

The Future of the BBC

In a new report the Adam Smith Institute calls for reform of the BBC and an end to the licence fee.

It argues that the BBC is a hugely important British institution but should be working harder for Britain. Rather than just exploiting the exclusive benefits of public subsidy, it should contribute to the national economy as well as to public welfare.

David Graham, author of 'Global Player or Subsidy Junkie? Decision time for the BBC', suggests that the current model of broadcast regulation in the UK is exhausted. The BBC invests heavily in opinion management and capturing UK regulators rather than looking outwards towards the international media market. Instead of relying on public subsidy the report proposes that the BBC become a voluntary subscription service, which will allow the development of a more dynamic, outward facing British media industry – led by the BBC.

The report argues that now is the perfect time to start reforming the BBC, allowing it to compete internationally with major US studios. It will also allow the public, for the first time, the chance to make its own choices and will make the BBC more responsive to consumer demands and interests.

David Graham, who is a former BBC producer, says: "Continuing with the current funding model means justified hostility from the rest of the industry, contraction and decline for the BBC. The new Government seems ready to rethink fundamentals. I hope this paper will help to encourage a serious debate, at a critical time, about a very important British institution. "

Tom Clougherty, Executive Director of the Adam Smith Institute adds:

"The status quo will not be an option for the BBC for much

longer. The licence fee is already an anachronism, and opposition will grow as technological advances and changing viewing preferences make it even more outdated. But most of the reforms on the agenda at the moment – like scaling back the BBC or sharing licence fee revenues with other broadcasters – risk stifling the potential of the British media. Our proposals, as well as addressing the unfairness of the current system, would set British broadcasters free to make a significant contribution to economic growth.”