

Media Plurality Seminar, 31 January 2014, 9.30-2.30 p.m

1. Introductions, aims of the project and aim of the seminar

- Looking for new policy ideas to help editorial diversity
- While AHRC project is UK based, want to understand how European nations are addressing issues of plurality and ownership, how frameworks evolving in light of issues around convergence and digital intermediaries
- Possible policy initiatives
- The session will take a “top-down” and “bottom-up” perspective, for policy interventions which help diversity and sustainability
- Measurement not on the agenda

Attendees outline areas of personal interest and contribution to the debate

2. The policy process for (top down) plurality interventions

- Preventing too much media concentration. Looking at the power of global companies: what are the implications for individual nation states?

What principles underlie rationales for intervention?

Reconciling democratic and economic needs of the 21st century – and convergence

- Scope for structural regulation to protect pluralism will be extremely limited. Should switch focus from caps to content regulation: where does plurality/journalism come from? Who will produce it? Journalism is under pressure.
- Need to think about subsidies and what is appropriate: convergence produces a conflict between ways of thinking about media and subsidies: press is subsidy light, broadcasting is subsidy heavy.
- Emphasis needs to switch to content production and what public intervention is required to sustain that, with public service media as key guarantor.
- Critical question: is it right to direct subsidies to media organisations or institutions? One controversial view is that such subsidies should only be directed at journalism because organisations are not interested in diversity; and private corporations' first priority is profit.
- Large corporations will always find a way to survive – eg. through online shopping / e-commerce – so need to look beyond them to supporting journalists and journalism networks.

- Following 25% PSB cuts in Netherlands, study by SEO Economic Research argued for government support of journalism production, which cannot be provided by market, but not for the current PSB model¹ which doesn't reflect modern media landscape

How are principles/rationales translated into policy?

- How could money be diverted from PSB to the making of quality and diverse news?
- In Finland, a declining press perceives the primary threat to come from YLE (PSB, from a year ago with taxed-based funding); psb now in stronger position than previously. Finnish ministerial committee proposed a time-limited state aid subsidy for newspapers of 28 million Euros, described as “almost nothing”, a “gesture”.
- secondary threat from digital intermediaries – led to state aid for newspapers (a gesture).

Effectiveness of current policy and regulatory frameworks

- Have to remember that more channels do not necessarily lead to more content diversity – can be replicated agency copy. Example of TV content in small Eastern European states, where digital channels used for Turkish entertainment content
- In Flanders - two largest newspaper companies merged last year, and this year the largest cable company will buy second largest commercial media company which has an effect on news. A media convention in mid-February will discuss these issues.
- Foundation funding a significant issue in Denmark. State support for content production not bound to any specific platform

Barriers to effective implementation of policy aims and objectives

- In Central European countries, an issue over powerful businesses buying media titles (eg. gas/highways industry companies) - a move towards take-over by foreign-owned press by single owners. Hence, conglomeration externally (over which CEE states had no control) followed by take-over by wealthy moguls.
- Raises question about whether we should worry about owners' vested interests and at what point there should be interventions – but not necessarily traditional media concentration.
- Not a new situation - entrepreneurs buying media companies goes back 100 years.
- Connections between large media companies and political parties: most big groups are connected to political parties, raising questions about nature and direction of subsidies: scope for political favouritism.

¹ <http://www.seo.nl/en/page/article/nieuws-en-markt/>

- Leveraging money from PSBs into converged new media (whatever the platform), as appears to be happening in Ireland, Netherlands and Denmark, is dangerous because weakens public service system.
- 2 views on EC: has been sensible and accepted that public service provision can be left to/defined at national level; or scaling-back demands are being made by EU which are particularly damaging to PSBs in small countries but also southern Europe.
- Question of EU legitimacy: press subsidies would be challenged by the EU but could be protected under subsidiarity because the press has not yet been tackled at EU level (Vivian Reding tried in 2009 but was attacked by publishing groups).

Examples of failure; examples of success.

- Mechanisms for intervention and state subsidies under EU law:
- UK could not introduce subsidies for press under EU law.
- German PSB model and three-step test legitimised by EU.
- Austria: press subsidies do exist, 6 person commission and legally defined conditions which determine how money is distributed.
- Cf Switzerland where newspapers won't accept state money but will for broadcasting. Same companies, same CEOs.
- Implicit subsidies, e.g. local statutory notices have to be advertised in printed press in UK. Also, government departmental spending on advertising.
- VAT system at EU level is a problem because of distinction between print and digital.
- French model: content distributors pay into a fund. Google tax not a success.
- Recent report in Finland indicates no common policy on PSBs and content in EU countries. PSBs in some put everything online, as in UK. In Germany PSBs cannot put content online if not related directly to programming. Online news services becoming commercialised and Americanised in Europe. European and national diversity is getting thinner (as well as PSBs being slimmed down through top-slicing etc.)
- How to reconcile leveraging of PSB funding/expertise/values with top-slicing and reduction of funding.

Measurement

- How to define and measure diversity – not enough simply to count channels/newspapers etc. Can subsidise content, but what about diverse content?
- Risk indicators: multi-dimensional approach developed by EU to help monitor plurality.
- Dual goals: foster democratic debate and diversity of news; promote personal development, cultural aspects.
- Development of measurement criteria can still leave a policy vacuum – no mechanisms for making political decisions.

- How do you involve digital players in measurement process?

Is the mood changing? Appetite for reform and in what direction? Approaches to/concerns about digital intermediaries (if any)

- Small country issue: small countries have particular problems of sustainability vs concentration, but EU's approach is one rule for all.
- Domestic v foreign ownership: In Czech Rep/Slovakia, domestic owners are taking over from foreign owners.
- More information still needed about media owners: transparency of political connections etc.
- Should we still be focussing on notion of danger and concentration of power, is there still a danger? Or concentrate more on subsidies and content creation?

2. Broader (bottom up) structural initiatives

Different funding approaches to plurality – subsidies for print, online etc.

- Internet is positive contribution, BUT must beware potential obstacles: net neutrality; copyright issues.
- Provision is important, but also consumption: as well as subsidies for content, need to remove obstacles to diverse consumption
- Nature of obstacles: Trust (important role of PSBs); Findability – where to go for diverse information/content; access – neutrality, danger of lock-ins etc.
- Polarisation in media use: tablets, smart-phones, pay TV and other pay platforms involve download costs which can disadvantage some users.
- Raises question of spectrum allocation and pressure on DTT/FTA platforms from mobile telecoms. Those controlling the networks can restrict diversity.
- Plurality as policy objective has become complex and loosely defined. If we think about media plurality as control over diversity of opinions, there are other issues: data gathering, privacy etc. Media companies can control opinion forming through these processes.
- Concern over French model: not so much about plurality of supply but whether intervention equates to consumption: no guarantee viewers will choose local content.
- Success stories include AVMS directive: forced Germany to invest in domestic content. Quotas have been effective in Hungary and Poland. Helps to preserve European languages and identity.

- Subsidies don't have to be public: e.g. levies on ISPs, recording devices, other distribution mechanisms which profit from content. Contestable funds for more diverse aims?

Different structural approaches – trusts, foundations, charities. Concessions/incentives.

- Example in Poland of 'social broadcaster', funding from Catholic foundation but political links with the Catholic Church.
- Other foundation/trust options could provide tax exemptions within special protection framework: ProPublica's Richard Tofel has described how IRS lays down strict rules for tax-exempt journalism enterprises to prevent propaganda exercises.

Partnerships with/role of publicly funded bodies.

- In Finland, when PSB started digitisation process it looked for partners in public organisations such as museums, schools, universities etc and expected cheap content: not looking for genuine partnerships but subsidised content.
- Example of BBC Media Action as real PSB partnership/enabling exercise to promote new initiatives and therefore (?) foster diversity.
- BBC contribution to new local TV licences in UK – but BBC forced to provide start-up funding, so being top-sliced. Contribution to plurality or a dangerous precedent?

Participants

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