



Media reviews: the broader context

Jenny Mullaly considers the views of some British commentators on the public policy issues that should guide media ownership regulation.

The debate about media ownership in Australia tends to focus on personalities and 'who gets what' rather than underlying questions about the public policy goals underpinning media regulation and the future shape of the media landscape in Australia. The current reviews of the ABC and of the cross media rules potentially provide the opportunity to consider these fundamental issues.

A useful discussion of the future of the cross media rules in a multi-channel and convergent environment can be found in the BBC's contribution to the public debate about media ownership regulation in Britain. It commissioned four leading economists and policy advisers to examine the competition and public policy issues underpinning media ownership regulation (published as *The Cross Media Revolution: Ownership and Control* by T Congdon, A Graham, D Green and B Robinson (1995, John Libbey)). The BBC's Director of Policy and Public Planning described these essays as an alternative to discussion that tended to reflect particular commercial interests and 'to understate the ways in which the media as a whole is special'. This article discusses some of the major themes emerging from the essays.

Special role of the media

A striking feature of the cross media review issues paper is its failure to consider the special role of the media or to articulate why goals such as diversity and pluralism are important. Yet such fundamental issues

constitute the very rationale for special regulation of the media industry.

It is frequently observed that the media are not just another industry or commodity. They are unique because they carry the information, ideas and opinions that inform citizens' political choices and facilitate social cohesion. The essayists emphasise the political, social and cultural role played by the media and conclude that economic considerations and competition policy cannot be the only criteria for addressing media ownership issues.

Tim Congdon ('The Multimedia Revolution and the Open Society') uses Karl Popper's conception of the open society (*The Open Society and its Enemies*) as a framework for discussing the role of the media. The open society is one of individual responsibility and the liberation of citizens' critical powers to choose freely among points of view: 'To sustain the open society the structure of the media must therefore, at a minimum, liberate these "critical powers"...political criticism, if it is to be at all meaningful, requires that there be two or more points of view. The plurality of views must be defended in an open society'. The question which should inform structural regulation of the media is a political one: 'what structure of media regulation and ownership, including cross media ownership, lends most support to the institutions of the open society?'

Another essayist points to the significant social and cultural role played by the existing mass media in maintaining a common culture by bringing communities together and providing shared experiences (Damian

Green, 'Preserving Plurality in a Digital World').

Public policy objectives

If media are central to democratic participation, individual self-development and to the shared civic conversation, media policy requires guiding values such as diversity, pluralism and equity. The terms 'diversity' and 'pluralism' feature prominently in the debate, but their precise meaning is not always explored. Does plurality refer to the number of channels or outlets, or to the number of controllers of those channels or outlets? Does diversity mean many different voices or qualitative differences in the content conveyed? Bill Robinson ('Market Share as a Measure of Media Concentration') sees pluralism as a multi-dimensional concept embracing 'political and commercial influence, audience access to a range of products and services, and diversity of content'.

The changing media landscape

Technological change is the major catalyst for revisiting the regulation of media ownership. The trend towards technological convergence has been accompanied by changes in industry structure, as players in existing traditional media outlets seek a stake in the new media and form strategic alliances.

The debate about media regulation in Australia has been particularly susceptible to suggestions that convergence and the end of scarcity - both of which are yet to eventuate fully - somehow miraculously dis-



solve the difficult questions about plurality, diversity and concentration of ownership. The utopian rhetoric of technology as a new force for democracy, more usually associated with the computer 'counter culture', is frequently used to this end.

The essayists all recognise that regulation must respond to the changing media environment, but are sceptical of claims that government can vacate the regulatory field on this basis alone. The unique status of the media, however defined, as carriers of information, ideas and opinion, the need to preserve diversity and plurality and the possibility of new forms of concentration and dominance will all continue to exist despite the end of scarcity. Green says that there is 'no reason to assume that new delivery systems will automatically free societies from having to ensure that contrasting views can be delivered' and that 'even though the monopoly power endowed by access to scarce bandwidth will disappear, it is already clear that other potential monopolistic powers may emerge without vigilant regulation. So the special dangers of allowing over-powerful media players to emerge will still be there, and governments cannot withdraw behind general competition laws'.

Digital gatekeepers

Digital gatekeepers are the new face of monopoly power and concentration in the age of convergence. 'Gatekeepers', explains Andrew Graham in 'Exchange Rates and Gatekeepers', 'arise wherever there are bottlenecks through which information has to pass and where the passage through such bottlenecks can be controlled'. In the case of pay TV, the gateways are the set-top boxes which control access. Two scenarios arise: monopoly control of a single set-top box by one entity, which would be economically inefficient, or incompatibility between the various set-top boxes required for different delivery

platforms, which would be socially undesirable, because it would reduce the programming choices of those consumers who do not have more than one set-top box. Graham argues that government must avoid dominance in the form of proprietorial control of gateways by ensuring that conditional access systems have common interfaces.

Green also argues that government regulation is necessary to prevent gatekeeper monopolies. He argues that control of the set-top box 'can be a means of choking off competition, if the gateway owner is also a programme maker and distributor'. If there is vertical integration of program makers, delivery systems and subscriber management systems, 'then the existence of hundreds of channels will be irrelevant. There will be fewer providers with effective access to viewers than in the heavily regulated traditional broadcasting world. Not only would this threaten diversity of opinion, it would also lead to desirable TV offerings, such as sport, being completely run by, and for the benefit of, a small number of TV networks'.

In the Australian context, the failure of the ABC's pay TV venture to secure access to a channel for delivery highlights the need for policy makers to address preemptively issues of access and gatekeepers.

Regulatory issues

As technologies and media industries converge, who should be the regulator? Will the creation of a super media regulator lead to regulatory capture? Graham argues that important public policy objectives will not be best served by having one media regulator, as it risks placing too much power in the hands of one body. He suggests that it would be preferable to have different bodies standing up for different goals, nominating three regulatory spheres of competition policy, content regulation and public interest issues. □

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