

# Plurality in a digital age

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### Introduction

My brief is to offer some reflections on media power and plurality in the digital age – and in particular to focus on how best governments and regulators can continue to ensure that a variety of voices and opinions is present across all media – old and new, print, online and the airwaves.

I will cover three broad areas:

- A brief recap of why media plurality is important
- A look at the new digital world and its implications for future media plurality
- An outline of the challenges and need for change.

I should offer a caveat right at the start. Every nation is different – variations in media ownership, market size, digital take-up, citizen expectations and so on – all mean that different concerns may arise and different solutions may be needed from nation to nation. Nevertheless, I think there are a number of broad and widely applicable themes which arise from the move to digital, and which are prompted by global trends and players, which I would like to talk about this morning.

Overall, I will argue that the digital world brings economic and social change which, while benefitting many, could also threaten key plurality goals in some areas. To deal with this risk, governments and regulators need a new toolkit of measures including positive public support and funding for the provision of a wide and diverse range of news, views and other content.

### The importance of media plurality

But first, a brief recap of the importance of media plurality and what it means in practice.

The foundations of media plurality lie in the widespread consensus that, for a democratic society to function well, we need a media sector which enables citizens to be properly informed about the key political, economic and social issues of the day, and be presented with a full range of ideas, perspectives and opinions. An informed democracy.

While media plurality rules often focus on news and current affairs for understandable reasons, we should not forget the role that a diverse range of other audio-visual media content can play in building a strong and democratic society. Dramas, sitcoms, factual programming – all can help

audiences understand the world in which they live, expose them to social and political arguments, and hold received wisdom to account.

Whether narrowly focused on news or more widely drawn to include other cultural content, concerns about media plurality typically lead to two different but related policy approaches.

The first is interested in inputs – the number and concentration of media suppliers. It is generally agreed that it is bad for any single media owner to be so powerful that they can use their position to influence the political process to achieve their own agenda – either through use of their media outlets to engage public opinion, or behind closed doors in smoke-filled rooms. More widely, it may be undesirable for any single media owner to dominate a nation's cultural output.

The second is interested in outcomes – in the range and diversity of news, views and wider content actually available and consumed.

To date, different approaches have been taken for different media.

In print media, policies have tended to focus on media ownership and concentration. The hope is that by restricting the share of media that any one supplier can own, there will also be a positive effect on the range and diversity of content available. Of course this does not necessarily follow.

In broadcasting, plurality regulation has been extended further to include outcomes as well as inputs. In the early days of radio and TV it seemed likely that the radio spectrum would support only a small number of broadcasters, so many countries adopted further interventions, including the establishment of public service broadcasters and additional rules to ensure balance or impartiality in radio and TV news programming.

In the wide open world of the internet, by way of contrast, there has so far been little attempt to legislate for media plurality, the assumption being that online uniquely allows a much wider range and diversity of information and opinion to be accessed by its users than is available via traditional media.

### **Plurality and the digital landscape**

Digital and online media are fast changing the way we consume news and views about the world around us. In turn they affect the way we should think about the future of media plurality. It is questionable that different approaches for different media will continue to be sustainable – or to make much sense – in a more converged digital world.

Digital media can make an important contribution to plurality. There are some very positive trends which should help promote media plurality in future:

- Digital platforms provide access to a much wider range of news and views
- Many people are using more and different sources of news
- There is much more democratic participation in the news (via blogs, user generated news etc.)

- More widely, the internet has helped reduce geographic and cost barriers to market entry, stimulating a vast increase in the range and source of audio-visual content available – from YouTube clips to long form TV-like programmes available on demand.

I think it is safe to say that, across print, broadcast and online together, we currently have more media plurality than ever before.

### **The challenges**

But the digital world also poses some potential challenges to media plurality.

I can identify at least four, which I will cover in turn.

- A narrowing of perspectives
- Powerful new digital gateways
- Economic pressures on supply
- Threats to local content.

### **Narrowing perspectives**

The first challenge is to understand how usage of online news in some circumstances might narrow perspectives rather than expand horizons.

Here, much has been written about what has become known as the “filter bubble” effect, first identified by Eli Pariser in his book “The Filter Bubble: What the Internet is Hiding from You”. The Filter Bubble effect describes how the use of online news sources might ultimately reinforce personal prejudices rather than expose people to a wider range of views.

This can happen in a number of ways. Search engines, for example, are increasingly designed to deliver results which are useful to you as an individual, and they do this very effectively.

This is great if you are using search as a consumer – finding the best value TV set or holiday flight to buy. But it is less helpful when you are looking for enlightenment on the key issues of the day. It could mean you get access only to news and views which fit your own view of the world, which support your own perspectives and prejudices.

Social networks, likewise, might provide you with access to a small range of news and views which are shared with you by your like-minded-friends. You may choose to visit websites and blogs which you are most likely to find supportive of your own views and ideas.

As a society, though, we might prefer our citizens to have regular access to a diversity of stories and a range of more challenging perspectives.

Traditional media at their best have always found room for divergent views, and TV and radio are charged with providing diversity and impartiality. If both print and TV are replaced by online, the filter bubble concerns could be real.

### **New gateways**

The second and related challenge is that presented by the powerful new role played in the media market by new digital intermediaries – search engines like Google, social networks like Facebook and Twitter, and even Appstores like iTunes.

- In Germany and France, over 40% of online news is access via search. In the US, 28% of news is accessed via social media sites.
- Within search, Google accounts for the lion’s share of search visits – over 95% in the UK, for example.

These digital intermediaries are a new phenomenon, and they don’t easily fit into any of the categories for which existing regulation has been designed.

They are not like traditional media companies, who exercise clear editorial control over the content they commission and deliver to their audiences. But they can act as influential gatekeepers of the content they provide. As part of their everyday business they can decide which content to deliver to each end user, and how much profile to give that content in search results or on the shelves of the app store.

Google News, for example, makes choices about the positioning of news items on its pages. It gives some news providers a higher profile than others. It chooses sometimes not to provide links to news providers which operate a paywall.

More widely, Google already modifies search results in some parts of the world to reflect pressures put on it by less liberally-minded governments. It has also been forced through the “right to be forgotten” legislation to block some search results.

Likewise, Facebook’s newsfeed uses algorithms which determine the profile given to various news stories. Facebook has in the past mounted its own campaigns to promote issues of interest to its founder – for example a campaign to promote organ donations. Perfectly harmless you might say, but again demonstrating what can be done to use the power of a social network to support a specific cause.

Last month, Twitter announced publicly that it was suspending any accounts related to the graphic imagery surrounding the execution of the journalist James Foley. This was a significant moment, as it was a further acknowledgment that social media companies are platforms which can and do exercise editorial judgement.

So, new and powerful tech companies like Google, Facebook and Twitter are increasingly making decisions about what we should or shouldn’t see and read. Traditional news media have done this for decades of course, but for all their shortcomings, they have developed industry practices, culture and codes of conduct which provide some underpinning of the choices they make.

The new digital intermediaries do not have this experience and culture to draw on. In a recent article, Emily Bell, formerly of the Guardian newspaper, and now at New York’s Columbia University, argued that, as these gateways become more involved in editorial choices, “centuries of human debate over cultural values are to be replaced by a black box”

## **Economic pressures**

The third challenge is the risk that new online competition might present to the economics of traditional news provision.

The most immediate threat is to high quality journalism. A couple of years ago, the outlook for traditional print media looked bleak. Online was providing the same disruptive challenge to news provision as it has done in other areas such as music and book retailing. Readership and revenues of traditional print media were in decline, and successful business models for online news provision were hard to find.

Local papers were especially hard hit. Key sources of classified revenue were disappearing to new specialist online sites, and readers seemed unwilling to pay for local news online.

Today, there are arguably some rays of light over the horizon. Print titles are beginning to understand how to exploit online subscriptions. High value and more specialist content has started to find a market online. Some of the new kids on the block, like BuzzFeed and Vice are starting to invest in more original news content in an attempt to attract more users.

But the economics of the sector are still precarious and the fundamental market challenges remain.

This is important because most news providers are commercial companies. Without their profitability, we won't have effective newsgathering or reporting. The future could well bring a demand for further consolidation of ownership, both in traditional media and across print, broadcast and online, through major mergers and acquisitions. In this world of tough economic pressures and new competitive challenges, there is a risk that well-meaning constraints on growth and acquisition could hurt the viability of commercial news providers, and in turn diminish the plurality of news which such measures are intended to protect. Trade-offs will have to be made.

## **Threat to local content**

My final challenge takes us beyond news to the potential risk to the future availability and diversity of high quality locally produced content, which reflects the experiences, interests and stories of the audiences it is made for. While digital brings opportunities, it also presents some real threats. In particular, I would highlight two major competitive threats to local content, especially for relatively small domestic markets like that of Ireland.

First, the dramatic growth in alternative sources of content online means a further step change in the competition for eyeballs and advertising faced by local media companies - who already operating in one of the most competitive media markets in Western Europe. This may ultimately reduce funds available for original content investment.

Second, in contrast to the vast amount of low-cost user-generated content, the economics of long form online content favour high production value content produced for international not local, audiences. In other words content largely made and distributed by big US media organisations. Success for them depends on being able to recoup production and marketing costs across many territories. One plausible scenario is that the high-end TV market becomes more like the Hollywood

movie market by the year, with “winner takes all” blockbuster titles. Local stories become harder to finance and local content risks being lost in the noise created by the high profile marketing which accompanies the big name international TV series.

### **Suggested areas of future focus**

So, we have a world in which digital developments are radically changing the outlook for media plurality.

And the old approaches to media plurality look increasingly ill-equipped to deal with these new challenges.

Given this, I would like to suggest four broad themes which I think should be central to the future plurality debate. In each of these areas, new approaches may be needed if media plurality is to be effectively secured over the next decade and beyond.

- A cross-media approach to plurality
- New thinking about digital intermediaries
- A more sophisticated toolkit of policies and measures to protect plurality
- More proactive intervention to guarantee diversity

### A new cross-media approach to assessing the extent of media plurality

It is now widely recognised that any future discussion of plurality should include new as well as traditional media. Share of the print newspaper market, for example, is an increasingly irrelevant measure when citizens now get their news from a much wider range of sources.

This is easier to say than to implement. To do the job properly, regulators will need better cross-media metrics and a wider understanding of the market characteristics which influence plurality. This will be a challenge of course, as the experts will need to find a way of comparing on a consistent basis the effect of consumption of a TV news programme, reading a newspaper and browsing an online news story or blog. But I am confident it can be done, with careful survey design and appropriate weighting of the results.

Most critically, alongside market share we also need to measure the impact or influence that each news medium or outlet has on its users. Listening to a short radio news headline may have much less influence on how we understand the world around us than spending 20 minutes with a newspaper, or watching a full length TV news programme. These differences need to be factored into any assessment of plurality.

We also need to understand patterns of consumption and the amount of multi-sourcing of news content that is taking place.

And this is not just about developing the right measurement tools, but also building a body of expertise and knowledge which can be drawn on when needed.

This underlines the importance of the decision already taken in Ireland to introduce periodic reviews of plurality, undertaken by the BAI. At the very least, such reviews can provide the groundwork for any plurality assessment which would have to be made in the event of a proposed merger.

It would also be possible to use the results of a periodic review, perhaps in exceptional circumstances only, to prompt action to address specific plurality concerns, even in the absence of any proposed market consolidation.

### Digital intermediaries

Second, we need to properly understand the influence of digital gatekeepers or intermediaries on media plurality, and work out how best to include them in the overall plurality framework.

As a first step, the periodic reviews could be asked to include the impact of the key digital intermediaries like Google and Facebook as part of their review. They should also clearly be included in any media merger regulation.

But we might also consider actions to improve their accountability and secure open access.

As I suggested in a paper I prepared a couple of years ago for the Reuters Institute, these might include:

- Encouragement for intermediaries to draw up, publish and observe clear guidelines on their access, ranking and content policies
- Access rules which prevent intermediaries like search engines or social networks blocking access to any legal news provider
- Commitments to always presenting a diverse range of news sources on the first couple of pages of any search
- Guaranteed access to designated “public service” news providers on the front page of any search.

### A more sophisticated toolkit

Third, we also need to do some new thinking on a wider range of measures (or toolkit) to address any identified plurality concerns.

Bright line (i.e. fixed) ceilings or caps on media ownership have their uses and are attractively simple – but they also bring problems with them – especially in times of economic challenge to the sector. They might penalise success and threaten long term financial sustainability of news provision.

Given this, there is mileage I would suggest in turning the spotlight more closely on measures which might encourage access to a diversity of content, rather than simply restricting market share.

For news providers which are considered to have breached acceptable market share thresholds, for example, we might examine the scope for remedies such as:

- Guarantees that access will be given to a range of opinions in their main editorial sections
- Clear and prominent rights of reply

- New investment commitments
- Independent editorial boards with a duty to promote diversity and access

Rather than placing a cap on growth, the focus would be on using these so-called “behavioural” remedies to improve the quality and range of journalism offered.

### **More pro-active intervention**

Even this may not be enough.

If the market can no longer guarantee the range and diversity of content any society would like to see, then public intervention may be the only option.

By public intervention I mean the availability of public funding or other measures designed explicitly to support high quality journalism and a diverse supply of local content.

One option would be to provide public funding directly for the commercial press. But this takes us to the heart of the debate about press independence and the influence of the state. The risks in my view outweigh any potential benefits. Nevertheless, imaginative ways of providing indirect support, such as public support for training and R&D, various types of tax break and charitable status, should be on the table. There are several examples of each of these approaches from other countries.

A different and in my view more productive option takes us back to the role already played for many years by public service broadcasting. The model of public funding to support a range and diversity of content, backed by strict regulation is already well established.

Given the challenges faced in the commercial news sector, well-funded PSB provision of impartial and high quality news arguably becomes a more not less important part of media plurality in future than in the past.

Likewise, PSBs have a clear role to play in securing sufficient local content across a wider range of genres than just news and current affairs.

Any plurality framework for the future would, I suggest, include a continuing clear role for PSB investment – across all digital media, not just broadcast.

There are of course risks. A successful PSB news service might adversely affect private news provision, and inadvertently reduce plurality further. It might also develop its own perspective on the news, rather than promote an open and diverse approach. If a PSB is the main source of funding for local cultural content, it could in some circumstances close down rather than open up the range of creative ideas and talent which reaches the airwaves.

So, along with any enhanced role for PSB provision of news and other content, measures to guard against these risks would be needed.

PSBs, if they are to be continue as important guarantors of plurality must demonstrate themselves how they are doing just that.



## **In conclusion**

As I said at the start – each nation is different. But many of the challenges posed by the digital world are similar throughout the world, and they are often prompted by the actions of global players. All countries will need to think through its mix of responses to those challenges. I have identified four broad themes, but my overall contention is that – given the changes brought by digital – there will in future need to be less reliance on “negative” measures designed to restrict media ownership, and more use of “positive” steps to secure diversity of outcomes. A new toolkit of plurality measures is needed and positive public support and funding will be a key part of that toolkit to secure a range and diversity of content across news and many other key areas of content.