

Giving them what they want: the construction of the public in 'public value'¹

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'[The BBC] exists solely to create public value'
(BBC, 2004, *Building Public Value*)

'What is distinctive about heritage, therefore, is its capacity to create public value'
(Blaug, Horner and Lekhit (Work Foundation), 2006, *Heritage, Democracy & Public Value*)

1. Introduction

Suddenly, 'public value' is everywhere. After a relatively slow gestation in US management literature, via a Cabinet Office 'think piece' that, for a while, stood alone as a statement of New Labour interest, it now seems as if no cultural advocate worth his or her salt can open their mouths without speaking of public value. In January, a two-day conference was devoted to 'Capturing the Public Value of Heritage', organised jointly by The Heritage Lottery Fund, DCMS, English Heritage and the National Trust. By May, Demos were using public value to describe the impact of the Regional Screen Agencies (Demos, 2006), while in recent weeks we have had Andy Duncan of Channel 4 speaking of "maximising public value in the 'now' media world," (Duncan, 2006); and Arts Council Chief Executive Peter Hewitt (2006) announcing a 'public value' enquiry into how the arts can become part of the "public's core script."

Arts Council Chairman, Christopher Frayling also used the phrase in the title of a lecture on the arts in February 2006, though he admitted that it was a 'buzzword of the moment,' preferring instead to quote Ruskin in his closing lines to convey his real message about the value of art to the nations 'autobiography.' Frayling's speech is an instructive example of the use of this voguish term, in that he mentions public value only once in an 8,000 word speech. The only other place where the term appears is in the title of the talk and the bibliography².

But the *ur* use of the term in the cultural sector is the BBC's 'Building Public Value' report from June 2004 and a lecture given by Gavyn Davies (then Chairman of the BBC) in the same month which, when published in November 2004, was titled 'The BBC and Public Value' – even though Davies himself makes clear in the introduction that his lecture is actually about how 'the language of economics' – and not the language of public value – 'can help justify the role of the BBC'.

¹ This is an amended version of a paper originally presented at the CRESC Media Change & Social Change Conference, 6-8 September 2006, Oxford University.

² Speech available at:

http://www.arts.org.uk/pressnews/news_detail.php?id=262&browse=archive

So what is going on here? Why is 'public value' both everywhere and nowhere? Is it already so hegemonic that nobody needs to define it? Or is it simply a Humpty Dumpty term that means public goods theory, arts for arts sake and giving the public what they want; depending on the speaker? And how can such an elastic term be the basis for a 'public value test', as proposed for all BBC services in future?

The aim of this short paper is to examine why public value has become such an article of faith in both broadcasting and the wider cultural world and whether there are in fact any dangers in such a notion. Is it simply empty rhetoric, like 'now media world,' or 'public's core script,' or does the take up of the term point to both confusion and loss of nerve about the notion of 'the public?'

2. What is Public Value?

'What is Public Value? Public Value is what the public values...'³

The above quote from the Work Foundation is key to understanding the present uptake of the term 'public value' within policymaking in the UK. For the Work Foundation have taken one element of Mark Moore's original 1995 concept of public value and used it as the basis of an empirical process for investigating how public services can be measured and improved.

The Work Foundation are quick to stress that public value cannot be defined quite so simply as 'what the public values'. On the contrary, public value is not about pandering to 'ill informed preferences' rather it is premised on dialogue and engagement between users and providers that necessitates a mutual process of 'preference refinement'⁴. Thus, public value is defined more pointedly as 'responsiveness to refined preferences' (Blauge *et al*, 2006). The example of the government's policy response to Jamie Oliver's campaigning TV documentary series, 'Jamie's School Dinners', is used as a model example for how this works in practice, to show how 'public value can be created by responding to that shift [in consumers' preferences].'

It is telling that the other example of public value in action cited in the same Work Foundation paper - the government's non-response to the MMR scare - also centres upon the mass media. 'Preference refinement' is, of course, core business for much of the media and, in turn, much of the Work Foundation's conception of public value seems to rest on how government should best respond to the changing tides of public opinion, as identified by polling and other forms of consumer market research. But this is a reduced definition of public value from the (albeit elusive) one

³ Presentation on Public Value, by Louise Horner and Stephen Bevan of the Work Foundation, at the Arts and Humanities Research Council (AHRC) seminar on Impact Assessment in the Cultural Sector, London, 15th March 2006.

⁴ Defined as, 'finding ways to harness professional expertise in order to shape and guide public preferences'.

that is contained within the standard work on the topic, Mark Moore's 'Creating Public Value' (1995).

Moore's book was published in the mid 1990s as part of the debate about public service reform. As such, it stands as something of a counterblast to the notions 'of 'new public management' (NPM) then gripping centre-right governments (and their centre-left successors) the world over. While NPM focused on transferring the administrative practices of the private sector, with its emphasis on cost control, market mechanisms and the need for performance indicators, into the public sector (Power, 1997; Needham 2003), Moore instead focuses on what might constitute 'public' value, in other words how the working practices of public servants might contribute to particular sorts of benefits found only in public services. This public value might simply be new public services (extended library opening hours is one of Moore's examples, though it seems a little fanciful in the current UK climate); increased trust in public institutions, ("I trust my library service more") or a contribution to an established public good ("the library is open longer so I can read more books and be better educated").

As such, it uses the case study methodology beloved of US management literature, to describe the many ways in which public servants might create this public value. In what was to become a defining characteristic of public value literature, Moore appears sometimes to be talking about *public goods*; services which are non-rivalrous and non-excludable such as defence or street lighting; and at other times to be talking about the *public interest* or the even the *public domain*. All of these terms have their problems.

Welfare economists continue to argue about what does or does not constitute a public good. The public interest, as Bozeman comments, while being dismissed by Schubert (1961) as 'too vague, too value-laden, too utopian, (pg 148)' remains a core principle of courts, regulators and the media. And the public domain, which Marquand (2004) calls, 'the domain of citizenship, equity and service whose integrity is essential to democratic governance and social well-being,' has nevertheless been the subject of a relentless *kulturkampf* for the past 20 years.

One would have thought, therefore, that the last thing the debate about publicness needed, was another vague term which seems to be a messy hybrid of all three – without any of their history or intellectual robustness. In other words, where the term 'public value' has any meaning, it generally refers to public goods, the public interest or the public domain, while offering nothing new to any of them. Where it appears to offer something new, as in the Work Foundation's work, we would argue that it strays somewhat dramatically from Moore's idea and into the realm of the 'consumer-citizen' (Needham, 2003).

Routes of transmission: from Harvard to Broadcasting House

The routes of transmission from the North Eastern United States to New Labour politics are well trodden, but in this case there was something of a lull, before public value cropped up in the UK in a 2002 publication from the Number 10 Strategy Unit. 'Creating Public Value,' (Kelly, Mulgan, & Muers, 2002) remains relatively faithful to Moore's *ur* text in setting public value in opposition to new public management and of stressing the role of deliberation in preference formation. It even touches, albeit lightly, on the many contradictions between public preferences in certain areas (more policeman on the beat) and public outcomes (less crime).

However, in New Labour fashion, it does not dwell on these contradictions – much less tell you what public value might do about them – but argues that they simply 'clarify the need for an integrative framework and associated decision-making techniques.' In other words, there are no political tensions that cannot be resolved through sophisticated technocracy.

For a short time it appeared as if public value might be of interest only to policy wonks, but what had been a rather slow burn, in the last 12 months or so, has turned into something of a forest fire. Organisations from the Welsh Assembly to the Northern Irish Police service to an FE College in Leicester (Work Foundation, 2005) have become excited about public value. As James Crabtree (2004) has commented, "as an objective for public service modernisation, it gives motherhood and apple pie a good run for their money." But nowhere has it seemed to gain so many adherents as in cultural organisations.

In thinking more about how the concept of public value is becoming used within the context of public service reform and modernisation – particularly within the cultural sector – it is instructive to examine in more detail how, and more importantly why, the concept has been used by the BBC. The BBC's use of the concept has been oft-quoted and is somewhat of a trailblazer so what can it tell us about the wider application of the concept across public services?

3. Public Value and the BBC

Public value should be the goal for everything that the BBC does.
(BBC, 2004, *Building Public Value*)

The BBC's 'Building Public Value' report was produced as the organisation's pre-emptive strike in the run-up to the Charter Renewal process [the BBC's Charter has subsequently been renewed for another ten years starting from 1 January 2007]. As such, the document contains 'much self-criticism and many promises of reform' and was subsequently described by probably the BBC's most persistent and vociferous critic, David Elstein, as 'one of the most radical documents the BBC has ever issued, even if it stops some way short of real transformation' (Elstein, 2004).

The report proposes that in the future, 'the BBC will use public value to drive all its decisions about the scale and scope of what the organisation does' and the main mechanism by which this will be achieved will be to subject 'all major proposed development or expansion of an existing one' to a public value test. This proposal regarding the public value tests has since made its way into legislation via the Green and White Paper process (DCMS, 2005 and 2006 respectively).

Despite the centrality of the notion of public value, the White Paper 'A Public Service for All: the BBC in the Digital Age', concedes that public value is not a well defined concept. To make clear their intent, the BBC describes the public value test as an assessment of the following factors:

- the value licence fee payers would place on the service (measured through 'willingness to pay' consumer research methods)
- the value the service delivers to society as a whole through its contribution to the BBC's public purposes and priorities (six 'new public purposes': Sustaining citizenship and civil society; Promoting education and learning; Stimulating creativity and cultural excellence – including film; Reflecting the UK's Nations, regions and communities; Bringing the world to the UK and the UK to the world; and Building Digital Britain)
- the value for money delivered by the service

Alongside the public value tests, all new services will be subject to a 'market impact assessment', undertaken by the regulator Ofcom, to assess the impact on the wider broadcasting/communications landscape. Changes to existing services should also be subject to market impact assessment, though these will be conducted by the BBC itself.

Leaving aside the debate as to whether or not it is desirable to tie the BBC's ability to innovate into a lengthy process of testing, there remains nothing in the public value test that could not be described using the rather better defined concepts of Public Service Broadcasting (PSB) and competition regulation. In fact, the principal identifiable difference between the PSB-era and the BBC's espousal of public value within the test appears to be the greater use and reliance on consumer research techniques.

The degree to which public value seems to be a somewhat superfluous afterthought to arguments advanced by the BBC regarding its continued relevance and operations is also acutely apparent in Gavyn Davies' speech to the Social Market Foundation 'The BBC and Public Value', in November 2004. A better indication of its content is provided by the title under which it was originally given in June of the same year 'Economics and the BBC Charter'. The speech provides a defence of public service broadcasting argued in terms of market failure, public goods and consumer surplus. Public value is, in fact, only prominent in the title of the pamphlet. The concept also has a similarly low profile in the 2005 Green Paper 'A strong BBC, Independent of Government'.

So what is going on here? Why does the BBC feel the need to drape itself in the clothes of public value? Given the inconsistency with which it is deployed, it seems clear that the BBC's use of public value is primarily opportunistic.

While the BBC and the government have announced that public value is 'both the mechanism and the rationale for the BBC's decision making' (DCMS, 2006, p.32), we would argue that its role is far more rhetorical in nature. In particular, it has been used as a rationale for how the BBC is enacting a set of institutional and operational changes through the Charter Review process as a response to external pressures arising from the changing media landscape in general, as well as more specific criticisms of the corporation's operations and governance structures.

In terms of the changing media landscape, there is a general argument advanced that a digital, multi-channel environment necessarily reduces the need for public service broadcasting, as spectrum scarcity is no longer a limiting factor. This was the principal focus of the first phase of Ofcom's Review of Public Service Broadcasting (Ofcom, 2004). The challenges and criticisms that are specific to the BBC can be summarised very briefly as the following:

- Funding: how to justify the regressive licence fee model in a more mature broadcast market in which the subscription model is well established and conditional access technologies provides the means by which the broadcast signal can now be 'switched off' for those that choose not to receive particular services
- Services: how to defend the corporation from criticisms that the BBC's new digital services are (i) anti-competitive (ii) do not abide by the tenets of PSB as they are not universally available; and relatedly (iii) provide poor value for money as they have comparatively small audiences
- Governance: how to overhaul the corporation's governance structures whose weaknesses were highlighted by the Hutton Inquiry and that were summed-up by Greg Dyke as a 'system more suited to a small charity' rather than a £4bn media giant⁵.

In response to these challenges, the BBC has had to renew the 'set of more or less stable compromises' (Naylor *et al*, 2000) on which it is based. Specifically:

- Funding: the licence fee has been protected but it is now seen as very much the least worst option (c.f. Tessa Jowell's Foreword to the Green Paper), and only renewed on the proviso of reform in other areas. In particular:

⁵ From Greg Dyke's account of his BBC years ('Inside Story'), quoted in Davies (2004).

- Services and operations: significant downsizing of BBC staff and cost cuts; transfer of some activities to Manchester in order to build broadcasting capacity and investment outside of London, and a new 'competition regime' focused on the public value test, service licenses and market impact assessment
- Governance: a much clearer separation between the management and oversight/regulatory functions through the introduction of the BBC Trust

As this very brief resume implies, the years since the beginning of the Charter Renewal process in 2004 have ushered in a period of significant, ongoing restructuring and change within the BBC. But they are by no means unique from this perspective within the Corporation's history. The BBC has always had to periodically re-invent and renew itself and its PSB mission – the current Charter Renewal process is now the seventh in its history. But why was the language and (some of the) practice of public value used so centrally this time around rather than persisting with the notion of PSB?

The BBC may have felt that the technological challenge to both the BBC's role and funding mechanism was so strong that the BBC required the use of a genuinely new underpinning rationale to indicate a break with the past. This alone seems unlikely – given the flaws inherent in the concept of public value, the inconsistency of its use by the BBC and finally, that Ofcom's Review of PSB (which decided in favour of the continued need for PSB) was conducted with no reference at all to public value.

4. Empty rhetoric or something worse?

Thus, we are left with the usefulness of public value as essentially a rhetorical device and a rationale for increasing the status of consumer research within the Corporation's decision-making processes. As rhetoric, public value functions as an overarching narrative that the organisation tells back to itself and to its external (political) stakeholders – during a period of particular stress – rather than as a genuinely new way of re-casting the BBC's operations and its relationship to its audiences.

As such, public value for the BBC functions as a form of 'narrativisation' within an organisational context. As Paul du Gay has shown, in times of rapid structural change, organisations turn to discursive practices to internally promote particular cultural values (du Gay, 1996). For example, the managerial discourse of 'excellence', which became prevalent with US and UK organisation from the early 1980s, functioned to promote work as a source of self-fulfilment and the route to company profit. Such human resources strategies, with their focus on managing the organisation's culture, operate to ensure employee commitment to achieving organisational goals (Legge, 1999).

In concluding the paper, we would concur with James Crabtree's view that the BBC is guilty of using public value as 'a soft soap rationale with

little explanatory power' (Crabtree, 2004). But beyond this observation, should we be concerned about firstly, the BBC's dalliance with the concept and secondly, its current vogueish status across the cultural sector? We would argue that there are more serious and underlying issues related to the use of the concept in these contexts. Specifically in relation to the BBC:

1. The focus on increased consumer research, and some particular methodologies used by the BBC (for instance, 'willingness to pay' studies using contingent valuation techniques) may potentially undermine the PSB case the BBC is trying to make. In relation to 'willingness to pay', David Elstein has already noted that it is with 'unconscious irony [that] the BBC proposes research into public willingness to pay as one means of measuring value – but utterly opposes actual willingness to pay as a method of financing the BBC' (Elstein, 2004). Also, a BBC which is more responsive to current consumer opinion – rather than being guided by more axiomatic PSB principles – potentially also makes the BBC more vulnerable to the 'moral panics' of the day.
2. Public value merely acts to obscure the real terms of the debate regarding the BBC, which remain a debate about the pros and cons of public service broadcasting.
3. There are fundamental problems with trying to align public service broadcasting – with its emphasis on niche programming and niche audiences, and pedagogic, civic and informing purposes – with a concept of public value in which the measurement of individual consumer opinions is so central. It is this disjuncture that prompted the BBC to quickly move away from a mooted early plan to use public value as a tool for internal resource planning, in which funds would be allocated to individual BBC services on the basis of 'how much' public value each created. It was deemed that using public value in this way would not only be problematical in empirical terms, but would also fundamentally make the justification of resources for services such as Radio 3 far more difficult when compared directly to the BBC's more populist offerings.

Our discussion of the BBC's use of public value is not an assertion that the BBC should be protected at all costs and have little or no compunction to have to re-examine its public mandate, what services it should supply, and how these should be delivered and paid for. Rather, our argument is that public value is the wrong place to start from in discussing these vital issues. Public value, as developed as a concept within UK cultural policymaking, exhibits exactly the hallmarks that Tessa Jowell (the Secretary of State for Culture, Media and Sport) was wary of when she cautioned against a discussion that 'lacks definition, intellectual rigour and substance' (Jowell, 2006). It is simply not fit for purpose as a rationale for debating the future of the country's pre-eminent public service broadcaster.

This is in contrast to the way in which public value was initially viewed as it entered the policymaking discourse in the UK. For some on the centre left, public value at first seemed to offer up the possibility of reclaiming something of the social from what has been the relentless marketisation of both public services and even the notion of society itself (Fine, 1998). Catherine Needham, in her attack on New Labour's 'marketplace democracy,' nevertheless holds out the hope that public value offers some redressing of the balance because it suggests, 'public deliberation, rather than aggregation of satisfaction scores.'

However, each iteration of the term has moved it further in a consumerist direction. In the example of 'Jamie's School Dinners' provided by the Work Foundation, public value is created by the government's *responsiveness to a perceived change in public opinion*. It is *not* created by taking action aimed at improving the life chances of many of the country's poorest school children (or even by reducing the long term social costs of obesity-related diseases). This conception of 'public value' is also silent on what government policy towards school dinners should have been in the absence of a random TV series by a high profile celebrity; in the absence of 'refined preferences'.

Far from being the starting point of a re-consideration for how New Labour might begin to theorise the role the state, then, public value embodies the same model for how New Labour constitutes the 'public' in developing its wider reform of public services. This is indeed a model of citizenship that is conceived in terms of Needham's (2003) 'citizen-consumers', with the emphasis on 'self-regarding individual responses' to public services - and the personal experience of using them - rather than collective deliberation about them and the political questions behind them.

The emphasis is almost always on how people *feel* about things (crime may be going down but you *feel* more insecure, so we must respond to that feeling) and on their individual experience of them. Public deliberation is almost always to be avoided, particularly when it could involve talking about the conflicts between private preferences and the public good (e.g. climate change, road congestion). Traditional notions of publicness are, we are told (without any evidence) redundant, and we are instead encouraged to think, as the Work Foundation (Horner & Hazel, 2005) put it, 'of citizens as shareholders in how their tax is spent.'

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