

## **BBC World Service in the 1990s: regrouping, re-evaluating and coming to terms with accountability**

The 1990s was a long decade of significant change for BBC World Service (BBCWS)<sup>1</sup>. It was marked at one end by the fall of the Berlin Wall and end of the Cold War - the speed of which had been largely unforeseen, and certainly not planned for - and at the other by the momentous events of 9/11 and their aftermath. It was a period which found the organisation uncertain of its role and relevance as it contemplated its future direction.

In broad terms, for the government, the value of BBCWS had always been as an instrument for influence; for audiences, the value was in being informed about and making sense of events both close to home and in the wider world; for BBCWS itself it was about fulfilling a need for provision of independent, authoritative news and information; in the 1990s for the first time its direction on all these fronts was less clear. The World Service was faced with a number of other challenges simultaneously – how to ensure that it continued to retain and increase audiences in a rapidly changing and competitive media environment; how to exploit new – but expensive - technologies to ensure it stayed relevant; what role if any commercialisation and “self-help” should or could play in an increasingly austere public sector climate in the UK; and of critical importance, how to demonstrate to its government funders, the FCO, that in an increasingly harsh economic environment BBCWS was worth a continuing call on the public purse, that there was a value to the public, to the UK and to the Treasury in a strong and effective World Service.

Since its beginnings in 1932, both BBCWS and the government had been clear about who the BBC’s broadcasts were intended for, and why. Originally aiming to communicate with people throughout the Empire (as King George V said in the first Christmas message in 1932 *“Through one of the marvels of modern science ... I am enabled ... to speak to all my peoples through the Empire”*); its remit expanded rapidly by the mid-Thirties as the Axis powers developed international broadcasts as means of propaganda, and the British government was determined that this should be countered by broadcasts from the UK, through the BBC. Throughout World War Two, the number of broadcast languages increased to provide news and information throughout Nazi-controlled occupied Europe and beyond. Post-1945, world attention shifted to Russia, Eastern Europe and the Cold War.

However, as the Cold War came to an end and Eastern Bloc countries in the former Soviet Union began to open up, the government’s foreign policy emphasis shifted towards the Middle East, Iraq and Iran with the start of the first Gulf War in 1991, and it was less clear what part BBCWS had to play in this changing political climate. Many traditional heartland audiences became increasingly less dependent on the BBC and other foreign broadcasters for news and information; media laws in hitherto highly regulated countries were gradually becoming more relaxed, leading to increasing numbers of alternative radio choices for audiences – many of them on FM, a much higher quality

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<sup>1</sup> Referred to here as BBCWS throughout, although called variously The BBC Empire Service, The BBC Overseas Service, and BBC External Services at different points of its eighty year history.

medium than the BBC's traditional short wave. Short wave was still a key means of delivery, but the equipment was old and a major audibility upgrade was needed. Competition, traditionally perceived as the other major international broadcasters (Voice of America, Radio France Internationale, Deutsche Welle and others) was now also coming from local and national broadcasters – with output on FM, in much higher quality than the BBC's traditional short wave. Television was also becoming more widely available on satellite, and the international broadcasters were cautiously beginning to experiment with different languages.<sup>2</sup>

The world wide web, then in its infancy, nevertheless looked set to take off in a big way – an internal report to BBC World Service Directorate in 1995 advised on the means by which WS might develop “*an effective use of a world-wide communication tool known as “The Internet”*”<sup>3</sup> BBCWS needed to harness these new developments to keep its hold on audiences, but that would require investment, which in turn would mean making difficult decisions about existing activity.

At home, there was growing commercial pressure as publicly funded organisations were increasingly expected to explore opportunities for income generation; the Public Accounts Committee in its 1992 report on Management of BBC World Service encouraged it to “... maximise its income from its revenue-earning services, such as BBC English and programme transcriptions”<sup>4</sup> BBCWS did what it could to meet those expectations; its English language and transcription operations did indeed grow. Nevertheless, the major developments during this period were the expansion of FM rebroadcasting (both via the BBC's own transmitters and through partnerships), the start of international television offers in English and later in Arabic, and the growth of the Internet.

Advancing technologies meant that local and national broadcasters began to carry BBC programming on FM, with distinct BBC branding and subject to strict agreements setting out clear parameters governing, for example, attempts at editorial interference, or “time shifting” – the period within which a news programme could be broadcast. This enabled the BBC to increase audiences at little or no cost; in Africa, for example, this was a major development and the number of partners organisations multiplied rapidly.

In 1991, after the government refused to consider using public funding, the BBC had launched a commercially funded English language television news service on satellite and cable. Although financed by advertising and sponsorship, editorial control of the output sat firmly with BBCWS under its Head of News and Current Affairs. This was followed in 1994 by a BBC Arabic television service for the Middle East, launched with commercial partners Orbit Communications Corporation which was owned by a member of the Saudi royal family. While there was enthusiasm for the new venture,

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<sup>2</sup> Deutsche Welle began broadcasting via satellite in German, English and Spanish in 1992.

<http://www.dw.de/television-50-years-of-tv-content-from-germany/a-16784434> In addition to its Spanish service (TV Marti) which had begun in 1990, Voice of America began to simulcast limited programming on radio and TV in languages including Arabic, Chinese, Ukrainian and Persian during the latter half of the 1990s. <http://www.insidevoa.com/content/a-13-34-2007-reorganizing-us-international-broadcasting-in-the-1990s-111602649/177524.html>

<sup>3</sup> Report to BBC World Service Directorate, , March 1995

<sup>4</sup> Committee of Public Accounts, 15<sup>th</sup> Report 1992.93, Management of the BBC World Service (HC108) December 1992.

there had also been a degree of scepticism at Bush House about Orbit's commitment to the BBC's editorial independence, and indeed on 21st April 1996, the service collapsed suddenly and spectacularly following a series of disagreements. (This was a major factor in the successful launch of Al Jazeera shortly afterwards as most BBC Arabic television journalists lost their jobs overnight and many moved to work for Al Jazeera.)<sup>5</sup>

Online, BBCWS launched a news service in English, quickly followed by other languages. Take-up was patchy initially as many countries did not (and some still do not) have the infrastructure to enable many people to access it, but by the turn of the century usage was growing steadily, and people from different parts of the world were able to share views and debate issues in a way that had never been possible before. This was the start of a truly "global conversation" and a move away from a one-way flow of information - by 2000 BBCWS was running *Talking Point* debates on radio, online and increasingly on television, on subjects ranging from Kosovo refugees to nuclear power to illegal drugs, to football violence and whether President Mugabe's days were numbered. This online service expanded into other key languages as resource and technology permitted.

During this period the portfolio of languages continued to change. Japanese and Malay closed in 1991, following pressure from the FCO (the Foreign Secretary's approval continues to be required for opening or closing any language service, even under Licence Fee funding); Portuguese for Europe closed in 1994 and French for Europe in 1995; Finish in 1997 and German in 1999. In most cases the decisions were taken because it was felt that WS was no longer needed (for example, when the German Service closed a key factor was that in Germany more people were listening to WS in English than in German). On the other hand, new languages were launched: as crisis in the Balkans deepened Serbo-Croat separated into two services, Serbian and Croatian; Albanian, which had closed in 1967, re-opened in 1993; Macedonian started in 1995. Central Asian languages Azeri, Uzbek, Kazakh and Kyrgyz all started in 1994/1995. Kinyarwanda began as a lifeline service for Rwanda and Burundi in 1994.

Up to this point, there had been very little requirement for BBCWS to report to the FCO in terms of formally agreed performance measures. Articulation of value was an episodic, ad hoc, non-systematic process without what we would consider today as adequate benchmarking. Audience research had been conducted in different ways, but was used for internal information rather than external validation. Colin Wilding, responsible for collating and analysing BBCWS audience data during this period, noted in a presentation to the CRESC Annual Conference in 2010 that prior to 1990,

*global audience figures were based on survey data for countries where it was available, but extrapolated to countries where there were no audience data using estimates of the number of radio sets in the country; even for countries with data a significant element of educated guesswork was involved. ...In 1990 I produced my first estimate...calculated entirely from scratch. The total included a relatively small allowance (less than 10% of the total) for areas not covered by surveys, estimated roughly at a regional level. From 1992 onwards the*

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<sup>5</sup> Ian Richardson: The Failed Dream that led to Al Jazeera Press Gazette, London, April 11, 2003.

*estimate was produced annually...by 1994 the allowance for unsurveyed countries was phased out.*

Up to that point, the FCO simply did not require that sort of metric for the WS to justify its operations. One former member of BBCWS staff recalls that at that time there was “not a strong performance culture within the FCO as a whole”<sup>6</sup> ... and that when performance management began to be discussed the FCO asked “what indicators BBCWS could offer”.<sup>7</sup>

However, the climate was changing. The government’s ‘Next Steps’ process, introduced in 1992, made major changes to the structure and workings of the Civil Service, leading to much of the executive work of government being devolved to agencies focused on operational delivery. The Cadbury Report of 1994 looked at corporate governance. These and other initiatives affected all publicly funded bodies, and the BBC sought to reform its organization and management practices in line with these approaches. For BBCWS, funded by the taxpayer rather than the License Fee, this period could be defined as one of coming to terms with accountability.<sup>8</sup>

Fortunately, BBCWS was some way ahead of the game, and was already engaging in the process of demonstrating that it was operating effectively and efficiently. It was certainly ahead of the rest of the BBC (which not being directly funded by the taxpayer did not have the same imperative to comply with public sector directives). The Perry Report of 1984 had made a number of recommendations about efficiency; a PAC report in 1987 had examined the FCO about the financial accountability and control of BBC External Services; following this the BBC had agreed that the National Audit Office should have access to WS to carry out value for money investigations (this had provoked some debate at wider corporate level, as it was felt that it might set a precedent in terms of allowing access to the wider BBC).<sup>9</sup> BBCWS worked with consultants McKinseys as part of a BBC-wide review of management structures. It adopted the widely used and accepted PRINCE methodology for managing projects in a timely and efficient way. Working to milestones, it regularly benchmarked its resources against comparable departments elsewhere in the BBC and introduced performance indicators, moving towards measuring performance against objectives and a “balanced scorecard”.<sup>10</sup> As a consequence, Annual Plans and Annual Reviews (in which performance against indicators was reported) were introduced as well as Scenario Planning, a technique developed by Shell. In addition to McKinsey’s review of BBC management structures, including BBCWS, a National Audit Office review was followed by the 1992 Public Accounts Committee report, which noted and welcomed “*the measures taken by WS since 1985 to improve management and efficiency*”. These included “*...a budgeting system which has resulted in resources being redeployed to higher priority areas, a value for money programme which to date £1.5 million, new purchasing arrangements and, from April 1992, a new finance system.*”<sup>11</sup> There was also an on-going review of BBCWS by the Foreign Affairs Committee, as part of its oversight of FCO work.

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<sup>6</sup> Private information

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<sup>10</sup> An approach which seeks to identify a mixture of financial and non-financial measures and targets associated with the main activities required to implement the strategy

<sup>11</sup> Committee of Public Accounts, 15<sup>th</sup> Report 1992.93, Management of the BBC World Service (HC108) December 1992.

For BBCWS management it was important to demonstrate the organisation delivered immeasurable benefit and public value, while at the same time measuring it. The Perry Review of 1984 had led to a more stable funding regime for the World Service, recommending three year agreements (“The Triennium”) rather than the previous year-on-year financial settlements. It had also led to considerable investment in WS, leaving it in a relatively strong position. However, there were indications in the 1990s that this pattern of increase would be unlikely to continue, and on 28<sup>th</sup> November 1995, the government announced plans to cut £5.4m from the WS’ capital in 1996/7 (from a total budget of £135.6m), with an additional £9.5m to follow in 1997/8. This potential crisis was followed almost immediately by what was seen by many as an attack from within the BBC.

Up to this point, while the World Service had of course been very much part of the BBC it had broadly managed its own affairs, including the relationship with the FCO. However, when Director-General John Birt was appointed in 1992, he introduced a programme of change within the whole BBC, including its international services, and a requirement to demonstrate value for money and efficiency through performance measurement and other metrics. The two major initiatives which revolutionised the way the BBC operated and assessed itself internally were Performance Review (the process by which each separate part of the BBC reported performance against a range of targets), and Producer Choice (in which budgets were no longer held centrally but devolved to individual programme makers, giving the power to buy services from outside the BBC and creating a fully costed internal market).

But arguably the biggest change came on 7<sup>th</sup> June 1996, when John Birt announced a complete restructuring of the BBC, as part of which it’s domestic and World Service news departments would be merged. The implication of this for the World Service was significant, as potentially diluting or removing all WS-specific expertise; and moreover it had been announced without any prior consultation with the FCO, the WS’ funders – or indeed with WS itself. This led immediately to concerns being expressed in Parliament, the press and elsewhere; and together with the funding cuts, generated a huge political head of steam. A campaign to “*Save the World Service*” was started by the Guardian newspaper and featured prominently on front pages for many weeks.

Both the government and BBC management had underestimated the strength of public, parliamentary and diplomatic opinion; as influential people saw the expertise, independence and integrity of the WS threatened, so they acknowledged its very real value to government, the FCO and the British public. Within weeks the Foreign Secretary announced that a joint FCO/BBC working group, including five independent experts, would be set up to examine the proposals.<sup>12</sup> It considered three areas – Financial and Economic; Maintenance of Quality; and the relationship between BBCWS

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<sup>12</sup> Stephen Claypole, Managing Director Associated Press Television; David Glencross, former Chief Executive, Independent Television Commission; Baroness Hogg, Chair-designate London Economics; John Wilson, former Controller of Editorial Policy, BBC. Nicholas Colchester, Editorial Director, Economist Intelligence Unit was also a member of the group but died suddenly in September 1996. Other members were Bob Phillis, BBC Deputy DG; Sam Younger, Managing Director, WS; Caroline Thomson, Director of Strategy WS; and Fritz Groothues, Head of Strategic Development WS. FCO members were Christopher Battiscombe, Director of Public Policy; and information officers Peter Dunn and Paul Williams.

and the FCO. It reported back to Parliament in October 1996 proposing 20 measures (“The 20 Points”) to safeguard WS interests.<sup>13</sup>

These measures were wide ranging and took a strong line on the importance of WS within the BBC. They included:

- The BBC’s Fair Trading guidelines to be revised to incorporate the commitment that FCO Grant-in-Aid funds cannot be used for non-World Service purposes.
- WS news and real-time current affairs programmes to be produced by a dedicated unit within BBC News co-located with the World Service including the vernacular services.
- WS programme commissioners to have full editorial responsibility rooted in power to specify agenda, range and breadth of news programmes and services as well as style, content and distinctive voice. WS to be represented on all senior appointment boards of significance to the provision of World Service output.
- WS to have the right within the specification agreed between WS and BBC News to require programming to cover particular events or to respond to breaking news
- WS to have power to require that strategic deployment of newsgathering resources including geographical spread is appropriate to range and breadth of World Service needs.
- Co-location between the team producing WS news and current affairs programmes and the vernacular services to be given top priority.
- Director, WS to attend meetings of BBC Executive Committee whenever WS issues are to be discussed. World Service to be represented on BBC Executive Committee by the Deputy Director-General.
- The WS relationship with the FCO to remain unaffected by the restructuring

(For full list, see appendix)

These “20 points” were monitored regularly by the FCO, NAO and PAC and over a five year period were deemed to have delivered the required assurances. (It is worth noting, amid current concerns about WS becoming increasingly integrated into the BBC News Group, how much protection continues to be afforded by these principles agreed in the 1990s.) It is necessary only to look at the 20 points to see what might have become of WS as a distinctive, authoritative voice, had they not been implemented. It does not occur to us now that WS might not have a say in allocating resources to cover international stories that are not part of the domestic agenda.

The group also noted that the Broadcasting Agreement between the FCO and BBC was due for review and might benefit from some changes. The new Agreement defined the relationship between FCO and BBC in clear terms, setting out its key principles (including, most importantly, that BBCWS had editorial and managerial independence and integrity), processes for setting objectives and priorities and articulating for the first time a formal business cycle. During this period, it was also announced that the proposed spending cut would be reversed, and in 1999, Labour Foreign Secretary Robin Cook announced an additional £44 million for the WS. As one former member of staff put it, “With

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<sup>13</sup> Available at: [http://hansard.millbanksystems.com/written\\_answers/1996/oct/15/bbc-worldservice#S6CV0282PO\\_19961015\\_CWA\\_257](http://hansard.millbanksystems.com/written_answers/1996/oct/15/bbc-worldservice#S6CV0282PO_19961015_CWA_257)

the Labour government, there was money around, and internationalism was good. There was a spirit of political co-operation”.<sup>14</sup>

With the election of the Labour government in 1997, a cycle of Comprehensive Spending Reviews (CSR) was introduced, requiring funding bids every two to three years to be tied to specific objectives and performance indicators to demonstrate that the public money had been spent appropriately and efficiently. This in turn led to WS developing a regular Three Year Plan, setting out its priorities and stating how they would be measured and what the targets would be. By the end of the nineties the culture of performance measurement had become firmly embedded throughout the BBC.

In the end, the WS emerged relatively unscathed from a period than had seen it subjected to major attacks on a number of fronts. The difficulties it faced had forced it to focus on its priorities. In response to changing world events, it closed some language services, while investing in others; it had reversed the spending cut, and secured higher levels of funding; it built strong partnerships with FM stations while retaining the more traditional short wave; it began to exploit new technologies. It measured its highest ever global audiences – in 1990, it had an audience of 120 million; by 2000, that had risen to 151 million. It had set in place a new Broadcasting Agreement with the FCO that stated as a key principle that BBCWS had complete editorial independence; and it secured strong cross-party political support for its role in the world and its benefit to Britain. Its value to the government and to its audiences had been tested and found to be as important as it had ever been. It entered the 21<sup>st</sup> century in good shape, with a mission statement to be “the best known and most respected voice in international broadcasting, thereby bringing benefit to Britain” – expressing the twin requirements of retaining independence while contributing to the image of the UK abroad.

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<sup>14</sup> Private information

Appendix:

## **FCO/BBC WORLD SERVICE WORKING GROUP**

### **The 20 points**

The '20 Points' were outlined in the October 1996 report of the FCO/BBC World Service Working Group.

Principal measures were agreed with respect to financial and economic issues, the maintenance of the quality of World Service news and other programmes, management issues and the FCO/World Service relationship.

The substantive report of the World Service Working Group was published in January 1999.

The FCO and BBC Working Group were tasked in the report, to monitor the longer-term implementation of the measures through a regular quarterly cycle of business meetings.

- (i) BBC to draw up new guidelines to govern the trading relationship between WS and BBC supplier departments
- (ii) Financial mechanisms to be developed to ensure proper allocation of the cost of overseas correspondents
- (iii) The FCO/BBC Financial Memorandum to be redrafted to incorporate new financial mechanisms
- (iv) The BBC's Fair Trading guidelines to be revised to incorporate the commitment that FCO Grant-in-Aid funds cannot be used for non-World Service purposes.
- (v) NAO to review the functioning of the new financial mechanisms after 6 months of operation
- (vi) Arrangement for appointing the Accounting Officer of the World Service to be re-examined in separate discussions between FCO and the BBC



- (vii) Proposals for alternative methods of managing WS fixed assets to be re-examined in separate discussions between FCO and the BBC.
- (viii) BBC proposals on future savings to be considered further when all necessary information is available.
- (ix) WS news and real-time current affairs programmes to be produced by a dedicated unit within BBC News co-located with the World Service including the vernacular services. Dedicated team members to be appointed for a period of time agreed with World Service.
- (ix) WS to specify additional competencies and training for staff working on the supply of such programmes and services.
- (xi) WS programme commissioners to have full editorial responsibility rooted in power to specify agenda, range and breadth of news programmes and services as well as style, content and distinctive voice. Would also be provision for an internal review process with, cases of disagreement, referred to senior management up to the Director-General. Board of Governors to be made aware of any such referrals. This internal review process to feed into the BBC's annual performance review by the DG to the Chairman and Board of Governors.
- (xii) WS to be represented on all senior appointment boards of significance to the provision of World Service output. All appointments concerned to be jointly agreed. WS to approve individual presenters for all key programmes.
- (xiii) WS to have the right within the specification agreed between WS and BBC News to require programming to cover particular events or to respond to breaking news
- (xiv) WS to have power to require that strategic deployment of newsgathering resources including geographical spread is appropriate to range and breadth of World Service needs. Correspondents' assignment briefs to spell out their responsibilities to WS.
- (xv) Co-location between the team producing WS news and current affairs programmes and the vernacular services to be given top priority. Any period of separation to be kept to a minimum and entered upon only if and when the WS has agreed that the advantages significantly outweigh the disadvantages
- (xvi) BBC to ensure that staff of BBC Sport, Radio and Music, Drama, Entertainment and Children, Factual and Learning are fully briefed and trained on special requirements of WS and that there are regular interchanges of staff

- (xvii) Programme commissioners to have extensive powers to specify target audience, strategic objectives, style and content of programmes as well as wide freedom to commission as they see fit from within and outside the BBC.
- (xviii) Director, WS to attend meetings of BBC Executive Committee whenever WS issues are to be discussed. World Service to be represented on BBC Executive Committee by the Deputy Director-General.
- (xix) BBC to strengthen oversight of WS by BoGs, including establishment of new procedures to approve strategy and review performance and to ensure that disagreements between WS commissioners and BBC Production made known to the Governors. Independent advisory panel to be established to advise the Governors on WS output and performance.
- (xx) The WS relationship with the FCO to remain unaffected by the restructuring