

MAPPING DIGITAL MEDIA IN THE EUROPEAN UNION¹

A report for the High-Level Group on Media Freedom and Pluralism

SUMMARY

- ▶ The MDM project provides broad-based and timely research on media plurality; the digital divide; spectrum allocation; journalism and the public interest; and the preservation of regulatory and journalistic independence.
- ▶ The project findings should inform European policy over standards, funding mechanisms, and legislation concerning media plurality and a host of related issues. Specifically:
 1. There is an urgent need to address the link between media ownership concentration and the ties between owners and political elites.
 2. Digitization has prompted progressive de-regulation of ownership rules, particularly on cross-media ownership. This has consolidated agenda-setting power in entities—including individual proprietors—which harms pluralism and undermines democracy.
 3. A new approach is needed to ownership regulation, taking into account the emergence of powerful new players in the digital domain, to ensure that major outlets insulate their journalists from political pressure, and that proportionate investments in original newsgathering are maintained.
 4. EU-level funding initiatives should support new models of investigative journalism, as well as local and minority media. Supranational funding support will obviate the threat of influence and interference by member state governments and ensure compliance with EC state aid rules.
 5. The EC should follow its ex-post initiatives—to address the advantages of incumbent operators in broadcasting, and redress the political clientelism fostered by digital licensing regimes—by moving more proactively to prevent and remedy such market abuses.
 6. EU legislation to support the transparency, independence and accountability of media regulators is long overdue, and should be urged upon member states.

1. Mapping Digital Media (MDM) is a 60-country study by the Open Society Foundations. It surveys the impact of digitisation and digital media on media pluralism, diversity, accessibility and independence, focusing on the core democratic service that any media system should provide: the provision of open, contestable, and diverse information about political, economic and social affairs. All reports are prepared by local experts, supported by the OSMP's editorial team. MDM reports have been published on 13 countries in the EU: Germany, Hungary, Italy, Latvia, Lithuania, Netherlands, Poland, Romania, Slovakia, Slovenia, Spain, Sweden, and UK. (Still to be published are Bulgaria, Czech Republic, Estonia, and France. Reports on actual and potential candidate countries have also been published: Albania, Bosnia and Herzegovina, Croatia, Macedonia, Serbia and Turkey.) The reports are available at <http://www.mediapolicy.org/mapping-digital-media/>

MEDIA OWNERSHIP AND CONSOLIDATION

Digitization has lowered barriers to entry in traditional media markets while the internet—and social media in particular—has prised open the gates of news and information formerly controlled by professional media. Yet media ownership remains highly contentious and in many ways, the agenda-setting power of large media conglomerates is resurgent.

The explosion of news and information sources online has made credibility and brand power all the more significant. News consumption online in most European countries has begun to replicate patterns in the analog era, concentrating around the websites and mobile apps of major newspapers and broadcasters who have invested heavily online, despite minimal returns.

At the same time, the internet has fostered new gatekeepers in news aggregation and the digital divide remains significant in many EU countries—particularly in the arena of news and information. This has created a need to address audience exposure in media ownership regulation, rather than just market power in a purely economic sense.

Technological convergence has accelerated ownership consolidation across platforms and has been widely used to justify further de-regulation of ownership. High-profile scandals involving the abuse of media power have not abated, and have arguably reached new heights (as with the phone-hacking scandal in the UK). There has also been a rise in political ties to media ownership—in some cases clandestine—as well as a resurgence of ‘press baronism’ in some countries

There have been significant moves in recent years to relax both mono- and cross-media ownership rules, justified in the context of growing competition and plurality in the multi-channel era. Much of this de-regulation has been manifested in the raising or removal of market share thresholds (for example, in the Netherlands, Romania and Slovenia). In some countries, it has been achieved by a change in the rules that has made them harder to implement.

Key trends impacting on efficacy are:

- lack of clarity in regard to the calculation of market share or key definitions such as ‘dominant positions’
- overly high thresholds or excessively narrow criteria for intervention
- increasing the discretionary power afforded to ministers

Consequently, in countries where significant media ownership rules exist, these have done little to impact on consolidation across markets. One example is the so-called Integrated Communications System (SIC) established in Italy in 2004. According to the new rules, a single entity is not allowed to operate more than 20 percent of the total number of television channels, and at the same time generate more than 20 percent of the total revenues of the entire media sector. However, the total media market was defined so broadly that the law was little more than cosmetic.

In spite of this general trend towards de-regulation, concerns have been raised in the Netherlands and Germany about new patterns of concentration in the digital age. In particular, there is a perceived risk that progressively fewer companies will control or strongly influence what online audiences are exposed to. Parties such as Google and Apple and, increasingly, social networks such as Facebook play an important and contentious role as mediators that guide audiences to particular content. There is an emerging consensus that it is possible, and indeed essential for these developments to be monitored and redressed at the European level.

But attention to new forms of concentration should not detract from the enduring significance of concentrated media power in traditional markets. It is worth emphasising that so-called ‘legacy’ media groups remain the dominant sources of news and information online in most member states, and television is still the mostly widely consumed medium. Overall, digitization has had little impact on dominant market positions or the rate of merger activity within and across these sectors. There has been a general dearth of new entrants in broadcasting and print markets; where new players have emerged, they tend to be dominant in other media markets or other countries. (In Italy, the admittance of Sky Italia has potentially created a television triopoly out of a long-established duopoly.) In many countries, the consolidation of broadcasting ownership has continued on a trajectory unaltered by digitization. The share of viewing time commanded by the top three commercial broadcasters in Sweden increased from 48 to 55 percent between 2004 and 2009.

In the UK, broadcasting ownership structures remained relatively stable over the last 5-10 years but there have been significant changes in press ownership to the detriment of media plurality. More than half the daily circulation of national newspapers is now in the hands of Alexander Ledbedev, Richard Desmond, and News Corp. On the regional level, accelerated concentration in recent years has resulted in five groups now accounting for over 70 percent of regional circulation.

In some quarters ownership concentration has lessened somewhat in recent years, aided by the economic downturn prompting some media groups to shed assets. Yet this has not always benefitted plurality. The withdrawal of News Corp. from Latvia, for instance, has opened a power vacuum which has consolidated links between dominant media outlets and the political party, *For a Good Latvia*.

It is, however, notoriously difficult to establish causal links between market consolidation and media output. And there is an argument that concentration—particularly in certain digital submarkets—has helped plurality. The rise of content aggregators, for instance, is said to have challenged the dominance of content creators, and the rise of new modes of distribution has challenged the dominance of telecoms incumbents. Concentration in newspaper markets has also enabled cross-subsidies to support unprofitable titles. (This has long been the case in the UK, where News International’s tabloid newspapers effectively propped up its broadsheet titles.) Nevertheless, as already suggested, concentration has fostered growing ties between media and political elites that have undermined democracies across Europe. In some countries—such as Slovakia—this has been manifest in financial dealings between major media groups and dominant political parties. In others—such as Romania and the UK—it has been manifest in excessive personal contact and meetings between media proprietors and government ministers, both informally and formally.

The effects of this have been a further erosion of journalist autonomy, already compromised by austere economic conditions and growing pressure to deliver news in greater quantities within ever narrower timeframes. A recent survey of journalists in Poland revealed a close association between pressure emanating from politicians, media owners and advertisers fostering a collapse in ethical standards.

The media's influence on politicians (and vice versa) is further leveraged by opaque ownership structures.² Media concentration has enabled some controversial interests to hide behind growing complexities in the make-up of cross-media conglomerates. This is particularly a problem in countries such as Latvia and Slovakia, where authorities only inspect the first level of media ownership. With no scrutiny of parent company shareholdings, proprietors can circumvent transparency and cross-ownership rules applied to the media. In Latvia, this has prompted widespread speculation in recent years over the covert involvement of local oligarchs and political elites in media ownership.

In most countries, however, transparency has improved over recent years, either as the result of new rules governing declaration of proprietary interests, or engagement of civil society groups with the issue. Whether this will have a positive impact on reducing the cross influence between media and political groups, remains to be seen.

SUSTAINABILITY OF QUALITY NEWS

Digitization has disrupted the business of news. Online migration has been a key factor in driving down both newspaper sales and advertising revenue which has led in turn to significant closures and re-structuring in print news markets. While the impact of digitization in this respect should not be overstated (structural decline in many countries pre-dates the digital era) there can be little doubt that it has exacerbated existing difficulties, undermining the economics of news.

The global economic downturn beginning in 2008 merged with structural pressures to create a 'perfect storm' for media businesses, accelerating the search for new ways to pay for news. It is a quest undertaken by news organisations and civil society groups alike, but it also raises profound implications for the prospects of independent quality journalism, and for policy at both member-state and European levels.

There is wide discrepancy across the region concerning new media revenue models. Media groups have adopted different priorities in terms of product differentiation and diversification. Some conceive of end-users as the best hope for revenue generation in the future—through subscriptions fees, paywalls or crowd funding mechanisms. Others are trying to find new ways of partnering with advertisers, including advertorials and free sheets. Some focus on new platforms whilst others remain fixated on improving margins in conventional media. Several traditional players have been lobbying hard at both the member state and European levels in an attempt to force online aggregators to pay for their exploitation of news content.

2. See also the paper from Access Info Europe on Media Ownership Transparency

But none of these initiatives has proved to be the golden ticket, and the sustainability of professional journalism continues to hang in the balance across the continent. In some areas there has been a progressive weakening of the divide between editorial and advertising content, particularly in local newspapers. An example is the local Dutch news platform Dichtbij.nl which openly produces editorial content paid for by businesses and local authorities. It is justified on the basis that the consumer is made aware of the practice, but others consider it a dangerous precedent which threatens the autonomy of journalists. In other countries, the practice is certainly not transparent or restricted to the print market. (The Slovakian news channel Ta3 has been fined on several occasions in recent years for facilitating hidden advertising in its news programs.)

More acutely, most major news brands have been engaged in a process of accelerated restructuring around cost-cutting and resource rationalisation. Jobs, wages and marketing budgets have all been slashed to varying degrees. In 2009 alone, two of Lithuania's leading newspaper titles reportedly made up to 25 percent of their journalists redundant. Elsewhere, broadcasters have increased the number of repeat and imported programs in their schedules; whilst publishers have reduced page numbers and circulation volumes, closed some titles and reduced the publication frequency of others.

This restructuring has disproportionately impacted on investigative journalism—in many ways the lifeblood of European democracies. The role of journalistic failure and silence in the build-up to the financial crisis of 2008 and Eurozone crisis in 2012 has been widely associated with a general malaise in long-form, in-depth reporting. Concerns point to the increasing unwillingness of publishers and broadcasters to invest in this notoriously risky end of the news market.

At the same time, surviving investigative journalists continue to wrestle with old problems—the intrusion of authorities into their work; restrictive libel, privacy and secrecy laws; the malign influence of advertisers, legal threats and proprietors over editorial decisions; and a culture of journalism across Europe that is more focussed on objectivity than investigation.

Of course, digitization has enhanced the tools for journalistic investigation in a number of ways. It has:

- improved access to whistleblowers (most notably through online intermediaries such as WikiLeaks), experts and other alternative sources
- made information held by public bodies and institutions more readily available
- led to innovative methods of information-gathering such as wikis, social networking, and crowdsourcing
- provided new capacities for storing, indexing and securing the raw material of investigative reports
- reduced the costs of dissemination, enabling controversial issues ignored or neglected by traditional media to find a home in journalist blogs and online-only news sites.

This, in turn, has made it easier for traditional media to overcome libel restrictions on the basis that information is already in the public domain. The depth and quality of reports are also enhanced through interactive features and links to primary source material, enabling users to effectively plug a gap in fact-checking that has emerged in conventional news rooms.

Indeed, there are examples of investigative stories that could not have emerged without digital media. Unfortunately, these are the exceptions and in most contexts, the opposite trend has been observed: digitization has fostered the need for new skills and greater investment in collating, analysing and verifying information.

Part of the problem is an overabundance of information that has proved costly and time-consuming to manage, even with the assistance of software and crowd-sourcing. This is where market pressures have impacted acutely on independent journalism, particularly in respect of time. (In Germany, journalists had on average of 23 minutes a day less to devote to original newsgathering in 2005 compared to 1993. By 2008, the average journalist spent just 11 minutes a day on sourcing and fact-checking.)

The problem is intensified in relatively saturated and small news markets, such as Slovenia and Latvia. Under such conditions, news organisations lack the scale and capacity for cross-subsidising investigative journalism in support of branding and credibility. It is also particularly acute in new democracies such as Lithuania, where experts link a dearth in investigative journalism to perceived risks of alienating powerful economic and political interests.

In all sub-regions, investigative journalism is also threatened by both existing and new legislative measures extending state powers of intrusion into digital communications. The criteria for such demands are often exceedingly broad and vague, employing not just notions of “national security” but also “public order” and the “uncovering or preventing of criminal acts”. A recent case in Germany exemplifies the new threats of intrusion that journalists have to navigate. Email correspondence between a journalist working for *Der Spiegel* and the Afghan Minister Amin Farhang was found to have been monitored by security services for a period of six months in 2006. The interception was achieved by using Farhang’s login data gained through so-called ‘keylogging’ methods.

Online platforms—particularly the blogosphere—are increasingly personality-driven, opinion-led and celebrity-focussed. Investigative reporting which does get published is often restricted to an elite tier of news audiences and much of it simply disappears in the volume of information noise associated with digital platforms. Often this means that scandals, paradoxically, take a long time to surface. According to a Polish journalist, “the biggest bribery scandal in Poland, involving military officers and foreign companies” emerged online a full two years before the wider media paid any attention to it. This has significant implications for the ability of investigative journalism to deliver on its promise of democratic accountability.

In some quarters, what’s left of investigative journalism has become a tool in the fight between politically-aligned news outlets, and the growing emphasis on sensational content has compromised substantive analysis. This situation is exacerbated by the highly competitive media environment which often forces investigative journalists to publish their stories incomplete for fear they will be ‘scooped’ by rivals.

Perhaps in view of such pressures, traditional investigative journalism remains largely the preserve of dominant news organisations and, in particular, public service broadcasters. But even here there is a widely observed decline both in terms of the quantity and quality of output. In broadcasting, this has often meant shorter

time-slots and later scheduling for current affairs programs. It has also fostered a trend in favour of celebrity-fronted stories about, e.g., consumer rights issues at the expense of hard journalism confronting the complex abuses of state-corporate power.

But there is an emerging ‘third sector’ of journalism that exploits hybrid models of foundation funding, cross-subsidies and commissions. Many of these initiatives also adopt a multimedia approach involving both self-publishing online and producing exclusive content for newspapers or broadcasters.

- In the UK, the Bureau of Investigative Journalism has been operating along such lines since 2010. Established with a £2 million grant from the Potter Foundation, the agency has secured over 34 front-page stories and produced award-winning web, radio and TV reports.
- In Italy, Chiarelettere specializes in major investigations which are published in book format. It was founded in 2007 as a multimedia publisher, independent of political and business interests. Readers can meet the journalists on its website, and there are a number of related blogs by both journalists and readers. There is an annual Investigative Journalism Festival, now in its third year.
- In 2001, journalists and editors in Germany founded the Network Research (*Netzwerk Recherche*) to foster investigative journalism. Its activities include publications, courses and training, as well as conferences and political lobbying.

Similar entities are at embryonic stages elsewhere, including Latvia and the Netherlands. But they are still very marginal players and their long-term viability hangs in the balance. A secure funding base remains the elusive prize, and the EU has a potential role to play in assisting this emergent sector. Support for low-cost start-ups at local and regional levels might be especially pertinent given the rate of local newspaper closures, cutbacks and extent of political clientelism in these markets.

DIGITAL LICENSING AND REGULATORY INDEPENDENCE

Licensing in the digital environment has promised greater diversity and plurality, opening up spectrum to new entrants and reducing the dominance of incumbent network operators and analog broadcasters—public and private alike. In reality, the extent to which new technologies of transmission can prise open bottlenecks and monopoly power has proved very much contingent on the precise regulatory and policy frameworks in member states. In some cases, digital licensing has sustained the market dominance of incumbents or concentrated power in the hands of new players. In others, it has created new opportunities for state interference and political clientelism in the media.

The development and promotion of Digital Terrestrial Television (DTT) are essential to ensure the sustainability of free-to-air television, particularly in respect of public service broadcasting. In some countries, however, the pre-existing dominance of cable and/or satellite platforms has limited the space for a competitive DTT market. In others, there has been a squeeze from the rapid rise of IPTV—a fate that most countries face in the medium to long-term future. This has limited the demand for digital frequencies from private broadcasters, leading to market stagnation.

A lack of demand for digital radio frequencies is a more acute problem. On the whole, consumers remain to be convinced of the benefits of upgrading their receiving equipment and broadcasters are reluctant to incur the costs of upgrade or simulcasting, particularly when radio advertising in most countries is yet to fully recover from the economic downturn. In many countries, this has prompted divestment away from digital radio.

Lacklustre demand for digital frequencies has fed into debates about how to allocate new spectrum that is either unused (white spaces) or freed as a result of switch-over (the digital dividend). In Italy, the assignment of new frequencies to telecoms will involve the 'expropriation' of nine frequencies currently used by at least 200 local television stations. What's more, the government has banned these stations from challenging the decision directly, restricting appeals to compensation only. Local broadcasters have played an important role in safeguarding freedom of information in Italy but the expansion of the national broadcasters, especially RAI and Mediaset, has already impacted on their audience and advertising income. Instead of preserving this important sector, the current policy trajectory looks set to add to its plight.

Those countries where authorities are broadly recognised as impartial tend to have explicit licensing criteria enshrined in statute law, as well as a clear separation of powers, limiting the degree to which governments can intervene in regulatory decisions. An important factor underpinning reputations for transparency is the extent to which authorities hold regular, timely and relevant public consultation on key decisions, particularly those which are politicised and subject to strong lobbying efforts.

In contrast, countries which lack such protections tend to have opaque procedures associated with back-room deals between licensing authorities on one hand and multiplex operators and broadcasters on the other. This has led to accusations of political clientelism, expediency or ideological bias in spectrum allocation. The problem is particularly acute at the local and regional levels where a 'democratic deficit' has been identified in some countries with devolved procedures for digital licensing.

The Hungarian authorities have been widely accused of a behind-closed-doors approach to broadcast licensing. In 2009, the frequencies of two national commercial radio stations expired and were reallocated to two bidders who had, according to the chair of the licensing authority (who subsequently resigned), "unrealistic business plans". But a Freedom House report noted that one bidder had financial links to the governing party while the other was connected to the opposition, prompting speculation about backroom deals. In other cases, the regulator has been accused of arbitrary and politically motivated decisions, such as the one that cost the left-wing regional radio station, *Klubradio*, its Budapest frequency in December 2011.

Of course, transparent procedures do not guarantee a level playing field. Most countries have adopted a market-based approach to spectrum allocation which has inevitably favoured incumbent and large-scale operators. Small-scale new entrants and amateur operators are further disadvantaged by the extended duration of licenses designed to allow sufficient security of tenure.

In digital radio, the favouring of larger players is compounded by the owners of commercial multiplexes passing on the relatively high costs of bandwidth to would-be operators. The result is that digital radio broadcasting looks set to be a platform reserved largely for public service and major commercial providers.

A similar situation pertains in DTT, where the adoption of less efficient compression standards in some countries (such as MPEG-2 over MPEG-4) has been favoured by dominant analog broadcasters seeking to protect their market positions. When the Slovak telecoms regulator started the tender for the first two multiplexes in 2008, MPEG-4 was established as the compulsory compression standard, a move that did not suit the existing television broadcasters. The head of the regulator was removed and the tender called off. The guidelines for a new tender allowed the operator to choose the compression standard, resulting in the adoption of MPEG-2.

But it is not just technicalities which have led to incumbent analog broadcasters retaining dominant positions in the DTT market. In Italy, the lobbying power of the public broadcaster on the one hand, and the commercial network owned by a three-times serving Prime Minister on the other, have been instrumental in sustaining an effective broadcasting duopoly. Some attenuation may derive from the admittance of Sky Italia into the frame, under pressure from the European Commission. But there is renewed concern since 2011 when Mediaset began merger talks with DMT Towertel—the leading company operating broadcast-transmission networks. If the deal goes ahead, the new Mediaset-controlled entity will become the leading operator, owning and hiring the use of transmission towers to its digital broadcasting competitors. The other operator is the RAI-controlled company RAI Way, which leases its infrastructure exclusively to RAI.

The lobbying power of incumbents reflects the need to address the vulnerability of media authorities to commercial capture. The first thing to note in this respect is the method of financing applied to media regulators which can provoke conflicts of interest. In several countries, regulators are reliant on a levy applied to commercial broadcasters. In Lithuania, this model is seen by some experts as threatening the regulator's independence, inducing it to adopt a 'soft' and sometimes compromising position toward commercial broadcasters, especially over compliance with advertising rules.

Vulnerability to capture may also depend on the market power wielded by particular players or platforms. In Romania, strong lobbying by cable companies has been seen as instrumental in delaying digital switch-over and postponing DTT licensing tenders.

Another potential weakening factor in respect of commercial capture is the convergence of media and communications regulation in several states. While the formation of Ofcom in the UK was ostensibly a regulatory "tidy up" in response to growing media convergence, a unified regulator was urged by commercial media lobbyists as a means to accelerate the relaxation of ownership rules, particularly in relation to cross-media ownership.

Regulatory independence is also compromised in many countries by government influence and interference. In Spain, there is still no nationwide regulatory authority for audio-visual media. The only such authorities exist at regional level; one of those—the Audio-visual Council of Navarre—closed in 2011 for financial reasons, and others are seen as acutely vulnerable to political pressure. Meanwhile, broadcast licensing and media content regulation at national level remains exclusively under the control of ministers, and successive governments have been accused of exploiting this vacuum.

In Hungary, new legislation in 2010 reasserted government power over media regulation in a range of areas. With regard to broadcast licensing, a regulatory body nominated and elected by parliament was replaced by one for which the government controls appointments. Government influence is further enhanced by the absence of detailed legal guidelines and definitions in respect of spectrum allocation. The discretionary power granted to a weak regulator enhances the government's room for manoeuvre.

The significance of appointments as a lever of government interference was demonstrated in Romania in 2006. The head of the telecoms regulator, ANCOM, was replaced twice in a single year. Both outgoing chairs subsequently won lawsuits over their dismissal but rather than reinstate either of them, the government changed the name of the regulatory body and reorganized the system to consolidate its control. The ongoing political manipulation of the regulatory framework drew heavy criticism from the EU in 2010, prompting the Senate to pass an emergency measure which transferred control over ANCOM appointments from government to parliament.

Less successful attempts to de-politicize the appointment and election procedures of regulatory authorities and public broadcasters have been seen in Poland. A new draft public media law, prepared by a citizens' committee of television producers and artists, was rejected by parliament despite an assurance to the contrary by the governing party in 2010. At the end of 2011, the National Broadcasting Council (KRRiT) presented its own draft reforms over the financing of public media and elections of their officials. But the bill was rejected by the Minister of Culture, describing it as "controversial and with legal faults."

Politicization of media regulation is nowhere more acute than in Italy. The Communications Regulatory Authority (AGCOM) is exposed to particularly strong pressures from government and major political parties. An episode in 2010 serves as a case in point and led to the resignation of Giancarlo Innocenzi Botti, one of its board members. Mr Botti was previously an executive for Fininvest—the company owned by then Prime Minister Silvio Berlusconi and the parent company of Italy's dominant commercial media conglomerate. Published wiretaps revealed frequent telephone calls from Berlusconi to his former employee, urging him to intervene and halt a current affairs program produced by the public broadcaster, RAI. A judicial inquiry is underway to determine, among other things, whether Berlusconi was guilty of duress or threat to a political, administrative or judicial body. Despite this, parliament appointed another former Fininvest executive and former Berlusconi MP as Botti's successor.

In light of such threats to the independent performance of media regulators, it is worth emphasizing the potential for remedies at the European level. We mentioned how a critical EU report in 2010 prompted an emergency measure in Romania, reducing government control over regulatory board appointments. A similar episode occurred recently in Slovenia when criticism by the European Commission followed the government's dismissal of a senior regulatory official in 2009. The EU criticism was a factor behind 2011 legal amendments on appointing and dismissing the regulator's executive.

At the extreme end of regulatory independence lie self-regulatory regimes which have traditionally been the preserve of print media and advertising, and are now increasingly applied to online journalism. Digitization has exposed the limits and weaknesses of such regimes. In several countries, self-regulatory bodies have recorded a growing number of complaints while at the same time they apply progressively fewer sanctions.

This perceived weakness has provided justification for extending state control of the media in some countries, notably Hungary. The challenge for policymakers is to support a regulatory framework that is effective, transparent and representative, without recourse to state interference in the press. Above all, recent events in the UK and elsewhere have demonstrated the need to preserve journalism's autonomy from editors, proprietors, governments and powerful corporations alike.

CONCLUSION

The MDM project confirms important common themes which should inform European policy over standards, funding mechanisms, and legislation concerning media plurality and a host of related issues.

First, there is an urgent need to address the link between media ownership concentration and the ties between owners and political elites in several countries across the region. Digitization has prompted progressive deregulation of ownership rules, particularly as regards cross-media ownership. But this has done little to enhance the sustainability of public interest journalism—defined as impartial, contextual and accessible reporting of issues relevant to the exercise of citizenship. What it has done is to consolidate agenda-setting power in the hands of particular entities—and in some cases individual proprietors—threatening to undermine the very fabric of European democracies.

Although measuring media concentration is a notoriously complex task, and implementing controls arguably even harder, these are not reasons to abandon policy in this area. There are historical precedents on which to base a renewed approach to ownership regulation that takes into account the emergence of powerful new players in the digital domain, while acknowledging the enduring capacity of legacy media to dominate public conversation.

Solutions need not be exclusively in the form of ownership caps; there is a role for behavioural remedies as increasingly applied in more general anti-trust regimes in both the USA and the EU. Of course, such remedies will have to steer well clear of interference in the editorial freedom of the press. But they can ensure, for instance, that major outlets have protections in place to ensure the autonomy of their journalists from political pressure, and that proportionate investments in original newsgathering are maintained.

Such remedies may offer a lifeline to investigative journalism, facing an existential threat in some countries, and improve the representation of minorities in the mainstream media. But there is a role to be played here for public funding initiatives to support new models of investigative journalism, as well as local and minority media. These are embryonic in many countries but confined to the margins with uncertain futures. EU level funding initiatives should be aimed at supporting such areas of journalism increasingly under-served by the market but no less foundational to the media's democratic function, particularly at the local level. Supranational funding support will obviate the threat of influence and interference by member state governments and ensure compliance with EC state aid rules.

There is a need also to address the inherent advantages of incumbent operators in broadcasting and redress the extent of political clientelism—particularly at the local level—fostered by digital licensing regimes in some countries. There is evidence to suggest that current ex-post initiatives by the European Commission can be effective in this area, but a more proactive approach to monitoring abuses is needed. There is also a strong case for urging the member states to overcome, finally, their reluctance to legislate at the EU level in favour of more explicit standards as regards media regulatory frameworks to ensure the transparency, independence and accountability of media authorities. This could include standards for self- and co-regulatory regimes, offering a statutory underpinning that would circumvent attempts by member state governments to strengthen their handle on the press.

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