

Memo to an incoming Prime Minister

Broadcasting and the digital revolution

The BBC and Channel 4 are being outpaced and outgrown by Netflix and Amazon, Disney and Apple as people seek their entertainment from downloads rather than tuning into the same scheduled programme as their neighbours. As a result the budgets of these large corporations to commission films and seek new content are much larger than the UK state institutions. The traditional media are finding it difficult to hold their audiences.

Channel 4 should be sold to new owners. It needs to seek new capital to expand and needs new direction to compete successfully in this multi media world, with audiences beyond one country. I favour giving employees in C4 some shares in the organisation on sale so they have a stake in the business going forward and a greater sense of alignment of their interests with those of the new dominant shareholders or owners.

The BBC has a well known brand in many parts of the world and has some global reach in both tv and radio. It is being held back by dependence on Licence fee funding. More and more people are dropping their licences by not having tvs at all and not using BBC services, whilst the cost of competing for talent and new material is rising on a global stage. The BBC does need to look for additional revenues from selling its services outside the UK on a global scale. It does not help itself by its systematic global establishment bias and wokish preoccupations. The U.K. competition authorities need to watch to see if BBC subsidised services are preventing competitors emerging or flourishing.