

The 21st Century Fox bid for Sky needs a thorough, thoughtful review



*Murdoch's 21st Century Fox's bid for the British pay-TV company Sky is raising important questions around its consequences for media pluralism, free expression, and news accuracy. Here, **Damian Tambini** explains why the Culture Secretary should order a thorough review of this case.*

Ever since the News International Bid to purchase BskyB was withdrawn in 2011, commentators have expected another bid to be tabled. This explains why the response was so quick when another part of the Murdoch Empire, 21st Century Fox, was reported recently as **bidding for Sky**. Former Business Secretary Vince Cable and former BBC Chair Sir Michael Lyons immediately called for the Culture Secretary Karen Bradley to review the merger as a matter of special public interest. In a Commons debate on December 20th, MPs queued up to demand that given the scale of the merged entity, and its impact on a media system that was never cleared as fit for purpose by Leveson, she should refer the merger for regulatory approval.

Proponents of the merger are right to point out that the proposition is not the same as the proposed merger of 2010. Last time around, before Jeremy Hunt's decision was derailed by phone hacking – and the very public disclosure of his own texts by the Inquiry — the **focus of concern** was with news plurality, i.e. the extent to which the merger between News Corp and BskyB would undermine citizens' access to a range of views and news sources. This time around, news plurality would seem to be less of an issue because Fox does not have direct control of the newspaper interests that News International controlled.

And isn't the Murdoch Empire already in decline? The **rise** and rise of Facebook and Google in particular has transformed news since the last public interest tests were carried out.

But such a view is a very narrow notion of news plurality. **Regulators need to better understand the new landscape of media plurality** before taking a decision that could be irreversible.

There are numerous reasons it would be a good idea to press the pause button on this merger. The **public interest test** in fact is very broad and flexible. The secretary of State has wide discretion to order a review, and indeed should do so, if only because the bewildering rate of change means that the actual state of the media market is little understood.

According to Fox, the aim of the merger is to bring together its global content business with Sky's "direct to consumer capabilities". This is code for harnessing the promotion and distribution advantages of the broadcaster in the new unregulated world of social media distribution.

Sky will claim that a "Foxification" of Sky is impossible because Sky News is regulated for impartiality. Whilst it is true that Sky News on television could not be transformed into an editorialising campaign tool like Fox News in the US, policymakers must understand that we are living in a new world in which broadcasting matters less. A news operation like Sky can leverage brand and promotion to have a massive impact on news distribution where social media is rapidly overtaking broadcasting.

We might see Foxification of Sky by stealth: young people, who barely register television, could find their news feeds flooded by Sky's "trusted" brand of news, even news that embeds some of Sky's journalistic professionalism, but according to a news agenda that is slanted and skewed, because Sky's online news is not regulated for impartiality. To fully understand the implications of a major buyout of a news company in this environment would require **detailed analysis** of the news

diets of various types of media users and also of the relationships between news publishers and the new intermediaries.

Despite big changes in media systems, UK politics continues to be blighted by age old Faustian pacts between big media and politicians. Since Leveson we know that whatever the real extent of his influence, the *idea* that Murdoch holds the key to the castle is a fact of contemporary politics. Should we still be worried about this, when for an increasing number of people, Facebook is the primary source of news? The answer is that we simply do not know yet, and there is reason that regulators and ministers should continue to be vigilant.

When there is growing concern about people accessing an ever narrower range of news sources we need to monitor news plurality extremely carefully. Our national conversation is now taking place outside of the protected ecology of broadcasting, and its strict regulation for impartiality. In that context we need to be more vigilant than ever about concentrations of media power that offer increased control over key gateways and publications.

Karen Bradley also has access to a wild card: she can ask whether the merger might operate against the public interest for reasons other than media plurality. Officials would be advised to examine the detailed public interest considerations listed in the legislation. And stop and think. Decision-makers need to take into account the implications of a merger on a very wide variety of outcomes, not only media plurality, but matters such as free expression and news accuracy.

If the minister fails to use the review procedure that was designed for cases like this, and which provides the necessary evidence basis for a rational decision, she will have failed to protect the interests of UK citizens. After Leveson, no one can doubt that concentrations of political and media power are as corrosive as acid when they come into contact with trust in democracy. We need a full review of this merger with a broad remit of its potential implications for the public interest.

This post gives the views of the author and does not represent the position of the LSE Media Policy Project blog, nor of the London School of Economics and Political Science.

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