HOUSE OF LORDS

Communications and Digital Committee

Corrected oral evidence: The future of news: impartiality, trust and technology

Tuesday 30 April 2024

2.30 pm

Watch the meeting

Members present: Baroness Stowell of Beeston (The Chair); Lord Dunlop; Lord Hall of Birkenhead; Baroness Harding of Winscombe; Baroness Healy of Primrose Hill; Lord Kamall; Lord Knight of Weymouth; The Lord Bishop of Leeds; Lord McNally; Baroness Primarolo; Lord Storey; Baroness Wheatcroft.

Evidence Session No. 14 Heard in Public Questions 134 - 147

Witnesses

I: Robert Colvile, Director, Centre for Policy Studies; Professor Rasmus Kleis Nielsen, Director, Reuters Institute for the Study of Journalism and Professor of Political Communication, University of Oxford; Professor Jane Singer, Professor Emerita of Journalism Innovation, City, University of London.

Examination of witnesses

Robert Colvile, Professor Rasmus Kleis Nielsen and Professor Jane Singer.

Q134 **The Chair:** This is the Communications and Digital Select Committee, and we are continuing our inquiry into the future of news. We have one session this afternoon, involving a panel of three witnesses. I invite the witnesses to start by introducing themselves. Mr Colvile, I will start with you.

Robert Colvile: I have a complicated professional career. I am director of the Centre for Policy Studies think tank, a columnist for the *Sunday Times* and editor-in-chief of the CPS's CapX website. But for today's purposes I am mostly someone who wrote a book about how technology was accelerating the pace of life, including the media.

Professor Rasmus Kleis Nielsen: I am director of the Reuters Institute for the Study of Journalism and professor of political communication at the University of Oxford. The Reuters Institute carries the Reuters name because we get core funding from the Thomson Reuters Foundation, but we are part of the university and independent of the news agency.

Professor Jane Singer: I am a professor of journalism—emerita now, happily—at City, University of London. I am a former print and online journalist, I have been an academic for a while and I do research into how journalists respond to change and prepare for the future, to the extent that they do.

The Chair: Thank you very much. We are very grateful to all three of you for being here. Today, we want to talk to you about the various policy recommendations we have heard throughout the course of the inquiry so far and to get your views on them. We have heard a range of views—which include that less is more as well as other interventions.

I should also add, for the benefit of those watching, that we are asking questions in order to elicit reactions from our witnesses; we are not necessarily promoting things or ideas that we ourselves agree with. We want to hear what our witnesses have to say. We will cover four areas along those lines, and we will start with Lord Kamall.

Q135 **Lord Kamall:** I should start by declaring a possibly relevant interest: I have written for CapX in the past and I have worked with a couple of think tanks that have co-operated with CPS.

I want to start with a high-level question. As the Chair said, there have been various recommendations so far about the role of government and intervention. Could you state your views on the appropriate role for government in the media? How interventionist should it be? Should it just back off and leave it to the market? What trade-offs are there with intervention, and what risks? I will start with Robert Colvile.

Robert Colvile: Unsurprisingly, I take the Andrew Neil line on this, although perhaps slightly less robustly. There should be an extremely high bar to clear before there is government intervention in the media,

because one of the chief functions of the media is to report on the acts of government, to inform the public about what government is doing and to hold government to account. The more entangled the two of them become, the more complicated that relationship becomes and the more scope there is for that to change.

We have seen quite recently how government intervention in the media can come up with some unintended consequences or, in fact, downright awful outcomes. Under the rules set by the Leveson inquiry, if those who did not sign up to the official regulator were sued by people they wrote about, they would have to pay the costs of the people who were suing them, even if they were completely justified. As chilling measures go in a democracy, that is pretty chilling.

There are some interesting questions about the role of government, the changing nature of media and, in particular, its relationship with technology platforms. However, at the very highest level, there should be a far higher bar for intervention in this sector than in pretty much any other in the economy, just because of that principled relationship.

Lord Kamall: Before I move on, you have mentioned this high bar more than once. Do you have examples of things that clear that high bar, where you think government should intervene?

Robert Colvile: We might get to that soon, but obviously, the situation is complicated by the fact that the BBC is arguably the dominant news organisation in the country and is, if not accountable, partly accountable to government. It is partly created by government; it is a state entity. There is obviously a question around how that works.

One of the issues that may come up today, which a lot of people are wrestling with, is local news, local democracy and local reporting, and whether there are things that can and should be done to ensure that we do not create news deserts at a local level.

Lord Kamall: Thank you. I will avoid going to local news because I know my colleague Lord Dunlop will want to ask more about that. Professor Nielsen, the same question to you, on the appropriate role for government intervention, and the trade-offs.

Professor Rasmus Kleis Nielsen: It is up to every individual citizen and elected official to make up their own mind about when they feel that bar has been met. I do not think it is my role as a scientist to tell people how to think about these things.

Social science and other kinds of research can help citizens and elected officials think through what the options are. We need to be very clear that there are options already in place in other countries that in some cases are well supported by evidence in terms of delivering on their policy objectives. There are also policies in various other places that might lead to some of the issues that Mr Colvile raises. In a sense, it becomes a question of politics and priorities.

The context in the UK is one in which only 20% of the UK public, when we last asked people, believed that the news media here is free from

undue political or government influence. There is a concern here about how the public see such interventions.

Lord Kamall: Sorry, could you repeat the percentage?

Professor Rasmus Kleis Nielsen: When we asked in 2021, 20% of the UK public believed that most of the time, the news media is free from undue political or government influence.

If and when one decides to intervene, as is often the case with policy, the important thing to keep in mind is that industrial policy and other kinds of intervention can be effective when they work with public demand and/or market forces, and they can be expensive failures when they work against public demand and market forces. We can fund education because there is a demand for it. We can support high-tech industries because there is a market for it.

The context in the UK is one in which the sad reality is that much of the current news industry is producing something that only a relatively small number of older, richer, more highly educated people are engaging with, and we can imagine that there are probably similar inequalities around race, religion and the like. Any policy that does not think about why that might be will simply reinforce that profile and not deliver something that much of the public might see as being in the public interest, rather than in the interests of the industry itself.

Lord Kamall: Forgive me if I misunderstood, but I just want to check something you said. You said that there are some good examples in other countries of government intervention, but you also said there were examples of government intervention that was not appropriate or did not work. Could you give us examples of both?

Professor Rasmus Kleis Nielsen: Sure. Continental Europe has a wealth of different interventions in this space. Some of them, I would say, are well regarded by many media scholars. I apologise for mentioning my native Denmark, but there are both indirect and direct subsidies for independent private publishers in Denmark that are designed to support local providers and providers who serve parts of the public that are poorly served on a pure market basis. These have been found to be compliant with state aid rules and are generally well regarded as a meaningful intervention, and one that keeps independent news media separate from any direct political or civil service pressures while also meaningfully enhancing their investment in journalism.

There are also a number of countries—France and Italy spring to mind—where even in the news industry itself there has been quite strongly worded criticism about the tendency to hand over taxpayer money to very small news outlets that are directly linked to political actors, often Members of Parliament, in ways that offer a veneer of diversity but come across as glorified websites promoting a particular faction's or political figure's point of view, while reaching very little of the public and doing nothing at all to deliver value to the public at large.

Lord Kamall: Thank you very much. Professor Singer, the same question.

Professor Jane Singer: Thank you. I would agree with what has been said. In Scandinavia in particular, where there is a role for government, the public always have the highest trust levels in the media too. People do not inherently distrust public support if it is done correctly. It is very easy to do incorrectly, though.

My personal view is that the Government should not be a part of anything to do with content, and I think that is what everyone else is saying as well. There is too much actual risk and too much perceived risk for the Government to be involved in anything to do with what the media actually produce.

However, there are other realms where the Government could be useful. We are looking now at the potential sale of a major media outlet, the *Telegraph*, to a foreign entity. I think the Government have a voice in the ownership of the media, at least at that level. There are things the Government might do related to tax structures, and that are not directly related to content but that can support the media in other ways that would not be problematic.

Q136 **Lord Kamall:** Thank you. I wonder whether I could throw in a question that has been underlying a lot of the questions we have asked throughout the inquiry, on impartiality. How do we get impartiality, and also diversity? is it an either/or? Is there a trade-off between them? Professor Singer.

Professor Jane Singer: The last time I was at this committee we looked at that. Again, my personal view is that partiality or impartiality in the media is probably not in the Government's purview. It is a little too easy either to corrupt it or to be perceived as corrupting it. Of course, you have to think about the perception as well as the reality.

On diversity, some progress has probably been made. I am not sure it is the Government's doing, but there is a recognition by the media that this is a problem, and they have it within their purview to address it. We are seeing more bursaries, more scholarships and more initiatives undertaken by the media, perhaps with the understanding that there is support for that in government, but perhaps with the understanding that they need to be doing this because they will keep getting pounded if they do not increase diversity.

There is a fine balance between the roles the Government play and the ways the Government might facilitate the media taking on some of these roles itself, if that makes sense.

Lord Kamall: Professor Nielsen, do you have an opinion on this idea of impartiality and diversity?

Professor Rasmus Kleis Nielsen: We know from research that the overwhelming majority of the public believe that news media on the whole should strive to be neutral and represent all points of view fairly.

Lord Kamall: Is that individual outlets or is that the news media as a whole?

Professor Rasmus Kleis Nielsen: That is the news media as a whole. It gets quite complicated quite quickly, in the sense that the kinds of people who consume the most news are often also people who have pretty strong and firm political opinions, and for whom impartiality sometimes means things they do not find offensive or even, ideally, things they find agreeable. If one looks at consumption alone, there is a strong and vibrant public demand for more full-throated media—which is, of course, well represented in this country—even though the larger part of the public, who are more casual daily news users with less strong political opinions, are very strongly in favour of some form of impartiality.

From a public policy perspective, the way I would think about it is that generally in public policy we aspire to something that is efficient, credible and, ideally, future-proof. In terms of credibility, the larger and more structural the intervention, the more important I would suggest it is that it is broadly aligned with public opinion on these issues. If, for example, one has a sizeable public service intervention in the market, as the UK of course has, there is a very sound public policy reason for adhering quite closely to the idea of impartiality, to ensure that when everybody's money is invested in something it commands some legitimacy from the public at large.

When there are more specific interventions, or specific interventions that are meant to enhance diversity and plurality of viewpoints, then, like Professor Singer, I would struggle to see how policy can be developed in a way that would demand impartiality without also creating all sorts of unfortunate levers through which civil servants, elected officials and others could try to pressure independent media.

Lord Kamall: Thank you. Mr Colvile, do you have a view on this?

Robert Colvile: The diversity of the UK media is one of its great strengths. There is a difference between accuracy and impartiality. It is functionally impossible to be impartial, although you can guess that you are roughly in the right place if you are being shouted at by people on both sides in roughly equal proportions.

In the newspaper sector, for example, we have a range of voices on both left and right that not only provide a diverse, competitive ecosystem but also keep each other honest. The BBC in particular plays quite an anchoring role. It is not that everyone has to conform to that, but essentially, people define themselves to the left or right of that. Certainly within the mainstream media there is a terrain within which everyone is broadly operating.

Certainly, every newspaper I have worked at has been very committed to accuracy in its news reporting, but impartiality can be a tricky concept. I used to work for a US news organisation, BuzzFeed, and it had adopted the American idea that our news service will be absolutely impartial. However, it then added, to paraphrase: "Obviously questions about trans rights or cultural issues, they are not political questions, they are moral questions. Obviously, it is completely fine for us to be partial on those because that is a moral fact. It is a moral imperative to be

partial on those because we have justice on our side." There are quite a lot of people who would disagree with that position.

Lord Kamall: Thank you. Professor Nielsen, you wanted to come back.

Professor Rasmus Kleis Nielsen: I wanted to add to the points just made. While there are some news organisations that strive for due impartiality because they are forced to and required to, there are, of course, also many others that strive for it because they want to. As mentioned, we are independent of the news agency but Reuters commitment to the trust principles of independence, integrity and freedom from bias would be one prominent example. Many local newspapers would, I think, argue that their editorial line aims to provide due impartiality for their community.

That does not take anything away from the fact that impartiality is not easy—it is hard and always imperfect, as with any human endeavour—but it is important to recognise that it is not only an external demand from the public or from policymakers; it is also something many journalists aspire to themselves.

Q137 **Lord Kamall:** Thank you. One quick question to all three of you about the trade-offs. Should the Government let news media organisations fail, as in other areas of the economy, or is there a particular role of news media in our democracy that means the Government have a duty to act? I will start with you, Robert, please.

Robert Colvile: Yes, I think they have to, but what is striking is how rarely news organisations fail. We have a much more diverse selection than you might imagine based on pure market economics.

Professor Rasmus Kleis Nielsen: The alternative to letting news organisations fail, if there is no public demand for what they offer, no way of sustaining it and no legitimate public policy interventions to support it, is a taxpayer-funded ZOO that primarily serves a shrinking, older, privileged part of the public. I shudder at the thought of what that would do to already quite fragile public trust in journalism and news in this country, or how it would compound rather than address the growing information inequalities that are very real issues in our society, as elsewhere.

Professor Jane Singer: Obviously, media in general is integral to democracy and is vital, but I do not think the Government should be in the business of saying, "This one deserves to be saved and this one does not". I do not think you would want to go there. Public service broadcasters—I know we are probably going to talk about them—are maybe a slightly different case in this country, given the structure and their role.

In terms of local media, I would agree with Rasmus that you would be risking propping up something for which there is no demand. To Professor Nielsen's point about impartiality, some of those media outlets that strive for impartiality do so because they are mandated to and others do it for market reasons. Their audience expects it, wants it and

that is why they do it. They may believe in it journalistically but at the end of the day I think they do it because they feel that that is their role, as they see it, in their community, whatever that community is.

The Chair: Thank you. Before we move on, is there anything that the Government is currently doing in terms of intervening that you might consider they should not be doing? I am thinking, for instance, of PSB prominence on future platforms, which is in the media Bill. Is there anything like that, which you would point to and say, "I am surprised they did that" or, "I would advise against it"?

Professor Jane Singer: When the Government wade into BBC funding issues based on the premise that the BBC is violating impartiality rules, that bothers me.

The Chair: Point made. Mr Colvile, anything from you?

Robert Colvile: There are huge issues around platforms, access to news and provision but I am assuming we will come on to them.

The Chair: We will come on to those.

Professor Rasmus Kleis Nielsen: I would just say that analytically, UK media policy is more characterised by inaction than by action.

The Chair: Okay. Before we move on, Baroness Wheatcroft, you had a supplementary.

Q138 **Baroness Wheatcroft:** A very quick one. We have a specific issue at the moment that Ofcom is looking at, which is Members of Parliament being presenters on TV shows and news broadcasts. Do you have a view on whether that is an area where Government should intervene?

Professor Rasmus Kleis Nielsen: I can only say that it is important to keep in mind that Ofcom has been a reluctant regulator, by design, for a long time. People who are primarily focused on the content might argue that the many years in which press, TV and other state broadcasters operated under an Ofcom licence, and were thus effectively accepted as offering duly impartial news, are probably a greater challenge to how that rule has been perhaps enforced but certainly explained.

The current situation is more about the relative prominence of this in domestic politics and less about the way in which Ofcom has approached it. However, I do think it illustrates the challenge of promising something on the one hand and then, in fact, having a very hard time delivering it, which is not a great place to be in—a situation already characterised by very low confidence among much of the public in whether our institutions are fit for purpose.

Baroness Wheatcroft: Thank you. Professor Singer, you were nodding.

Professor Jane Singer: That is a good answer there.

Robert Colvile: On this, as on quite a lot of other issues here, the problem is not the core principle, it is the fuzzy edges. We seem to have a slightly weird situation now where it is okay for an MP to present a programme on a news channel, but if they then break off and start

reading some news headlines that counts as unacceptable. Then you have to think, okay, is it unacceptable to have an hour of Jacob Rees-Mogg every evening on GB News? Is it unacceptable for another MP to have a slot on LBC? Is it unacceptable for people to write columns for newspapers? If so, how often? What is the frequency? Is there a particular size of audience? Is there a particular medium?

Pretty much every MP will have a column in their local paper. Obviously, it is quite a long way from a nightly slot on GB News to a column in a local paper, but it is the same continuum of activity. If you start regulating that, at some point you have to draw some lines. As elsewhere in this policy area, that is always going to be tough because everything is so fuzzy.

Baroness Wheatcroft: Thank you. That is helpful.

The Chair: We will move on. Just before I hand over to Lord Dunlop, may I ask if could you slow down a little bit when you are answering us so that we can make sure that we digest what you are saying? Your answers are such high quality but sometimes my ears are not necessarily catching up with what I am hearing, or rather my brain is not.

Q139 **Lord Dunlop:** I want to continue with this theme of the appropriate role for government. Now, I think it is five years since the publication of the Cairncross review into the sustainability of journalism. Cairncross highlighted the risks of government intervention in news markets and the need for any intervention to focus on ensuring that the market is operating efficiently. One gap it noted was "between the amount of public-interest news a well-functioning market can be expected to provide and the amount that is needed in a well-functioning democracy".

To pick up Robert Colvile's point about the supply of local and regional news—which, arguably, is even more important as we devolve power to subnational units of government—do you recognise this gap, and how effective have Government been, working with industry, the regulator and others, in developing a strategy to address this gap? Mr Colvile, perhaps you could kick off.

Robert Colvile: The mention of Cairncross reminded me of a couple of years before that, when the Conservative manifesto in 2017 contained a promise to—I cannot remember the exact wording—do something like develop and sustain a model for high-quality digital news on the internet. I was called in during the campaign by civil servants who were looking at this, saying, "Any ideas on what we do?" It was essentially a promise to fix the internet.

What has changed, certainly in the last 10 years and in the last five years as well, is that it does feel like news has a future. I spent the first 10 years of my career at the *Daily Telegraph*, and like every other newspaper—Baroness Wheatcroft will remember this—there was a sensation of imminent apocalypse, that the end was coming. Everyone was casting around desperately for the business models that would save us, lunging in direction after direction, reinventing the whole operation almost on a six-monthly basis to try to find something that worked.

Now we do have something that works, which is subscriptions, paywalls or even—in the *Guardian's* case—the tip jar model. I am talking about newspapers because that is my background but in that sector the feeling is that, yes, we have enough subscribers. Maybe you cannot replicate the entire cost base you had back in the day, but there will be newspapers. There will be a market. The challenge now is how we persuade younger people to subscribe to these things rather than just transitioning people from print. That happened without government having anything to do with it. I do not think the guiding hand of government shaped that at all.

However, there are particular areas where there is arguably a market failure, including, obviously, local and regional news. Again, there is an interaction here with the BBC. One of the mad ideas that I keep toying with is that we should publish the BBC's news output via Creative Commons so that everyone gets to repurpose it as they see fit in their own publications. There is a paradox, in that the more we have a gap in news at local level, the more it is seen as necessary to have the BBC and others fill that gap, and the more that vitiates existing services. I do not think the scheme of embedding local democracy reporters in local papers is working as well as it could to fill that gap.

Local and regional is one area, and another is obviously investigations and that kind of news. There is a greater profusion of high-quality analysis, whether through Substack, podcasts, newspapers or whatever it is. As a comment, analysis and policy junkie, my inbox is filled with brilliant stuff. On the way to work I can hear brilliant stuff. That is all quite cheap to produce. People like me can knock out an article quite easily.

What is very hard to do is the deeper investigative work—the stuff that takes teams of people, the stuff that takes lawyers. That requires an economic base that, blessedly, national newspapers and organisations like the BBC, ITV and Channel 4 can sustain. However, it is getting harder. Investigative news on TV has been in real decline in the last few decades. If we are thinking about where the issues are, the local issue and the democratic accountability issue are the two areas that merit attention.

Professor Rasmus Kleis Nielsen: I want to amplify the overall analysis, in the sense that people like myself and many of us in this room have never been better served by journalism and news media than they are today, and more broadly with media content. That is not the problem.

There are two areas in which I think there are very real concerns. One is investigative reporting, for the reasons just outlined: it is expensive, it is uncertain and you might get sued. Frankly, news organisations find lots of other stuff they can do nearly as well and that is much cheaper to provide, including lots and lots of opinion. The second area is local.

It is very important to reiterate what I said at the outset: thinking about public policy as something that works with public demand and market forces. By that I mean that we need to keep in mind that a lot of the investment in local news reporting 30 years ago was a by-product of a

business model where local newspapers thought that they were news content companies, but really they were distribution of service information and advertising companies.

Now, members of the public like myself find that service information elsewhere. We use search engines, social media, the websites of local councils, businesses, community associations and the like to orient ourselves in our local community. We do not rely on newspapers for that information. We may still go to the newspaper for other kinds of information but the daily stuff, the utility stuff and the service stuff we get elsewhere. That means, secondly, that the advertisers who want to buy our attention buy it where they can find it, which is through large technology companies, Facebook and its various stablemates, other social platforms, search engines, Google Maps and the like.

None of this is driven by ill will. I as a citizen do not hate the *Oxford Mail* when I get my information elsewhere. The advertisers who buy my attention elsewhere do not hate the *Oxford Mail*. It is simply that the business model that the *Oxford Mail* had was fit for the 20th century and is not fit for the 21st century. Now they are news content companies and this is a harder place to be, especially at the local level.

We are seeing some very promising green shoots in the UK, the Mills Media Co and a few others. It is, however, the case that a lot of local providers in this country are owned by large, publicly traded companies that have made a series of decisions whereby they locked into selling attention in bulk but have found themselves to be very small bulk sellers of attention in a very competitive market. That is a very difficult place to be and it is not clear that that approach alone can sustain local journalism in any meaningful form.

Part of it is the business decisions made by these companies. In some parts of Europe, local providers have found subscription-based, membership-based models that allow for meaningful local journalism, although smaller than in the 1990s when they also controlled service information and advertising.

Professor Jane Singer: I think what we are seeing in local—and other people will be better informed about this than I am—is a bifurcation. We are seeing a consolidation at the mainstream media level. We are seeing Reach and Newsquest, the big organisations, buying things up and then—essentially for reasons of scale and economic reasons—curtailing their outreach in the communities and centralising what they do. At the same time, we are seeing a proliferation of some quite high-quality local outlets. The issue, as Professor Nielsen has pointed out, is: where is the market, not for audiences but for the advertisers?

This is one of the things that you may get to a little later on, but I do think there is an opportunity for government to return some of its advertising revenue to local media. That would be helpful. Some of it has probably gone elsewhere, but you are in the interest of serving the public and that would be a useful thing to do.

There is a gap. There are places that are no longer well served by the media. I live in London and I am in a place that is not served by local media. London is served by local media but where I live, I have no idea, honestly, what my council is doing because essentially no one covers it.

There are opportunities, perhaps, to encourage—although government would have to be careful about how this was done—things like collaboration. To the point about investigative reporting, how important it is and how expensive it is, there perhaps are ways to encourage or facilitate the process of media outlets working together on those sorts of things. Clearly, there is a public service; it is not necessarily being met but it is crucially important.

It is a roundabout answer to a great question about what we do in local media. As you can tell, I am American, and it is worse in the States. It is a bigger country with vast news deserts where there is absolutely no coverage of what is going on. I would hate to see this country head in the same direction but the same market forces are at work, even though geographically, it is more challenging in the US than it is here.

Lord Dunlop: I think you are all recognising that there is potential market failure. What ideas do you have for improving the supply of public interest news? There has been a plethora of suggestions over the years, some of which have been implemented, whether it is on the scale and longevity that people would like—a long-term public interest news fund to support innovation, and we talked about business models and whether that could help. Mr Colvile mentioned the Local Democracy Reporting Service. What do you think of those sorts of initiatives? Do they have merit? Are the Government doing enough, in collaboration with others, to stimulate those sorts of initiatives?

Professor Jane Singer: In general, they do have merit. However, there needs to be a market for them. It is not enough just to produce this content; there has to be a market for it. Look at the Post Office scandal. People got interested in that, although it is not a local news story—well, it is, in that it is a local story about the different postmasters. People cared about that, it engaged them and action is being taken.

There is a general sense, which I think research bears out—Rasmus's organisation and Rasmus himself have done a lot on this—of news avoidance. People feel overwhelmed by the news. They feel that they cannot do anything about it. There are ways, not so much from government but from media, certainly, to structure the information they provide so that it can address those issues. There has been some good work around how that might be done. There are things that can be done.

To your question about what the Government can do, the Government have a somewhat limited role but can perhaps facilitate things that are economically beneficial as opposed to, as I said before, directly related to what the media choose to do with their own news resources.

Professor Rasmus Kleis Nielsen: There are seven basic kinds of media policy options available. Unless I have missed something, in terms of significant interventions there are two that are in use in the UK. Both

have declining relevance, in one case because of market forces and in the second due to political choices.

The seven are: first, direct subsidies for independent private providers; secondly, indirect subsidies for independent private providers; thirdly, competitive grants that individual journalists or news organisations can apply for; fourthly, systemic support for R&D and innovation through industrial policy-type options; fifthly, public service media; sixthly, creating a more enabling environment for non-profit news provision; and seventhly, making it cheaper to do investigative journalism through freedom of information requests, better open data, more livestreaming of meetings such as this and many others, and generally greater transparency.

If you look at the UK, unless I have missed something major, the first of the two that are in use is indirect subsidies through the VAT exemption. It took well over 10 years for News UK to finally get to the point where this might apply to digital publications as well. This, I think, gives a sense of the urgency with which this has been addressed by various Governments over the years.

The other main form of intervention, of course, is public service media. There has been a very significant real-terms cut to the BBC in particular in recent years and the commercially funded public service provision is facing challenges due to market forces. They are the two out of seven tools that are in use and both of them seem somewhat diminished over the years.

The Chair: We will come on to talk about the finances in more detail in a moment. Do carry on.

Robert Colvile: To echo what Professor Singer said, there are lots of worthy interventions that you can and maybe should do, but ultimately there is a horse to water problem here. When I looked at this in my book, essentially what everyone was saying was, "This is a race to the bottom, everything is speeding up, everything is becoming trashy, flashy, dreadful and democracy is dying", and I showed that was not the case. What we were seeing was polarisation. Quite a lot of news was getting shorter and bittier and people were paying less attention, but also there was a huge rise in incredibly long, 5,000-word essays from the *New Yorker* and subscriptions for erudite magazines were going through the roof. There is a lean forward versus lean back thing here.

The problem is that the sustainable models that have been found for journalism at both the local and the national level essentially apply to the people who want to read news and like to engage with this content. On the trust barometers, you can see that people who consume news regularly tend to trust news, like it and think it is a good product.

The risk is that it is not the economic models, it is that we have created a society in which you can have access to news if you want it but a lot of people do not seem to want it that much, partly because the news has been a bit depressing in the last few years and they have tuned out of it. You can provide the best possible service along the lines of, "This is what

your council is up to", but how you then persuade people to like and subscribe to that content is a very different challenge.

Lord Dunlop: Obviously, there are a lot of departments potentially involved with an interest in this area. We have DCMS with responsibility for the media, the Department for Science, Innovation and Technology looking at AI, DLUHC or whatever it is called looking at the health of local democracy, and you have mentioned the financial aspects and the Treasury. Do you think the Government are joined up when they approach these issues?

We have been looking at ways in which the Government can support the news media sector but I am conscious of the dictum, "First, do no harm". We have received a lot of evidence on copyright, data privacy, cookies and subscription cancellations, and I think the industry has felt that government interventions have been unhelpful to healthy business models. Do you think that is a fair criticism and that government could be more joined up than it currently is? Professor Singer, you are nodding. I will go to you first.

Professor Jane Singer: As an informed consumer I do not see a lot of joined-up thinking, no. I looked this morning at the DCMS website and I could read you the list of what was there, but it had nothing to do with anything that you are talking about here. It had to do with things that, to me, would be much less fundamental to democracy, but of course I am biased.

No, I do not think that. Perpetually, the Government have other fish to fry and I do not think that they necessarily maintain a sustained interest for a particularly long time in the topics that this committee is interested in, from what I can see.

Professor Rasmus Kleis Nielsen: I could tell you three different stories. The charitable story is one of deliberate non-intervention; the Government have looked at the possibilities and decided, on balance, that these are not desirable. You can also tell a story about incoherent inactivity—just getting caught up in lots of other things. It has been a rather eventful 10 to 15 years, to put it mildly, so fair play. You could also say that Governments of the day are keenly aware that journalists would like to hold power to account, and perhaps diminished journalism is not the worst thing in the world from the point of view of Governments. That is another possible interpretation—that many elected officials may be perfectly pleased to see the Fourth Estate diminished.

Robert Colvile: On any issue, if you ask, "Are the Government joined up?" the answer is, by default, no. However, this is one of the areas where that is particularly so.

With another hat on, I was one of the people who contributed to the 2019 Conservative manifesto and so I have made a study of these things. On tech policy in particular, you can always tell exactly which department has written each sentence. There is a bit about tech unicorns from BEIS or whatever it is now called, you have the bit about being able to get your driving licence online from the Cabinet Office, and then you

have the bit about stopping people doing and saying bad things, ever, from the Home Office. In media policy you have a similar thing. Each department has its own issues that it plugs away on. I do not think there has been any real incentive, apart from things like the sale of the *Telegraph*, for example, which suddenly take on a salience that forces a cross-government response.

Lord Dunlop: Just one final question.

The Chair: We have a couple of supplementaries from colleagues as well.

Lord Dunlop: Obviously, the Government have great convening power. Do you think they have the right forums for engaging with the full interests across the media landscape? We have something called the Creative Industries Council dealing with that aspect, but do you think in this space the Government have the right interlocutors to take into account in a holistic way some of the issues we have been considering?

Professor Jane Singer: Not to my knowledge, but I might be the wrong person to answer that. As a citizen, I do not see that at all. People within the media might be able to better answer it. Personally, I have not seen it and I have not seen coverage of it or reports of it either.

Professor Rasmus Kleis Nielsen: I would only add that I think the news media would want to think very carefully about whether they would even want such a forum. We have reams of audience research suggesting that one of the primary concerns much of the British public have about journalism and the news media is that they believe that they are so intertwined with politics and power as to not be independent in any meaningful sense.

The idea of having something that, even when created with the best of intentions, could come across as a cartel between people who exercise power and the people who purport to hold it to account, which is meant to design policies to help those purporting to hold power to account, policies delivered by those who exercise power—you do not have to be a conspiracy theorist to see where that could go.

Robert Colvile: I would agree completely with that. There is also the added element of the fuzziness around what the media is and where you draw the line on who gets to be a member, who gets to be inside the tent and who gets to be outside of the tent. I do not think anyone could come up with any definition that would be satisfactory on that front. By definition, you are creating a class of privileged insiders and leaving other people on the outside.

To go back to the last question, sorry, I should have mentioned it but I think a good example of how people do not think that much about media policy is that people have paid a lot of attention to the *Telegraph* but practically no attention to TikTok, as far as I can see. In America they are having huge arguments about the role of the Chinese state in influencing this thing that all our kids are watching. We are not having any of those debates, either in government, in opposition or in Parliament, as far as I can see. Whatever your position on the merits of

TikTok's current ownership structure, it is objectively a much bigger issue than who owns the *Telegraph*, just through the sheer number of eyeballs.

The Chair: A couple of supplementaries: Lord Hall and then Lord Knight.

Q140 **Lord Hall of Birkenhead:** I would like to pick up with Mr Colvile, who started off talking about the local democracy reporters scheme. I declare an interest: John Whittingdale and I invented that for the last charter. How do you think that might be taken forward? You mentioned one route for the BBC, but is there a more Cairncross route that expands the scheme into more areas—to do court cases and so on—which you think would be worth thinking about?

Robert Colvile: It could be worth thinking about. The issue is that the people doing this scheme are serving two masters in many ways, and their professional trajectory and priorities may not be the same as the organisation employing them. I am not an expert on this, I should say, but I understand that there have been some tensions between editors, who do not feel able to deploy that resource as they might prefer to because it is ring-fenced and has a specific function.

It was a well-meaning intervention to address something that obviously does need to be addressed. I say this with the weary cynicism of someone who has read a thousand stories in which "the BBC has learnt" and said, "Yes, the BBC has learnt by reading your newspaper; thank you very much". Especially at the local level, there is a big piece to be done on the role of the BBC because in some places it is almost the only thing left.

Lord Hall of Birkenhead: Thank you very much. Professor Nielsen, Professor Singer, is there anything you want to add?

Professor Rasmus Kleis Nielsen: The balance whereby ramping up a local presence may, in fact, reduce diversity is a real one. It is important to recognise that despite sustained concern about the possible issue of crowding out from private players, there is no independent research I am aware of that supports that argument. To the contrary, it seems that if anything, public service provision has a market conditioning effect whereby it introduces people to the idea of quality content and enhances their interest in it. It may well work the same at the local level, but I understand the concerns and we need to continue to investigate this. I just want to stress and put on the record that the research so far does not support the talking points of private sector publishers on this.

In terms of how that resource can be made to do more work for the public interest, there are a number of continental European countries where the bulk of public service news provision has been made available on a Creative Commons licence for anyone to reuse. My understanding is that those ideas are often resisted by the biggest private publishers because they are keenly aware that this helps smaller private publishers more than it helps bigger ones.

Lord Hall of Birkenhead: The impact, from what you are saying, is a

more diverse agenda, with stories being covered that otherwise would not be.

Professor Rasmus Kleis Nielsen: There are places where there would be no journalism if there were not these reporters, yes.

Lord Hall of Birkenhead: Professor Singer, is there anything you would like to add?

Professor Jane Singer: I do not know if I have a lot to add. I do not know how much work has been done in relation to these initiatives on understanding what people want and are consuming. On the big picture, I think the local democracy project initiative is positive, but I do not know what the actual effect has been in the community. There may be research on this that I do not know of.

It is good that journalists will be there and will be holding the powerful to account, covering courts or whatever is going on, but ultimately people have to want that information, they have to trust the people who are providing it and they have to turn to those providers if the overall initiative is to work.

Q141 **Lord Knight of Weymouth:** I want quickly to return to the problem of local news and the lack of audience and business models for it, to try to understand better what that means for the career of journalism and the nurturing of journalistic talent. We heard from Andrew Neil last week that he started out as a sports reporter for his brother on a local newspaper. I am sure he is not alone in beginning a journalistic career in local news. Should we be concerned about that? Are there interventions through apprenticeships? Are there interventions through supporting community or citizen journalists who then become professional journalists? Are there things that we should be exploring there?

Professor Jane Singer: Yes, there probably are some opportunities. Some of those things are happening. It is an issue that the same class of people, if you like, that have tended to go into journalism have tended to go into national journalism, leaving local media understaffed and underresourced.

There are opportunities, yes. I think the answer is yes. There are ways to do that. It is hard, again, to know what the Government's role should be. Should they be providing some funding and then stepping back? Should they be more engaged in making sure that particular goals or particular targets are being met? If so, how would that work? It would be difficult to do it at anything less than arm's length. The goal is commendable and important. I am not sure what government's role is in achieving that goal.

Robert Colvile: It is unarguable that the conveyor belt has broken down from local to national, but there are all sorts of things driving that. It is not just the decline in local news, it is the London property market. Journalism has become a prestige profession. It has become something that lots of people want to get into. The rules of supply and demand mean that when there are lots of people knocking on the door you do not

have to pay them very much, especially when some of them come from quite wealthy families, good universities and can afford in certain cases to hang around in the office doing work experience and internships, basically doing unpaid labour, until they get their foot in the door. Until you can solve the problem of young people being able to earn a decent salary and afford to buy a home in the capital city—also, we are such a London-centric country that there is a certain natural tendency for people to come there.

There is an issue around diversity in news, but I am not sure what government can or should do about it. With things like apprenticeships, a lot of organisations do make a lot of effort.

There are still good people doing good work in local news. One of my wife's uncles, Phil Coleman, works up in Cumbria and has won a string of awards. He keeps getting nominated for the Paul Foot Award for doing incredibly good investigative journalism. It is not the case that we are in the end times. There is still the scope to do that, but it is becoming increasingly rare and increasingly difficult.

The Chair: Was that for a conventional newspaper?

Robert Colvile: Yes. He is the chief reporter for the big local paper up there. He did stories uncovering someone who worked in the NHS who had faked her credentials, abused the trust of her patients and was sentenced to prison. It was really impressive stuff.

The Chair: Thank you. We will move on to—or return to, in some respects—questions around financial conditions.

Q142 **Lord Hall of Birkenhead:** We have been tiptoeing through some of these issues around the financial conditions for news media and whether the Government should get involved or not. I want to go back and look in a bit more depth at what you think government could do to improve the financial conditions for news media, either directly or indirectly, and what your main recommendations might be or would not be, given the context of the market as you see it. The issues would be advertising—I think you mentioned that, Professor Singer, earlier on—innovation funding and tax breaks. Professor Singer, I will start with you.

Professor Jane Singer: Tax breaks are certainly something I think should be looked at, or those sorts of arm's-length financial things.

One thing that perhaps government might have a role in is enhancing measures related to the safety of journalists. This is becoming a huge issue. Journalists are physically threatened in some cases but certainly the online harassment is very daunting. It gets in some ways to the issue of diversity. It is becoming a more challenging place for women and people of colour to work. It is a little bit of a tangent but there might be some things that government could address with funding along those lines.

We talked years ago and are probably still talking about media literacy initiatives, because ultimately you will have to have more people who feel that they can rely on information and want that information. That is

a place where perhaps government could work across departments. You could get the education people and the media people working together.

There are various things. We do need to be providing more grants. It is difficult to see how that works exactly, although the Nesta funding did some interesting things. There are things that could be done there. There could be funding to support general roles, maybe support for fact-checking roles or for AI initiatives. There could be support for different things that I think could be useful. I do not know if that is answering your question. A variety of things could be done that might be helpful.

Lord Hall of Birkenhead: What does support mean, in your terms?

Professor Jane Singer: It could be providing funding. It could be providing resources. It could be providing training. It could be doing different things.

Lord Hall of Birkenhead: I noticed that the state of New York this week passed an employment tax credit plan for local media outlets to cover journalistic salaries. Is that the sort of thing you think would be useful to think about?

Professor Jane Singer: Yes, I think that would be helpful to them.

Lord Hall of Birkenhead: Thank you very much. Professor Nielsen, you mentioned seven categories of support. What would you be recommending or not?

Professor Rasmus Kleis Nielsen: I promise I will not try to go through all of them. Given that I have had the privilege of being part of a number of discussions like this over the years, I know there is always an appetite for policy options that are cheap, uncontroversial and easy. We should maybe start with things that do not have a big monetary cost associated with them. The last thing I mentioned was to make it easier and cheaper to do investigative journalism. The record of responding to freedom of information requests is quite bad and getting worse. This is clearly not conducive to journalism.

Lord Hall of Birkenhead: Are you thinking it is slow, difficult or cumbersome?

Professor Rasmus Kleis Nielsen: We see independent assessments of this. The number of requests the Government respond to is declining over time and it is also taking longer and longer to respond. This is clearly a problem for journalists and many others who want to hold power to account. Freedom of information requests would be one issue.

The OECD does a regular assessment of the level of open data in Governments across the world. The UK is below the OECD average, in the bottom half of the 40 countries assessed, below such paragons of policy transparency as France, Italy, Poland and Spain. Perhaps there might be room for some improvement here. We are fond of world-beating solutions, so perhaps we should seek one in that area as well.

We can also think of the issues that the industry has for years insisted on, rightly, around the use of SLAPPs to silence journalists in this country

and, sadly, largely unrevised legal frameworks around defamation, libel, injunctions and the like, which are stifling investigative journalism and making it harder for journalists to do their job. None of these things would cost the taxpayers hundreds of millions of pounds. It is a question of whether the Government, or a potential future Government, believe it is important to pursue them or not. These are things that are not so much about being generous with other people's money.

On the other areas, the main thing to say is that there are a large number of quite granular options available. I reviewed some of them with the so-called Forum for Information Democracy some years ago. I am not going to bore you by going through the details of lots of them. The simple thing I would say about how we might approach them—and I am happy to answer questions about any one of them—is that if we do not always keep in mind that the market dynamics in the media space are very strong "winner takes most" dynamics and have a very strong upward trend in terms of which parts of the public are being served, then the media policies that are being implemented are only going to reinforce that, unless they are designed not to do so or to counterbalance them. If one simply introduces further direct and indirect subsidies for private publishers without thinking about what the market dynamics are or which parts of the public are engaging with what is currently being offered by the industry, we simply take resources from everybody and give them to me and perhaps a few other people like me. I will welcome it, do not get me wrong, but I would not want to go door to door in Sunderland making the case for more journalists and fewer police officers and nurses.

There are options for direct subsidies, as a purely political question, if we think they are justified. There are options too around public service media provision. Again, it is a purely political question as to whether you want to pursue them. Dame Cairncross provided an excellent report five years ago and you could do much worse than simply giving it a new wrapping and reissuing it because it is full of excellent recommendations and a few okay ones. There are plenty of options, but I do think, fundamentally, it is a political question as to whether we want to pursue them. I think we need to reject this idea that there are no options or that we need moonshot options for this. There are plenty of policy options that have evidence behind them and that are being deployed around the world, and it is up to citizens and elected officials whether they believe that we should use them here.

Q143 **Lord Hall of Birkenhead:** Can you pick out anything that is helping innovation that the Government are doing or could be doing to help innovation in the news media sector?

Professor Rasmus Kleis Nielsen: Thank you for asking that. Before I personally would encourage anyone to commit taxpayer money to supporting innovation in the news industry, I would encourage you to get some hard evidence from publishers on how much they are currently investing in R&D and innovation, very much along the lines of "you can lead a horse to water". If the industry is not investing very much in R&D

and innovation, I would question whether it is a good idea to commit public resources to R&D and innovation. It is very hard to get good data on this. Perhaps it would be willing to share some with you, but the OECD looks at the level of investment in R&D in different sectors. I was quite surprised to find that the media industry, at least according to the OECD, invests less in R&D than the furniture industry does. Now, perhaps the furniture industry has been subject to some great disruption that I am not aware of, but I would at least say that the media industry has been subject to such a great disruption and it is quite thought-provoking that the industry seems not to be willing to commit very much money into R&D and innovation. If it is not willing to do it, I would hesitate before committing public resources to support it.

Robert Colvile: Obviously I am in favour of tax breaks for journalists in the same way that I imagine you are in favour of tax breaks for Members of the House of Lords. One important principle if you are doing financial incentives is to try to make them as neutral as possible. This is something that the other panellists have raised. There was a moment during the pandemic when essentially, the Government's public information budget propped up the newspaper industry. It was probably quite a good thing for democracy, but also there is the risk there that it looks as though politicians are handing money to people who are reporting on them.

As I said, the finances, certainly of the news media, are more sustainable than they have been. Ultimately it is impossible to answer this question without reference to the platforms. The vast sluicing away of revenue towards the platforms has been the defining story of the last 10 years, and the news in many ways lives by the platforms and dies by the platforms. There is nothing the Government could do that would compensate for the fall in social media referrals that we have seen just over the last year, and that is a global phenomenon. The guys in San Francisco tweaked their algorithms and suddenly, traffic to most major websites in the world has fallen. If you are 40% down you are doing pretty well, but it is even lower in quite a lot of other places. The problem for our democracy was that there was too much news-like content on these platforms; now, the problem may be that there is not enough news on these platforms.

With anything on finances, you are just tinkering around the edges, unless you talk about the ecosystem as a whole.

Lord Hall of Birkenhead: We are going to come on to platforms in just a moment. Can I ask you a "what is news?" social question? You have both mentioned polarisation, and you can see a consolidation at the centre around business models that kind of work, but behind paywalls. You can see a consolidation at a local level as well, but also a long tail of small but vibrant organisations doing things. Do you worry that there is almost one agenda for those who pay, and it is removed from an agenda that is out there around the country that people are thinking about, worrying about and talking about, but do not see reflected in the media that is coming at them behind those paywalls or whatever?

Robert Colvile: Absolutely, yes. The industry has saved itself by becoming a niche industry rather than a mass industry. I am sorry to keep using this phrase, but the BBC complicates matters. The text messages sent out by the BBC to our phones are arguably the most significant. The people making those judgments are reaching a greater number of eyeballs than anyone will reach by putting this story or that story on the front page of a newspaper. In the old days, it used to be that Craig Oliver and co would be ringing you up in disgust at whatever was on "News at Ten." The audience for "News at Ten" is down by I think 2 million in the last four or five years, so we must engage with people where they are getting their news. There is that bifurcation of the market. It has been a necessary and a good thing, in the sense that it has preserved the industry, but absolutely there is a mass audience out there that is not paying for news and as a result is not getting high-quality news in the way that others are.

Lord Hall of Birkenhead: It also may be that news organisations are not reflecting what they are thinking. Socially, that is a potentially difficult situation to face.

Robert Colvile: Also everyone in a room such as this will have a subscription. You will have copies of the newspapers lying around. You will be listening to "The Rest is Politics" or whatever.

Lord Hall of Birkenhead: Professor Nielsen and Professor Singer, do you have any comment on that?

Professor Rasmus Kleis Nielsen: I share the underlying concern, which I would think is the risk of greater information inequality, paradoxically, in a world of unprecedented abundance of supply and choice. I am not entirely convinced that I would put it quite as starkly in terms of the lack of access to quality news. It depends. It is in the eye of the beholder, but if you think about the UK—

The Chair: I am going to have to pause everything there and suspend the sitting, but we will return as soon as we have all voted.

The committee suspended for a Division in the House.

The Chair: Sorry for that disruption caused by the bell. Lord Hall, did you need to restate anything?

Q144 **Lord Hall of Birkenhead:** The question before the interruption was about what happens if there is a polarisation, a word which two of you used, between the paid-for media and others—whatever is free—and whether there is a disjunction between what the people who are just getting free media are thinking and doing, and the people in the paid-for media. The two are not reflecting what is going on to each other. Is that an issue? Professor Nielsen.

Professor Rasmus Kleis Nielsen: Absolutely, yes. I am glad that you are phrasing it in those terms. There is a lot of focus on polarisation in terms of politics, but I think to understand our media environment, the far more profound polarisation is along the lines of a small, generally privileged, highly engaged and politically interested minority who are

willing to pay attention and willing to pay for their news—so that creates a positive feedback loop between publishers and that subset of the public— and then the larger majority of the people who do not have very strong political opinions, are not that interested in electoral politics and often do not find that their lives or experiences are well-represented and reflected in the media.

The reason I hesitate to focus too much on paywalls is that we need to remember that the context is one in which in the UK last year, according to our data, fewer than half of the people in the UK have even tried to go direct to a news site or app in the last week. When we think about the 10 news outlets with the greatest reach online, yes, the BBC is one of them but the others are the *Guardian,* the *Mail*, Sky News*,* regional and local newspapers combined, the *Telegraph*, MSN, Yahoo, the *Sun* and the *Mirror.* Of these 10, only the *Telegraph* has anything like a paywall. It is not that there is no supply of news available for free at the point of consumption. Many of these outlets are very respected and of course you could add Channel 4 and many others that are also free at the point of consumption. It is not that there is no supply of news, news that many of us here would think of as high quality. It is that many members of the public demonstrably do not feel that it addresses any needs they have or provides them with information that is worthwhile, useful, and important for them. That is a tremendous threat to journalism and the news industry, but it is also more than anything incumbent on journalists and news organisations to think why that might be, when it is out there for free and people are not engaging with it.

Lord Hall of Birkenhead: Is it democratic? Is it an issue to do with the function of democracy? It is a big issue.

Professor Rasmus Kleis Nielsen: Yes. Very much so.

Professor Jane Singer: To continue with that thought, of course it is not that they are not getting that information. They are just going elsewhere for it, and where they are going for it may or may not be credible or reflecting anything beyond their own view. There is very much a risk to society in the fact that people are turning to different places for the things that are meaningful to them, and they are no longer turning to the media as a common source of conversation. This is not new. There have always been people who have been disengaged from what has been reflected in the media, but now they can find something to engage with elsewhere.

Lord Hall of Birkenhead: It is easier now than it was in the past.

Professor Jane Singer: Yes, exactly. It is much easier and there is all sorts of information, some of it misinformation, some of it disinformation. AI will make that even worse. I agree with what has been said and I think it is a considerable danger, probably more of a danger to democracy than it is to the media.

Robert Colvile: Also, if you are coming across news online you must be a sophisticated news user to be able to tell whether that is from a

reputable outlet, especially given the flattening of design imposed by the platforms on news content.

Q145 **Lord Knight of Weymouth:** I want to carry on where you have just left off with online news and the tech platforms. Mr Colvile talked about the vast sluicing away of revenue to those platforms. I am interested in Ofcom's role, potentially, in regulating that and whether there is a role. Starting around the issue of media plurality, Ofcom does occasional reviews. Last time it said that online news intermediaries have a significant influence over the news that we see. Do you think Ofcom should conduct more systemic reviews on the influence of tech firms on media plurality and the options for action, and are there any problems with it doing that? I will start with Professor Singer.

Professor Jane Singer: Yes, I think there should be more systemic or systematic reviews and I think it should be seen to be doing them. Otherwise the platforms, which are vastly rich and powerful companies, will assume that they are not being seen, are not being paid attention to and they will do what they want to do. That is an area where Ofcom could play a role.

Professor Rasmus Kleis Nielsen: I would say absolutely, yes. The UK has an independent media regulator that is broadly considered best in class across Europe in its commitment to evidence and its efforts to maintain genuine independence of the Government of the day and the parliamentary majorities. Ofcom has done tremendous work already. It can do more, but the work it has done on media plurality is to a very high standard and helps underpin policy discussion and public discussion. It is important that it can use that authority and resource to hold platforms to account. There are also moments in which it will find that private publishers' findings or arguments cannot be replicated, necessarily, with evidence.

I would only add that the CMA is another very important actor in this space. Again, the CMA has also had multiple investigations in this area that are read by policymakers across the globe and I look forward to seeing more inquiries in this space. I think we all want to live in an intelligible society, and we cannot expect a powerful, organised interest to provide that intelligibility on its own.

Lord Knight of Weymouth: The head of Ofcom is appearing before the committee shortly, so I am sure she will be pleased to hear your comments about her organisation being best in class.

The Chair: May I just intervene and say the Minister is on feet? You are okay but I wanted to give everybody that time check.

Lord Knight of Weymouth: If the quality of Ofcom's analysis is strong, does that then extend to thinking that it should intervene, especially on outside merger periods? At the moment it has powers under the Communications Act to intervene and report every three years. Is it appropriate for it to intervene on tech firms' in-house capabilities to produce news, particularly with the advent of generative AI, or would that be counterproductive?

Professor Jane Singer: That is a tough one for me. It is not an area of expertise that I have. If it is limited to a particular three-year period, that is a long time, particularly in the development of technology. It might indeed be useful if it were more responsive to major changes as they arise.

Lord Knight of Weymouth: Mr Colvile, you have written about this area extensively.

Robert Colvile: Yes. I am sorry to sound like a broken record, but once you move from analysis to intervention it becomes difficult. What role should the state have over what people see in their news feed? What balance of material should people see? If you are looking at interventions, there are definitely things such as trying to prevent content being deprecated for its political views or accidentally deprecated. We saw this in the discussion of online harms and online safety. There were examples of the classic, horrible images of a naked child running from a napalm bombing in the Vietnam War being blocked because the algorithms were deciding, "Oh, this is obviously a bad thing that we should not show to people." Trying to get that balance right is tricky and I do not think anyone has come up with a solution.

We need to divide generative AI into two different categories: the production of news material, and its curation. On production, it is entirely possible and very likely that pretty soon we will have synthetic reporting of company results, football matches, weather forecasts or even criminal trials, or the selection of pictures for an image—the basic automation of the production of news, ideally with a sprinkling of human checking and expertise on top. That should probably be labelled when it is done, but that is functionally the same content that we have seen before. Where it gets trickier is with Twitter, for example, which is trying to produce news summaries based on the content on its—

The Chair: I am sorry to interrupt. I am going to suspend the sitting for a moment.

The committee suspended for a Division in the House.

Lord Knight of Weymouth: Mr Colvile, you had just started talking about curation, having talked a bit about creation.

Robert Colvile: That is a much better way of expressing it.

Lord Knight of Weymouth: As you reflect on curation, perhaps you could then also embed in your answer any reflections on algorithmic transparency and whether we should require tech companies to provide more transparency around that issue.

Robert Colvile: The core challenge with AI in terms of news is that it replaces many answers with one answer. it replaces a search screen where it lists five or 10 different options, or a social media feed, with one saying, "This is the thing. This is what I am going to tell you. This is your personally tailored answer." You can give the public what they want. There are various complexities and challenges in that. There is the issue of what happens if everyone is getting their own personal algorithmically

tailored answer. We have already seen with Google's Gemini, for example, that trying to embed diversity in the search results was a calamity, because it failed and you ended up with woefully historically inaccurate images. The way to get around that is to give everyone what they want—an output that does so even more than the current feed, and that gives you exactly what you want to know. That raises all the issues around filter bubbles, rabbit holes, and a lack of a common conversation between people.

Then, as you allude to, there is the issue of where that content comes from. The challenge of AI is that no one, not even the people who set up the algorithms, can fundamentally know how it is working. It is a black box. That is how these systems work and that is why, when hallucinations happen, when random errors are thrown up, you can guess how that came about but you cannot know. You cannot follow the chain of logic. Being able to know whether you can trust this is a huge issue.

There is also the huge issue of what it is drawing on to make those conclusions. It turns out that the output of, say, the *New York Times*, the *Times*, the *Wall Street Journal*, the BBC or these very reputable news organisations that have a huge corpus of output is an incredibly valuable resource, because you need to train news models on high-quality data. There was a story recently about Meta, aka Facebook, thinking about buying a major publisher—I think it was Meta but it might have been OpenAI; but the need for content is huge. The danger is that, as has happened with news more generally and with all this stuff we have been talking about, the value accrues to the people who are putting the thing in front of your eyeballs. What models can we produce to ensure there is more high-quality news being produced by these organisations over the next 10 or 20 years? If Facebook and Google are swallowing all the advertising revenue, what is the incentive for people to continue to produce the ingredients that go into the thing they are serving up?

Lord Knight of Weymouth: Most of us are now consuming news through our phones online. Almost all of us, according to last year's report from Ofcom, will consume some of our news via social media. The platforms are taking all the money. Surely there is a need to intervene.

Robert Colvile: What intervention and how? You are dealing with utterly fundamental, transformational processes and it is very hard to work out what you can do on this. I struggle to think of interventions that do not make it worse.

Q146 **Lord Knight of Weymouth:** Let me offer you two and get your views on that. I am compressing things for time reasons, but one would be algorithmic transparency. In the Online Safety Act we require access to trusted researchers, essentially, to be able to look at the algorithms and understand how they work and report on that. A second would be prominence of trusted news with the tricksy issue of kitemarking, potentially, or finding some other criteria to decide what is trusted. Those are two potential interventions that have been suggested to us. Do either of them have merit?

Robert Colvile: They have merit but equally, on kitemarks and trusted news, again, you have the issue of the edge cases. What is the organisation that is at the limit of what you declare to be trustworthy and what does that mean for the organisation that is just below that line? Is your definition of trustworthy the same as someone else's? Someone might say, "Look, I know we are Corbynites" or "I know we are Thatcherites but we are still trustworthy, yet you are discriminating against us" so you get into hugely contested areas. Is PressTV a trusted source? It is owned by a state.

On algorithmic transparency, in theory, yes, but the problem is these are not algorithms. The models, the number of parameters, are in the billions or trillions. These are fundamentally opaque.

I was reading a thing the other day about how—I think it was a GPT but do not quote me on that—the model was having real trouble working out how to count. It was having real trouble working out that if two plus two equals four, then two plus three equals five. It was accidentally left on overnight and when they came back, it could count. They did not really understand how that had happened—what mysterious process. There does seem to be a law of computational power being very important the more you do it, but fundamentally, there is no algorithm that anyone wrote to do that, and that is how AI works. That is the difference between these new tools and the stuff we are used to: no one wrote these algorithms. Well, someone wrote the stuff at the very beginning, but no one has dictated what the outputs are. The outputs emerge from, as I said, a black box, which makes it much harder. You can sort of see how it is thinking, you can work out where it has got its stuff from and you can see the impact, but you cannot know what has gone on in its mind.

Professor Rasmus Kleis Nielsen: You asked about Ofcom before the bell rang, and I would just say I think Ofcom can definitely do more in this area to underpin public policy discussion and public discussion through its research. However, things very quickly become more complicated when the question is whether Ofcom can do more, because the question becomes, on what legal basis? Right now we have tools around broadcasts, but they do not cover what is done online, as we see very clearly with some decisions now about moving programmes from broadcast to online, from one particular licence holder.

More broadly, if Ofcom or another entity were to be given obligations around what Dame Cairncross called a news quality obligation, that would necessitate a formal legal definition of what constitutes news, which British journalists and British publishers have for four centuries fought against, not because they do not have their own views on this but because they generally believe that having a formal, authoritative, state-imposed definition of what is news is worse than not having one.

Lord Knight of Weymouth: The EU Digital Services Act has said it has made a definition about very large platforms.

Professor Rasmus Kleis Nielsen: Very much so. I am glad you mentioned that example. I was fearful that I might be escorted from the

premises by Beefeaters if I mentioned the DMA or the DSA. It is very clear that there are several meaningful steps that can be taken by Governments to ensure that we have a more transparent and intelligible digital economy. I think we have every reason to believe that reducing information asymmetries between different players in that space, especially largeish players and everybody else, makes for a more efficient marketplace and is more likely to produce desirable outcomes from competition than just the decisions that members of the public make.

On everything that has been said about the immense complexity of generative AI and other forms of AI that we are seeing right now, I really would resist pushing that too far. A defining facet of the modern condition is that all of us rely on complicated systems that we do not understand, whether that is energy, climate, financial markets or many other parts of our lives. We are deeply reliant on complicated systems that we do not understand, and yet we can govern them. I do not think we need to think fundamentally differently about generative AI. We need to recognise that a lot of the rhetoric around it is salesmanship. Even when it is fearmongering it is still salesmanship, because it is talking up the almost near-magical properties of these technologies. It is very complicated but lots of things are very complicated, and I think we can govern these things as we have governed others.

When it comes to news specifically, I would just encourage everyone, whether it is individual citizens or political actors, and certainly journalists, to think about what it would mean to try to force private companies to make certain decisions about what is and is not news, what is and is not trustworthy, and to do that through legislative instruments. This is something that rights organisations, journalists and many people have been very sceptical of for centuries, and we should keep those reservations in mind. There are sometimes situations where acting is worse than not acting.

Professor Jane Singer: I agree about kitemarks or designations of trust. The idea of digital kitemarks in particular has been kicking around probably ever since the internet, if not before. They have not been successful for the reasons Rasmus outlined, and I think others as well; also, no one pays much attention to them. It is not like rating a toaster or a restaurant. It is an entirely different process. Personally I am not a big fan of kitemarks.

In terms of transparency, in addition to what the legal basis would be, which is certainly an issue, I am not sure what the stick is. Why would the platforms necessarily want to do what you tell them to do?

Lord Knight of Weymouth: One could make a case for harm to democracy for example, as an online harm, perhaps.

Professor Jane Singer: They will abide by perhaps part of the letter of what you ask, but I do not think that necessarily means they will be transparent if it is going to harm their commercial interest, which potentially it would.

Professor Rasmus Kleis Nielsen: There are plenty of reasons to be sceptical of the behaviour of many of these companies. I would also just say that the UK is a large market. The UK is a country that has a capable government in terms of Civil Service and capacity. It has independent regulators. If the UK passes legislation and tasks appropriately resourced regulators with enforcing it, there will be consequences if private companies do not comply. This is the way in which things are supposed to work. I do not mean to suggest these as scary examples, but I think we need to recognise that what is happening in Turkey, in Vietnam and in India shows clearly that very large American for-profit platform companies are responsive when states know what they want and act to get it. The question is not whether they do so; it is whether we know what we want and whether we act to get it.

This is harder in liberal democracies because they have had both a range of political opinions about what is desirable but also a reluctance about deploying the full means of the state to govern public speech. In countries where there are fewer reservations, fewer checks and balances and a very decisive Government, often in ways that we may have reservations about, these companies are clearly responding to these pressures. The question is not whether they will respond; it is whether we can agree on what we want and are willing to set aside the resources that meaningful enforcement of those regulations would entail, so that one does not get to the regulatory theatre, which is a real risk in this space, where we only pass the legislation but do not resource the regulators or authorities to enforce it. Again, that would contribute to the deep crisis of trust that exists between much of the public and many institutions.

Robert Colvile: There is an issue here, obviously, about the broader tech ecosystem. We have seen with other interventions in this space—telling tech companies that you are going to fine them 10% of their global revenue—that it turns out lots of tech companies decide they do not want to put as much investment into this country, so there are economic consequences. We probably do not want to do things that autocratic Governments can seize on, saying, "You see, the British are doing it."

I am sceptical of intervention in this space, but one lesson we should learn from the online harms and online safety debate is the core principle adopted in that legislation: that you do not punish companies for individual decisions; rather, you hold them accountable on the architecture of decision-making. The internet is a very big place: shocking news, I know. There are millions, billions, of pieces of content out there and they are always going to drop the ball; they are always going to make mistakes. If you are intervening in this space, what you do not want is politicians and Ministers saying, "You did this and it was bad and we are going to punish you." It should be more like, "Do you have a system set up so that you generally try to get the right outcome?" That is a subtle distinction, but it is an important one in trying to make things like this work.

The Chair: I want to move on because a couple of colleagues want to

ask some supplementaries before we finish, and I am very conscious that we are now way over time. Baroness Harding and Lord McNally had supplementaries.

Lord McNally: You can cut mine. It has partly been answered.

The Chair: Okay. Baroness Harding.

Q147 **Baroness Harding of Winscombe:** I will try to be brief. I hear very clearly all your concerns about intervention by the Government and your concerns around kitemarking or watermarking, but I would like to get your view on how seriously we should take the threat of disinformation. If you do take it seriously, what might be interventions that credibly address it while minimising the risk that you have very ably set out of intervening in a free press? Professor Nielsen, would you start?

Professor Rasmus Kleis Nielsen: We have plenty of evidence to underline that disinformation is a very real threat. It is a very real threat to people's lives. We have seen examples of this across the world more broadly, beyond direct harm to individual citizens involving bogus cures and the like. We have very serious examples of profound misconceptions about really important issues among some parts of the public, and some countries where people have been led astray—disinformed.

It is very important to recognise a couple of things, however, about the dynamics behind these problems. The first one is that the most consequential disinformation and misinformation almost invariably comes from the top of domestic society. It comes from political actors in the existing domestic political scene, sometimes challengers, sometimes incumbents, sometimes Presidents. I think we can think of some examples recently. They are often amplified by at least some domestic news media, and then on top of that platform companies have often been very shy about applying their content moderation guidelines and standards to powerful people and to large media organisations, perhaps rightly so, one might say. We have parliamentary privilege, we have exemptions for advertising standards for political campaign advertising, so these are not unprecedented positions to take on this.

We need to remember that the most consequential disinformation almost invariably comes from the top. We can see this around vaccine scepticism in the United States, we can see it around misconceptions of the scientific consensus on climate change. We can see it in beliefs and bogus cures or, for that matter, older things such as the purported weapons of mass destruction in Iraq or many other issues. The problems are very real; however, the call is often coming from inside the house.

Then the question becomes, what can one do? I was involved in the rather grandly named High Level Expert Group that the European Commission convened on this some years ago. The position we took in that group, which I still stand by, is that because government is so often the object of—or sometimes, unfortunately, involved in examples of—misinformation and disinformation, it is very hard for government to act directly on these things. However, government can do many things that indirectly help increase our societal resilience to these issues. It can

provide support for independent news media, as we have discussed today. It can ensure the provision of genuine independent public service media, as we have discussed today. It can enhance media literacy and news literacy. It can protect journalists. It can enable the work of independent fact-checkers. It can ensure that open data is available, so that fact-checkers and others can investigate decisions made by people in positions of power. Of course, in this country we have Full Fact, which is pushing very hard for Members of Parliament—perhaps sometimes even members of government—who have on occasion misspoken to correct the record when they choose to do so, which not all of them do, even when encouraged to do so by Full Fact or others. There are many things that can be done.

In a situation where trust is already low, where so much misinformation and disinformation involves very powerful people—often at the heart of the political system, and sometimes government itself—and concerns governance and politics, we need to be careful about believing that government can act directly in any of this. That is going to be very counterproductive and much of the public will see it simply as self-dealing and a "system" looking out for itself.

Robert Colvile: That was an excellent answer and there is not much to add, apart from a few side-points. One of the issues is that even highlighting disinformation to disabuse people tends to raise the salience of it, which is a real problem. This is not a new problem. As with so many of these things, you see the same things cropping up again and again through history. The media changes but the behaviour does not. Especially given the rise of generative AI and other tools, kitemarking for AI-generated images—watermarking, embedding—is definitely something we should pursue because we are increasingly visual. One thing we have not mentioned is that text is now a very small part of people's media consumption. Images, and in particular video, are how people look at it and it is becoming very easy to generate incredibly convincing video. That is the frontier of information and disinformation.

For all the awful things he has done to it, the introduction of Community Notes on X/Twitter under Musk has been a real success. You can take issue with the fact that there is a bit of partisanship and people are trying to make party political points, but generally speaking, letting people attach something saying, "This is not true, guys" does seem to have worked pretty well.

Professor Jane Singer: On that last point, I think that has been relatively effective. Yes, it is a huge problem, and I would not add anything. They have been terrific responses, except to say that AI is going to make it worse. The response to AI from newsrooms so far has been very parochial. It has been very much about how they can use it in their news processes and how they can deal with giving permission on whether to let their information feed into the algorithm. I think it is a much bigger problem and it is essentially uncontrollable, as Mr Colvile has highlighted. I do not know what the Government can do about that, but I do think it is a crucial thing to keep on top of as much as possible.

The Chair: Thank you. I am very conscious that we have taken up far more of your time than we said we would, but we are hugely grateful for your evidence this afternoon. I am going to bring this to an end, except to say that for those of you who heard Professor Nielsen refer to SLAPPs earlier, we have a session next week just on the topic of SLAPPs. On that note, thank you very much.