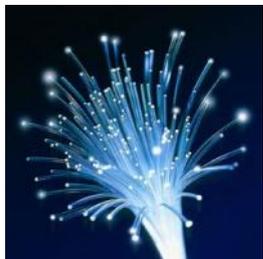


## [Scrap the TV Licence Fee and reform the BBC](#) [1]

Written by [Blog Editor](#) [2] | Monday 2 August 2010



Our latest report, *Global Player or Subsidy Junkie? Decision time for the BBC*, argues that the TV Licence Fee should be abolished, and that the BBC should instead become a subscription service. The report's author, media expert and former BBC producer David Graham, explained some of the thinking behind his proposals in an article for the *Sunday Times* yesterday.

The report makes a number of points against the Licence Fee, arguing that it criminalises poor people, that it forces people to pay for genuinely 'free' services funded by advertising, that it obliges the BBC to replicate a crude commercial model based on mass-audience advertising, and that universal broadband and the Internet make a 'licence' to broadcast obsolete.

However, the report actually focuses on a more positive argument, suggesting that the BBC is a hugely important British institution that should be working harder for the country. At the moment, the BBC invests heavily in opinion management and capturing UK regulators. Instead, it should look outwards towards the international media market, exporting prime time content to other countries (particularly in the EU) and competing for the first time with the major US studios. Rather than just exploiting the exclusive benefits of public subsidy, it should be contributing substantially to the national economy. The report argues that shifting to a voluntary subscription model is the best way to make this happen. It would also allow the public, for the first time, the chance to make its own choices, as well as making the BBC more responsive to consumer demands and interests.

As David Graham put it, "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 added: "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."

Click [here](#) [3] to download copy of the report.

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