

# Deregulation

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Broadcasting, and most media systems around the world, have undergone a dramatic transformation during the past decades. The number of TV channels has exponentially increased, while the sector has been privatized and commercialized. At the same time, the number of newspapers has declined considerably.

Since the mid-1980s Western media, in general, and European media, in particular, have entered a period of tremendous change following the developments in television technology and implementing public policies that favored the privatization and commercialization of television systems. Prior to that was the age of the “shortage” of the broadcast spectrum and the subsequent monopoly of the public broadcasters. It was also a time of affluence in the newspaper industry. At that point, broadcasting was differentiated into the European and U.S. models, where systems differed in terms of ownership (public or private), competition among the broadcasters, and the role of the state, especially before and after World War II.

Broadly speaking, the pace of broadcasting deregulation around the world in general and in Europe in particular followed various phases. In most, if not all, cases it resulted in the “triumph of the liberal model.” According to Hallin and Mancini (2004, pp. 251–253), the European media systems have shifted toward the “liberal model” (that prevails in its purest form in North America). Where once only a few channels existed, now there are many, and there are many more yet to come. Deregulation has brought a *multiplication of regional, local private channels* in most countries and a great number of satellite channels that target either national or international audiences.

In effect, the media sector almost everywhere around the globe has entered a period of changes driven by technological advances, increasing competition and commercialization, and consolidation in the ownership status as well as the rise of digital media. Traditional news media companies have tried to invent new business models, but, at the time, without considerable success. These new developments have affected the news media sector, especially journalism. Even though the effects of deregulation *have* varied from country to country, some of them, at least in Europe, could be summarized as follows:

- The new audiovisual landscape has led to an increase in *competition* and an increase in *demand for programs*, while the existing broadcasters (commercial and public) have been forced to meet the challenge of the newcomers in order to retain their audiences. This has resulted in a sharp *increase in the total cost of content rights*, especially for films and sports (mainly related to the aggressive competition policy

of pay-TV channels). A direct result of the deregulation, privatization, and subsequent commercialization of the broadcasting system is an *obsession with TV ratings* and pressure from market forces and in particular advertisers for larger audiences.

- The United States has remained the world leader in TV-programming exports. According to the European Audiovisual Observatory (2017), films produced in the E.U. accounted for only 28% of films broadcast by the TV channels during the 2015–2016 season. This share is lower when considering only prime-time hours (23%). E.U. films were broadcast in an average of 1.4 countries while U.S. films were broadcast in an average of 3.1 countries during the same period.
- Public broadcasters have faced erosion of both their viewing share and their revenue; this erosion has been more severe for some than for others. A number of European public broadcasters have responded to the challenge from commercial broadcasters by pursuing commercial opportunities of their own, such as co-productions, international sales, or joint ventures, within the limits of national and E.U. regulations. However, their future will rest on their means of funding. This, in close association with the digital threats, will be the most important issue for European public broadcasters.
- The TV deregulation has led to the creation of larger and fewer dominant groups and as a result *the sector is becoming more concentrated and populated by media conglomerates*. In effect, mergers, acquisitions, and common shareholding have created a web of common interests across the media around the world, though even the pattern is not uniform.
- The TV deregulation has led to new formalized procedures—for example, *the foundation of new regulatory bodies* and procedures to license new (mainly commercial) broadcasters and to oversee their “behavior.” This has often led to different rules (sometimes stricter, sometimes less strict) being enacted. The emergence of regulatory bodies, almost nonexistent in Europe before the 1980s, is a result of “regulatory capitalism” and is grounded in the delegation of regulatory competencies to authorities that are partly independent from direct political control.
- The increase in the number of TV outlets and offerings of programs has caused an increase in *viewing time*. In 2014 the average daily television viewing time in Europe was 221 minutes, much lower compared to North America (242 minutes) (Eurodata TV, 2017). One significant change in the European television household has been the transition from collective family to individual viewing where family members watch TV alone or surf the Internet on their laptop or cellphone.

The deregulation of TV and the commercialization of the entire media sector have caused many problems for the news media, especially the press, even before the advent of the Internet and the social media.

First, the newspaper industry was long regarded as an industry in transition and long-term decline in terms of sales, titles, and readers. Another problem for the press was its gradually decreasing share of total media advertising expenditure as television and local free newspapers have increased in importance.

Second, TV deregulation and intense competition of commercial channels have *resulted in the proliferation of TV news programs*. Since the late 1980s, competition

at the international, regional, and local levels has increased rapidly and news output has expanded considerably (24-hours dedicated news channels, more news programs, etc.). However, in most cases, there has been an increase in human-interest stories and a decline in politics, business, and social policy news. There are several reasons for this. As Van Aelst et al. (2017) note: First, more political news in the overall media environment does not equal more political news in the most widely used media sources, such as general interest television channels or websites. Second, an increase in the *absolute amount* of political news does not equal an increase in the *relative amount* of political news as a share of the overall media supply. Third, and related to the demand side, there is a concern that people's motivation to consume political news is declining.

Compared to the past, the news of the twenty-first century has much more "added value"; that is, not only do channels inform viewers of the facts, they are also preoccupied with how to sell information to them. In other words, TV channels started paying more attention to news *presentation* rather than to the *content* of news, while traditional news values have been undermined by "infotainment" values (Thussu, 2007). By and large, traditional news media were accused of choosing more popular and less expensive content over more important and expensive-to-produce news (Davis, 2014), leading to the widespread adoption of sensational journalism and the demise of investigative journalism. It is not perhaps a coincidence that in the United States and Europe, polls started indicating a considerable decline in journalism *trust* and *accuracy* prior to the widespread diffusion of social media.

It has been argued that due to deregulation and marketization of the media sector there has been a general *decline in news quality* and a subsequent rise of "tabloid culture." Nevertheless, there are relatively few systematic empirical studies of changes in quality of media output over time. It is perhaps not a coincidence that new terms have been invented in the "post-deregulation era" (such as *infotainment*; *Murdochization*; *McJournalism*, etc.) to describe or even to capture the new conditions of journalism and news output aiming to primarily entertain and sell commercials rather than to inform viewers about the world (see Franklin, 2003; Thussu, 2007). For some, the driving down of the quality of journalism to the level of the lowest common denominator—along with tabloidizing and trivializing it—undermines the political process by denying citizens the information that they require to make rational political choices. For others, soft news programming, can have factual-knowledge-enhancing effects, at least among relatively apolitical segments of the public.

Third, deregulation of the rules governing the media sector around the globe has facilitated, if not accelerated, the trend toward the formation of larger and fewer dominant ownership groups in the entire media sector. As a result, the media industry has become more concentrated and populated by multimedia conglomerates. This trend has raised fears of excessive concentration of ownership. Mergers, acquisitions, and common shareholding, led in most instances by telecommunications and digital firms, have created a web of common interests across the communications sector, though even here the pattern is not uniform. The question of media ownership and its impact on news media pluralism and diversity has been a major topic in journalism and media studies, since ownership affects content diversity. On the other hand, due to technological developments, media concentration needs to be reconsidered not only with respect to

specific media sectors (such as television), but across different media and in relation to distribution channels, whether for traditional media or for new media. However, care must be taken to distinguish between media that publish original work directly and services that allow users to republish or link to other people's work.

Fourth, if one takes into consideration that Western economies have entered a period (long or short is yet to be determined) of economic recession resulting in media revenue stagnation (in terms of sales and advertising income) in relation to technological developments and the advent of digital media, this new condition has led news media companies to make difficult and painful decisions regarding journalism and journalists. Media companies have made numerous cost-cutting moves, where newsroom budgets, staff sizes, product offerings, and correspondent bureaus have been reduced (Van Aelst et al., 2017). Moreover, new players, such as search engines, news aggregators, social networks, and app stores, have grown in presence and scope in the media sector. The increasingly important role they play in either improving or restricting media pluralism should be considered, especially as they start producing content. The question is whether we have entered a new period of media concentration (for instance, Disney acquired most of Fox's assets in the United States in 2017). A new concentration circle will certainly affect news media and journalism in various ways as it did in the past.

Fifth, the celebrated concept of "newsroom autonomy" has been at stake. The advent of the Internet and social media has accentuated this tendency. In effect, journalists are required to prime multifunctionality instead of specialty. Consequently, in this new commercialized news media environment one sees the rise of copy-paste journalism, a decline in the "interface" between journalists and their sources while less and less journalists "go out to catch the news." Although these are the prerequisites that lead to the homogenization of news content, things may be worse, since mainstream news media companies "have responded to the current climate by investing heavily in online platforms, capitalizing on their market dominance and brand loyalty and increasing their audience share online" (Fenton, 2011, p. 64).

It is risky to assume that all countries have similar media systems or that journalism practiced within them is similar. Nevertheless, deregulation of the media universe has had major consequences for journalism and news media almost everywhere. In many cases news media firms reduced diversification of sources, news cycles, and, at the same time, increased pressures on journalists. In their search for attracting audiences, news is provided in a sensational and fast way. Their main intention was how to sell the news rather than how to provide accurate news. By and large, a deregulated and commercialized news media culture has affected all aspects of journalism, especially the quality of journalism (for example, the rise of copy-paste journalism). The financial crisis in the last decade and the advent of digital media have caused new pressures on newsrooms and news production.

Journalism in the convergent, multiplatform and multichannel media environment has become a profession totally deregulated (if not unregulated). Anyone with a smart phone can pretend to be a journalist no matter his/her education, experience, and so forth. But, as Angela Phillips has argued that "Technologies change but the human activity of gathering, analyzing and disseminating information continues to be maintained

across all platforms, by journalists, adapting as it has always done, from the time of pigeon post, through the telegraph, radio and then television” (2015, p. 103).

As a result of deregulation, increased corporate ownership, decreasing news profits, and online news convergence as well as the reluctance of the news media to step out on the side of whistleblowers, journalism has faced increasing difficulties to perform its watchdog role. If this is the case, only a re-regulatory media policy might reestablish journalism as a profession.

SEE ALSO: Broadcast Journalism; Television; Commodification of News; Digital Journalism; European Journalism; Infotainment; Journalism; Journalists; News; Newsrooms; Ownership of News Media; Political Economy of News; Quality in Journalism; Tabloid Journalism

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