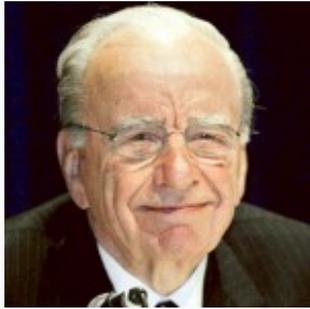


The Newscorp/BSkyB decision: it's big & it's political

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Waiting for a decision

With all the excitement about Julian Assange it's easy to forget that another hugely divisive figure in global media is also facing a crucial judgement. Rupert Murdoch's Newcorp wants a complete takeover of BSkyB which would help cement his position as the biggest broadcaster apart from the BBC AND the biggest owner of UK newspapers.

The issue is currently with Ofcom for advice (deadline December 31st) and it is possible that Business Secretary Vince Cable will then refer it to the Competition Commission. The European Commission may also have a role. Some argue that this merger must be stopped because it will reduce media plurality and hand one person unprecedented power in the market that they can use for political ends.

POLIS brought the various views together in a [public debate](#). The discussion showed how complex and significant the issue is and how emotional and political the response to it has become. We have created a [background briefing dossier here](#).



Rusbridger

The Guardian's Alan Rusbridger warned that if the deal went through then Rupert Murdoch would own 40% of the UK newspaper market and the 'gorilla' of Sky (which also provides news for independent radio and Five). But what really worries Rusbridger and what he says makes Murdoch different from other media magnates is that he uses his companies for political ends. Rusbridger argues that what he sees as a feeble response by police and politicians to the News of the World phone-hacking scandal proves that Murdoch has cowed the British Establishment. News International, says Rusbridger, has grown so large it creates fear and is beyond normal scrutiny.

Rusbridger cited the film *Mr Smith Goes To Washington* as a vision of the future where one man controls a community's media for corrupt ends. It was an analogy that documentary maker Brian Lapping described as 'ludicrously exaggerated.'

Sell Off Sky News?

Former Five CEO [David Elstein](#), who once worked for Mr Murdoch, warned that opponents of the merger deal could end up reducing media plurality. If Murdoch agrees to sell off or close down Sky News as part of a compromise deal, then it could actually reduce the number of people providing broadcast news in Britain.

Elstein accepted that Murdoch sometimes subsidises price wars to gain market share and to hurt rivals. But he pointed out that there is a lot more that they could be doing under the existing arrangements to bundle products and prop up ailing titles if they wanted. In practice every Murdoch company has to fight for its own survival and has a degree of business independence, he said.

He poured scorn on the idea that the separate parts of Murdoch's empire do not act independently editorially. The Sunday Times attacked Fifa, for example, which is hardly in the interest of BSkyB when it comes to negotiate football rights next time around. And Elstein also queried the degree to which a channel like Sky actually influences public opinion. He also dismissed the idea that it is about to be turned into a UK version of Fox News. As Stuart Purvis from City University pointed out, there's an argument that says they could do that to a degree under existing rules but have chosen not to go down that route.

But Chris Goodall from Enders Analysis had a whole raft of figures that showed the penetration into and across

markets that Murdoch will be able to realise through this deal. He said it would reduce plurality in non-BBC news consumption to a degree that would not be tolerated by the regulatory regimes in places like Australia, America and even Italy.

Pay Money, Take Choice

So you pay your money (or rather Mr Murdoch will, about \$7 billion) and take your choice. This one deal would be a blow to media plurality and an attack on British democracy. Or as David Elstein puts it, it would not make a significant difference.

It strikes me that the various viewpoints are really arguing about different things and that this deal is a *casus belli*. It is part of a wider struggle over the nature of British democratic culture. As LSE lawyer Pablo Ibanez Colomo explained, there is very little ground in competition law to block this deal. So Stephen Barnett from Westminster University is absolutely right when he says the decision will be political.

Barnett is very hostile to the deal which he sees as confirming Murdoch's power in the land as well as in the media. It is possible that Liberal Democrats will see it that way too. So Vince Cable will come under pressure to do something bold and 'liberal' to make up for all his unpopular decisions to push through Conservative policy in areas like tuition fees. Suddenly, Murdoch and media plurality becomes a bargaining chip in coalition politics.

A Very Difficult Call

I think it is going to be a very difficult call. At stake are competing interests and ideologies. I think that it is undeniable that Murdoch has increased media plurality in the UK. You could argue that he saved the Times. Sky News has provided the only credible news channel alternative to the dominance of the BBC (a factor that is often ignored in this debate). Look at how Sky has vastly improved the coverage of football compared to complacent BBC Sports. I am less enamoured with his newspapers but it's hard to complain about the influence of the Sun or News of the World without mentioning the power of the Daily Mail or the Telegraph (remember MP's expenses?). The real problem is a lack of political diversity in that market, not ownership itself.

Will bringing Murdoch's broadcast and newspapers together be a lethal mix? I don't think that this particular deal will make a vast difference to the power that Murdoch has already accrued, but I can see that it may change the chemistry both of his companies and UK media. As someone who has not made up my mind, I look forward to continuing the debate.

[David Elstein has also written an excellent, extensive and pretty fair [account of this event](#)]

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