

# Media regulation and ownership



## **Media Ownership**

The concern surrounding the concentration of mass media ownership is hardly a new topic. In 1970, the Davey Committee on the Mass Media was the first to sound the alarm bell. Daily newspapers in particular were falling into fewer and fewer concentrations of corporate hands. For example, in 1990, 17.3% of daily newspapers were independently owned. In 2005 a sad 1% was independently owned. These findings, among other things, caused the Senate Standing Committee on Transport and Communications to launch a study on Canadian news media in March 2003. Prior to that, another government inquiry, the Kent Royal Commission on Newspapers, brought these fears to light. By then, three big chains controlled fifty seven percent of the daily circulation; this is up from forty five percent in the short time since Davey issued his report. In studying the condition of the newspaper industry, both the Davey Committee and the Kent Commission noted the growing concentration of newspaper ownership were responsible for wide spread social costs. The Canadian newspaper markets and the accompanying rise of chain ownership would surely lead to a reduction of the news and views presented in the press. This would ultimately threaten the public's right to freedom of expression by restricting the number and diversity of voices heard in the daily press.

Today, the concentration of newspaper ownership is far worse than either the Davey or Kent studies could have imagined. The three biggest chains now control more than seventy four percent of daily circulation. One company alone, the Can West Global, owns or controls more than forty percent of English language circulation. What is very troubling is the fact that

there exists a complete monopoly of the daily press in Saskatchewan, New Brunswick, Prince Edward Island, and Newfoundland.

In respect to previously mentioned facts, it is clear that the introduction of a legislation to curb the concentration of media ownership in Canada is long due. Confronted with this possibility in the past, media owners have bickered that such measures would encroach on their individual rights and transgress freedom of the press. While being conscious of this argument, the truth is that the case for imposing limits on media ownership is based solely on democratic, social and journalistic concerns. The media's social responsibility makes them unlike any other commercial activity. Freedom of the press is not just the proprietary right of owners to do as they see fit, it is a right of the Canadian people.

For the right to be valued we need to encourage diversity and openness in the media. This means creating policies to encourage wider involvement in media industries by numerous individuals, and switch the concentration of media power in fewer and fewer hands. Many countries have used and practiced this simple principle and have developed procedures to control the threat of media ownership concentration. An example of a region that is currently taking action is the European Commission. The European Commission is proposing legislation to confine the reach of big media corporations and manage the spread of cross-media ownership, as such can have a huge effect on information which in some situations can be priceless. Another great example is what is occurring in Britain. Television broadcasters in Britain are confined to fifteen percent of the national audience. In the case of newspaper mergers, the British Monopolies and <https://assignbuster.com/media-regulation-and-ownership/>

Mergers Commission is obligated to evaluate the impact on “ the accurate presentation of news and free expression of opinion” when deciding whether to approve a merger. Sweden is another country that is taking action. Sweden has a long standing press grant whereby a number of newspapers, not always funded by private corporate advertisers, are provided public financing. The Italian Broadcasting Act of 1990 sets tangible limits on media concentration. Under the law, no one person or company may own or manage more than twenty percent of all the media

In Germany, whenever a merger allows a company to control a precise press market or reinforce its already scheming position, the federal cartel office is forced to intrude to stop the merger. The policies have been used several times and with some outstanding success. Not too long ago, the cartel office banned Springer from acquiring monopoly control of the Munich newspaper market. The French government checks any group or individual from owning more than thirty percent of the daily press. However, if a company or individual has extensive interests in the broadcast media, it may only control up to ten percent of the daily press.

The Campaign for Press and Broadcasting Freedom is urging the government to take action in an attempt to help encourage and defend a free and democratic press. I believe that legislation aimed at tackling the problem of media ownership concentration should have a least three broad goals. First, constrain and ultimately reverse the current level of media ownership concentration. Second, supply procedures that will encourage a diversity of media ownership. Lastly, make sure that the media effectively live up to their social responsibility and offer a wider variety of exposure and content

Most developed countries have legislation that restricts the amount of media holdings any company or individual can own. Others are functioning positively to limit cross-media ownership. Compared to developed countries, Canada has very weak requirements. There is not much to prevent or stop one company from dominating and controlling the newspaper, television or radio markets in the country. In a free and democratic society, that is clearly intolerable

Precise restrictions on ownership limits are necessary. However, the Competition Bureau, the federal body which controls mergers and acquisitions, also needs to take a more vigorous role in defending the public from the adverse affect of mergers in the media area. In order to tackle the pressing problems, it would be a good idea for the following suggestions to be given power in legislation. The first proposal would be the total number of daily newspapers, radio stations, or television stations owned by one company or individual in any market should not exceed thirty five percent. Secondly, no one company or individual should directly or indirectly manage or control more than twenty five percent of the distribution of daily newspapers in Canada. Thirdly, to limit cross-media ownership concentration, it should be proposed that no one person or company may own or control more than twenty percent of all the media. Lastly, the current Competition Act should be altered so that it includes the following part: “ The Director of Research and Investigation should state whether or not a merger concerning media interests may be likely to function against the public interest, taking into account all matters which appear in the particular circumstances to be relevant and having regard to the need for precise

presentation of news and free expression of diverse opinion.” Limiting the amount of worth one company can manage is a significant step towards protecting freedom of expression. However, it will only be efficient if it came with measures to encourage new owners to enter the market and to support other forms of ownership. There is now substantial evidence presented to propose that a high degree of concentration of ownership makes it nearly impossible for new parties to enter the market.

To tackle these problems, the following measures should be taken into consideration. First, the legislation should be enacted to provide special tax inducements and interest-free loans for the establishment of new newspapers by small local investors, community groups, and non-profit organizations. Second, tax incentives and interest free loans should be provided to encourage employee purchases of media properties. And thirdly, the future role of the CBC/SRC and provincial public service broadcasters is crucial to ensuring a diverse broadcasting network. Public broadcasters should be guaranteed adequate and stable multi-year financing coupled with a renewed mandate clarifying their public service goals.

Media concentration can and will give birth to a number of dangers namely. These dangers include single minded perspectives on major events and debates, information handling, and the eradication of alternative views and opinions. The impact on free speech independence will be devastating. The fear of being sacked and punishments from top level managers might pressure the journalists to self-censor. However, the increase of media concentration is matched by an equally alarming shift toward collection. This occurs as non-media corporations directly or indirectly gain holdings in the

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media sector, a development that raises the spectre of potential editorial interference. Clearly, the increasing reach and power of these corporations gives new urgency to concerns about who controls them and whose interests they serve.

Given these concerns, introducing the following legislative measures might help to encourage responsibility on the part of the current media controllers and to help diversify coverage and content. First, to further develop editorial independence from managerial interference, legislation should establish a code of professional practice to protect journalists and other media workers from possible obstructions. Second, in connection with a reform of the current libel law, legislation should be enacted establishing a right of reply to inaccurate or misleading reporting. Third, the self-regulatory press councils and the Canadian Broadcast Standards Council have often proven to be ineffective in dealing with public complaints about media coverage. A proposal, that an independent and publicly accountable body, a Media Commission, be established to investigate such complaints, report publicly on its findings, and order any redress where it has decided an infraction has occurred. Fourth, media corporations, particular those involved in other sectors of the economy, should be required to provide full details about their ownership holdings and a statement of the relationship to be maintained between the editorial department, including the editor and publisher in the case of newspapers, and the corporation. Fifth, broadcasters are currently required to set aside a small amount of time for public service organizations and community groups. A similar policy should be developed whereby daily newspapers would be required to set aside a modest amount of space for

community groups and local non-profit organizations. Such a requirement would help ensure more diversity of voices and issues in the press.

In Conclusion, most democratic societies recognize the need to ensure the printed word and visual image should not be overly monopolized. If diversity of opinion lies at the heart of democracy, then surely no one individual or company should be permitted to preside over what Canadians see, hear, and read. The reserved legislative proposals outlined earlier, if accepted, would represent an important step toward encouraging wider diversity, openness, and choice in our media. It would encourage this by limiting and reversing the concentration of media power into fewer and fewer hands. If immediate actions are not taken, the range of news and information the Canadian public receives will be further restricted, as the pool of those who own and control its content will continue to shrink. As a result from this, what we see and hear will be what one or two individuals decide is best for us.