

THE FUTURE OF THE BBC

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Introduction: The Threat and the Opportunity

Across the world public service broadcasters are seeking a new role for a new era.¹ This tendency is particularly marked in Europe where public service broadcasting was first established (see, inter alia, Blumler 1992, Perez 1983, Wangermee 1984). In Britain, from where the BBC model has been pervasively exported to underpin public service institutions and mandates in a host of countries, the Government has published a White Paper (that is, a set of firm policy proposals) on *The Future of the BBC* (Department of National Heritage 1994) which rethinks the role and mandate of public service broadcasting in changed circumstances.

The BBC and other public service broadcasters — particularly in Europe — face similar challenges (see, inter alia, McKinsey 1993). It and they are now faced with unprecedented levels of unaccustomed competition. Hodgson observed how rapid has been the transformation experienced by European public service broadcasters. In 1982 Europe had four commercial broadcasters (half of which were in the UK) in 1992 it had fifty eight (Hodgson 1992, vii). In 1995 there are certainly more than one hundred television channels in Europe and probably more than one hundred and fifty. Broadcasting, which was formerly considered a non-traded service, is now a significant economic sector (BIEC 1988, 13; Commission of the European Communities 1993; see also Myerscough 1988, Masse 1985). Viewers and listeners, who were once considered in need of protection and improvement by benevolent broadcasting guardians, (Pilkington 1962, 12-20 and 121-129) are demanding of broadcasters (or having demanded for them) new levels of responsiveness and accountability (see, inter alia, the growing importance of the UK pressure group Voice of the Listener and Viewer).

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The 1994 White Paper on *The Future of the BBC* recommended the status quo with an expanded economic remit for the BBC. It reaffirmed the BBC's public ownership and licence-fee funding, and sanctioned the Corporation's internal reorganisation and international expansion. A broad consensus greeted the renewal of current arrangements. The Government's proposals, which notably strengthened the BBC's ability to compete world-wide (as the White Paper's subtitle put it) neither diverted the BBC from its chosen strategy nor threatened other broadcasters. But two problems remain. First, many believe that these goals contradict each other, and that the BBC's staff is struggling with a confused amalgam of missions. Second, the BBC's relationships with government and with viewers and listeners need to be rethought if the BBC is both to serve its publics and to contribute to the development of a vital sector of the UK economy. To solve these problems new structures of management and accountability are required.

Can the Licence Fee Survive?

Is public funding untenable? Must the BBC be privatised? The privatisers point out that in satellite households the BBC's audience share is already below 30 per cent: its share of the total UK market will continue to fall as satellite and cable spread and the quality of their offer improves. They forecast that the BBC's share will hit a legitimacy barrier, below which public-funding will no longer be defensible. Those who can opt out of the BBC, i.e. subscribers, will have to be allowed to do so. Better to take the positive decision to privatise the BBC now, than be forced to do so in defeat later, when the corporation's brand name and market share have suffered.

But there are two confusions here. First, audience share is different from audience reach. Even if the BBC 1 takes up barely a fifth of viewing time (that is, when its share has fallen to around 20 per cent), it is still likely to be used regularly by four fifths of viewers (its reach will still be 80 per cent).² As *The Times* said in its editorial on the White Paper: "The BBC's task is to make sure it offers something for everyone each week." The legitimacy barrier will only be breached if sizeable numbers of people stop using the BBC altogether. That has not so far happened in satellite/cable households, where the BBC reaches nine in ten viewers each week. Given the diversity of the BBC's services, including radio, reach is likely to remain nearly universal.

The second confusion is to think the licence fee is a subscription fee. It is not: the licence fee is a hypothecated tax, paid by individuals for the BBC to be available, whether or not they watch it. That is why it is wrong to argue that viewers should be allowed to opt out of the BBC if they no longer watch it. Just as parents of children in fee-paying schools are required to pay for state education and patients in private hospitals to fund the National Health Service so those who opt-out of the BBC still have a duty to pay for it. But we recognise that there are serious problems with the licence fee: it is regressive and, as Wall and Bradshaw (1994, 1198-9) have shown, it is "the cause of considerable injustice." Moreover the government's ability to set its level makes the BBC vulnerable to political pressure. But, on balance, we agree with the National Heritage Select Committee's description of the licence fee: it remains the "least worst" method of funding the BBC.

