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Information plurality, the financial sector, and the fate of Reuters News agency: Policy and problems surrounding the Thomson Reuters merger

Leila Lemghalef,
MSc in Politics and Communication

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Information plurality, the financial sector, and the fate of Reuters News agency:

Policy and problems surrounding the Thomson Reuters merger

Leila Lemghalef¹

ABSTRACT

This study examines the Thomson Reuters merger through the lens of media pluralism, more specifically its role and policies in relation to international news agencies and the distribution of financial and economic data. The main research questions are (i) how was the merger carried out? (ii) what media pluralism concerns and public interest issues arose before and after the merger? (iii) what importance is attached to a plurality of financial information? (iv) what measures have been taken in defense of media pluralism in relation to the Thomson Reuters merger?

This study's research design and methodology consist of interviews and documentary analysis. Interviews have been conducted with experts in the fields of media pluralism and/or the Thomson Reuters merger, as well as with users of financial information. Documents pertaining to the Thomson Reuters merger and to EU media pluralism have described the factors shaping such a move, and in some cases have highlighted its controversial aspects and the controversial nature of media pluralism more generally.

The merger's framework has been criticized for failing to preserve a competitive news landscape. The distribution model for financial information is at the heart of this dispute. Users of financial information support the idea that a plurality of quality content is important to the global financial community, adding weight to the seriousness of adverse effects to competition in the financial information industry. The merger has also been of concern because of evidence that the new structure has brought Reuters News agency under an influence driven toward the bottom-line.

Measures have been taken in support of national and supranational public interest claims lying outside the competition remit, but ultimately they involve public awareness and consumer pressure; and national policy must adjust to the aftermath of the Thomson Reuters merger in the new media age.

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1. INTRODUCTION

'The global news agencies represent the archetype of "syndication," and in this way they raise questions about whether the apparent diversity of 'retail' media is much less than it seems if those same diverse media are in fact drawing from the same sources of supply.' (Boyd-Barrett, 2008, ¶ 10)

Interviewer: From what I've encountered, a lot of the views are that competition will take care of media pluralism, it'll take care of diversity of voices in the press, in the media, it'll take care of what people need and want.

*Respondent: Ha-ha. And if we all clap three times Tinker Bell won't die.
(15/7/09, Kathy Viner, Canadian Media Guild)*

This study came out of an interest in understanding communication policy surrounding 'wholesale' media, which 'supply 90% of international information we read every morning in our newspapers, hear on the radio and watch on television' (White, 2008, ¶ 2). The dissolution of the 'Big Four' (Associated Press, Agence France-Presse, Reuters and United Press International) has been occurring since the 1980s, along with the more recent emergence of a new era of global audiovisual news media (Boyd-Barrett, 2008). Reuters' transformation 'by 1980 into a primarily financial news agency serving financial and business markets, has been significantly challenged by US financial news agency Bloomberg' (p. 2). Since 17 April 2008 this configuration has redeveloped with the completion of Thomson's 17 billion dollar acquisition of Reuters. Thomson Reuters became the paramount player in the financial data market (controlling 34 per cent of it), placing the previous leader Bloomberg behind with 33 per cent (Garside, 2007), and smaller competitors making up the rest of the market. Today, ranking as the world's largest international news agency, more than a billion people view Reuters News each day (Thomson Reuters website).

The authorities responsible for this case scrutinized it within a competition framework, determining whether the new structure could distort competition across the markets in which Thomson and Reuters were active. It then applied remedies with which the parties would have to comply with to seal the deal. This investigation (with details about terms of divestiture) made headlines in the press. Other salient matters concerning the merger were reported too, including cost savings and redundancies, and the agency's editorial integrity². Reuters journalists 'were up in arms, worried that the nearly-160-year-old news organization

was going to be able to maintain its high standards, integrity and freedom' (Granahan, 2009: 8). Robert Peston, the British Broadcasting Corporation's business editor, stated that '[t]here will be concerns that over time Reuters general news operations will become marginalised within an outfit that sees its future as supplying intelligence and tools to those who operate in global financial markets' (BBC News, 2007: 20)³. Douglas Gomery (2000: 509) has written,

If we can link the study of the economics of ownership and corporate behaviour to the communication qualities we desire, communication scholars can begin to make recommendations for policy change that the players in real-world public policy discussion will take seriously.

But what are the communication qualities we desire when it comes to financial information? This question was one that set this study in motion. Together, the following questions stimulated the project: What has the Thomson Reuters merger meant for consumers of media? What kind of policy shapes the behaviour of private international news agencies? Have the synergies between Thomson and Reuters helped sustain quality international reporting at a time so many foreign correspondents are being cut elsewhere? What does the financial information industry stand to gain or lose from this merger? What does the provision of financial information have to do with media pluralism?

Exploring these questions will contribute to a heightened understanding of the polemics triggered by the Thomson Reuters merger, and toward awareness of the policy factors that have shaped such a move. A theoretical platform will help refine the research questions.

² Meanwhile News Corporation was in discussions with the Bancroft family for acquisition of Dow Jones, which had the press concerned with whether Rupert Murdoch would intervene in The Wall Street Journal's editorial policies (Schejter & Davidson, 2008).

³ Today, three per cent of the corporation's revenues come from its news business (Surridge, 2009).

2. LITERATURE REVIEW

The advent of the telegraph enabled news agencies to set up worldwide connections and the infrastructure to gather and distribute global news (Bielsa, 2008). This innovation 'was used to reorganize commerce.... Among its first effects was the reorganization of commodity markets' (Carey, 1989, p. 216). Donald Read (1999) recounts that from the onset of news by cable, the 'business community expected to receive American stock market and commodity information via Reuters in hours instead of days' (p. 96). More recently, Reuters gained importance for financial services by taking 'advantage of the large international infrastructure it had put together for the purpose of transmitting news between continents and countries' (Knorr Cetina & Preda, 2007: 128).

By 1970 it introduced a screen display of commodity and stock prices, and by 1973 an 'electronic marketplace for Foreign Exchange, a major world innovation' (Thomson Reuters website). Michael Palmer, Oliver Boyd-Barrett and Terhi Rantanen (1998) explain that Reuters' provision of data, its analytics, and 'the systems that enable electronic conversations between buyers and sellers and other market actors that lead to the conclusion of transactions or "trades"' (p. 66), had competitors following suit.

Today the company acknowledges that much of its news is tied to global markets (Pfanner, 2007). Thomson Reuters Corp. chief executive Thomas H. Glocer has stated that he cannot 'imagine a general news story that doesn't have relevance to the markets' (2007: 9). This picture sets the mind free to ponder connections between financial markets, news coverage, and information plurality.

This literature review⁴ revisits the notion of media pluralism in relation to democracy, extracting the aspects relevant to the Thomson Reuters case, building on them while supporting the idea that other angles have been left open for inspection that are also worthy of empirical inquiry. Points of interest include the role of media pluralism and media pluralism policy in relation to international news agencies, financial news, and the distribution of financial and economic data. This overview begins by briefly outlining criticisms of media consolidation in relation to democracy. It moves on to European and U.K. media policies as examples of regulatory initiatives. Along the way it encounters proponents

and opponents of competition versus special-interest measures. Finally, it turns to studies on news agencies, and then the financial information sector. In the end the conceptual framework underpinning the research questions comes together.

Conglomerates, concentration of ownership, and media pluralism debates

Simon Terrington and Matt Ashworth (2008) note a number of different meanings attached to the plurality/pluralism banner (e.g. funding models, media owners, editorial approaches, minority voices, etc.). The notion of the Habermasian public sphere has featured in policy debates on media pluralism⁵ (especially contra the marketplace model). Diversity has been defended at all levels of media activity – within decision-making bodies, among journalists, throughout levels of audience participation, etc.

The union between Thomson and Reuters brings to mind questions about (i) conflicts of interest, which could 'bedevil news judgement, as journalists may feel pressured to promote or suppress stories about the conglomerate's empire' (Hackett, 2005: 93), (ii) cultural hegemony (e.g. Kellner 1990), and (iii) consolidation, and the theory that 'the profit whole is greater than the sum of the profit parts' (McChesney, 2004: 184). Concentration of ownership has intensified partly because of the convergence of technologies. For example, 'the marriage between content and transmission networks ... has drawn the attention of large organisations operating in the wider field of communications and information' (Iosifidis, 2007: 39). The rise of conglomerates has been treated as a serious threat to media pluralism, and certain aspects of media pluralism have delimited its family of literature and policymaking approaches.

Ben Bagdikian's (2004) foundation is political. He sees an imbalance in the corporate structural framework of the U.S. media, which disadvantages the Left in its attempt to penetrate the mainstream media. The Right-critics, according to Michael Schudson (1995), cannot claim that their views are biased by media ownership. Instead they 'argue that reporters and editors at leading national news institutions have a predominantly liberal outlook' (p. 6). Casting doubt on the weight of that argument, Kristina Borjesson (2004) has brought media professionals together to expose censorship practices in the U.S. Whether

⁴ Some material has been reserved for analysis as data.

⁵ E.g. see Garnham, 1992.

governments control mass media, mass media control governments, or both run the show⁶, 'most aspects of media content regulation continue to reflect national priorities and standards' (Kuhn, 2007: 81).

This dominant framework has reflected the lack of 'established mechanisms for democratically based and binding transnational decision making' (Dahlgren, 2005: 153). Political communication studies have visited and revisited the concept of democracy. A popular component stands out. An active, informed electorate is a central tenet of democracy. By some definitions (e.g. Norris, 2000), democracy boils down to elections. For others (e.g. Baker, 2001) it extends beyond institutional politics into 'the broader public sphere of politics' (p. 351). The 'free market' versus 'public service broadcasting' debate also highlights the distinction between formal and lifestyle politics. James Curran (2008) privileges news and current affairs programming because 'they contribute to the functioning of an informed and accountable democratic system' (p. 108). This last point is echoed throughout the literature. David Hutchison (1999) emphasizes that the media are vital for active citizenship, and that democratic countries have proclaimed rules around this special interest.

Voices have been raised alongside such rules. Partisan media deserve greater structural or economic support for their democratic contribution (Baker, 2001). A free market model without serious governmental regulation is flawed (Bagdikian, 2004). As part of the capitalist system, large media firms benefit from a depoliticized population (McChesney, 1999). The constituency is a pillar of state democracy, but global trends – 'guided by financial rather than national interests' (Katz, 2005, p. 199) – can permeate national politics. Market forces lead to 21st century media policy 'dominated by globalization and the transition into digital technology' (p. 49), and 'open-skies policy' (p. 41) everywhere.

⁶ E.g. John Keane (1991) distrusts the liberal market approach to media fearful that it upholds the growth of unaccountable state power.

European policy

When faced with media consolidation issues, national governments inside the European Union (EU) have turned to sector-specific regulation, while at the EU level media concentration is left to competition rules. Today the European Commission holds exclusive jurisdiction for mergers involving 'an aggregate turnover of at least 5 billion Euros' (Iosifidis, 2007: 40). Alison Harcourt (2005) discusses how the EU has handled media regulation, which is a mixed task of both democratic governance and industrial policy. Her research has led her to conclude that it has relied on economic instruments and rationales, lacking proposals aimed at safeguarding 'the public interest and democratic principles (which are stated aims of national media legislation). Hence, the EU has been unable to expand its regulatory space with an even hand to encompass democratic objectives, such as media pluralism' (Harcourt, 2005: 2). Yet she shows that its institutions have been successful at Europeanizing certain media policies across member states, a sign that policy limitations are bound only by the policy world itself.

The literature reveals blurring between media pluralism and competition objectives. The EU is committed to media pluralism in accordance with Article 11 of the Charter of Fundamental Rights (Commission Staff Working Document, 2007), but recognizes 'the balance that needs to be struck between critical economic mass and plurality of supply' (p. 15). Des Freedman (2008: 121) examines the liberalization of ownership regulations and writes, 'the existence of media ownership rules are not at all sufficient to ensure genuine competition and diversity, but they are an important first step in challenging concentrated and unaccountable formations of media power'. Kari Karpinnen (2007: 12) acknowledges the divergence in rationalities underlying the concept of pluralism, and argues that its 'inclusiveness and indeterminacy serves to mask political conflicts and antagonisms in media policy and is thereby often obscuring the properly political or normative aspects of evaluating media performance and setting policy objectives'. The problem, he notes, is that European media policy has relied on an ambiguous construction to meet 'various and often incompatible political objectives' (p. 20). In the end, different attitudes toward media pluralism unfold an array of economic and non-economic metrics such as citizen priorities, consumer value, market value, welfare economics, and so on.

Public interest and U.K. media

This brief chapter about the U.K. draws attention to Ofcom's⁷ guidance for the public interest test for media mergers. In 2003 Lord Puttnam made the following remark:

[The Enterprise Act] can't take account of the very special role the media plays in an informed democracy. Ofcom might see a problem, but unless it has the tools to address it, competition law simply won't allow it to do so. (quoted in Shah, 2003: 6)

Behind this statement was News Corporation's controversial bid for Channel Five. Subsequently the only public interest case that Ofcom got involved in was between British Sky Broadcasting Group and ITV plc. The Competition Commission concluded that for a stake of 17.9 per cent, BSkyB's acquisition of ITV was likely to lessen competition, and that on this basis it was likely to operate against the public interest (Competition Commission, 2007). The following year Ofcom's Competition Appeal Tribunal 'reaffirmed the decision of the Competition Commission and Secretary of state that would force BSkyB to reduce its 17.9% stake in ITV to below 7.5 per cent and had quashed their decision on the media public interest' (Ofcom website, 2008). What is evident again is that the notion of the public interest in media policy is full of dilemmas between competition and other special concerns.

Competition and media pluralism

Fair competition is often accepted as an aspect of media plurality⁸, but less so as its guardian. Richard Collins and Cristina Murroni (1996) write that although it 'is widely seen as the key to unlock both an effective marketplace for media goods and a democratic marketplace for ideas' (p. 59), regulation ensures pluralism, diversity, impartiality and accuracy – 'the building blocks of a democratic media' (p. 64). But choices are not all easy. The directors of the Reuters Founders Share Company Limited approved of the merger by breaching their first Trust Principle, which said that no single party would own more than 15 per cent of the company⁹. They allowed the Thomson family to acquire a 53 per cent stake in the enlarged company, claiming, '[t]he future of Reuters takes precedence over the

⁷ Office of Communications

⁸ There is, however, a theory of ruinous competition (Van Cuilenburg, 2007), which '[m]edia competition is probably no exception to' (p. 26). It warns that short-term price competition reduces product quality.

⁹ Thomson and Woodbridge (the Thomson family investment company and controlling shareholder of Thomson) 'agreed that the Principles, appropriately adapted and enhanced, should apply to the whole of the combined Thomson Reuters business' (Gyllenhammar, 2008, Part 2).

principles' (Corbett, 2008: 36). If Reuters could not stand on its own, the merger has meant the survival of a reputable news agency.

Chris Paterson (2008: 4) explains that few large media organizations routinely engage in international reporting. 'Foreign coverage is most often provided, if at all, through news agency subscriptions or the purchase of syndicated stories from larger organizations'. Quality journalism is found to be expensive, which leads to the use of syndicated materials and other fillers (Herman & McChesney, 1997). Others disagree with the claim that the 'foreign correspondent is a dying breed,' but recognize the use of cost-saving practices such as the parachute correspondent (Maxwell Hamilton & Jenner, 2008). The Tribune Co., the second-largest revenue-generating newspaper publisher in the U.S., has decided to unify its papers' foreign reporting operations into one (AFP, 2009). The Christian Science Monitor and The McClatchy Co. made a similar arrangement 'as newspapers increasingly look to their local news franchise as their most valuable competitive advantage' (Mediaweek, 2008). According to Thomson Reuters' CEO Glocer, the company is experiencing benefits in sales of video and print content to newspapers as they cut back on foreign bureaux and other news gathering practices (SurrIDGE, 2009). Collins and Murrone (1996) make the point that large, resourceful organizations can serve the public interest in this way.

News agencies and international information flow

Articles and books that have been written about news agencies have been presented as historical accounts and content analyses. Alternatively studies have been conducted to understand their structures and funding models (e.g. cooperative, state-subsidized, and independent agencies), and their products (e.g. wholesale video). Terhi Rantanen and Oliver Boyd-Barrett (1998) have found that 'agencies sometimes have been barely visible actors in analysis of print and broadcast news, and have often attracted the least theoretically inclined, though most historically inflected of academic analysis' (p. 7). Their research interests include the 'role of news agencies in the globalization and commodification of news' (p. 2).

Boyd-Barrett (2008) writes that with the rise of 24/7 information channels, media that used to serve discrete geographical markets now target expansive audiences, and have direct access to them. Esperança Bielsa (2008: 362) argues that the creation of 'a mediatized political event assumed to be of global interest' has never been fully achieved by news

agencies, based on the principle that their customers should be free to rework raw material. She adds that despite this principle, the dominant agencies remain Western, although players such as Al-Jazeera are starting to challenge the asymmetry. Questions of (cultural) imperialism, and (religious) universalism are household themes within the earlier literature on news agencies.

A report entitled the *The flow of news* (1953) studies the circulation of foreign news as supplied by news agencies. 'What is the nature of this news flow? What areas of the world and what kinds of news subjects does it cover?' (p. 19). A 1978 UNESCO study on transnational communication signals the need 'to learn far more than most of us know about the possibilities and also the limitations of the transnational news services' (Sussman, 1978: 2). Communication issues of the day surrounded the New World Information and Communication Order, and debates about the 'right to communicate.' At the start of the 21st century, the World Summit on the Information Society, which addressed contemporary communication issues, evoked the following observation: 'The institutions for the realization of democracy are national in scope, but communications industries and information flows have become increasingly transnational. Internationally, there is anarchy among sovereign states and no global electorate or elections' (Mueller, et al., 2007: 267). Furthermore, 'it would be well to acknowledge at the outset that in a pluralistic world it is not desirable – even if it were possible – to establish a single standard of journalistic procedures or performance' (Sussman, 1978: 2-3).

So in today's world of new media and of information abundance, hailed as an age of plurality, what about the fact that 'national media take international news from the global agencies (which are often the sole first-hand news sources for such news), and their news priorities are influenced by the global agencies' (Boyd-Barrett, 2008: 12)? In addition to this, the 'blurring of the boundaries and markets of the news agencies and other media is mirrored in the multimedia spaces inaugurated by the internet, which ... has revolutionized the field of global news' (Bielsa, 2008: 363).

In his U.K.-based study, Andrew Currah (2009: 5) underlines that increasingly in this digital era the consumer is unwilling to pay for news, and chooses instead to access free selections of the news agenda, evidence that the 'web therefore leads to the "commoditisation" and "atomisation" of news'. Furthermore, e-commerce is a high-ranking Internet usage, and in a sense, commerce and market activities are communications. 'In the 21st century a historically

unprecedented, integrated system of new institutional components, electronic circuits, software, hardware and systematic information processes make up global financial markets' (Knorr, et al., 2007: 116). The next section explores literature that ties financial information into a media pluralism cadre.

Financial information and news

Aeron Davis (2007: 172) finds that the liberalization of the London Stock Exchange has corrupted its information systems, which has consequently damaged the efficiency of trade. 'Information may be more universally available,' he states, 'but its quality, and hence trading utility, is questionable. It is less diverse or pluralist in nature and its producers are not rewarded for greater accuracy or attempted objectivity'. His work explores the consequences of market liberalization on the economic stability of the social sphere. Going further, one could ask how the impoverishment of financial and economic data impacts the wider socio-political sphere.

Davis (2006) has helped grasp the breadth of the financial data universe. For example he studies media effects among fund managers, to test his hypothesis that this body of rational professionals can commit collective irrationality vis-à-vis the media. His choice is precise. The busy world of trades, fiscal policy, equities and so on can be a potential site of weakness for the researcher from outside the disciplines. The risks involved in engaging with the ambiguous term 'financial media and communications' can complicate the research task, but can also allow a new understanding of this concept. It is therefore worth attempting to approach it through the lens of media pluralism. Hereafter the word 'financial' will be used to mean financial and economic data¹⁰.

Another area of study is the quality of business news/financial journalism, which has gained exposure for its role in the global financial and economic crisis. Damian Tambini (2008) discusses the privileges and obligations held by financial and business journalists, who face intense time pressure, the rise of public relations, and the challenges of globalization. He states that the 'daunting task in the context of new entrants and new platforms is to determine who is a financial journalist' (Tambini, 2008: 7).

¹⁰ As employed by Thomson Reuters

At heart, the business press 'has been an integral part of the market system since the dawn of capitalism, a system that is essentially one of information exchange' (McCusker cited in Schejter and Davidson, 2008: 516). Reuters' roots in this exchange of information have contributed to 'concerns about its market strength, its expansionism, and the consequences of this for the market opportunities of smaller companies within national markets' (Palmer, Boyd-Barrett and Rantanen, 1998: 77). Competition seems to be of special interest in the market intelligence industry, which itself supports the competitive capitalist system.

Conceptual framework: summary

Given the ongoing disputes surrounding competition measures and the mass media (i.e. how to serve the public interest), their implications for policymaking, the pros and cons of the new media environment, and the changing face of international news within this new environment, the Thomson Reuters merger presents a good opportunity to visit these debates, which apply to its own experience. Furthermore, as a leading provider of financial information it is also worth asking questions about the merger's impact on the circulation of information within the global financial community, and through this research to establish why a plurality of financial information is important to this community.

Research questions

At a basic level, the objective of this study has been to understand how the Thomson Reuters merger was performed, and to explore the policy background guiding this decision-making framework. Following this preliminary work, the study has aimed to examine some of the public interest concerns relating to the merger. This research is neither strictly deductive nor inductive. There are no central hypotheses at hand, aside from the theoretical claim that a plurality of financial information is a matter of public interest. As well as the conventional, widespread recognition that media 'do not manufacture nuts and bolts: they manufacture a social and political world' (Bagdikian, 2004, p. 9), consolidation within the financial communications industry deserves attention as a special interest too.

This case study will contribute to a better understanding of (i) the importance attached to a plurality of financial information, (ii) the options policymakers have devised for dealing with media pluralism, and (iii) the kind of opportunities and limitations that other interested parties have experienced while raising awareness about the implications of this merger, and

what these experiences suggest about supranational collective action in defence of media pluralism. This last point ties into the notion that nation-states are best equipped to safeguard media pluralism within their individual media terrains.

The following questions guide this research:

- What media pluralism and public interest concerns has the Thomson Reuters merger raised?
- How was this merger carried out?
- How have the criteria enabling its completion addressed the media pluralism concerns?

The following questions situate the case study in a broader context:

- What does the Thomson Reuters experience reveal about communication policy formulation?
- Why is consolidation of the financial information sector harmful?
- Why are competing claims in the financial information sector important for society?

3. RESEARCH DESIGN AND METHODOLOGY

Qualitative interviews and documentary analysis have been chosen to help resolve these research questions. Rival approaches to communication studies include positivism, interpretive approaches, and critical realism. Empiricism is 'an attitude to the relations between theory and practical inquiry' (Deacon, et al., 1999: 4), which requires a sense for epistemological variations. For instance, James A. Holstein and Jaber F. Gubrium (1997) point out that from one conventional point of view, knowledge exists and can be transmitted, while from alternative points of view meaning is socially constituted.

Some researchers opt for hybridization, which Uwe Flick (2006: 25) explains 'is labeled as the pragmatic use of methodological principles and avoidance of a restricting subscription to a specific methodological discourse'. He sees qualitative research as an opportunity to tackle a complex subject by designing the right set of methods accordingly. Yet '[r]esearch design is about asking questions that can be answered with the data collected' (Hakim, 2000: 14). A practicable procedure can limit the range of data amassed. This limitation will affect the overall quality of the research findings.

Research design

This research has involved the analysis of policy. Its aim has been to confront policymaking options for the protection of media pluralism, and to learn about the strengths and weaknesses of these measures. Catherine Hakim (2000) writes that policy research encompasses 'descriptive research, which maps out the landscape of a topic, issue or problem, studies to monitor how existing policy is working' (p. 4). Seasoned researchers agree that case studies can elucidate areas of policy. Here the Thomson Reuters merger has been a springboard, but its elements have opened up onto other sites of interest, namely events, experiences and sources related to it directly, or relevant to it and/or to media pluralism.

The case study, according to Robert Yin (2003), should be carried out to capture a 'how' or 'why' question 'about a contemporary set of events, over which the investigator has little or no control' (p. 20). Hakim (2000) notes that the 'variation in case study designs makes it difficult to summarise their key strengths and weaknesses; so much depends on the degree of fit between the questions to be addressed and the particular case, or cases, selected for

the study' (p. 62). Nevertheless, some basic guiding methodological principles have helped orient my work. For instance, it is important to target the original phenomenon of interest without letting it become the study's context instead (Yin). The pilot study is one way to improve the quality of the design, but given my time constraints I did not put one into practice. I consulted methodology textbooks to consider the pros and cons of different methods for my research questions, deciding to analyse documents, and to conduct interviews.

Through the written record researchers may observe political phenomena that are geographically, physically, and temporally distant from them (Johnson, et al., 2001: 267)

My decision to analyse documents was natural given that various written accounts – newspaper articles, legislative reports, clearance statements, etc. – have helped answer some of my research questions. They lay out the key components that shaped the investigation surrounding the merger, including its findings about the financial information sector. This background information has been a departure point to critically examine the decision-making framework. One of the disadvantages of relying on a 'finished' product such as a case report is that I have not had access to the elements of its production. Therefore I am exploring its appropriateness and its consequences. Other records are conducive to revealing what 'sorts of research or documentation may have influenced governmental "thinking"' (Hansen, et al., 1998, p. 77).

The elements of the semi-standardized interview structure, as described by Flick (2006), have catered to my study's objectives. More specifically, I aimed for what he calls expert interviews, in which the interviewees are of interest thanks to 'their capacities of being an expert for a certain field of activity' (p. 165). In this scenario, the 'discussion takes place on a basis of equality (or even of researcher inferiority)' (Hakim, 2000: 73). Specialized interviews risk becoming 'geared to the particular experience of the respondent, i.e. those areas about which he or she was most knowledgeable and reliable as an informant' (Pridham, 1987: 82). My priority at the outset was identifying candidates 'whose understanding of the subject matter might prove helpful in interpreting events, documents, and the like' (Hansen et al., 1998: 75).

Sampling

I requested 30 interviews and obtained twelve participants. Unfortunately, none of these respondents were from the Thomson Reuters camp, despite my efforts¹¹. This setback has made my results asymmetrical. Other unsuccessful interview requests include attempts to speak with alternative financial information providers (e.g. Capital IQ), global newsgathering initiatives (e.g. The Real News), and with journalist organisations (e.g. International Federation of Journalists, National Union of Journalists). One of the practical problems was the trade-off I had to make between continuing to follow up for interviews versus giving myself enough time to work with material I had already collected. In addition, I had limited control over the order in which I could carry out the interviews.

Documents have not been sampled from any strict population. Two broad categories have delineated the 'populations' of material I have used. The first consists of documents pertaining to the Thomson Corporation/Reuters Group merger case, and pertaining to the parties involved. The second consists of European policy initiatives toward media pluralism. Initially I started compiling these documents in no true systematic fashion. I searched for them online¹² (through databases and policy portals) while brainstorming my research angle. I found that mentors were recommending texts I had already consulted, so I decided to demarcate the sample to what I had (and what I felt I could single-handedly analyse), of which all but one item is a published document¹³. Subsequently I devised a plan for how best to scrutinize this documentary data.

Design of research tools

Research tools are necessary for gathering data, but are also critical for analysis, which allows conclusions to be verified. Colin Robson (2002: 480) raises this point. What matters in the end is 'whether or not these conclusions are valid and correct'. For each document I created a summary profile, including its origin and key points. John Scott (1990) asks about the authenticity, credibility, representativeness, and meaning of documentary evidence. My use of records has been concerned 'about the quality of the evidence and therefore about

¹¹ I first made contact in April 2009.

¹² E.g. 'Financial news' in 'All fields,' published 'Jan 1879 to Dec 2009' in 'all SAGE content' (<http://online.sagepub.com/cgi/search>)

¹³ The exception is a non-public court document that I obtained from its proprietor.

the validity and reliability of the data constructed from the evidence' (p. 6) less as a prerequisite for analysis, but more as part of the overall analysis itself. I took into account that 'the interpretation of a text cannot be separated from the questions of its production and its effects' (Scott, 2006: 39). I integrated these factors into the overall analytical framework to deal with manifest passages of text.

As for interviews, I made requests and set them up through email and telephone correspondence, but was also asked to send letters by mail. I interviewed three respondents face to face. The rest were done by telephone with participants from Paris, Boston, Cape Town and elsewhere. Each session was one-on-one, was in English, lasted 15-45 minutes, and was recorded.¹⁴ I obtained consent from each interviewee to record the interview. Two participants agreed to speak off the record (I would need explicit approval before quoting passages), and one respondent required anonymity. See Appendix A for the list of interviewees.

Following each interview I backed up the audio then transcribed it in full. Geoffrey Pridham (1987) observes the challenge 'of scientific method or what has been called "transforming the highly subjective process of 'getting insights' into a systematic method for the collection of social data"' (Citing Cannell and Kahn, 1987: 83). George Gaskell (2000) sees the topic guide as a scheme that helps with the analysis of transcripts. I went into each interview with a separate topic guide (albeit some questions overlapped). Turning back to these guides, I mapped out their key themes, then read and reread the set of transcripts plotting out central ideas and extracting demonstrative quotes. This paper now turns to the results from the interview and documentary data analysis.

¹⁴ One interview was unsuccessfully captured. I typed up my notes immediately. I classified it in my documents as a background interview.

4. RESULTS AND INTERPRETATION

My research results can be broadly summarized in three points. First, the Thomson Reuters merger has faced criticism on evidence of the following grounds: (i) the new structure has brought Reuters under influence driven by the 'bottom-line' and (ii) the terms of the merger have not preserved plurality, more specifically the distribution model for information is incompatible with competition across the financial news sector. Second, finance professionals value a plurality of quality financial information. Third, the contemporary media policy environment is not equipped to tackle internal pluralism within a private news agency, and the external new media landscape suggests that international news agencies are experiencing increased competition and power alike.

Now I will critically present examples of opposition toward the Thomson Reuters merger. During this discussion I will analyse interviews with users of financial news to find out whether their insights resonate with these concerns. Finally I discuss what I have discovered about initiatives that target the protection of media pluralism. To wrap up these research findings I reflect on research design and methodology, but first of all I will sum up the decision-making framework surrounding the merger.

The Thomson Reuters merger procedure

Canadian publisher Thomson Corporation's proposal to acquire London-based Reuters Group PLC invoked the European Commission's (EC) first in-depth probe into the financial information and market data business, and was resolved through early remedies that the parties submitted during phase two (Baccaro, 2008). The Commission's Competition Directorate, the Antitrust Division at the U.S. Department of Justice, and the Canadian Competition Bureau (2008) cooperated in their investigations. Canada's participation was less pronounced than that of its counterparts, whose negotiations with the parties 'alleviated the Bureau's competition concerns' (p. 1)¹⁵.

In statements released 19 February 2008, the regulatory authorities stipulated that the notifying parties had to sell copies of the three following datasets (along with relevant

¹⁵ The Canadian Media Guild's staff representative for Reuters recalls Canada's participation as a 'cursory look,' describing what took place as 'nothing more than a fait accompli' (Kathy Viner, Interview, 15/07/09).

assets): earning estimates, fundamentals, and aftermarket broker research reports. The EC, 'based on market conditions in Europe, obtained relief in an additional product market' (Department of Justice, 2008: 2), namely time series of economic data. These four content areas fall in the realm of research and asset management, distinct from sales and trading¹⁶.

The field of financial news falls under the sales and trading category. The merger was not found to lead to adverse effects on effective competition in news, partly because of Thomson's limited presence in this market. In addition, the Commission found that Thomson Financial News put only very limited constraint on Dow Jones. According to the report (Case No. COMP/M.4726: 32), 'Bloomberg and Dow Jones are considered together with Reuters the principal News source the market relies on for global overall coverage'. The report also points out that it is unclear whether Dow Jones would really have any incentive to raise its prices because of the Thomson Reuters concentration. In response to concerns that 'the merger would result in reduced access to the marketplace for third party News suppliers' (p. 34), the report states that Dow Jones would probably continue to be in heavy demand by customers. Furthermore, it adds that rather than foreclosing its competitor's access to customers, Thomson Reuters would have an interest in continuing to distribute Dow Jones' services, because of the royalty fee on the revenue news providers generate. Where does this logic leave other third party providers?

Felix Salmon (2009) puts it this way,

When I joined Reuters's commentary group, it was clear to me that we were a Breakingviews killer: we were going to provide better commentary than they do, at the unbeatable price of \$0.00. Reuters can afford to do that because journalism is always a loss center here: the profits come from terminal sales, and introducing a commentary service adds value to the terminals and makes them easier to sell. It doesn't need to be priced separately. (p. 3)

... Breaking views hopes that its newspaper columns give it enough readership that it becomes influential – and that somehow any value it gets from such influence will spill over into the non-syndicated, subscriber-only content which accounts for substantially all of its revenues. (p. 9)

¹⁶ The central feature of this distinction 'is whether users need real-time information or non-real-time/archival information' (Baccaro, 2008, p. 62). In its report, the EC also refers to these spaces as 'on-trading floor' (i.e. sales and trading) and 'off-trading floor' (i.e. research and asset management).

The terms of the merger do not explicitly address the fate of third-party competition (aside from Dow Jones) in relation to these circumstances. This omission has provoked dispute. So too have the implications of the merger for customers of financial news. The London and Brussels based market intelligence organisation MLex, which covers European regulation and policy for finance, investment, and legal professionals, has challenged the Thomson Reuters merger, arguing that its terms have been off target.

According to internal MLex documents* (2009) related to the case before the CFI¹⁷, 'the Commission has manifestly failed to assess properly the concentration's adverse vertical effects in respect of the market for News.' I have displayed this point of contention in the following model, which illustrates the relationships between third party news suppliers, access channels, and news customers.

The MLex documents underline the insufficiency of designating Dow Jones as a surrogate of third-party players. 'The Dow Jones example bears no relation to the provision of news by niche services aiming to enter the financial markets in a significant way. Thomson Reuters has no incentive to be equally open to the services offered by new or smaller market players.'^{*}

In an interview, CEO Robert McLeod drew attention to the fact that small news organizations have little, or no countervailing power. He added, 'It takes many years to establish a reputation in the market. And unless you have access to the market, it's very difficult to establish that reputation because people aren't going to trust you straight away. Dow Jones has that reputation' (Interview, 21/07/09)¹⁸. The growth of new media could be at risk. According to McLeod,

Whatever media emerges from the downturn will be very different to the media we're used to. So, how much does the bottleneck play in that? It's hard to say. But the existence of the foreclosure effect will act as a brake on the development of new media.

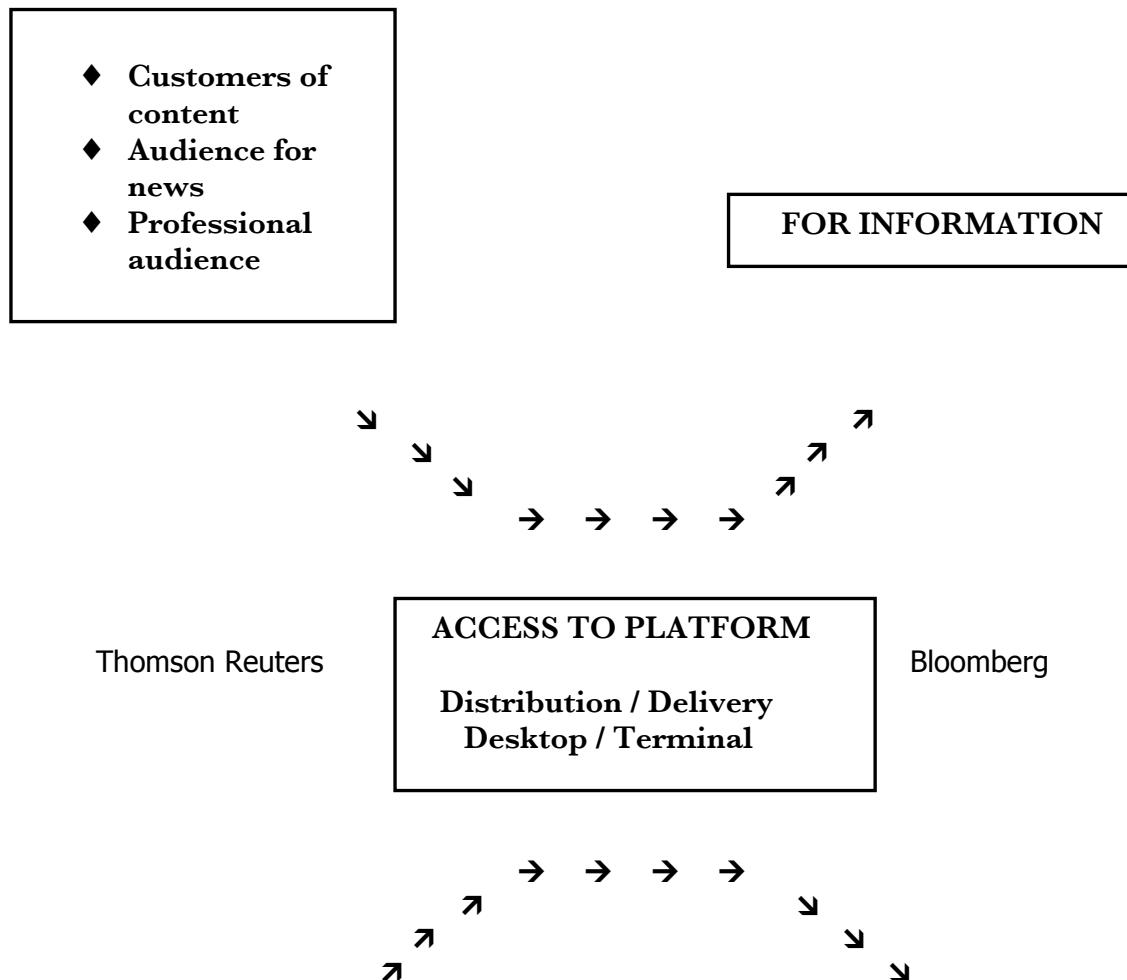
* Material from these documents will be marked with the asterisk.

¹⁷ The Court of First Instance of the European Communities

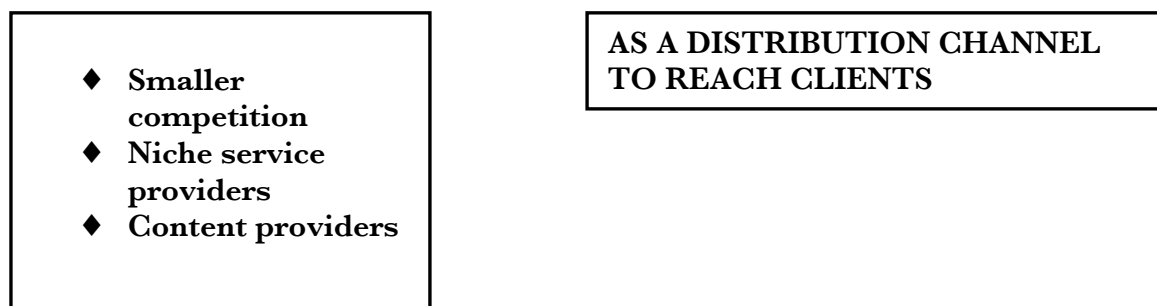
¹⁸ All attributions to McLeod are from this interview.

Figure 1: Concerns raised by the distribution structure – Key points

Financial institutions



News providers



The foreclosure concern is rooted in the fact that suppliers of desktop platforms, which 'small and medium-sized providers of news and similar content do not have the means to create' (MLex documents*, 2009), are also content providers. McLeod has argued, 'This strengthening of a dominant position and the potential ability and incentive to abuse that

dominance is something that needs to be looked at closely.’ In its documents, MLex prescribes a structural break between content and distribution.

Without a structural separation between content and delivery, this information can be collated and fed through to news sales and marketing teams and used to attack a competitor’s product. Thus even in cases where desktop platform/workstation providers do allow new services to access their customers through their delivery systems, that can only help them replicate and replace the service and by setting excessive access charges, pricing the competitor out of the market once a replacement product is available. (MLex documents, 2009)*

The conditions of the Thomson Reuters merger do not only have an impact on news providers. Another significant aspect relates to financial information customers. The EC has divided them into Tier 1 (global customers), and Tier 2 and 3 (smaller customers), and has noted different buying patterns among these groups. These parties need access to information. ‘The Commission also failed to examine the implications of financial institutions’ varying ability to procure more than one desktop platform in connection with the potential definition of distinct relevant product markets and/or the creation of bottlenecks or other impediments to effective competition by independent news providers,’ according to internal MLex documents* related to the case before the CFI.

What kind of content are financial institutions and other customers looking for? How do Thomson Reuters and Bloomberg suit their needs? What do smaller providers have to offer them? This dissertation now explores interviews with three users of financial news and data who have shared insights about their experiences retrieving and making use of financial information.

Table 1: Respondent background¹⁹

Financial information user	Nature of work	Sources and types of information	Social responsibility
Mary Webb Canadian & U.S. economic & fiscal research, Capital markets research, Trading & sales	Broad policy work; Macro-economic overview for outlook on financial and real growth; Policy changes, impact on growth and inflation, interest rates and credit policy; Issuance for all Canadian governments and their entities	Bloomberg; London Financial Times; International agencies (e.g. IMF); The Wall Street Journal; Data Analysis; Commentary Etc.	Providing commentary on what the government is/should be doing; Important in terms of government issuance, ratings and credit; and in terms of policy issues that affect households and corporations (e.g. tax decline or increase)
Investment portfolio manager Large Boston firm, Research & asset management	Management of global macro portfolios; Buying and selling assets; Full discretion over a group of portfolios	Bloomberg; Thomson Reuters; Third party vendors; Not seeking opinions; 'If I go looking just at the different pieces of information that I need to be able to take a decision in a portfolio it's a staggering number' (Interview, 13/07/09). Etc.	Contributing to an optimal allocation of resources (i.e. capital flow to where it has the best utility); Providing liquidity in the market
David Berman Journalist covering stock markets and investing, Audience: retail investors (mostly individual as opposed to professional) but embracing as many people as possible	Informing audiences on what major North American indexes are doing throughout the day; Analysis and opinion-driven news; Individual stocks and the bigger picture	Bloomberg; Blogging sites; The Economist; The Wall Street Journal; CNNMoney.com; Globe Investor Gold Etc.	Making issues easier to understand; Providing context; Interpreting raw facts put out by news services; Making news relevant for a specialized audience; Giving people tools to make the right decisions for their portfolio

¹⁹ The information from this table is derived from interviews with these respondents.

Excerpts

The following quotations were selected because they help illustrate the risks that come with a lack of information plurality in the financial sector (i.e. why the financial communications industry is worth studying as a space for information pluralism)²⁰.

I-Mary Webb (23/07/09)

(How important is it that all the information you're getting is integrated on the same desktop?)

If you're monitoring the economic releases for the market, it's essential if you're expected to get your commentary out. (...) When I'm down here doing longer-term government policy issues, less important. (...) The other thing, it's not just desktop. It's also having it available on your Blackberry. ...Only because if I'm out at meetings or, in the evening if there's a surprising indicator that comes out, I rely on my Blackberry to give me the headlines, so that I can shoot it out.

(How important is it for finance professionals like yourself, or for your employers, to spend money on quality information?)

Oh it's essential. But, see, for much of my work I don't have to spend that much, because I just get it, from the budgets, and all the things that governments now post on their web. So that has reduced our costs substantially.

(What makes niche service providers important or not?)

Some of the really specific data sources that I used when I was a consultant were pretty essential to completing the project. But then the larger question is, how much do those small projects add up to, relative to all the macro information from Bloomberg? And my sense, and this is absolutely sort of just my reaction, no data to back it up, for very specific research projects the niche players can be essential. But the question is how much do those niche

²⁰ The respondents do not represent a specific population. This exercise was not conducted to reach a point of saturation among currents of opinion. Therefore each passage stands alone as an example of the impact of financial information flow.

projects add up to? And they might add up to more than we believe, only because most companies do that kind of planning.

II-Portfolio Manager (13/07/09)

Basically, a lot of time, people when they say data, right, they think that data is really a hard, value-free fact. But a lot of time, you know, there is a process of production of that data, what is it integrating, right? And then sometimes it's even a point of view embedded in the production of that data so you have to be questioning that all the time. So it shouldn't be religion.

III-David Berman (15/07/09)

Some of these news services we're talking about can be quite specialized. And that, you know, most people don't have a Bloomberg terminal on their desk, but it eventually gets to them. And the more the better because you just get more information out there on more subjects.

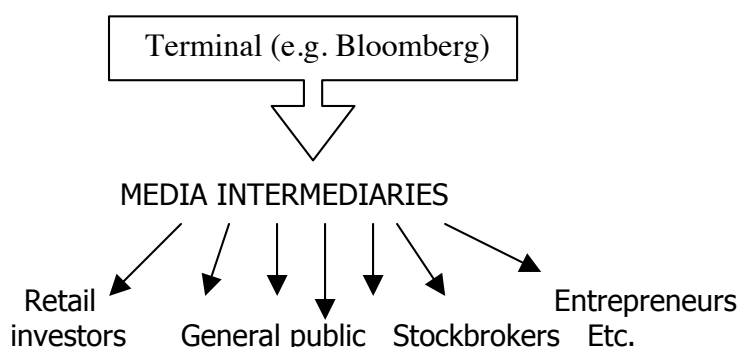
'There's always going to be something that Bloomberg or Reuters is missing. And for example in Canada, Bloomberg only has a fairly small presence. They can't cover everything in Canada so there's always a need for specialized financial information in Canada. In terms of its reach in other places I don't know, but I would think that the further you get away from the United States and major markets, the less they're going to be able to deliver to people.'

Bloomberg is a brand that they're going to live and die by. And if they get a lot of stuff wrong then it'll hit the brand. Whereas an upstart, you don't know, you don't have any faith in them. It's possible though. Especially if you specialize in something.

Financial information plurality

These passages reveal several noteworthy ideas. Mary Webb and David Berman agree that there is room and a need for specialist providers. Berman's experience has also shown him the importance of the journalist, whose role it is to use available resources (e.g. Bloomberg) and 'find what's important' (15/07/09). He mentions that most people do not have a Bloomberg terminal on their desk, but that its information reaches them in some form. His

remarks suggest the importance of a plurality of media outlets as distillers of 'meat and potatoes information' (15/07/09), as illustrated.



Ideally then, there would be both a plurality of sources and a plurality of media intermediaries. Yet the ability of niche providers to develop their product at the source level and to make it known and sold to financial institutions and news organisations alike goes back to the barriers of entry that McLeod (Interview, 21/07/09) and Salmon (2009) have signalled. But the new media landscape is developing in other ways too.

Webb draws attention to financial information tools such as the Internet and mobile technology. Her remark about using Bloomberg on her Blackberry reveals that the function of the desktop platform may be evolving. There are several initiatives that combine finance with information and communication technologies to deliver real-time data. Blue Systems (2009) for instance, recognizes an emerging market for new applications, paralleling the rise in mobile technology, and 'provides accurate, low-latency market data to those who depend on the financial markets and want real-time content over simple-to-use interfaces' (§ 4). Recent and up-and-coming financial communications are apparent, however, these market adjustments may be minor, and may mostly consist of secondary sources.

Berman's observation about product choice boiling down to brand power implies that a solid reputation and record need to be upheld through quality. The market does have standards that can serve the public interest (cyclically).

So far this dissertation has analyzed market-oriented criticisms against the Thomson Reuters merger. It also has established the importance of different sources of information, and not just in the area of financial news and real-time data. According to the global portfolio investor interviewed here, data should ideally be crossed from different sources. Therefore

the question of information plurality in the financial domain is relevant for both trading-floor and off-trading-floor professionals. This dissertation now moves on to other concerns, which are less occupied with fair competition and more concerned about social welfare.

Other issues

The Thomson Reuters merger also has raised questions about the news agency's editorial integrity, and the future of employees from both sides. The involvements of Kathy Viner and Debby Zabarenko shed light on these matters. Viner is staff representative of Reuters and Canadian Press for the Canadian Media Guild. Zabarenko is Unit Chair of the Newspaper Guild at Reuters News in the United States.

Viner spoke of signs of changes in routine at the news agency²¹.

You know, the Trust Principles were held very safe, as very sacred things, certainly by the journalists in England The management of the editorial side of the business has always been a separate line. It's not part of the rest of the organization. And while that is still the case, I think – I may be overstating it – but it's beginning to look like some of that is being blurred. (Interview, 15/07/09)

More specifically, she has seen internal communiqués suggestive of editorial control.

... I certainly never saw any of these things years ago when Reuters was Reuters. You know, I saw cheerleading things about how wonderful the company was but I never saw memos that sort of suggested we should be following stories, or following companies because there is an opportunity for revenue generation. (Interview, 15/07/09)

This line of inquiry is one that is worth pursuing in the future, but admittedly it has not been my aim to collect evidence supportive of editorial decline following the merger. This extensive pursuit would have required participant observation and testimonials from senior journalists, perhaps as well as longitudinal content analyses of news stories, etc. Therefore this lead is not intended to support any such hypothesis, but it does contain an important message relevant to this study, namely that competition criteria have not prevented such a threat to media pluralism, and have possibly created it.

²¹ Viner spoke with some reticence stating that senior union representatives in England 'see that on a day-to-day basis. Where we are far enough removed here in Canada that – at least I am in the union office that a lot of stuff goes on that I don't know about' (Interview, 15/07/09).

Zabarenko's experience talking to union members at Thomson, during the 2007-2008 takeover period, helped her learn about the company.

Thomson's reputation is one of doing things cheap. Looking at the bottom line so they're very profitable, but their reputation for quality journalism was zero. ... [T]hey were not the gold standard put it that way. And they got out of the business. What seemed obvious to me in discussions with the guild folks in London and elsewhere who are at Thomson is, there was a recognition finally that in addition to other kinds of information, having a news agency was probably a good thing, and they wanted one with a very high standing in the world.
(Interview, 24/07/09)

She added that branding is key, because information is perishable.

[T]here's an awful lot of information out there in the web cloud, and if you sacrifice your reputation, you know, that's what you have. And by breaching one of the Trust Principles ... it's a slippery slope. ... There's not a whole lot you can do except bring it to people's attention.
(Interview, 24/07/09)

What exactly people can do with that awareness is not clear-cut. Is it up to consumers to elect the news leaders they want through customer power? Would dissatisfaction with a news agency lead to its reform, or demise? Policy actors have indicated that it is not feasible to change a private company from the inside. Before looking at more formal avenues for media policy, the table below sets out ideas for action that can affect change. It is based on discussions with Viner and Zabarenko about the Thomson Reuters merger and media pluralism more generally.

Table 2: Media policy precursors

Open lines of communication during the Thomson Reuters talks	Special interest groups for the protection of media pluralism
Transatlantic talks and emails between union representatives ²²	Lobbying
<i>'For months, for almost a year I think, before the takeover Kathy and I and other representatives from the newspaper guild, which is alive with the Communications Workers of America, we basically had conference calls week on week and month on month, with guild folks from Thomson.'</i> (Interview, Zabarenko, 24/07/09)	<i>Coalitions formed of 'education groups, teachers, academics, community organizations, that are attempting to raise the profile of this, and make people understand what the loss could be to them in their communities on a very mundane level'</i> (Interview, Viner, 15/07/09). E.g. Center for Media and Democracy
<i>'I think that it threw them off a bit, that we were actually speaking as a single group with basically one message, and they weren't used to that'</i> (Interview, Viner, 15/07/09).	<i>'It's way beyond just jobs, which is sort of the normal thing that unions are focused and concerned about'</i> (Interview, Viner, 15/07/09).

Zabarenko and Viner agree that presenting a united front was a very useful exercise, which succeeded in getting representatives from Thomson and Reuters to sit down and listen. Yet neither knows for sure how much influence the guild has had in bringing about change. One of its successes in the Thomson Reuters case has been that no editorial jobs have been lost in the U.S. (Interview, Zabarenko, 24/07/09). The unions were not present at the negotiating tables. Nevertheless open lines of communication have laid out groundwork for further collective action.

Media pluralism policy

This dissertation now turns to research findings about policy change and pressure in relation to media pluralism. Speaking to policy actors on the European and international scale about contemporary media pluralism policies and objectives has helped crystallize why the fate of

²² Communications Workers of America, Canadian Media Guild, National Union of Journalists, UNITE, International Federation of Journalists

Reuters News agency was left to competition law. These discussions have not spelled out whether or not this approach has been appropriate in the name of the wider socio-political environment, but have made it clear that, practically speaking, this manner of doing things respects the sovereignty of states and private companies, which central bodies do not unanimously intrude upon in the name of media pluralism. Instead comprehensive guidelines have been set out to address the notion of contemporary media pluralism.

Adam Watson Brown runs a team within the EC's audiovisual and media policy unit and deals extensively with media pluralism issues. Mogens Schmidt is deputy assistant Director-General to UNESCO's Communication and Information sector. Both have explained their teams' media pluralism priorities, and have discussed information plurality in the digital age. Before discussing these findings, the following table highlights some key points from each perspective.

Table 3: Approaches to media pluralism

EC (Interview, Watson Brown, 26/06/09)	UNESCO (Interview, Schmidt, 29/07/09)
Competition law is generally positive. Article 21.4 of the Merger Regulation (law of the EU) gives member states the possibility to adopt remedies beyond competition remedies for certain media cases.	There are two ways around excessive concentration of media ownership. 1. Legal, state antimonopoly laws 2. <i>'[R]eally trying to stimulate seriously alternative media platforms in the country'</i>
<i>'[O]n the one hand we're always under pressure from the Parliament, particularly the left in the Parliament, to do something about media pluralism. On the other hand we have undertaken a number of consultations in the past, which show clearly that member states want to deal with media pluralism under subsidiarity...'</i>	Based on its commitments and responsibilities to promote cultural and linguistic diversity, and the free flow of information, the agency can actively engage in dialogue with member states in order <i>'to hold all member states accountable for what they have actually signed up to'</i> but it cannot impose solutions.
<i>'The difficulty is that the newspaper industry is restructuring. So they're closing down all their own foreign bureaux which are incredibly expensive to maintain. And relying more on agency copy than they did in the past. ...So, is that the fault of the news agencies particularly? Well no,</i>	<i>It is easier than it used to be to get information independent of news agencies' filters so 'they have to really make sure that we know that their brand name is a guarantee for really well processed information As long as they can do that I think that they have also greater opportunities now. But they will have many more competitors.'</i> Players like

<p><i>basically. They find themselves in a position of some power. In a way it's a mature industry being a news agency, so there's been some consolidation anyway as you find with mature industries, they tend to consolidate, you know.'</i></p>	<p>Thomson Reuters 'will be able to pick up also information at that level, process it and check it out, and convey it in maybe a more professional form' to their increasingly specific target audiences.</p>
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The following discussion focuses on the interview²³ with Watson Brown who has explained the EC's role in relation to media pluralism at the EU and Member State levels, and discussed the advent of risk-based, media pluralism indicators designed to address contemporary media pluralism concerns across the EU. The following aspects came out of the interview:

- Monitoring media pluralism according to state-of-the-art multidisciplinary research (i.e. the Media Pluralism Monitor, or MPM) is an appropriate 'intermediate between doing nothing and legislating, which would be controversial basically.'
- At the moment money is flowing into Internet advertising and consequently there are fewer resources in the media, 'affecting particularly the resources that can be put into foreign news, and into having a good news network.'
- Barriers of entry have gone down in media, 'pull media' are on the rise, and media sectors are no longer distinct. Therefore ownership is no longer a paramount indicator and 'the problem now is more to influence consumption, because you know, you can apply ownership rules, you can give one per cent of your gross national product to the BBC in order to do television through the license fee, but that doesn't mean that people are going to watch all those improving programmes that you're putting out there.'
- Unlicensed media heavily criticized the MPM's Habermas-inspired indicators.
- Imposing internal control or the equivalence of a dominant test in competition law on the structures of private companies is impractical and intrusive. It would be preferable to use pro-bono certification (whereby media companies voluntarily certify themselves to acknowledge that they meet certain criteria)²⁴, but private companies do not like that system either.

²³ Quoted passages within this discussion are from this interview (Watson Brown, 26/06/09).

²⁴ E.g. Certimedia, www.certimedia.org

From this discussion, it is clear that the bottom-up market-led approach to media pluralism prevails among private companies, not least ones that operate internationally. Watson Brown has pointed out that media markets in the EU are still considered mainly national, and that the MPM has avoided applying a single harmonizing definition of media pluralism.

Box 1: Independent Study on “Indicators for Media Pluralism in the Member States – Towards a Risk-based Approach”: Background information

‘This holistic approach towards the measurement of media pluralism was developed in recognition that quantitative indicators do not capture the complexities of media systems (following criticism such as outcries in the United States against the FCC’s proposal for a Diversity Index). It is a comprehensive combination of 166 quantitative and qualitative indicators, accounting for internal and external pluralism, across domains within legal, socio-demographic, and economic contexts. The multidisciplinary MPM ‘aids policy-makers by providing them with a tool for auditing media pluralism that highlights areas of current and potential risk’ (p. viii), and which acts like a radar helping identify where regulators should be placing their policy priorities. It groups together sets of risks, indicators, and methods of measurement.’ (p. 47)

RISK	KEY INDICATOR	METHOD OF MEASUREMENT
Insufficient pluralism of news agencies	Range and independence of competing news agencies	Expert panel on a range of competing news agencies, level of state ownership and level of independence of state owned news agencies. The study applies analysis of evidence of presence of competing news agencies, and in the case of state owner-ship in news agencies

Source: What are the media pluralism indicators? This box pulls points from the MPM document (source: Independent Study on ‘Indicators for Media Pluralism in the Members States – Toward a Risk-based Approach,’ conducted by a consortium led by the University of Leuven – see references).

Based on the interviews with both Watson Brown and Schmidt, what is apparent is that media pluralism is equipped for action at the nation-state level. Therefore in terms of the Thomson Reuters merger, the concerns it has triggered may be of collective interest to people from around the world, but the national contexts will be left to deal with its aftermath (whether positive or negative). These interviews have helped situate the Thomson Reuters merger in the media policy context. The merger was subject to scrutiny because it surpassed a fixed monetary threshold. The intention to formally judge it as a social advantage or disadvantage was never there. There is the need for a certain degree of acceptance that

market imperatives are at play in the case of cross-border, corporate transactions, whether or not these companies have a special public role (e.g. international reporting).

Box 2: Perspectives of a foreign correspondent: The pluralism paradox

'I think [Reuters journalists] do a very good job in basing their reporting on facts and actual quotes and leaving space for people to make up their own minds. As such it becomes a great raw material I think for reporters in many different contexts but I think there's also still room and a necessity for people to add some perspectives, to add some opinions, to – in many cases – add life and colour to what they're doing.' And to add to them by also being there on the ground, right? 'Absolutely.' – Jesper Strudsholm

Jesper Strudsholm has been the Danish daily *Politiken's* Africa correspondent for 14 years. He has noticed a tendency among media to chase the same stories and follow the same agenda, such that nuances are lost. *'If you add to that the fact that you've now got fewer medias – I'm speaking specifically of Africa here – that major networks are closing down bureaux, newspapers, and pulling out their staff and so on means that even fewer stories will get attention. And the stories that do get covered will be covered in a more and more uniform way, I sense. Meaning that sort of accepted truths become even more stubbornly accepted truths – that any challenges, to sort of, the perceived and*

accepted truths will have a much harder time. (...) I think there's a great irony or paradox in all of this, I mean there are more news sources than ever in a sense, the internet having added a lot to those formal and informal sources. But I think at the same time there's a greater tendency to concentrate on a few stories. (...) And in the past you would see that various media would be chasing in all kinds of directions and show the results of their hunch in the evening shows, in the evening news or the morning paper. There would be sort of a certain surprise, which I think has left – to a large extent that's gone.'

Reuters News agency is one of the most reputable sources of foreign news in the world. It is in a position of great importance as media cut back on networks, but also surrounded by new media competitors. Whatever changes are happening, why do they matter? What are the dangers of a lack of media pluralism in international coverage? One foreign correspondent shares his perception of the essence of what is happening in international media today. (Interview, 11/08/09)

Reflection: methodology and research design

I feel that this research has taken on many directions and that the overall piece serves more as background for future study than as a set of firm conclusions. This outcome is partly due to the fact that I was doing a lot in parallel – finalizing the research angle while setting up and conducting interviews – because interviews require very early planning and because I was studying the financial information industry for the first time. I would have benefited from more time between the conceptual stage and searching for interviewees.

I have managed to show that the Thomson Reuters merger is a political issue with important implications that deserve to be followed-up on. Yet I have had to be cautious in dealing with this politically sensitive topic (i.e MLex challenging the Commission's position), because indeed I do not have all the pieces to this puzzle. The part of my research that bears on this question has been a starting point for further research into this dispute, which is as of yet, unresolved.

5. CONCLUSION

This small-scale study has generated findings in response to most research questions set out at the start of the paper. It has identified media pluralism and public interest concerns surrounding the Thomson Reuters merger, substantiating some of the claims that had surfaced before the merger, and discovering new ones that arose in response to it. It has discussed that the formal investigation into this merger, which was looking into whether it would be of detriment to competition, marked the first investigation of its kind and found that global financial information services involve content and software, and a network of players that compete and cooperate at the same time.

In terms of controversy, the merger has raised concern that the news agency belongs to an entity driven by the bottom-line. This hypothesis could be studied in future, for instance from the angle of editorial integrity. The merger has also raised concern that its clearance terms are a detriment to news competitors and to consumers of financial news, namely because of the distribution model for information.

This research concludes that finance professionals and business journalists value a plurality of quality financial information, supporting the view that the plurality of financial information is a subject that deserves attention both from a theoretical standpoint and in practice. Users of financial information have stated the importance of spending money on quality information; therefore, it is important to protect them from unfair pricing. This study has found that consumer choice is also important to these users, but has not delved into the financial information industry in order to fully comprehend the barriers of entry. Therefore the findings related to the financial information sector are limited but do suggest that information plurality is important to the global financial community.

Furthermore, this study has stopped short of exploring the benefits of the Thomson Reuters merger (in relation to finance professionals, news consumers, Thomson/Reuters shareholders, etc.). The closest it has come is positing that international reporting is in the midst of change and that Reuters News agency could be in a strong position to benefit the wider socio-political environment. Media policymakers today are grappling with just how to weigh out the roles of different news providers, in today's new media age.

This research has successfully crossed theory with practice, in coming to understand the true complexity of media pluralism policy. Any intervention in the Thomson Reuters affair, aside from competition-led queries, would have needed a practical foundation based on hard evidence and operational rules. Some of the concerns that this study has identified may escalate over time along with signs of stronger evidence. Meanwhile, measures have been taken in support of them, for instance unions, federations, and Thomson Reuters employees working to preserve or reinstate brand quality and/or jobs after the merger, and to raise awareness about these issues. These informal steps are important and – in keeping with free market advocates – could pass the responsibility of media pluralism into the hands of consumers.

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Appendix A

Interviewees

Adam Watson Brown
*European Commission, Directorate-General Information Society & Media
Head of Sector, Task Force for Co-ordination of Media Affairs*

Johannes Lübking
*European Commission, Directorate-General for Competition
Head of Unit, Mergers – Financial services and health-related markets*

Portfolio manager
Large investment firm based in Boston

Scott Edmonds
*Canadian Media Guild
Vice president*

Kathy Viner
*Staff representative with the Canadian Media Guild
Reuters and Canadian Press*

David Berman
*The Globe and Mail
Financial columnist/blogger*

Robert McLeod
*MLex Ltd.
CEO*

Mary Elizabeth Webb
*Scotiabank
Investment brokerage unit, Scotia Capital
Senior economist and manager with Scotia Economics*

Debby Zabarenko
*The Newspaper Guild Unit Chair at Reuters
News in the United States*

Mogens Schmidt
*UNESCO
Deputy Assistant Director-General for Communication and Information*

Jesper Strudsholm
*Politiken
Africa Correspondent*

Mark Staley
*TD Bank
Associate Vice President of Risk Management*

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