

Media Diversity: Why does it matter?

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Minister Rabbitte discusses the importance of media in our society.

Speech by Pat Rabbitte TD
Minister for Communications, Energy and Natural Resources
“Media Diversity: Why does it matter?”
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Good afternoon everyone, thank you for the invitation to address you all on the subject of Media Diversity.

In an age where we are exposed to a barrage of media, electronic, paper, broadcast, where media is so pervasive that it becomes part of our mental wallpaper, it is often easy to forget how important media is to our society and for our democracy.

Our Constitution reflects the importance of the media in the lives of the citizen and the State. The media are referred to in the Constitution as ‘organs of public opinion’ and the ‘rightful liberty of expression’ is enshrined. That guarantee quite properly appears in the Constitution in the context of the personal rights of the citizen – because any diminution of freedoms impacts on the right of citizens to receive and impart information and opinions.

An active, robust and diverse media sector, both in terms of ownership and in content, is therefore a key prerequisite for any modern democratic society. Diversity of content – ensuring that the full spectrum of views, interests and concerns prevalent in Irish society are represented fully in media – is central to any inclusive democracy. After all, Irish society is considerably more diverse than it was 20 years ago, and our media should reflect that. This plurality is therefore the key metric – and the one that should concern us most.

In and of itself, this is a challenging issue to address for any Government in any country. But in this country we have a series of additional complexities, brought about by issues of geography, of language and of the commercial and economic developments occurring on a global scale. We are a small nation operating within several interlocking spheres of media influence, and are subject to larger market forces on a regional, EU and international scale. As global media conglomerates grow in scale and influence, decisions taken elsewhere can impact on Irish citizens in a very immediate way. Sometimes, we have to admit that, there is relatively little that we, as a State, can do on our own. The evolving nature of convergence, which is proving as much economic and behavioural in nature as it is technical, is challenging media and Government all over the world. And, while we are subject to these same universal – and universalising – forces as everywhere else, we often feel them more intensely than many other jurisdictions, mainly due to how open and international our economy and society is.

The challenges are worth disaggregating briefly.

On an international level, the deeper structural reformation of traditional media players, associated with a move away from a traditional vertically integrated model of media provision towards a more disaggregated and internet focussed model, continues. In turn, this has particularly severe implications for the print media, with the number of publications available in decline internationally. It has also facilitated or driven cross media mergers, with companies increasingly building a deliberately diverse portfolio of media interests.

Similarly, changes in the television market place have long since allowed outside broadcasters to target advertising at Irish consumers without any significant presence, or cost base, here.

International media players, including those operating from our far larger next door neighbour, can continue to compete in both television and print for market share and for advertising revenue, with very little additional cost required to cover our market.

More recently, the rise of social media and the advent of highly flexible and tailored internet based advertising threaten the basic advertising income of all media, national and local, print and broadcast.

For the media industry, the effects of all of these are, clearly, compounded by the general economic situation. It has meant job losses, changing terms of employment and the disappearance of previously venerable institutions.

However, while these challenges are marked, it is important to note that many of the key contextual drivers of the industry, and of national policy, remain the same; we remain a State that, despite significant outside influence, retains a very distinct identity. We retain a national economy and a national polity that drive a considerable volume of media, and we retain a population with a huge thirst for news, local and national, political, sporting – even if sometimes some elements of the media treat politics as a sport. The market for media in Ireland is still many times the size it was 25 years ago – when there was a very limited local radio sector by comparison. While media will always change, these changes, disruptive in nature though they may be, bring new opportunities as well as new challenges.

Also, it should be noted that elements of the media industry in Ireland are proving very resilient – just like elsewhere in the developed world, television audiences have grown significantly in recent years and Irish channels are maintaining their market share, with over 50% of viewing.

Still, it is undeniable that many of the certainties that underlined our traditional policy framework are dissolving. The task that Government faces, then, is to ensure that our constitutional and political principals persist: that Irish citizens retain access to media that is directed at them, to a media ecosystem that reflects the diversity, complexity and nuance of Irish life.

The policies to deliver these will not be constructed on a solely national basis – while the globalisation and fragmentation of the media market place limits how much we can do on a national basis, it also means that practically every country is facing similar issues. That, in turn, means that international co-operation is not just likely but a certainty. The EU and the Council of Europe have long had a role in the media space, both in terms of ensuring freedom of expression and in terms of making a space for a national voice: the EU legislative framework makes specific allowance for public service broadcasting on a national basis, for example. These organisations are developing an ever more active role in this space and offer us a profound opportunity to influence events on an international level which is, in some cases, the only way in which policy can hope to have any real effect on steering the development of the sector. Already policy initiatives have emerged, particularly on internet governance, and more can be expected. Interestingly, by definition media now includes technologies like social networks – and so issues of data protection are also pertinent to this debate.

For Government then, the challenge is to adjust to changing market, technological and social trends, in the broader context of European policy – and to do so in a flexible and appropriate manner, and one that reflects the central tenets of preserving both freedom of expression and media plurality. Critically, this is going to be an ongoing process – as I have said before there is no silver bullet solution – we must remain as flexible as the industry itself when it comes to governance and regulation.

This may take us all into new space in terms of policy; I have pointed out on a number of occasions that I do not see a case for a single 'Department of the Media', not least due to the need for the media to remain entirely separate from Government and most certainly not relying on it for fear or favour. Across Europe – and indeed the developed world – Governments in democracies have, for a range of sound reasons, generally tried to stay out of media in as much as possible. In my view, this remains a sound principle.

But that does not mean that Government should not, or does not, engage where it deems

necessary. The State has long had a central role in the governance of radio and television – albeit that an independent body has responsibility for drawing up codes and enforcing them. Even the Public Service Broadcasters, which receive State funding in order to ensure that pluralism persists in broadcast media, are held accountable by the Broadcasting Authority of Ireland. Even the print media, an older and entirely privately owned industry, operates under the auspices of the Press Council. While this is an independent body formed by the industry itself, it is recognised under the Defamation Act of 2009, which provides an additional protection to members of the Council.

Accordingly, it's clear that Government has long engaged in the media space – sensitively, and with due regard for freedom of expression at all times, but engaged nevertheless. The nature of the situation we find ourselves in, where the media ecosystem is increasingly diverse and dynamic, and subject to some very powerful commercial forces, means, I believe at least, that there may be a call for further such carefully crafted interventions, ideally with the consent and active involvement of the industry itself.

At all times, any such intervention could only be undertaken to preserve or encourage plurality or freedom of expression. The model of the Press Council is a very interesting one in that regard. It has operated successfully, in a very difficult area – a particularly important result given that the only workable alternative was widely viewed as being a Privacy Act. The fact that it is not undergoing the same degree of existential angst as its counterpart in the UK probably has as much to do with the different tone of press behaviour here as it does with the legal base. But, nevertheless the Press Council is working, and the fact that the vast bulk of the print media in Ireland have joined it shows that it has widespread support.

In terms of other interventions in media, the Government has already announced its intention to bring forward new legislation on media mergers – heads of which have already been brought to Government by my colleague Richard Bruton. My Department is now working on the drafting of this Bill in conjunction with the Department of Jobs, Innovation and Enterprise, and we expect to publish this draft in the coming months.

As many of you will know, this legislation owes its origins both to the Competition & Mergers Review Group of 2000 and the Report of the Advisory Group on Media Mergers, which was presented to Government in 2008.

The first report stated that: *'The nature of the media sector is such that issues such as the plurality of ownership of titles and the position in the media market generally of enterprises constitute public policy issues, as they inevitably overlap with questions of editorial and cultural diversity.'* And it concluded that we needed: *'a set of criteria for the analysis of [media mergers] which are qualitatively different from those criteria which make up conventional micro-economic competition analysis'*.

And the second report, from the Advisory Group on Media Mergers, recommended that the 'media' aspects of such mergers be separated from the more generic 'competition' aspects and that there be both a statutory definition of media plurality and a statutory test to be applied by the Minister when making a determination on media merger cases.

It is important to stress that diversity of ownership and diversity of content are separate concepts in this case. The Advisory Group on Media Mergers gives a purely quantitative definition of diversity of ownership: *the spread of ownership and control of media businesses amongst individuals and other undertakings, linked to the market share of those media businesses as measured by listenership, readership or other appropriate methods.*

While diversity of content is a term altogether more qualitative in nature. It refers to: *the extent to which the broad diversity of views and cultural interests prevalent in Irish society is reflected through the activities of media businesses in this State, including their editorial ethos, content and sources.*

The criteria which make up conventional micro-economic competition analysis remain important, but do not tell the entire story when it comes to media mergers. Given that the proper

functioning of our democratic system depends ultimately on liberty of expression and all that that entails, an excessive concentration of media ownership and control involves risks that go beyond those involved in the case of ordinary goods and services – as we can see clearly given the impact of print media empires in our neighbouring island – hence the need for a specific set of tests around concentration of ownership and potential effects on media plurality.

This is why we are adopting the approach and the recommendations set out in these reports. We will legislate for new, media-specific and principles-based criteria to be applied when assessing any future proposed merger. These criteria will include “the likely effect of the media merger on plurality (which, as I’ve said, includes both diversity of ownership and diversity of content)”, and the “undesirability of allowing any one individual or undertaking to hold significant interests within a sector or across different sections of media businesses”. Also, our Bill will include a definition of ‘media’ that explicitly includes news material published on the internet.

I think we all acknowledge that the management of media mergers is critical – and it is being dealt with – but it is just one of many pressing issues in this sphere. I know that the Press Council is considering its own role and remit, with a view to what might be required of it in future. The Government will consider any proposals it might bring forward with interest. Also, I know that other countries are considering the issue of media plurality anew, driven by the same technological and market forces that affect us all – I’m sure we all wait to hear the outcome of the Ofcom consultation on Media Plurality in the UK with great interest, for example.

That brings us neatly to the elephant in the room – the rise of the internet media. Despite all of the hyperbole, to someone of my generation, it often appears as if, in some important ways, little has changed. Content and good journalism prevails online in exactly the same way as it does in old media – content, as they say, is still king. The trends online suggest that the sites people visit for media generally mirror offline behaviour – people visit, and trust, established media outlets. And, at the other end of the spectrum, the vast ‘blogosphere’ could be said to mirror everything from pamphlets to graffiti – it can be entirely ephemeral. But things **have** changed. Anybody who watches the media cannot fail to be struck by the underlying trend in social media – it has entirely democratised media – and it has devolved power down to the level of the citizen. Anyone with a Smart Phone and an internet connection can become a journalist, instantly – as several former Governments in North Africa will attest. On balance, this proliferation of media is a massively positive development for humanity, but it is not without its challenges for Governments, even in Western Europe.

Defamation laws have yet to fully come to terms with the implications of new media. In time, there may be a place for the inclusion of established online media organs in a system of non-statutory and independent self-regulation in the digital media, possibly even being afforded recognition in the Defamation Act. More immediately, the consequences for print media have already been severe. Newspapers, on a global basis, are struggling to deal with the financial implications of a shift to online news – and to content distributed freely on the web. In the context of media diversity, the established and considered voice that print media provides is a critical component of a pluralistic media and I, for one, would regard any diminution of this industry as a further loss to a pluralistic media.