes* necessary to cover the costs should come from the market. Since advertising merely contributed some 3-4 percent of NRKs income budget,³³ there is reason to wonder if not private owners would have been better positioned to cover the costs. The 1930s marked the breakthrough for advertising in Norway.³⁴

Syvvertsen adds that at any rate a "*multi-channel system*" would be prohibitively costly. Therefore, all means must be used for a "single-channel system," and that implied monopoly. Indirectly the argument confirms it was technically possible with a multi-channel system. It excludes the option that the single frequency could be shared by competing companies, which is what the Norwegian State now demands that competing local radio stations must do. Most important, however, is the presupposition that a "single-channel system" is cheaper than a "multi-channel system." This condition is obviously only true together with an additional condition that "the single channel" is nation-wide. From 1923 onwards a Norwegian "multi-channel system" had emerged, from 1925 based on concessions for local broadcasting. There were companies in several towns, and considerable potential for expansion. The system was not very different from what the state introduced for local television almost seventy years later. It empowered the state to regulate the markets in space and time (i.e. the extension and duration of the license, ownership rules, and program rules), and gave scope to establish competition within each market if more than one interested party came forward. And it

would be "profitable business," as the Telegraph Board said in 1930.

5. The Demand for Nation-wide Broadcasting

In Dahl's history of Norwegian broadcasting 1920-40,³⁵ commissioned by the state monopoly, the issue of "Central or Local Broadcasting" is devoted a whole chapter. It starts with the statement that "the expectations of change covering all of broadcasting in the 1920s concerned its expansion for city to country matter for Norway. In the long run it was impossible to limit radio to Oslo, Bergen, and a couple of other cities. That was obvious for everyone with a brain."³⁶ Whereupon the historian lists all the obstacles, counterarguments, and resistance against nation-wide broadcasting: A small and scattered population, long distances and difficult topography (which according to Dahl was turned into an argument for the need of nation-wide radio), a government that preferred decentralized, private radio, radio stations that preferred private and decentralized radio, local patriotism and resistance against the ambitions of the Oslo station to become national. The establishment of a nation-wide service was certainly not in response to consumer demand. On the contrary, broadcasting was centralized *against* the expressed wishes of the listeners, NRK's historian observes.³⁷

Apparently Syvvertsen contented herself with reading the introduction to the chapter, as in her analysis the need for nation-wide broadcasting is taken for granted. Probably this explains why she does not account for its origin. It does not seem to stem from those who otherwise would not "take part in broadcasting." She writes about the difficulties finding expressions for "the public as citizens active in the broadcasting debates," and states, "judging from the number of submissions received by the early broadcasting committees, there was no widespread citizen-interest in matters of broadcasting policy. Neither the Crawford Committee in Britain and nor the Vigstad Committee in Norway received more than a handful of comments from bodies with no vested interest in broadcasting"³⁸. The Norwegian Association of Radio Listeners was against centralized state broadcasting and in favor of regional, independent, and private stations.³⁹ An "extreme view" that closed the doors to the decision-makers for the association, NRK's historian notes.⁴⁰

Neither did the demand for nation-wide broadcasting stem from "rival cultural and

informational interests," as Syvertsen calls them, i.e. "the press, the concert-givers, the proprietors of theatres and music halls, and owners of dramatic, musical and literary copyright." They "all saw broadcasting—at best—as an unwelcome competitor."⁴¹ Nor did the demand stem from the advertisers. Perhaps there were not so many national advertisers in Britain and Norway in the 1920s and 1930s. However, even those who existed had no reason to demand maximization of the radio's national coverage, as their interests would be linked to the opportunities for making a "profitable business," without prohibitive distribution costs. This indicates that their natural market would coincide with what private radio could offer. What the potential listeners were concerned; there is little reason to believe they would demand national coverage from *private* companies. They would probably demand that *state* radio was universally available, but it does not seem that such claims were advanced. If they did, it seems more likely the argument would be that state owned radio should be available to all, than the opposite, that radio is available for all and therefore it must be state owned.

There remain two stakeholders with strong positive interests in the introduction of nationwide broadcasting: the state itself and the radio manufacturers.

6. The State and the Radio Industry

The original business idea for broadcasting was to make money on the receivers. Programs were a necessary expense to make consumers buy radio sets. The British Broadcasting Company, the Corporation's forerunner, was a cartel of radio manufacturers that were licensed by the Post Office to broadcast, financed by license fees. The two main features of the BBC as well as the NRK model, monopoly and license fee were then already established.⁴² It was the Post Office that "persuaded the manufacturers to form themselves into a cartel which represented the interests of the industry with which the Post Office could negotiate."⁴³ As for the Norwegian forerunners of the monopoly there was already established an arrangement implying that broadcast required permission from the Post Office. However, this was not considered sufficient to prevent repetition of the chaos that broke out in the USA, with virtually free market entry, and the Post Office was unwilling to negotiate between rivaling interests in the British radio industry. The Post Office was rather unwilling to govern, to undertake the apportioning of scarce resources

that is due to a public authority. Instead it preferred that an industry cartel, open to all manufacturers, did the job.

The Post Office saw the broadcasting license as an income source, "indeed, one of the most scandalous features of early broadcasting was the percentage of the license fee retained by the Post Office to increase the annual amount it earned for the Treasury."⁴⁴ A similar taxation, with 20 percent of the license and receiver fees directly into the Treasury, was introduced for the Norwegian private concession holders.⁴⁵ In fact even the Norwegian Broadcasting Corporation (NRK), established because radio was "extremely costly" and therefore unsuited for private owners, should be a net contributor to the public purse.⁴⁶

Since the state initiated the private radio monopoly and the license fee from which it intended to earn money, it seems peculiar that the state should have strong objections to the private radio monopoly and be unwilling to collect the license fee, two of the circumstances that according to Syvertsen "narrowed down the alternatives" until state monopoly was unavoidable. Admittedly, the private commercial monopoly is in discord with the market economy, and the Sykes Committee, appointed by the Post Office in 1923 to settle the disputes around the license collection, was skeptical to it.⁴⁷ However, the license collection dispute was a conflict between radio manufacturers, and critique of the monopoly came from small manufacturers fearing the dominance of the big. Industrial considerations, not concern for the consumers, initiated monopoly criticism. Even the first criticism of the transmission monopoly was industry motivated: the popular press feared a new competitor.⁴⁸

Incidentally, the British Broadcasting Company did not monopolize market entry as this was perceived, then the company was open for all British radio manufacturers.⁴⁹ From the same perspective neither would NRK, if The Telegraph Board had succeeded with its proposal of leaving program production to the Norwegian Press Association. BBC's forerunner rather resembles what Olsen calls the *negotiating state model*, where "the citizens (here the manufacturers) primarily are members of interest associations," where the elected political leaders do not have "the authority and power necessary to direct society's development,"⁵⁰ and where after society is governed through negotiations with the interests subject to governance. The first BBC may even be considered a more open and democratic model

than the one characterizing Norway and other corporatist democracies in the golden age of "negotiate economy and mixed administration,"⁵¹ when there was a clear international tendency towards enclosure of membership markets, as well as, contact with public authorities, particularly in the primary economy, but also considerable tendencies towards cartels in the secondary and tertiary sectors.⁵² The introduction of a manufacturer model was in fact attempted in Norway, too, and "rough means were proposed for the coercion of Norwegian radio interests into co-operation in a cartel under public control."⁵³ An organization model that was discussed for the NRK was "a private limited company where the state held a considerable stock."⁵⁴ The idea fell not on principal anti-monopoly grounds, but because it was not believed capable of raising the capital necessary "for all inhabitants of the country in reasonable near future to take part in broadcasting."

In Britain the idea of nation-wide broadcasting came from John Reith, General Manager of the British Broadcasting Company from 1922. Reith's ambition was to transform BBC from a *private company* to a *public corporation*.⁵⁵ For this purpose he published *Broadcast over Britain* in 1924, where he launched four basic principles for a national broadcasting system: 1) Absence of commercial motive, 2) independence of political interests, 3) nation-wide transmissions, and 4) program quality.⁵⁶ Reith repeated his arguments in a memorandum to the Crawford Committee, which also was appointed by the Post Office, in 1925, to solve the conflicts around the collection of the license fee.⁵⁷ The Crawford Committee swallowed the bait, "unquestioningly accepted the necessity of a broadcasting monopoly, and recommended that the private company be replaced by a 'Public Commission operating in the National Interest.'"⁵⁸ New Year's Eve 1926 the British Broadcasting Company was dissolved for the next day to rise again as the British Broadcasting Corporation. Director-General from 1927 to 1938: John Reith.

7. A Strategy for State Take-over

It seems appropriate to confront Reith's four basic principles for broadcasting with public choice theory. Economists who study behavior in the marketplace assume that people are motivated by self-interest. Public choice economists make the same assumption about persons acting in the political sphere, among them the directors of public broadcasting companies.

In a public choice perspective a greater degree

of freedom and independence will be a goal in itself—complete end control over issues affecting one's interests. Reith sought independence, and as the power analyst Gudmund Hernes says, an actor's independence is "equal to the actors dependency of himself."⁵⁹ Hernes defines autonomy as "the share of control actors have over their own interests."

When Reith did not conceal his aim, but launched it for the state appointed Crawford Committee, it was because he needed allies to reach it. Reith's strategy for independence must necessarily have had two steps. First he must get rid of the owners of the British Broadcasting Company, the radio manufacturers. "On the one hand, it was necessary to be freed from commercial pressures. If radio continued to be part of a profit-oriented industry then the program service would be influenced by commercial considerations and the need to appeal to popular demand," Scannell & Cardiff write. For that purpose Reith must ally himself with the state. The means, both to get rid of the radio manufacturers and obtain an alliance with the state, was nation-wide broadcasting. The radio manufacturers could not offer that. The private system, with option for national distribution in a network, covered less than 80 percent of the population. The state could offer it, and the state had to offer it, then with nation-wide broadcasting radio would become a mighty power, and as already the Sykes Committee had remarked: "the control of such a potential power over public opinion and the life of the nation ought to remain with the state."⁶⁰

According to Hernes, political actors have a choice between "two main strategies for increasing their ability to realize their interests: either by conquering power over those they are dependent of, or by increasing their autonomy."⁶¹ Reith combined these strategies. By making himself autonomous of the radio manufacturers he obtained autonomy even in relation to the market and the audience, which empowered him to exert "the brute force of monopoly."⁶² However, in order to obtain autonomy Reith needed an alliance with a state that would not contribute without getting something in return. What Reith could offer the state, was control over the private broadcasting company he was managing.

Reith and the state had mutual interests in disposing of the industry and the audience as power factors. However, the price for the alliance, the establishment of a state broadcasting monopoly, must have been inconsistent with

Reith's autonomy goal. Step two in Reith's strategy for independence must therefore have been to get rid of his ally when the job was done. "On the other hand, broadcasting needed to be free of interference and pressure from the state in order to develop its political role as a public service."⁶³ The public service ideal is in this quote considered to motivate the need for independence, but it is hard to see why the state should object to BBC fulfilling the Victorian ideal of service.⁶⁴ Once more we must believe that for Reith independence was the goal itself.

Reith had no guarantee that nation-wide broadcasting would make the state join the alliance he was seeking. The state could have reacted by prohibiting private nation-wide broadcasting, or simply refuse his offer; being convinced that no private actor would be able to establish such a service anyway. However, private actors would certainly be able to set up a service equal to the profitable national market, and covering 80percent of the population this could be enough to threaten state interests. On the other hand, there were also costs related to prohibiting the exploitation of a potential. Whether the state weighted the alternatives like this does not appear from the sources consulted for this article. However, the state choosing to take control over broadcasting, where after it delegated control to a manager who made no secret of his goal of independence makes one think that the state, too, had a two step strategy. The state shared Reith's desire to dispose of the radio manufacturers, and had no reason to fear that Reith would challenge the state's own power. Firstly, the state would not appoint a Director-General for broadcasting whom it did not trust. Secondly, in the unlikely event that the Director-General turned out not to be trustworthy, the state was most powerful. The director could easily be removed.

The transformation of the BBC from private Company to state Corporation appears as an example of two actors (Reith and the state) with mutual interests in relation to third parties (the industry, the audience), but conflicting interests related to the end control (over BBC) after their joined efforts had eliminated third party power. That no conflict arose between the allies after the victory, but on the contrary the stronger part surrendered power to the weaker, implies however that the two parties only had weakly conflicting interests. "Both parties may find it advantageous to accept a decision going against their interests where they are very weak, in exchange for support where very much is at stake."⁶⁵

This could imply that the state had great tolerance for the independence of broadcasting, but the consulted sources indicate that in the early days the tolerance was very moderate for BBC, both as Company and Corporation, as well as for the private Norwegian companies and their state successor NRK, as they were denied the right to take up political or "controversial" issues in their broadcasts.⁶⁶ From the first BBC and onwards it was a question partly of a governmental ban, partly of what Bakke calls the General Manager's musicality. Thus BBC's historian Asa Briggs can inform that in the early phase "the main sanction of the Postmaster-General was the threat that if the BBC behaved in a 'partisan' manner its License would not be renewed." Thus according to Reith The Broadcasting Company had never broadcast anything controversial. "Whether or not they are prevented from doing it, they obviously would not do it."⁶⁷ NRK's historian Dahl tells a similar story. In the Telegraph Boards' first draft for a private radio license politics was excluded from the programs, which hardly became necessary as also the Norwegian company had a good aptitude for music, and decided that political parties were not allowed to use radio for propaganda in programs or advertising.⁶⁸

Apparently this was not a problem for Reith: "The BBC was founded on a rejection of politics," Seaton remarks. This indicates that Reith's need for independence of the state was not nearly so great as it was in relation to the industry and the audience. Reith "despised politicians and disliked party politics," and "believed that BBC should be above politics," Seaton wrote in the here quoted article with the title "Reith and the denial of politics."⁶⁹

Scannell & Cardiff note that BBC historian Briggs "summarizes Reith's concept of public service as follows: it should be a non-profit-making monopoly with a program service animated by high standards and available throughout the nation. There is no mention of political significance."⁷⁰ Reith's formula for public service broadcasting—to educate, inform, and entertain - was clearly designated to avoid conflicts with the established political system.

Reith was hired Manager of the private BBC when he established his alliance with the state in order to dispose of BBC's owners. That he could do so without sanctions, indicates that it was not against the interests of the owners either. Probably the radio manufacturers engaged in programs because nobody else took responsibility for a service their sales depended on. It was then not

only Reith and the state that got rid of the owners, but also the owners who got rid of a responsibility. The transfer from private to state management was then made possible because two actors with different interests got assistance to reach their own goals.⁷¹

Trine Syvertsen must ascertain that "in Norway, Reith had no counterparts within the broadcasting companies, but visionaries existed outside," and Syvertsen found one of them in the Minister of Church and Education.⁷² The "visionary" for state takeover was in the state, not in the broadcasting business. However, it seems reasonable to maintain that the role played by Reith was divided between two state actors in Norway. The Telegraph Board played the role of cutting broadcasting's ties to the radio manufacturers, and the Ministry of Church and Education the role of tying broadcasting to its "high cultural task" for the state. The Telegraph Board declared it an absolute principle that "those men" who were to be responsible for the development and operation of broadcasting must be completely disinterested in "the production, import, or sale of radio receivers."⁷³ Acting according to this self-declared principle, the state's telegraph monopoly gradually moved into position as the only legitimate supplier of the broadcasting network, aided by financial and technical difficulties that the Oslo transmitter, the start of the private national network, ran into in 1929.

What followed was a battle between state authorities for control over broadcasting as an institution, the main adversaries being the Ministry of Trade, to which the Telegraph Board reported, and the Ministry of Church and Education. In this battle the actors would alter their "principles" according to what gave the greatest tactical gain. Thus the Telegraph Board in 1926 argued strongly in favor of state takeover as necessary in order to fulfill broadcasting's ideal task as a channel for popular enlightenment, as the people would resist coerced cultural education unless it was forced upon them with the authority of the state. Partly for that reason the Telegraph Board was against a "Swedish solution" where the telegraph monopoly owned the network and the transmission technology, and rented it to a private program company, a solution that also had the disadvantage of empowering "dangerous" private interests with a monopoly.⁷⁴ In 1930, however, when the Ministry of Church and Education had picked up the Telegraph Board's idea that popular enlightenment by force required state authority,

and proposed that the state should take responsibility even for program production, the Telegraph Board suddenly changed both positions. The Board was no longer concerned with popular enlightenment, but had become market oriented, emphasizing that broadcasting must be "very attentive" to the listeners, as it was they who should provide all the financial means to set up the national network and operate the broadcasting system. Therefore, the Telegraph Board was now also in favor of a "Swedish solution," and proposed that the *newspapers* should be entrusted with the task of producing broadcasting content, as they had the necessary competence to serve as intermediaries between the broadcasting management and the listeners, "broadcasting's customers."⁷⁵ Apparently the Telegraph Board realized that with state takeover of program production the Ministry of Trade, with the Telegraph Board itself as its competent body, would have to share the state's power over broadcasting with the Ministry of Church and Education, which in turn could result in the Telegraph Board being effectively removed from broadcasting's steering position and reduced to a mere provider of technical means for the other ministry's program service. With private responsibility for the program delivery, however, the Ministry of Trade, and the Telegraph Board, would monopolize the state's own broadcasting power.

The Committee that was set up to argue the Ministry of Church and Education's case made an international study of broadcasting steering models—steering was their only concern, not program content, Gramstad notes⁷⁶—and in their 1932 report to the parliament the ministry listed no less than nine alternative ways of governing broadcasting, out of which necessarily at least eight had to be discharged.⁷⁷ Hardly surprising the ministry argued that although the broadcasting programs would belong to most ministries' spheres of interest, broadcastings main task of popular enlightenment and education made it most likely to conclude that the supreme commander of broadcasting should be the Ministry of Church and Education. It was certainly not constraints that narrowed down the alternatives, but search for the optimal model to gain support and defy opposition against the ministry's control over broadcasting content.⁷⁸

It therefore seems reasonable to conclude that British nationwide broadcasting, perhaps also Norwegian, was impelled by an alliance between state and capital, without there being any

registered demand for nation-wide broadcasting in the market, and independent, perhaps even contrary to the interests of other suppliers of culture and information products. Nationwide broadcasting catered for the interests of the state and the radio manufacturing industry. For these two stakeholders the conditions existed for the exertion of power in the sense of a relatively symmetrical transaction based on mutual dependence,⁷⁹ as access to values that the other part was in possession of, was decisive for one's own possessions to have any value at all. For the state the value of controlling the production and distribution system for radio programs was zero if there were no radio receivers. For the radio manufacturers the value of the radio receivers was zero if there was no production and distribution system for radio programs.

What the state could offer the radio manufacturers and buyers was reassurance that programs continuously would be produced and distributed. Confidence was greater in the state than in the enthusiastic amateurs, who had started the new medium ignorant of the rules for exploitation of cultural products, what not least a conflict with the Norwegian Association of Authors in 1927 had shown.⁸⁰ "Many interests felt that the cultural potential of radio was not being exploited to the fullest within the private companies." Therefore "in Norway it was the manufacturers themselves who in the end, as members of the Oslo Company's Board, asked the state to take over responsibility for distribution and transmission."⁸¹ The state could also offer the radio manufacturers new customers as markets became saturated. "This was particularly true in Norway, where the expansion of broadcasting progressed much more slowly in private hands than in most other European countries."⁸² The state could offer *nationwide broadcasting*.

In return the radio industry supplied the state with listeners and income. The parties had mutual interests in the listeners, who were to pay the bill for both. A listener fee to the state put on the receiver—even a royalty on radio receivers sold, a system that continued in Norway while it was abolished in Britain after two years—was however not to the advantage of the radio industry, as it raised the receiver price and moderated the demand. But the power distribution between the state and a branch of trade and industry will not be wholly symmetrical. Perhaps the fees were the price the industry had to pay for maintenance of a free market for radio receivers. "Neither did public authorities attempt to control the *receiving*

end of the system. In contrast to the telephone system, for example, where the receivers also were owned by the PTT's, broadcasting was carved up in a way that left a large market open to commercial exploitation," Syvertsen states.⁸³

The conclusion to be inferred from this is that Syvertsen's explanation of the British and Norwegian broadcasting monopolies must be wrong. "Technical and economic constraints" did not "narrow down the alternatives" until the public monopoly was inevitable. Imposing a demand that broadcasting must be nationwide created the scarcity of frequencies and capital. Locally there was enough capital for broadcasting to be a "profitable business," even in markets as small as in Norway. There were enough frequencies to avoid monopoly. Locally, there was scarcity only in the sense that the resources were not endless. Hence free market entry was impossible, the resources had to be apportioned by someone. Even in the United States, program suppliers discovered that this was in their interest. In Europe it was used to legitimize the state monopoly. "The truth is that while the public regulation of broadcasting has been *legitimized* in terms of frequency scarcity, its *justification* lies in its superiority to the market," Garnham says in his above quoted defense of public service against the market forces.⁸⁴ The end justified the means.

It appears as if Syvertsen was aware of her explanation's shortcomings. In addition to the main argumentation based on scarcity, she launched a series of ad hoc explanations for the purpose of ruling out all alternatives: The private radio stations lacked "legitimacy," commercial companies could not serve as "national cultural institutions," a private commercial system like in the United States was "the anti-thesis of what the European policy-makers desired," "complete state take-over," i.e. inclusive of content, "was also ruled out," a "public corporation" had strong historical precedence, the idea was supported by other state communication monopolies, like the PTT's, "and a public corporation emerged as the least objectionable solution to the interests involved." The approach is contrary to Popper's logic of scientific discovery, that "it must be possible for an empirical scientific system to be refuted by experience" as it is utilizing every possibility "to find some say of evading falsification, for example by introducing *ad hoc* an auxiliary hypothesis, or by changing *ad hoc* a definition."⁸⁵ Common to all these reasons is that they presuppose the effect. The resistance against the state monopoly was not strong enough;

therefore we got the state monopoly. The interests that actively sought the state monopoly, succeeded in outmaneuvering their adversaries. What Syvertsen does, is to reproduce the writings of history's winners, their explanation of the inevitable outcome. This does not explain why the winners argued as they did, why they enforced this solution and suppressed the alternatives.

8. Pulling Up the Ladder

A small population being scattered over a vast area, topographically difficult for broadcasting, indicates that nation-wide broadcasting was a more valid argument for state ownership in Norway than in Britain. Already in 1924 the private British broadcasts covered close to 80 percent of the population, and in 1935 98 percent could listen to one and 85 percent to both BBC radio channels,⁸⁶ one of which incidentally was a regional service. In Norway, however, as soon as the principle had served its purpose of dismissing the alternatives to state monopoly the state was no longer in a hurry to establish nation-wide broadcasting. According to Syvertsen it was not until the 1960s, or thirty years later, that "more or less the whole of Norway had adequate conditions for radio reception." Syvertsen further informs that "the poor radio reception was a crucial issue in the debate over whether or not a television service should be established," which happened in 1960 with potential to cover 35 percent of the population. In 1983 the Norwegian media policy commission registered that 98 percent of the population had satisfactory reception of television, which then still was equal to NRK's single channel. For this 1436 transmitters and converters had been set up. Reaching the remaining 2 percent required another 600-700 converters, each covering about 100 people.⁸⁷ The state's main argument for nationalization of the broadcasting network had been that private development would lead to redlining of non-profitable districts. However, as it became increasingly expensive to meet the requirement of nation-wide broadcasting, it became decreasingly interesting even for the state to do so.

But universal availability is a very precise operative demand for the state to hold on to. Therefore it is also maintained as a principle for public service broadcasting after dissolution of the monopoly, and expanded to cover even private broadcasting subjects to public service principles, cp. the formative parliamentary report for the prevailing Norwegian broadcasting policy, St.

meld. no. 32 (1992-93) *Media i tida* (The media in our times). But the principle has become vague. "Every expansion of the public service broadcasting offer in this country has been based on the principle that the new offer over time must be made available for the whole population regardless of residence." For private public service broadcasting this is a "long-term objective,"⁸⁸ i.e. it is hardly an objective at all, as the concessions are short-term only. The "long-term objective" seem to imply that the state had gone soft on licensed private broadcasting, maintaining the universal service principle merely to keep the would-be viewers waiting. However, it rather reflects a conflict between state's own interests. Then in the 1991 concession for a nationwide private TV2 the Ministry of Culture set absolute deadlines for the development towards universality: "TV 2 must be receivable via terrestrial transmissions by at least 70 percent of the population within the end of 1992, by more than 83 percent of the population within the end of 1993, and by more than 86 percent of the population within the end of the concession period." This condition was so harsh that TV2 technically was bankrupt after a year and a half's operation, and must be saved by raising the original ownership limitation from 20 percent to 33 percent.⁸⁹ In order to prevent further concentration of TV2 ownership, which would challenge the state's own power, fulfillment of the universal service principle for the citizens must be postponed.

9. State Monopoly as Economic Necessity

Trine Syvertsen's argumentation in 1992 is based on private and public monopolies having different legitimacy. Hans Fredrik Dahl presented a similar economic interpretation of the state's monopoly in the first volume of NRK's history, and later elaborated his view in an article which is the source being referred to in the following discussion.⁹⁰ Dahl here introduced a new form of state monopoly, and argued that NRK's "exclusive right to transmit sound and pictures to the general public establishes a state monopoly within the logical structure of the *communication monopoly*." The state is said to have a "duty to raise communication installations," brought about by "the need to avoid private monopolies," which in turn is due to communications being a public good, and "private advantage of public goods has not been considered legitimate in the Nordic countries." Then "when monopolies are considered illegitimate, which has been the case since

the breakthrough of Liberalism, it becomes a state task to prevent monopolization, which in this case is best done by the state itself taking control over the activity and making the communications a part of the public sector." Dahl "is tempted to say that the state, in addition to its social function as class state and compromise function as third party, to put it bluntly is a communications state."⁹¹

Like Syvertsen in 1992 Dahl defined the concept of "public good" as in economics: "A good that cannot be given to some without being given to all, and that its utility for one does not limit its utility for another."⁹² The definition does not presuppose that the good must be produced or owned by the public. What it does presuppose is that once the good has been produced, it is public in the sense of being available to all regardless of whether they pay for access. There is nothing legally or morally preventing private investors from producing public goods, but they will have problems getting paid for the effort. Therefore, they lack motive for producing public goods. The state, however, can finance the production without direct income from the users, as they instead, together with non-users, can be compelled to finance it indirectly with their taxes. For that reason public goods are most often publicly produced.

For this to fit into a theory of the state's communications responsibility, Dahl must adjust the concept of "public good": It is "naturally rarely realized in perfect condition. We must allow for goods being approximately public and approximately inexhaustible." The adjustment is used to demonstrate that *transport* is a public good: "Public transport is for all: only drunk persons are refused at the ticket counter, and segregation according to race belongs to the transport systems' anomalies."⁹³

Dahl treats public good, public ownership, and public access as three mutually constituting concepts. However, albeit transport services may be produced by publicly owned companies as publicly available offers, this does not make them public goods in the terminology of welfare economics. Firstly, the service can be given to some (those who pay) *without* being given to all. The problem of free riders in transport is due to insufficient entrance control, and not the unavoidable consequence of producing the service. Secondly, transport is a service where the utility for one *limits* the utility for another. Occupied seats prevent newcomers from sitting; would-be passengers are refused when the bus is full. Public transport is therefore a very concrete

example of an "excludable" and "rival" good. What justifies public ownership of means of public transportation is *not unlimited use*, but *limited offer*. The greater scarcity, the more natural is public supply of the service, which will then be a monopoly.

Furthermore Dahl must adjust the concept of "natural monopoly." As mentioned, the common argument for broadcasting as a "natural communications monopoly" is the exploitation of limited resources (frequencies). He redefines the concept to concern exploitation of public goods in the sense of welfare economics: Goods that cannot be reserved for paying customers. Because broadcasted signals are freely accessible they must be paid in other ways than charging the consumer. His argument is that the monopoly "floats fundamentally from the circuit broadcasting economically has established all over Europe: purchase of programs for money, license money, in a subscription system that precisely presupposes exclusive rights for one broadcaster within a limited territory, because two companies cannot share the license income from the same territory according to their performance." The solution is a fee related to the receiver. The alternative to license is tax financing of broadcasting. "This form will weaken the financial condition for exclusive rights, the license fee, but presupposes itself that broadcasting is subject to pure state management, which consolidates the exclusive right from another angle."⁹⁴

If it were impossible to share the means according to performance, it would have been pure altruism that made the advertisers finance broadcasting in the USA. It is certainly not, the advertisers apportion the means mercilessly according to the broadcasters' performance. They apportion them on the grounds of audience research showing with scientific precision the audience exposure for each advertising spot, as well as the distribution of audience attention across adverts, advertisers, programs, channels and broadcasting companies. American commercial broadcasting used this method for as long as the European monopoly system existed.⁹⁵

Brown argues that advertising is an unsatisfactory solution to the free-rider problem of broadcasting programs as public goods.⁹⁶ Admittedly programs are then "made available 'free' to viewers and listeners, and the potential attention of those audiences is then 'sold' to advertisers from whom stations derive revenue," but the problem is the system of incentives arising from this. Following Spence & Owen,⁹⁷ Brown

maintains that the revenue receivable from advertising is proportional to audience size but independent of the audience's willingness to pay for the programs; hence there is an incentive to serve large audiences rather than smaller audiences that might have paid a high price had the program not been a public good.⁹⁸ Therefore, commercial broadcasting will not produce merit goods, but only what Rothenberg called "lowest common denominator" programs.⁹⁹ Once more the outcome is not market imperfection according to Johansen, but a functioning market that does not meet the program standards elites want to impose upon the commons.¹⁰⁰ Program standards are rather sacrificed for the sake of advertising's contribution to the markets for the goods and services being advertised, which in turn contributes to the economic health of countries at large.

Considering the great efforts to avoid advertising waste and target customers with precision, a topic for numerous ESOMAR and ARF conferences, this seems an insufficient description of how advertising works in the present multi-channel environment. However, even if it were sufficient, the techniques to collect revenue may be used for other purposes than advertising. Obviously it is possible to apportion license income from a given territory on an unlimited number of broadcasters in the same way. After the monopoly audience research has become a common accounting method even for the members of the European Broadcasting Union (EBU).

Furthermore Dahl must introduce a rule based on the economy of scale: If super profit stems from broadcasting, it shall fall on the state. "Due to the rapidly falling costs the communications are particularly suited for economy of scale, monopolized economy of scale," Dahl writes. Money earned from private monopoly is not honestly earned money, but monopoly money: "The objectionable in the private monopoly is caused by the profit, or more generally by the advantages of having a monopoly. Private income from monopolies is money earned without competition; the means of communication are particularly vulnerable to monopolization; consequently is state interference particularly relevant in the communications field."¹⁰¹ Dahl's analysis is supported by Garnham: "It is recognized within the neo-classical model that both economies of scale and scope can lead to concentration - economies of scale being the situation where the unit costs of production decline as production increases, and economies of scope being the

situation where two or more products or services can be produced more cheaply jointly by one supplier than separately by different competitive suppliers."¹⁰² The latter provides a microeconomic reason for maintenance of the monopoly even after every obstacle against competition had been removed—after the introduction of a genuinely new medium, television, as a challenger to radio, for example. For the state as monopoly owner it was economy of scope to organize all nation-wide channels, and both radio and television, within the same institution. Thus television was assigned to the BBC in 1936 despite a proposal from the General Electric Company to let private companies provide this new service.¹⁰³ Perfect economy of scope was NRK's fusion in 1997 of the radio, television, and regional news departments into a common news division, removing every possibility of cost-driving internal competition.

Classic economic theory makes the state responsible for the prevention of private monopolies, but this does not explain why it chooses different solutions to the same problem. As Dahl says, economy of scale is not limited to broadcasting, but a general feature of mass communication and common as well in other industries. The issue is the same everywhere: Should it result in super profit for the producer or lower prices for the consumer. State take-over of the production does not eliminate the problem, but makes it arguable that monopoly prices indirectly are advantageous to the consumer. However, only in broadcasting does economy of scale lead to this reaction. Hence economy of scale is not sufficient to explain the broadcasting monopoly.

Dahl argues that the state does this and that: "We have for example state owned and run railways and telecommunications at one end of the specter, and subsidized daily press at the other. Maintenance of a differentiated daily press is also a state responsibility, stemming from the duty to prevent monopolies, in this case by counteracting the inevitable effect of advertising concentration: the formation of local press monopolies."¹⁰⁴ This inventory of state means does not explain why the state chooses *unconditional support* to prevent private newspaper monopolies (unsuccessfully, without this causing any change in the choice of means), and *state ownership* to prevent the private broadcasting monopoly (incidentally that too without success in Norway, as the state started issuing private monopoly privileges when the strategy of state monopoly was given up).

Dahl's main argument is that private advantage of public goods has been considered

illegitimate in the Nordic countries. His definition of "public good" should make it easy to find this illegitimacy in public transport. However, there it is hard to find. Private companies have regularly produced what Dahl calls public goods, against payment, without this causing any alarm. They have produced networks like roads and railways, means like cars and airplanes, services like travel and freight. Even Dahl's examples of privates obtaining parasite-like advantages from publicly produced services seem invalid for transport as communications sector. Private companies have rather catered for services that the public has abstained from producing, despite their necessity for the public network to function. Private gas stations, ferries, and road restaurants are examples.

The only exceptions are the ones Dahl mentions, and they apply to broadcasting. "The private share of broadcasting in Sweden and Finland, where the original limited companies still exist, has subsequently been reduced, partly for this reason" (i.e. that private advantage of public goods has been considered illegitimate). "As it became known that private shareholders from the radio industry made profit on the ideal products of cultural life, the demand for state take-over of broadcasting amounted to the irresistible."¹⁰⁵ Dahl could also have mentioned NRK television's fight to prevent "free advertising," particularly the arena advertising in sports. The problem was not that arena advertisers "preyed" on NRK without paying. NRK was not allowed to finance its activities by advertising. The problem was that the advertisers got their message spread via television. Arena advertising gave private actors an advantage from television, but private actors were not to have advantage of the state broadcasting monopoly. That was reserved for the state.

10. Competition as Threat

We may also ask whether monopoly broadcasting really was due to the inter-war European governments blindly following Adam Smith' order to prevent private monopolies. It was rather before the First World War that "the evil monopoly" drew attention. The US Sherman Anti-Trust Act came in 1890, the Clayton Anti-Trust Act in 1914, "the muckrakers" wrote between 1900 and 1910. It was Theodore Roosevelt (1901-1909), not Franklin Delano (1933-45) who was nicknamed "the trust-buster." The inter-war generation must have seen this as the problem of their parents. With revolution in Russia, hyperinflation in Germany and crack on the Wall Street it was

rather the negation of the monopoly, capitalist competition, that was subject to loss of confidence. Seaton maintains that we must see the establishment of state broadcasting monopolies against a background of "widespread dissatisfaction with the *ad hoc* nature of industrial competition." "The development of the public corporation depended on the rejection of both market forces and politics in favor of efficiency and planned growth controlled by experts." The founder of the British welfare state, Lord Beveridge, expressed the widespread opinion of the 1920s: "In a free market economy consumers can buy only that which is offered to them, and that which is offered is not necessarily that which is most advantageous. It is that which appears to give the best prospect of profit to the producer." Franklin D. Roosevelt launched New Deal, where the aim was to turn "big business" into "good trusts" that worked for "the public interest."¹⁰⁶

The rejection of competition also captured Trine Syvertsen's attention. Drawing on Heller and Hood, she maintains that the positive experience with public management of scarce resources during World War I explains why the British Conservatives were in favor of nationalizing the BBC, while the Conservatives of war-neutral Norway merely saw nationalization as another unwanted expansion of state control.¹⁰⁷ Norwegian politics between the wars was initially clearly dominated by *laissez-faire*, with its message to keep the government's hands entirely off business.

The result was a "continuous crisis,"¹⁰⁸ the final solution to which was *not* to break up monopolies and stimulate competition, but state intervention. NRK was established the same year as the Soviet-inspired "Norwegian Three Years' Plan" was launched, the same year that the Labor Party went to the elections on a program where revolution was replaced by state planning. The crisis agreement of 1935, paving the way for a Labor State that lasted almost to the end of the millennium, was made possible because the Farmers' Party too saw planning as the only solution. In 1936 came *General Theory of Employment Interest and Money* and the Keynesian revolution.

Helge W. Nordvik has shown that the Norwegian trust law of 1926, which provided foundation for the state's competition policy until the war in 1940, was a compromise between the American model—antitrust policy to ensure that big business did not prevent competition—and the German model, the regulation of competition to

ensure that big business served the public interest.¹⁰⁹ The law itself was more "American" than "German," but the Trust Control that was set up to enforce it, under its powerful director, the "bourgeois socialist" Wilhelm Thagaard, was trust-friendly, accepting cartels and monopolies as long as they "served the society," which they regularly were considered doing. The Trust Control encouraged and supported private companies making agreements to regulate competition, and in 1932 it initiated law amendments that explicitly accepted enforced cartelization of branches and sectors of the economy under given conditions. This and other initiatives of Thagaard and the Trust Control show how much the American anti-trust model fell in esteem during the 1930s, not least due to the evaporation of confidence in market solutions and free competition after the 1929 crisis in the American economy, spreading to Europe after 1930. Nordvik also notes that despite its advantages for big business, the corporatist regulation- and cartel policy of Thagaard fitted well into the state intervention and planning policy of the new Labor government, which therefore supported his initiatives.

Above it has been argued that the broadcasting monopoly was not unavoidable. To this must be added that even if it was, the *private* monopoly was not considered illegitimate in Norwegian inter-war political and economical philosophy, nor was it in the European country that inspired Norway. Hence we must conclude that constraints did *not* narrow down the alternatives. The politicians did have freedom to choose, and they chose the alternative most favorable to themselves, in the true spirit of public choice theory, that is a universal service under sufficient content control.

The activities of the Trust Control in the 1930s anticipate the activities of the Ministry of Culture in the 1990s when issuing monopoly licenses for nation-wide commercial broadcasting to TV2 and P4 Radio Hele Norge, provided they serve the public interest and fulfill the state-defined obligations of public service broadcasting. In fact, the monopoly licenses are more in line with the cartel policy of the 1930s than with the present competition policy, which is more "American" and consumer friendly.

It may be objected that it hardly could matter whether it was lack of confidence in the private monopoly (Hans Fredrik Dahl) or in private competition (Jean Seaton) that led to state interference, as the outcome nevertheless was the

same. However, against this it may be argued that the difference is decisive for the broadcasting monopoly's establishment and legitimacy. If the inter-war acting parties were imbued with distrust in private monopolies and trust in private competition, they would also have considered state monopoly a necessary evil and last resort. They would have explored the options for local competition like in the USA, for competition within a national if not completely nation-wide network, for sharing frequencies and for rotation between monopolistic concession holders (implying they would compete directly for the right to transmit, only indirectly for an audience), for a dual system with the private companies maintained at the local level and state broadcasting at the national level (in Norway the initial local companies were swallowed by state NRK). This and even more would be explored before the state monopoly possibly was chosen. However, if the actors were imbued with distrust in competition as such, not because it led to private monopolies but because it was supply driven, profit motivated, and unsuited to satisfy consumer demands, they would necessarily be positively inclined to the monopoly as such, and among monopolies the state-owned ones are preferable.

The analyses of Syvertsen, Dahl—and Rolland & Østbye—illustrate the many attempts to justify the state broadcasting monopoly as necessary and unavoidable. However, the main justification, that broadcasting must be nationwide, has merely been taken for granted. It is easy to understand why. Without this condition the need for state monopoly cannot be justified.

With the monopoly firmly established, the state no longer had the same need for nationwide broadcasting. Four years after successful establishment of the nation-wide monopoly the BBC started dismantling it by introducing the regional programs. In Norway, too, regional programs have become part of the public service concept. In Norway it also took more than 30 years before NRK's radio channel, the country's single broadcasting offer, was truly nationwide. The state was not in a hurry. The argument had served its purpose.

With the monopoly the governments of both countries were in firm control. The ban that had prevented the entrepreneurial private radio companies from broadcasting controversial and political programs could be lifted.

11. Politics as Threat

In the early days of broadcasting, in Britain,

Norway and other countries, there was obviously nothing government and opposition feared more than the other party gaining control of the new medium. Thus at the time when British broadcasting still was private, the Sykes Committee judged that "the control of such a potential power over public opinion and the life of the nation ought to remain with the state," as we have seen. The committee rejected direct government control, and favored indirect control through a license specifying the responsibilities of broadcasters and holding them answerable to state departments. Incidentally the statement was made by its Labor representative Charles Trevelyan,¹¹⁰ who also feared the government propaganda and censorship that might be the outcome of passing control from private hands to the state, and therefore advocated the principles of broadcasting as a public service or utility.¹¹¹

It could seem that Trevelyan had reason for his anxiety, then according to the License accompanying the Charter when the state took over the BBC in 1927, the Postmaster-General "took care to restate his own position in relation to broadcasting. He retained authority to approve the location, wavelength, power, and height of aërials of the broadcasting stations, to inspect them and take them over completely in case of emergency. He also had to approve the hours of broadcasting. If government departments wished the BBC to make official announcements, it was compelled to do so. In addition, it was specified that the PMG might 'from time to time by Notice in writing to the Corporation require the Corporation to refrain from sending any broadcast matter (either particular or general) specified in such Notice.'"¹¹²

In March 1928, however, the government apparently was reasonably satisfied with the reliability of the BBC and its own security. Prime Minister Stanley Baldwin then announced that the ban on the broadcasting of controversial material was withdrawn.¹¹³ But confidence in the BBC was not yet unconditional. The withdrawal was "experimentally" and "the ban on the BBC expressing its editorial opinion on controversial matters was maintained."

In a chapter titled "The Political Problem" NRK's historian tells that the passage from "passive" to "active" neutrality occurred between 1930 and 1933, i.e. the last years of private broadcasting.¹¹⁴ It was a very "cautious politicizing," Dahl writes, from absolute prohibition of politics to its acceptance in a matter-of-fact and balanced form. It fused broadcasters who wished to attract attention and

take active part in the society (it became increasingly clear that what made programs interesting, was controversy and not neutrality), and those in the political environment who wished to take part in broadcasting, programme-wise as well as institutionally. There were debates about the distinctions between "politics" and "party politics," between "political facts" and "political propaganda," and accusations that programs accepted as neutral could contain much of the latter in a hidden form, which made it much more difficult for the audience to defend itself against indoctrination, than were the programs overtly political (half a century later similar arguments led to the government uplifting the ban on advertising in broadcasting). However, the final breakthrough for politics was a coup staged by the new state monopoly NRK itself. NRK was established in the parliamentary election year of 1933, and before the Parliament had passed the instructions regulating its political activities, its Board decided that it would broadcast party political election talks during the campaign period. The intention was to obtain the government's consent, but as the government was slow in reacting, the NRK invited the parties and thereby started an irreversible process. The NRK was not punished for this action because the government too was split, with strong members in favor of political broadcasts.

The 1933 election was a landslide for the Labor Party, which two years later took over government and held it without serious opposition for half a century thereafter (disregarding WWII). The big issue in broadcasting, and the main reason why politics was considered a threat, was caused by the tremendous progress of the once revolutionary Labor movement. According to Dahl, Labor's broadcasting strategy went through four phases between 1930 and 1936. In the first, the aim of the socialists was to break the bourgeois cultural monopoly in radio, in the second to obtain recognition of the working class' own institutions, in the third to obtain representation in the state monopoly's governing bodies, and in the fourth to defend what had been won, the new program policy of the NRK, against attacks from right. In opposition labor was therefore in favor of politicizing the programs, and the bourgeois parties in favor of maintaining their "neutrality," the neutral values of course being equal to their own. Labor's progress caused the Conservative Vice President of the Parliament, C. J. Hambro, in 1934 to propose an instruction for the NRK outlawing "any form of agitation against

the State, the State Powers and the Constitution."

In 1934 Hambro must have seen Labor as a dangerous and overwhelming opposition, on the verge of overthrowing the existing Norwegian state. However, his proposal sums up an attitude towards the state broadcasting monopoly that probably even Labor—in governmental position—could give its support. It certainly corresponds with the fourth phase of Labor's own broadcasting strategy. In fact, anyone holding the three powers of the three estates would be inclined to maintain that state broadcasting may be used for every purpose apart from one—the purpose of the fourth estate, the critical controller of state or public power.

Obviously the political fear of political broadcasting did not escape Trine Syvertsen's attention. On the contrary, she makes it clear that "the main principle thus laid down in both countries . . . that it was the corporations themselves, and not the Post Office or any government minister, who were responsible for broadcasting" and that "this policy did of course not imply that the broadcasters could transmit whatever they wanted. Their operational autonomy was curtailed by the prevailing political and cultural consensus, and the governments also had a series of more informal sanctions at their disposal," and "in both countries, the government retained the right to use the broadcast channels to convey official statements and messages to the public." She refers to "the British government's right to lay down editorial policy guidelines, and to require the BBC to refrain from broadcasting specific programs," and to the ban in both countries on editorializing and the broadcasters expressing their own opinions. She also refers to the broadcasters' obligation to "refrain from transmitting anything that might threaten the *social order* or *national security*," caused by "the fear expressed by official representatives in both countries, that broadcasting might be used for subversive purposes."¹¹⁵

From the perspective of public choice theory, implying that the actions of politicians too are governed by what caters best for their self-interest, it is hard to conceive any other motive for the establishment of state broadcasting monopolies.

12. From Regulation to Monopoly

Both Trine Syvertsen's constraints theory and Hans Fredrik Dahl's economic necessity theory imply that the state had no real choice but was forced by the circumstances to take control over

broadcasting. Hence the theories are consistent with, and to some extent presupposing, the thesis that the state had no offensive intentions with its control, no particular objectives it wanted to achieve. The thesis is rather that to broadcast was a duty the state must undertake because nobody else was in legitimate, technical, or economical position to do it. The state did not exactly want this responsibility, and was more than happy it could leave its discharge to an institution that subsequently and for that reason obtained independence from direct state influence.

This thesis is clearly present in Syvertsen's constraints theory. She maintains that "in many ways, broadcasting can be seen as a constant *problem* for governments," and refers to Heller, who argued "that the state interest in broadcasting in Britain was initially essentially negative, concerned with protecting essential services from outside interferences and disruption." She maintains that "different interests were dissatisfied with different aspects of the original *private* broadcasting companies, and a public corporation emerged as the *least objectionable* solution to the interests involved." She expresses her agreement with Burns, who had described public broadcasting as "a superb example of accommodatory politics, spreading satisfactions and dissatisfactions fairly evenly among the interest groups concerned."¹¹⁶ The regulation was reactive, not proactive.

This essay started with the assertion that the main motive for state regulation of broadcasting was defensive, to prevent others from using the medium contrary to the state's interest. The assertion seems verified by the state's rejection of political broadcasts. But regulation does not require state ownership and monopoly. The defensive control was in fact more effective when it was restricted to denying private radio station owners the right to broadcast political or "controversial" programs, as it then was supported by the very credible threat of withdrawing the license to broadcast if violations occurred. The initial private radio stations never revolted like the NRK immediately did.

With regulation of private broadcasting being sufficient to secure the state's defensive interests, we may ask if not the state had more offensive purposes for replacing it with a state-owned monopoly. Referring to the Norwegian situation, the answer to that seems to depend on who controls the state. Broadly speaking, the political opinion on broadcasting in the late 1920s and early 1930s was divided between two main

groups. On one side was the bourgeoisie, still in political majority, still in government, still controlling the state and nation politically and culturally. The bourgeoisie favored private broadcasting regulated by the state to prevent political broadcasts. On the other side were the socialists, after the party unification in 1927 on continuous march forward (interrupted by a revolutionary setback in 1930), but still in minority, still with the working class rather than the nation as their political and cultural frame of reference. The socialists favored state monopoly and political broadcasts, claiming that the "neutral" private radio in reality was bourgeois radio in disguise.

Crisscrossing the left-right dimension were other interests, like those of the Telegraph Board, of the Ministry of Church and Education, of the press, of copyright holders, of the private radio stations themselves, of the industries involved and wanting to be involved in broadcasting, of the listeners. As a result of this, it was in fact a bourgeois (liberal) government that under dissent got the still bourgeois dominated Parliament's acceptance to nationalize broadcasting and establish a state monopoly. In the end all of the Liberal and Labor representatives voted for nationalization, and so did two thirds of the Agrarian representatives, while 93 percent of the right-wing representatives voted for continued private radio. Altogether NRK was established with support from two thirds of the Parliament.¹¹⁷

Whether the Liberals and Agrarians had any intention to politicize the NRK for their own sake will not be known, as the NRK pre-empted that with their coup. The Socialists, however, had a clear strategy for the NRK—and two years later they were in control of the state. From then on, what could restrict the state's use of broadcasting for its own offensive purposes, would be the strength of the opposition and the respect for democratic institutions, among which the right to form an opposition and seek support to overthrow the government is the foremost one.¹¹⁸

Abbreviations

ARF: Advertising Research Foundation.
ESOMAR: European Society for Opinion and Marketing Research.
NOU: Norges offentlige utredninger (Norwegian Public Committee Reports).
St.meld.: Stortingsmelding (Report to the Norwegian Parliament).
St.prp.: Stortingsproposisjon (Proposition to the Norwegian Parliament).

Notes

¹ Asa Briggs, The History of Broadcasting in the United Kingdom (London 1961-1979, 4 vols. The Birth of Broadcasting, The Golden Age of the Wireless, Sound and Vision, The War of Words. Rev. ed. 1995, with a 5th vol., Competition).

² Hans Fredrik Dahl, NRKs historie 1-3 (The History of NRK 1-3)(Vol. 1 Hans Fredrik Dahl, Hallo-hallo! Kringkasting i Norge 1920-1940. (Hello-hello! Broadcasting in Norway 1920-1940), vol. 2 Hans Fredrik Dahl, Marion Dybing & Marion Rødland, "Dette er London": NRK i krig 1940-1945 ("London calling," NRK at war 1940-1945), vol 3 Hans Fredrik Dahl, Henrik Grue Bastiansen & Bente Rannveig Hansen, Over til Oslo: NRK som monopol 1945-1981 (Over to Oslo: NRK as monopoly 1945-1981). Oslo: Cappelen ([1975] 1999, [1978] 1999, 1999).

³ Trine Syvertsen, Public Television in Transition: A Comparative and Historical Analysis of the BBC and the NRK. (University of Leicester: Centre for Mass Communication Research, 1992, Oslo: KULT/NAVF, Levende Bilder 5/92)<<http://www.media.uio.no/personer/trinesy/PHD1-4.html>> (8 February 2003).

⁴ Asle Rolland. & Helge Østbye, "Breaking the Broadcasting Monopoly." In The Euromedia Research Group, ed. by Denis McQuail & Karen Siune: New Media Politics. Comparative Perspectives in Western Europe. (London, Beverly Hills & New Delhi: SAGE Communications in Society Series, 1986).

⁵ Cp. Everett M. Rogers, Diffusion of Innovations (New York: Free Press of Glencoe, 1962).

⁶ The Norwegian-American sociologist and economist Thorstein Veblen introduced these concepts in his 1915 study where he predicted that Germany would soon pass Britain as the leading European industrial nation (Thorstein Veblen, Imperial Germany and the Industrial Revolution. New York: Macmillan, 1915). The theory is discussed in Rolland & Østbye, Breaking, p. 120.

⁷ Egil Bakke, Regulering av kringkasting i Norge. Hvorfor - hvordan - hva har virkningene vært (Regulation of broadcasting in Norway - why, how, and with what effects). (Sandvika: The Norwegian School of Management BI, 2003). Research report No. 5/03.

⁸ Allan Brown, "Economics, Public Service Broadcasting, and Social Values." The Journal of Media Economics, vol.9 no. 1 (1996), p. 6.

⁹ Relevant classics are James M. Buchanan & Gordon Tullock, The Calculus of Consent: Logical Foundations of Constitutional Democracy (Ann Arbor, Mich.: University of Michigan Press, 1962), William A. Niskanen, Bureaucracy and Representative Government (Chicago: Aldine, 1974).

¹⁰ Sissel Lund. & Asle Rolland, Television as Cultural Defence: The Case of Norway. Paper to XV IAMCR Scientific Conference and General Assembly, New Delhi, 1986. Cp. Asle Rolland, "TV som kulturelt forsvar" (TV as cultural defence). Aftenposten March 3, 2001.

¹¹ Calculated from official Department of Commerce list of stations, available via the Federal Communications Commission (FCC) website. Stand Jan. 1, 1934.

¹² Hans Fredrik Dahl, Hallo-hallo!, Trine Syvertsen, Public Television.

¹³ Dahl, Hallo-hallo, Syvertsen, Public Television, Sigve Gramstad, Kringkasting i folkets teneste (Broadcasting in service of the people) (Volda: Møre og Romsdal distriktshøgskule 1989), Publikasjon nr. 17.

¹⁴ Syvertsen, Public Television.

¹⁵ Bakke, Regulering.

¹⁶ Leif Johansen, Samfunnsøkonomisk lønnsomhet: En drøfting av begrepets bakgrunn og innhold (Social economic profitability. A discussion of the term's background and content). (Oslo: Tanum-Norli, 1977). Industriøkonomisk institutt, rapport nr 1/77.

¹⁷ Brown, Economics, p. 7.

¹⁸ Rolland & Østbye, Breaking, p. 120.

¹⁹ Nicholas Garnham, "Public Service versus the Market." Screen Vol. 1 (1983), p. 11.

²⁰ Appendix to St. prp. no. 70/1930, quoted after Magnar Brandseth, Demokratisk monopolordning blir udemokratisk oppløyst? Søkelys på korleis partiet Høgre løyser opp kringkastingsmonopolet. (Democratic monopoly arrangement undemocratically dissolved? A study of how the Conservative Party is dissolving the broadcasting monopoly). (Oslo: Norsk journalisthøgskole, 1983). Oppslag 3.

²¹ See note 11. Various figures are given in the consulted sources. According to Asa Briggs, The BBC. The First Fifty Years. (Oxford & New York: Oxford University Press 1985), p. 19, the number of stations

was 346 in 1925. Many sources operate with close to 500 stations in 1922, for instance Lydia Boyd in her Brief History of the Radio Industry available from Ad*Access, John W. Hartman Center for Sales, Advertising and Marketing History. Referring to Melvin L. DeFleur, Theories of Mass Communication. (New York: McKay 1970), Rolland & Østbye, Breaking, operate with close to 2000 stations.

²² David Easton, The political system: an Inquiry into the state of political science (New York: Alfred A. Knopf, 1953).

²³ Sissel Lund & Asle Rolland, Lokalradio i Norge høsten 1984 - status og problemer. (Local radio in Norway in the fall of 1984, status and problems). Presentation at the 16th Nordic Conference for Broadcasting Planners, Uppsala, 1984. (Oslo; NRK Research dept). Research Note 5/84. Cp. Asle Rolland, Mediemakt og mediemonopol (Media power and media monopoly). (Sandvika: The Norwegian School of Management BI), Research report no. 1/02.

²⁴ Jean Seaton, "Reith and the Denial of Politics." In James Curran. & Jean Seaton, (eds.): Power Without Responsibility. The Press and Broadcasting in Britain. (London & New York: Methuen, 1985), p. 126.

²⁵ Syvertsen, Public Television, Part 2, p. 5.

²⁶ Dahl, Hallo-hallo, p. 144.

²⁷ Hans Fredrik Dahl, Norge mellom krigene. Det norske samfunn i krise og konflikt 1918-1940 (Norway between the wars. The Norwegian society in crisis and conflict 1918-1940). (Oslo: Pax, 1971). Øyvind Østerud, Samfunnsplanlegging og politisk system. (Societal planning and political system). (Oslo: Gyldendal, 1972).

²⁸ Dahl, Hallo-hallo, p. 60.

²⁹ Syvertsen, Public Television, Part 2, page 16.

³⁰ St. prp. no. 70/1930 p. 36, cited in NOU 1972:25 Norsk Rikskringkasting - Organisasjon og ansettelsesvilkår (Norwegian Broadcasting Corporation: Organization and conditions of employment), p. 11.

³¹ Bakke, Regulering.

³² Dahl, Hallo-hallo, p. 330.

³³ Dahl, Hallo-hallo, p. 123, Mie Berg, "Organiseringen av radio og fjernsyn" (The organization of radio and television). In Mie Berg(ed), Massemedier i Norge (Mass Media in Norway), (Oslo: Gyldendal 1975), p. 185.

³⁴ Tove Nielsen (Jacobsen), Krise og markedsutvidende tiltak (Crisis and market expanding efforts). (Tromsø: Universitetet i Tromsø, 1976). Tove Nielsen, "Arbeiderbevegelsen, krisen og markedet" (The Labor movement, the crisis, and the market). Tidsskrift for arbeiderbevegelsens historie no. 1 (1978).

³⁵ Dahl, Hallo-hallo.

³⁶ Dahl, Hallo-hallo, p. 143.

³⁷ Dahl, Hallo-hallo, p. 180.

³⁸ Syvertsen, Public Television, Part 1, page 17, Part 2, ch. 4.

³⁹ NOU 1972: 25, Dahl, Hallo-hallo, p. 184, 207.

⁴⁰ Dahl, Hallo-hallo, p. 183.

⁴¹ Syvertsen, Public Television, Part 2, p. 7.

⁴² Paddy Scannell & David Cardiff, A Social History of British Broadcasting. Vol. One 1922-1939. Serving the Nation. (Oxford: Basil Blackwell, 1991). Syvertsen, Public Television.

⁴³ Scannell & Cardiff, British Broadcasting, p. 5.

⁴⁴ Scannell & Cardiff, British Broadcasting, pp. 5-6.

⁴⁵ Dahl, Hallo-hallo, p. 169, Helge Østbye, "Norsk rikskringkasting - ett monopol, to medier" (Norwegian Broadcasting Corporation - one monopoly, two media"). In Svernik Høyer, Kjell Olav Mathisen, Anita Werner & Helge Østbye (eds.), Maktutredningen. Rapporten om massemedier (The study of the distribution of power in Norway, the report on the mass media), NOU 1982:30, pp. 241-300. NOU 1972:25, pp. 18-20.

⁴⁶ The Telegraph Board calculated with an increased income of NOK 2,5 mill over a five-year period after state take-over, cp. St. prp. 70/1930, p. 41, Gramstad, Kringkasting, pp. 36, 96.

⁴⁷ Scannell & Cardiff, British Broadcasting, p. 6.

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰ Johan P. Olsen, "Foran en ny offentlig revolusjon" (In front of a new public revolution). Nytt Norsk Tidsskrift 3 (1986), 3-15.

⁵¹ Gudmund Hernes, Forhandlingsøkonomi og blandingsadministrasjon (Negotiate economy and

mixed administration). (Oslo: Universitetsforlaget, 1978).

⁵² Morten Egeberg, Johan P. Olsen & Harald Sætren, "Organisasjonssamfunnet og den segmenterte stat" (The organized society and the segmented state). Kirke og kultur 5-6 (1975).

⁵³ Hans Fredrik Dahl, "Statens kringkastingsmonopol - en økonomisk tolking" (The state's broadcasting monopoly - an economic interpretation). In Rune Slagstad (ed.): Om staten (About the state). (Oslo: Pax, 1978), p. 127.

⁵⁴ NOU 1972:25, p. 16.

⁵⁵ Asa Briggs, The BBC; Scannell & Cardiff, British Broadcasting, Syvertsen, Public Television.

⁵⁶ John C. W. Reith, Broadcast over Britain (London: Hodder and Stoughton, 1924), summarized in Gramstad, Kringkasting, pp. 11-12.

⁵⁷ Briggs, The BBC, p. 83.

⁵⁸ Seaton, Reith, pp. 127-8.

⁵⁹ Gudmund Hernes, Makt og avmakt (Power and powerlessness). (Oslo: Universitetsforlaget, 1975), p. 65.

⁶⁰ Scannell & Cardiff, British Broadcasting, pp. 8, 15, 6.

⁶¹ Hernes, Makt, p. 65.

⁶² Scannell & Cardiff, British Broadcasting, p. 8.

⁶³ Scannell & Cardiff, British Broadcasting, p. 8..

⁶⁴ Many commentators, among them Scannell & Cardiff, have maintained that BBC's founder was imbued with the Victorian middle class ideal of service, "a sense of moral purpose and of social duty on behalf of the community, aimed particularly at those most in need of reforming - the lower classes" (Scannell & Cardiff, British Broadcasting, p. 9). Reith was particularly influenced by the enlightenment ideas of Matthew Arnold, who had confronted the only alternatives he could see with each other in the title of his essay Culture and Anarchy.

⁶⁵ Hernes, Makt, p. 44 ff.

⁶⁶ The suppression of politics in broadcasting had no counterpart in the contemporary policy towards the printed press. In Britain the "orthodox interpretation" is that the press "attained its freedom around the middle of the nineteenth century," although James Curran calls

this a "political myth," James Curran, "Whig press history as political myth." In James Curran & Jean Seaton (eds.): Power Without Responsibility. The Press and Broadcasting in Britain. (London & New York: Methuen, 1985), p. 7. Britain has no written constitution and therefore no fundamental guarantee for the freedom of expression. Free speech is a common law principle, defined negatively in the sense that the freedom exists to the extent it is not limited by other laws or practice (The Norwegian Governmental Commission on Freedom of Expression, NOU 1999:27, p. 214). However, the European Human Rights Convention guarantees the freedom of expression, and the Human Rights Act of 1998 incorporated it into British law. In Norway the freedom of print and free speech were guaranteed by the Constitution of 1814. At the time when broadcasting was introduced, the press was mainly party-political, and partly very radical, as most Labor party newspapers followed the Communist line after the party splits in the wake of the Russian revolution (Asle Rolland, Arbeiderpressen 1884-1940. Differensiering og sentralisering. Report no. 53, University of Oslo: Institute for Mass Communication Research, 1979).

⁶⁷ Briggs, The BBC, p.50, 51.

⁶⁸ Dahl, Hallo-hallo, p. 83.

⁶⁹ Seaton, Reith, p. 131.

⁷⁰ Scannell & Cardiff, British Broadcasting, p. 5.

⁷¹ Hernes, Makt, pp. 43-44.

⁷² Syvertsen, Public Television, part 2. p. 9.

⁷³ Quoted in Dahl, Hallo-hallo, p. 169.

⁷⁴ Dahl, Hallo-hallo, pp. 170-171.

⁷⁵ NOU 1972:25, pp. 11-12, cp. Dahl, Hallo-hallo, pp. 199-210. What the Telegraph Board did not foresee, was the unwillingness of the press to undertake that responsibility, the opponents to the plan arguing that it implied a sort of "regulatory capture" by which the press would be silenced as broadcasting's watchdog. The Labor press, belonging to a party still in opposition, also feared that real control over broadcasting would be obtained by the much stronger bourgeois press.

⁷⁶ Gramstad, Kringkasting, p. 38.

⁷⁷ NOU 1972:25, pp. 15-16, quoting St.prp. no. 69/1932.

⁷⁸ Thus the assurance of broadcasting's "strong and free position," under the auspices of the Ministry of Church

and Education, was openly put into the parliamentary proposition in order to silence opposition from the Norwegian Association of Radio Listeners, which was against state management of broadcasting in any form. Cp. NOU 1972:25, p. 17, quoting St.prp. no. 69/1932.

⁷⁹ Cp. Hernes, Makt.

⁸⁰ Dahl, Hallo-hallo, pp. 124-32, Syvertsen, Public Television, Part 2 p. 5.

⁸¹ Syvertsen, Public Television, Part 2, p. 7, based on Dahl, Hallo-hallo, p. 197.

⁸² Syvertsen, Public Television, Part 2, p. 7.

⁸³ Syvertsen, Public Television, Part 2, p. 6.

⁸⁴ Garnham, Public Service.

⁸⁵ Karl R. Popper, The Logic of Scientific Discovery. (London: Hutchinson 1972 [1959]), p. 41, 42.

⁸⁶ Scannell & Cardiff, British Broadcasting, p. 15, Briggs, The BBC, p. 110.

⁸⁷ NOU 1983:3 Massemedier og mediepolitikk (Mass media and media politics).

⁸⁸ St. meld. no. 32 (1992-93) Media i tida, pp. 126, 127.

⁸⁹ Hans Fredrik Dahl, 'Å finansiere TV-nett' ('Financing a TV network'), Medie verden (2002) no. 25. Rolf Høyer & Hans Fredrik Dahl, Spillet om TV2 (The TV2 power game). (Oslo: Damm 2003).

⁹⁰ Dahl, Hallo-hallo, pp. 216-220 Dahl, Statens kringkastingsmonopol.

⁹¹ Dahl, Statens kringkastingsmonopol, pp. 122, 127, 133, 127, 128.

⁹² Dahl, Statens kringkastingsmonopol, p. 131.

⁹³ Dahl, Statens kringkastingsmonopol, pp. 131-32.

⁹⁴ Dahl, Statens kringkastingsmonopol, p. 118.

⁹⁵ Cp. Hugh Malcolm Beville, Jr. Audience Ratings: Radio, Television, and Cable. (Hillsdale, N.J: Erlbaum, 1985).

⁹⁶ Brown, Economics, pp. 7-8.

- ⁹⁷ M. Spence, M., & B. M. Owen, 'Television programming, monopolistic competition, and welfare'. Quarterly Journal of Economics (1977) 91: 194-223.
- ⁹⁸ That is what audiences are doing when paying for 'merit programs' transmitted for instance via cable. A Norwegian discussion of the subject matter is Egil Bakke, Markedet og de kulturelle verdier. Kultur- og medienæringen i et samfunnsøkonomisk perspektiv (The Market and the cultural values. The culture and media industries in a socioeconomic perspective). (Sandvika: The Norwegian School of Management BI, 2003). Research report No. 10/03.
- ⁹⁹ J. Rothenberg, 'Consumer sovereignty and the economics of TV programming'. Studies in Public Communication (1962) 4, p. 49.
- ¹⁰⁰ Johansen, Samfunnsøkonomisk lønnsomhet.
- ¹⁰¹ Dahl, Statens kringkastingsmonopol, pp. 126, 133.
- ¹⁰² Nicholas Garnham, Emancipation, the Media, and Modernity: Arguments about the Media and Social Theory. (Oxford: Oxford University Press, 2000), pp. 54-55.
- ¹⁰³ Martin Cave, "Public Service Broadcasting in the United Kingdom." The Journal of Media Economics vol. 9 no. 1, p. 18.
- ¹⁰⁴ Dahl, Statens kringkastingsmonopol, pp. 133-34.
- ¹⁰⁵ Dahl, Statens kringkastingsmonopol, pp. 133-34. But the problem was perhaps rather that cultural life itself wanted but did not get their share of that profit, cp Dahl, Hallo-hallo, pp. 124-32.
- ¹⁰⁶ Seaton, Reith, p. 129.
- ¹⁰⁷ Syvertsen, Public Television, Part 2, p. 8, Caroline Heller, Broadcasting and Accountability (London: British Film Institute, 1978), Stuart Hall, 'Broadcasting and the Public Interest: From Consensus to Crisis,' in Peter Golding, Graham Murdock & Philip Schlesinger (eds.): Communications Politics (Leicester: Leicester University Press, 1986).
- ¹⁰⁸ See note 25.
- ¹⁰⁹ Helge W. Nordvik, 'Mellom marked og kartell: Amerikanske og tyske forbilder i norsk konkurransepolitikk før 1940' (Between market and cartel; American and German models in Norwegian Competition Policy before 1940). In E. Hope, P. Munthe, A. C. Stray Ryssdal & S. Undrum, Marked, konkurranse og politikk. Festskrift til Egil Bakke. (Market, competition, and politics, Festschrift in honor of Egil Bakke). (Bergen: Fagbokforlaget, 1995), pp. 35-49.
- ¹¹⁰ Jean Seaton, "Broadcasting and the Theory of Public Service." In James Curran & Jean Seaton (eds.): Power Without Responsibility. The Press and Broadcasting in Britain. (London & New York: Methuen, 1985), p. 305.
- ¹¹¹ Seaton, Reith, p. 131, Briggs The BBC, p. 52.
- ¹¹² Briggs, The BBC, p. 93.
- ¹¹³ Briggs, The BBC, p. 93, 369.
- ¹¹⁴ Dahl, Hallo-hallo, pp. 286-297.
- ¹¹⁵ Syvertsen, Public Television, Part 2, page 13, 17-18.
- ¹¹⁶ Syvertsen, Public Television, Part 1, p. 9, Part 2, p. 7, Heller, Accountability, p. 12, Tom Burns, The BBC. Public Institution and Private World (London and Basingstoke: Macmillan, 1977), p. 9.
- ¹¹⁷ Dahl, Hallo-hallo, p. 211.
- ¹¹⁸ Cp. Robert Dahl, "Preface." In R. Dahl (ed.): Political Oppositions in Western Democracies. (New Haven & London: Yale University Press, 1966).