

MAPPING DIGITAL MEDIA: CHILE



Mapping Digital Media: Chile

A REPORT BY THE OPEN SOCIETY FOUNDATIONS

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Mapping Digital Media

The values that underpin good journalism, the need of citizens for reliable and abundant information, and the importance of such information for a healthy society and a robust democracy: these are perennial, and provide compass-bearings for anyone trying to make sense of current changes across the media landscape.

The standards in the profession are in the process of being set. Most of the effects on journalism imposed by new technology are shaped in the most developed societies, but these changes are equally influencing the media in less developed societies.

The **Mapping Digital Media** project, which examines the changes in-depth, aims to build bridges between researchers and policymakers, activists, academics and standard-setters across the world. It also builds policy capacity in countries where this is less developed, encouraging stakeholders to participate in and influence change. At the same time, this research creates a knowledge base, laying foundations for advocacy work, building capacity and enhancing debate.

The Media Program of the Open Society Foundations has seen how changes and continuity affect the media in different places, redefining the way they can operate sustainably while staying true to values of pluralism and diversity, transparency and accountability, editorial independence, freedom of expression and information, public service, and high professional standards.

The Mapping Digital Media project assesses, in the light of these values, the global opportunities and risks that are created for media by the following developments:

- the switch-over from analog broadcasting to digital broadcasting;
- growth of new media platforms as sources of news;
- convergence of traditional broadcasting with telecommunications.

Covering 60 countries, the project examines how these changes affect the core democratic service that any media system should provide—news about political, economic and social affairs.

The **Mapping Digital Media** reports are produced by local researchers and partner organizations in each country. Cumulatively, these reports will provide a much-needed resource on the democratic role of digital media.

In addition to the country reports, the Open Society Media Program has commissioned research papers on a range of topics related to digital media. These papers are published as the **MDM Reference Series**.

Mapping Digital Media: Chile

Executive Summary

Digital media have proliferated in Chile over the last five years. They have given impetus to a culture of openness and transparency that has been developing since the country's return to democracy in 1990. However, digitization of terrestrial broadcasting is yet to get off the ground, in spite of television's endurance as the dominant medium for news and information. Significant obstacles also remain in respect of pluralism and diversity, including ownership concentration and a persistent digital divide, neither of which have been helped by the global economic downturn.

The Japanese ISDB standard was formally approved for digital terrestrial television (DTT) in 2010, but legislation governing switch-over has yet to be ratified. The digitization plan as it stands will automatically grant digital licenses without charge to incumbent broadcasters for a period of 20 years, renewable thereafter. Nevertheless, it includes an ambitious target of 30 multiplexes and a reservation of 40 percent of available digital spectrum for local and community television. On the one hand, there are concerns as to whether this framework will support a competitive and sustainable DTT market. On the other hand, critics have voiced opposition to a recent amendment that effectively removes the guarantee of spectrum for local and community operators.

A five-year interim period of simulcasting is envisaged once the law has been ratified, but the bill is still moving between the upper and lower chambers of congress, and there is no certainty about when it will come into effect. As for post-digitization issues, the bill does not address the digital dividend and there is no agreed standard or plans for the digitization of radio.

In the meantime, alternative platforms—particularly digital cable and satellite—have grown significantly in recent years, and pay-TV services now reach just under 40 percent of households. However, these households are firmly in the upper tier of the digital divide which also excludes, at present, half the population from access to the internet.

This makes the gestation of a viable and pluralistic DTT sector all the more crucial if the promise of a diverse and accessible digital mediascape is to be realized. Even among young people, television remains the

primary source of news and the internet is more a space for self-expression than for accessing information. Conventional broadcasting is not only the most widely accessed source of news and information, but also the most trusted. Despite the fact that half the population are online, only 20 percent use the internet for news regularly, compared to 85 percent for television.

The popularity of television news attracts advertising premiums, prompting the recent extension of the main evening newscasts from 60 to 90 minutes. But increases in the quantity of television news have not necessarily corresponded with improvements in quality. There has been an observed homogenization of output in favor of human interest news, sport and crime, and at the expense of topics such as foreign affairs. The rise of infotainment has also eclipsed a fragile current affairs sector and compromised the distinct offering of the only public service broadcaster (which is entirely commercially funded). Nevertheless, audience barometers have shown improvements in the perception of television news quality over recent years, especially among lower income households. This undermines critical assessments, particularly when considering the potential for human-interest stories to broaden access to the news.

Public service television—at least in name—is well placed to endure the digital transition. But the state-funded newspaper *La Nación* finally ceased operations in 2012 after a short period of online-only publishing. Although this might be seen as a victory for press independence, critics suspected an ideological motive by the center-right government. The current president had publicly expressed dismay at his unfavorable coverage in *La Nación* during the 2011 election campaign. For their part, the paper's directors cited financial losses as the chief reason for closure. But its supporters maintain that the title had long provided an important counter-weight to the pro-market and generally conservative editorial agenda of its rivals.

With regard to online news, there is an emergent sector of blogs and alternative news sites committed to giving voice to sources, views and issues under-represented in conventional media. However, these remain marginal and in some cases, unsustainable. It is also questionable whether the Chilean blogosphere is doing as much to advance the democratization of communication as its proponents suggest. Personalization and opinion-based offerings, as well as the enduring digital divide, restrict the sector's contribution to the public sphere.

Perhaps more significant changes—at least in the short term—can be observed in the interaction between new and traditional modes of journalism. Although only 20 percent of professional journalists use social media as regular sources of news, this practice is increasing, especially in the newsrooms of Santiago. Although the Twittersphere is dominated by the voices of political and cultural elites, the use of Facebook implies a broadening of news sources. Journalists are also increasingly using social networks as a way to reach wider audiences.

Diversification of sources and audiences has been associated with some diversification of output in professional journalism, but this has been checked by the relatively fewer opportunities for exclusives. Coupled with the financial crisis affecting newspapers in particular, this phenomenon has all but eradicated the already marginal practice of investigative journalism. It is reflected in the minimal and declining use by journalists of the Transparency Act of 2009, for soliciting data and information from public institutions.

One important exception is the online-only investigative news site, Ciperchile.cl. Founded in 2008, it rose quickly to prominence as an important agenda setter and source of original newsgathering, creating synergies by working with journalists from traditional media as well as journalism schools.

The use of interactive features as well as so-called open and data journalism practices carry the potential for enhancing public understanding of the news. But their uptake by journalists has been gradual, if not lackluster, and converged newsrooms are still the exception. However, editors' demands for multi-tasking and multi-media skills are on the rise. This has had a negative impact to the extent that it renders journalists increasingly desk-bound and removed from "on-the-ground" reporting.

The acceleration of news delivery has also sparked a rise in errors and inaccuracies, a problem compounded by the abundance of sources. Fortunately, online news audiences in Chile seem willing to take on some of the burden of factual corrections, and journalists express awareness of a greater degree of audience scrutiny than ever before.

There have been a few significant cases when citizen mobilization on digital platforms has broken through to the mainstream media and influenced policymaking. In 2010, an impromptu protest on social media and other digital platforms forced the government, within less than 24 hours, to halt construction of a coal-powered plant near a nature reserve.

Where no such cross-over to mainstream attention is achieved, digital activist initiatives have tended to fail. In 2009, a proposed boycott of pharmacy chains went viral online in response to suspected cartel practices which had increased the cost of medicines. Lacking the support of mainstream media—no doubt wary of upsetting some of their largest advertisers—the campaign quickly ran out of steam.

Concentration of ownership across a range of industries in Chile has increased the influence of advertisers over the media. At the same time, digitization has had little impact on the concentration of ownership among media themselves, particularly within the newspaper and radio markets. The former is now an effective duopoly, while the latter is dominated by a single commercial conglomerate that commands two-thirds of the audience.

The major owners of newspapers trace their power to the dictatorship of General Pinochet whose enduring political influence in the 1990s was said to account, in part, for their continued dominance. A policy paradigm centered on fostering media independence through marketization has also sustained and enhanced concentration. Local, university, and community media have been given the short straws and weakened by limitations on transmission power, advertising, content, and license duration.

Proponents of the status quo argue that there is still strong competition across media sectors—particularly in television, where the law forbids any broadcaster to operate more than one channel. But even radio and print sectors are home to fierce market rivals, not to mention the explosion of news sources emanating from the online sphere.

It is perhaps noteworthy in this respect that the dominant radio conglomerate—Iberoamericana—provides the only station dedicated to airing Chilean music, as well as a respected news and talk network. Output in the relatively pluralized television sector, by contrast, is seen as increasingly homogenized around entertainment genres. What seems certain is that in Chile, competition is no more a recipe for diversity than concentration is for homogeneity.

Although the Chilean media system adheres to a market-dominated model, there is an unknown body of small local and regional media, in particular radio stations, that are owned by local politicians and municipalities. The extent of this phenomenon has not been properly studied and pre-dates the emergence of digital media.

Overall, public funding of the media is scarce and advertising remains the primary source of funds. What's more, conventional platforms continue to attract nearly 80 percent of advertising expenditures with the dominant share going to terrestrial television. Radio and newspapers have seen their shares decline, with the latter acutely affected by the global economic downturn, precipitating a wave of title closures. Nevertheless, classified advertising remains the lifeblood of print media and has held relatively steady in the face of online migration. How long this will last remains uncertain.

For their part, the majority of online news sites have struggled to generate sustainable revenues from advertising or subscriptions. But they may take heart from the rapid growth of online advertising, and the fact that it is still concentrated in display rather than search and social media.

Pay-TV has also experienced significant growth in recent years as a source of media funding but, like online advertising, it remains relatively marginal. Its significance is inextricably linked to the rapid growth of telecommunications and their increasing involvement in the business of media.

In television, meanwhile, there has been a substantial rise in product placement to compensate for growing rates of channel-hopping during commercial breaks—a trend that looks set to intensify with the arrival of DTT. Product placement has extended into newscasts, with presenters mentioning sponsors and some becoming stars of advertising campaigns. Tabloid newspapers have also tried to stem revenue losses by engaging in questionable advertorial practices, including the insertion of sponsors' logos on front pages, or even the deployment of fake front pages with adverts disguised as news.

The existing legal and regulatory framework supports the increasing commercialization of the media and seems unlikely to constrain some of its least desirable excesses as the digital transition looms. There are persistent concerns over the extent to which policymakers have been captured by incumbent operators in a number of respects. For instance, the decision to “freeze” spectrum licensing in 2000 was seen as undermining local and regional broadcasters, in favor of the dominant national networks. For its part, the regulator defended this move as a response to the failure of new operators to attract significant audiences following liberalization during the 1990s, and the need to reserve frequencies for digitization.

The development of switch-over policy has certainly been marked by unprecedented openness and transparency through a series of consultations and discussion involving a wide range of stakeholders. These debates have been criticized as too narrow, technical and evasive in respect of the implications for news quality and output. But they are also seen as instrumental in ensuring the adoption of the ISDB standard for DTT broadcasting, in the face of significant opposition from incumbent broadcasters. At the very least, this suggests that the commercial capture of digital media policy is by no means inevitable.

Overall, digitization has only partly impacted on the media landscape in Chile. It has neither altered the neoliberal trajectory of media policy, nor reduced high levels of ownership concentration and incumbent advantages. But there is, at the very least, a framework in place that will potentially open doors to new entrants in the digital terrestrial arena, as well as sustain the public service, local and community sectors. This will provide an important antidote to the digital divide which is likely to persist in terms of access quality, even after universal service is achieved. Whether this potential will be realized is, however, uncertain.

Context

Chile is a middle-income country of nearly 17 million inhabitants, which has some of the top welfare, technology and economic indicator rankings in Latin America.¹ It also has high levels of free expression² and a low level of corruption,³ important factors when the rule of law and other institutional factors are considered. The country has a fairly homogeneous population (European immigrants, mainly from Spain, mixed with indigenous peoples), with Spanish spoken by all Chileans, and an additional small number of indigenous groups.

Chile has a long democratic tradition (at least by Latin American and even European standards), consolidated in the Constitution of 1833, a few years after independence from Spain. This democratic tradition, however imperfect, had an important lapse: the anti-Communist dictatorship of General Augusto Pinochet (1973–1990). This meant that when Chile reinstated a central democratic government in 1990, democracy was already a long-standing tradition when compared with other countries in transition, such as South Africa, Russia, South Korea, or Argentina. Dating from the 1830s, the state apparatus has also been quite effective; for example, General Pinochet used it to impose the neo-liberal paradigm of market economics.⁴

-
1. Chile and Argentina are the countries with the highest Human Development Index (HDI) levels in the region, scoring 0.783 and 0.775 HDI, respectively. See *Human Development Report 2010. The Real Wealth of Nations: Pathways to Human Development*, UNDP, 2010, New York, at http://www.beta.undp.org/content/dam/undp/library/corporate/HDR/HDR_2010_EN_Complete_reprint-1.pdf (accessed 20 September 2011).
 2. According to Reporters Without Borders, Costa Rica, Chile, and Uruguay are leaders in the rankings for press freedom in the region, ahead of industrialized countries such as Spain, France, and Italy. See *Press Freedom Index 2010*, at <http://en.rsf.org/press-freedom-index-2010,1034.html> (accessed 15 September 2011).
 3. According to Transparency International, Chile ranks 21st in the world list of less corrupt nations, just below the United Kingdom and ahead of Belgium, France, and the United States. The other leading Latin American countries are Uruguay (24th) and Costa Rica (41st). See *Corruption Perceptions Index 2010 Results*, at http://www.transparency.org/policy_research/surveys_indices/cpi/2010/results (accessed 15 September 2011).
 4. V. Bulmer-Thomas, *The Economic History of Latin America since Independence*. Cambridge and New York: Cambridge University Press, 1994; M. Garreton, "Chile: In Search of Lost Democracy" in J. Hartling and S. Morley (eds) *Latin American Political Economy. Financial Crisis and Political Change*. Boulder: Westview Press, 1986; S. Godoy, *An Unlikely Mixture*, 2009; E. Williamson, *The Penguin History of Latin America*. London: Penguin Press, 1992.

Although Chile's economy and media sector are relatively small in comparison to those of Brazil, Mexico, and Argentina, it is dynamic, predominantly market-driven, and relatively open to foreign investors. It is also highly centralized in the capital, Santiago, and shows increasing levels of ownership concentration, especially in the case of newspapers (a duopoly), pay-TV, telecommunications, cinema distribution, and, in recent years, radio. A complicating issue is the country's unequal income distribution, which has generated social unrest since 2010.⁵

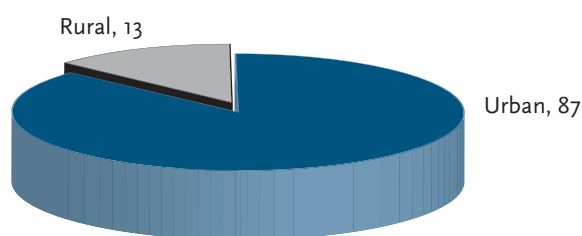
5. C. Castro, "Chile," in *Industrias de Contenidos en Latinoamérica* (Content Industries in Latin America), Documento de Grupo de Trabajo eLAC2007. CEPAL/ECLAC, Santiago, 2008, pp. 56–60; *Chile: Lessons from the students and Chile. Progress and its discontents*, *The Economist*, 12 April 2012, at <http://www.economist.com/node/21552573> (accessed 15 April 2012).

Social Indicators

Population (number of inhabitants): 17.11 million (2010)

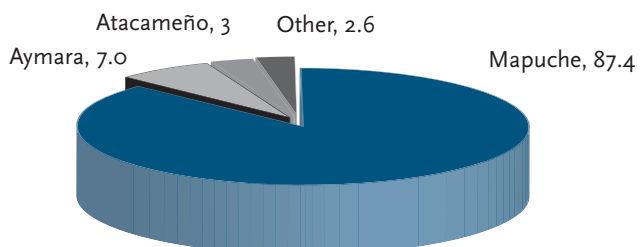
Number of households: 4.52 million (2010)

Figure 1.
Rural–urban breakdown (% of total population)



Source: INE, National Census 2002⁶

Figure 2.
Ethnic indigenous groups (% of ethnic indigenous population)



Note: Refers to percentage share of people identifying with an ethnic indigenous group (4.6% of the total population)

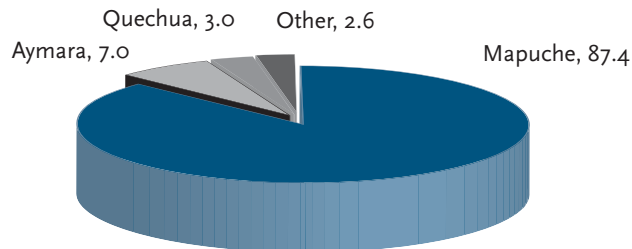
Source: INE, National Census 2002⁷

6. See http://www.ine.cl/cd2002/cuadros/6/C6_00000.pdf (accessed 22 May 2012).

7. See <http://www.ine.cl/cd2002/sintesis censal.pdf> (accessed 22 May 2012).

4.6 percent of the total population claim they belong to a clearly identified indigenous ethnic group (i.e. a total of 692,192 people). There are eight recognized ethnic groups in the current legislation. The three largest are Mapuches (87.4 percent of the indigenous ethnic population), Aymaras (7 percent), and Atacameños (3 percent).

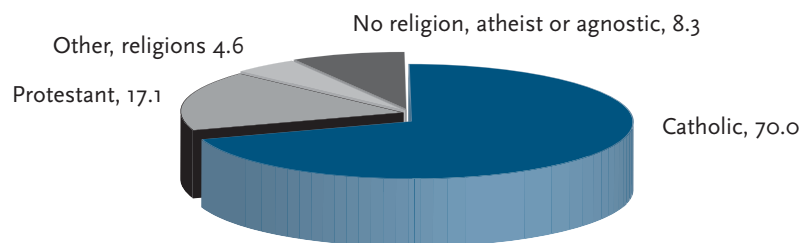
Figure 3.
Linguistic composition (% of indigenous ethnic population)



Note: Refers to percentage share of people identifying with an ethnic indigenous group (4.6% of the total population)
Source: Estimate based on National Census 2002⁸

Spanish is the official language. It is spoken by the whole population, even by the 4.6 percent belonging to an indigenous ethnic group according to the 2002 Census. Each group has its own language, which they struggle to preserve: (the Mapuches have Mapudungun; the Aymaras—Aimara; Atacameños and Quechuas—Quechua; and the Easter Islanders—Rapa Nui; this last is the only language with a written system as well, but clues to its meaning were lost in the 19th century). Not all indigenous people speak their group’s language, and virtually nobody else speaks them outside each group. The Census does not clarify the point, but each native language’s reach can most probably be estimated by looking at each group’s size. Based on this assumption, Mapudungun dominates among the vernacular languages by a proportion of 9 to 1.

Figure 4.
Religious composition (% of total population aged 15+)



Source: INE, National Census 2002⁹

8. INE, at. <http://www.ine.cl/cd2002/sintesisencensal.pdf> (accessed 22 May 2012).
9. See http://www.ine.cl/cd2002/cuadros/6/C6_00000.pdf (accessed 22 May 2012).

Economic Indicators

Table 1.
Economic indicators, Chile, 2005–2012

	2005	2006	2007	2008	2009	2010	2011p	2012f
GDP (current prices), in US\$ billion	118.21	146.75	164.20	170.86	161.6	199.1	222.7	244.4
GDP (current prices), per head in US\$	7,285	8,940	9,901	10,200	9,515	11,587	12,804	13,878
Gross National Income (GNI), per head, current \$	11,090	11,380	12,280	13,430	13,440	n/a	n/a	n/a
Unemployment (% of total labor force)	9.3	7.9	7.0	7.4	9.6	9.0	8.7	8.5
Inflation (average annual rate in % against previous year)	3.0	3.3	4.4	8.7	1.6	1.7	3.0	3.0

Notes: p: preliminary data; f: forecast; n/a: not available

Source: International Monetary Fund (IMF) for GDP, unemployment and inflation figures; World Bank for GNI, 2012

1. Media Consumption: The Digital Factor

1.1 Digital Take-up

1.1.1 Digital Equipment

Apart from mobile phones (accessed by more than 90 percent of the population; see section 5), the most used media are analog broadcast television and radio. Both were universally available at least dating from the 1990s. According to a 2011 survey by the television regulator, the National Television Council (*Consejo Nacional de Televisión*, CNTV), the number of television sets in Chilean households almost doubled from an average of 1.9 per household in 1996 to 2.7 in 2011. In the case of radio, there was already an average of 2.5 receivers per household in 1996 and a 97.8 percent penetration rate.¹⁰ Since then, universal access to this medium has been taken for granted and no more data are available, as a 2007 United Nations report made clear.¹¹ The latest national census (2002) did not include radio sets per household, whereas numbers of color and monochrome television receivers, telephone, computers, and other domestic appliances were counted.

10. C. Catalán, S. Godoy, C. Marín, and M. Thumala, “El Uso del Tiempo y el Consumo de Medios” (Usage of Time and Media Consumption). Final report of the Fondecyt research Project No. 1980857. Santiago: Facultad de Comunicaciones/Instituto de Sociología, Pontificia Universidad Católica de Chile, 1999 (hereafter Catalán et al., “Usage of Time and Media Consumption,” 1999).

11. M. Mingés, “Characteristics of households with ICTs in Latin America and the Caribbean,” Santiago, Observatory for the Information Society in Latin America and the Caribbean (OSILAC: ECLAC–ICA/IDRC) and “@LIS–Alliance for the Information Society Policy and regulatory dialogue, Latin America–Europe,” December, 2007, at <http://www.eclac.cl/ddpe/publicaciones/xml/9/32189/W171.pdf> (accessed 10 May 2012).

Table 2.
Households owning equipment, 2005–2010

	2005		2006		2007		2008		2009		2010	
	No. of HH ¹² (million)	% of THH ¹³	No. of HH (million)	% of THH	No. of HH (million)	% of THH	No. of HH (million)	% of THH	No. of HH (million)	% of THH	No. of HH (million)	% of THH
TV sets	n/a	n/a	4.33	72.0	5.1	74.8	5.2	76.6	5.4	78.9	5.5	80.0
Radio sets	n/a	100	n/a	100	n/a	100	n/a	100	n/a	100	n/a	100
PCs	1.28	30.1	1.43	33.1	1.60	36.4	1.77	40.0	1.96	43.9	2.11	46.8

Notes n/a: not available

Source: CNTV, INE. For radio set penetration, reporters' own estimate based on Catalán et al.¹⁴

1.1.2 Platforms

The latest 2011 survey by the television regulator, CNTV, shows a significant increase over time in access to paid television in urban areas—from 28.1 percent in 1996 to 63.1 percent in 2011. This high penetration rate (comparable to Argentina's) can be explained by a combination of factors. First, deregulation and privatization of the telecoms industry in the late 1980s, as well as rapid economic growth (Chile's economy doubled in size during the 1990s, the fastest rate in its whole history) coupled with a stark reduction of poverty from 38.6 percent in 1990 to 13.7 percent in 2006.¹⁵

Second, the focus of content and ownership controls on terrestrial free-to-air (FTA) television in contrast to cable/satellite television, radio, and the internet, which facilitated a commercially oriented expansion. Even the current draft of a new law for digital television retains the same pre-convergence view of FTA television separated from other mechanisms of video distribution and consumption (see sections 5 and 7). In contrast to other countries, there has been no struggle between government and broadcasters concerning sports rights: these are assumed to be private business. Furthermore, pay-TV platforms have not damaged plurality in news provision—they were in fact indispensable for the creation and distribution of two news-only channels, Señal 24 Horas (produced by TVN, the public broadcaster) and CNN-Chile (in alliance with a prestigious radio network, Radio Bío Bío). (See sections 4 and 5 for more information on pay-TV and section 6 for more on the market and business dynamics behind this process.)

Despite the high cable/satellite, mobile, and internet penetration rates, many problems persist which reveal the fragility of some of these developments. Terrestrial television and radio broadcasts have been reaching almost 100 percent of the population since the 1990s, but both are still analog. Legislation to digitize television has been under discussion in Congress since 2008 (see section 7), yet the Japanese ISDB standard

12. Total number of households owning the equipment.

13. Percentage of total number of households in the country.

14. Catalán et al., "Usage of Time and Media Consumption," 1999.

15. Source: Ministry of Social Development's (MIDEPLAN) CASEN surveys.

was approved in 2010 following Brazil's example. Only limited, experimental digital transmissions exist in a few big cities and no figures for the penetration of digital sets exist, despite the fact that retailers have been selling digitally compatible receiver sets since 2010. In the meantime, cable/satellite television has grown and is fully digitized in contrast to Argentina—networks are more recent, and were built as digital enterprises.

In the case of radio, neither technical standards nor legislation are being discussed, and there is no information about penetration of analog sets (considered universally available by default since the 1990s). Table 3 presents an estimate of the level of digitization of the whole television sector by assuming universal terrestrial coverage (analog) and considering that the two main pay-TV platforms are fully digital as well as mutually exclusive (IPTV—internet protocol television—is still very marginal). The estimate for 2010 is 43.6 percent, totally concentrated in pay-TV platforms.

Table 3.

Platform for the main TV reception and digital take-up in Chile, 2005–2010¹⁶

	2005		2006		2007		2008		2009		2010	
	No. of HH ¹⁷ (million)	% of THH ¹⁸	No. of HH (million)	% of THH	No. of HH (million)	% of THH	No. of HH (million)	% of THH	No. of HH (million)	% of THH	No. of HH (million)	% of THH
Terrestrial reception	4.39	99	4.39	99	4.40	100 ¹⁹	4.39	99 ²⁰	4.39	98 ²¹	4.4	100
– of which digital	0	0	0	0	0	0	0	0	0	0	n/a	n/a
Cable reception	n/a	n/a	0.82	18.9	0.87	19.4	0.89	19.8	1.00	20.9	1.04	21.3
– of which digital	n/a	n/a	0.82	18.9	0.87	19.4	0.89	19.8	1.00	20.9	1.04	21.3
Satellite reception	n/a	n/a	0.20	4.7	0.37	8.2	0.56	12.7	0.66	13.7	0.81	16.4
– of which digital	n/a	n/a	0.20	4.7	0.37	8.2	0.56	12.7	0.66	13.7	0.81	16.4
IPTV	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.07	1.6	0.07	1.6
Total	4.39	99	4.39	99	4.40	100	4.39	99	4.39	98	4.4	100
– of which digital	n/a	n/a	n/a	n/a	1.19	27.0	1.43	32.5	1.62	36.9	1.92	43.6

Note: n/a: not available

Sources: SUBTEL; CNTV; reporters' estimate based on SUBTEL data

Access to the internet in Chilean households has doubled from 34 percent in 2008 to 63.3 percent in 2011 according to the CNTV. A total of 56.9 percent of internet-connected people say they use it daily.

16. The figures refer to the main TV set in multi-TV households.

17. Total number of households owning the equipment.

18. Percentage of total number of TV households (TVHH) in the country.

19. The Nielsen Company.

20. The Nielsen Company.

21. The Nielsen Company.

Table 4.

Internet penetration rate (total internet subscriptions as % of the total population)
and mobile penetration rate (total active SIM cards as % of total population), 2005–2010

	2005	2006	2007	2008	2009	2010
Fixed internet	21.2	25.0	29.7	31.0	35.2	36.4
– of which broadband	(708,525) 4.3%	(1,019,520) 6.2%	(1,287,785) 7.7%	(1,427,178) 8.5%	(1,654,646) 9.8%	(1,788,490) 10.5%
Mobile telephony	64.8	75.6	83.9	88.1	97	116
– of which 3G	n/a	n/a	n/a	n/a	3.8	8.5

Note: n/a: not available

Source: SUBTEL²²

1.2 Media Preferences

1.2.1 Main Shifts in News Consumption

Access to news is essentially based on conventional media. Among these, terrestrial television still continues to be the main platform, followed by radio. Several studies report this fact, such as the annual surveys by the Chilean National Television Council (*Consejo Nacional de Televisión*, CNTV),²³ and the first media consumption study in Chile by the Journalism School of the Diego Portales University (UDP) in October 2010.²⁴ This last project based on face-to-face surveys with households including responses from 2,400 persons (margin of error +/-2 percent) demonstrated that 85 percent of the population consumes FTA television every day, 60 percent consumes radio daily, 48 percent cable reception television, 20 percent internet news, and just 17 percent newspapers.

The most read sections in newspapers are those dedicated to news about crime and sports. Respondents also considered television and radio as the most credible, independent, and influential media. The 2011 Annual Report on Television Programming and Consumption by the CNTV showed that news programs were the most consumed broadcasts that year (24 percent of the entire programming offered; 40 minutes per day on average), 90 percent of these concentrated in newscasts. According to CNTV statistics, in 2008 the audiences graded the quality of television newscasts with a score of 6 on a scale of 1–7, with 7 the top score.²⁵ Also according to CNTV statistics, the Chilean public broadcaster (*Televisión Nacional de Chile*, TVN) was

22. *Subsecretaría De Telecomunicaciones*, Gobierno De Chile (SUBTEL), at http://www.subtel.gob.cl/prontus_subtel/site/artic/20070212/pags/20070212182348.html (accessed 22 May 2012). SUBTEL figures are drawn from information provided by companies. See http://www.subtel.cl/prontus_subtel/site/artic/20070212/pags/20070212182348.html (accessed 20 March 2011); 7. Series conexiones internet 9 Marzo 2011, at http://www.subtel.cl/prontus_subtel/site/artic/20070212/pags/20070212182348.html (accessed 22 May 2012).

23. *Consejo Nacional de Televisión* (CNTV), at <http://www.cntv.cl>.

24. Resultados del Estudio Nacional sobre Lectoría de Medios Escritos (Results from the National Written Media Readership Study), Universidad Diego Portales, recuperado el 21.06.2011, at <http://www.conicyt.cl/573/fo-article-37664.pdf>.

25. CNTV, at <http://www.cntv.cl/medios/Publicaciones/PresentacionPrensaSextaENTV2008.pdf> (accessed 21 June 2011).

the most consumed terrestrial channel in 2010, and in 2011 the top channel was the private broadcaster Chilevisión. Of the total audience in 2010, 73–74.5 percent said they consumed newscasts daily, 22–23 percent at least once a week, and just 2–3 percent said they never or hardly ever consumed newscasts.

The consumption of print news media, which corresponds to only a minority of the Chilean population, also shows some fluctuations (see section 1.3.1). News consumption on digital platforms also remains limited. As detailed in section 3, the WIP Chile project (2011) reveals five general categories of online activity, each comprising a longer list of specific tasks.²⁶ Reading news is included under “search for practical information” (averaging 37 percent), along with searching for information about products, health, travel, and/or consulting corporate and institutional websites. “Reading news online,” as a distinct category, is carried out by 70 percent of web users at least once a month.

The UDP’s 2010 study on media consumption, which included digital media and used a face-to-face survey applied to 2,400 respondents, reports that 62 percent of respondents use the internet and 38 percent never do. Of those who use the internet the report highlights that:

- 18 percent never visit news sites;
- 6 percent visit more than five news sites every time they enter the network;
- 73 percent stay less than 30 minutes on a given news site;
- 6 percent stay over an hour on a given news site.

When asked how many hours per day the respondents used mass media (on average only those who used each medium at least five times per week), people who consumed news on digital platforms (22 percent of the sample) reported spending 2.1 hours a day specifically on internet news sites; 3.9 hours for total radio consumption (61 percent of respondents); and 3.4 hours for FTA television (88 percent of respondents).

One reason for the relatively low levels of consumption of news on digital platforms may be the income differences²⁷ and digital divide, which prevent more widespread access to the internet. The level of digital resources (mobile phones and PCs) available in households is good, according to the first Digital Development Index (IDC Chile) published in 2011, but is still 29 percent lower than the OECD (Organization for Economic Cooperation and Development) average. This figure can be attributed to the even lower penetration of broadband, especially in the poorest households.²⁸

26. WIP Chile: *Usos Y Prácticas En El Mundo De Internet* (Usages and Practices in the World of Internet) (Proyecto Fodecyt N° 1110098), Facultad de Comunicaciones/Instituto de Sociología/Cámara de Comercio de Santiago, Santiago, 2011, at <http://www.wipchile.cl/http://www.ccs.cl> (accessed 1 July 2011); see also WIP Chile, 2009, *Los internautas chilenos y sus símiles en el resto del mundo: resultados del estudio WIP-Chile 2008* (Chilean Web Users and their Likes in the World: Results from the WIP Chile Survey 2008) (Proyecto Fondecyt N° 1050769), Facultad de Comunicaciones UC/Instituto de Sociología UC/Escuela de Ingeniería UC-CETUC/Cámara de Comercio de Santiago, Santiago de Chile, 2009.

27. OECD, “Better Life Index,” 2012; in Chile “the income of the top 20% of the population is US\$ 23,667 a year, whereas the bottom 20% live on US\$ 1,855 a year,” at <http://www.oecdbetterlifeindex.org/topics/income/> (accessed 23 May 2012).

28. See [http://www.acti.cl/acti/images/files/IDD%20ACTI%20Movistar%20-%20Resultados%20versi%C3%B3n%20Prensa%209%20de%20junio%20V1%203\(1\).pdf](http://www.acti.cl/acti/images/files/IDD%20ACTI%20Movistar%20-%20Resultados%20versi%C3%B3n%20Prensa%209%20de%20junio%20V1%203(1).pdf), Índice de Desarrollo Digital IDC Chile, desarrollado por Movistar y la Asociación Chilena de Empresas de Tecnologías de la Información (ACTI), junio 2011 (accessed 21 June 2011).

With regard to changes in news consumption over time, there are no historical data to detect and explain them or to conclude that possible increases are due to a migration from traditional media to digital platforms. However, news sites such as the online newspaper *Elmostrador.cl* and the investigative journalism site *Ciperchile.cl* have become important agenda setters and a means of consultation for opinion-makers, thereby increasing online news consumption (see section 4).

1.2.2 Availability of a Diverse Range of News Platforms

Current access to digital news media, mobile devices, and social networking, in addition to the consumption of conventional media, has indeed increased the availability of a wider range of news for those who have the technological and financial resources to access and use them. It is worthy of note that the percentages of cable television and internet subscribers and mobile telephone owners increased significantly from 2005–2010, as can be seen in Tables 3 and 4 above.

However, as mentioned above, the digital divide is still relevant in this country and the access to more diversified news thereby limited to those who can afford it. People with access to digital platforms can consume news from both traditional media and from the web versions of their outputs, as well as from new online-only media (such as *Elmostrador.cl* and *Ciperchile.cl*), a wide range of citizen newspapers, countless personal and professional blogs, and social networks such as Facebook or Twitter. Access to almost all these Chilean online sites is free (see section 4).

The delay in digitization of television has impeded the evaluation of its possible impact on the availability of a wider range of news outlets.

1.3. News Providers

1.3.1 Leading Sources of News

For this analysis, the current difference between Chilean commercially oriented and non-commercial main news providers will be established, considering the public television channel (*Televisión Nacional de Chile*, TVN) as the only non-commercial news provider in the country because—although operating on a self-financing basis—it has a mission of public service and is regulated by law to serve the public need for information, entertainment, and education. All other main news providers—be they print press, broadcasts or radio, and their web sites—are commercially oriented in the sense that they consider advertisement demands, circulation, and readership rates and ratings to set their news agendas. All of them, more or less, include gruesome stories on crimes, sensational coverage of scandals involving politicians, the exposure of celebrities' private lives, and plenty of sport. TVN, two printed mainstream newspapers (*El Mercurio* and *La Tercera*), and the online paper *Elmostrador.cl* tend to focus more on politics, economics, and international news.

Print Media

The Chilean print newspaper market is small but well established. News magazines, in contrast, are few, have very low circulations and are often short-lived. The National Press Association (*Asociación Nacional de la Prensa*, ANP) collates biannual statistics on newspaper circulations and readerships and publishes the results on its website (Anp.cl). Based on ANP's statistics, this analysis will focus on four newspapers with national reach considered to be the main news providers in the print press: *El Mercurio* (Chile's reference and mainstream paper) and *Las Últimas Noticias* (a popular tabloid), both from the family enterprise Empresa El Mercurio SAP; and their competitors *La Tercera* (a mainstream paper) and *La Cuarta* (a popular tabloid), both from the family enterprise COPESA.

Table 5 shows that according to ANP data from 2005–2010,²⁹ the weekly average readership rates of newspapers with national reach show some variations during the period, and consequently the papers' rankings varied in those years too.

In general, the newspaper with the highest readership rate, based on its average weekly readership rate, was the tabloid *La Cuarta*, owned by COPESA. The mainstream paper from the same company, *La Tercera*, had the lowest readership rate of the four papers considered here. The readership rates of the reference paper *El Mercurio* and the tabloid *Las Últimas Noticias* (both owned by El Mercurio SAP) were markedly similar during the same time period. On average, the two popular tabloid papers top the list of the rankings for the four papers.

Santiago also has two free newspapers with high circulation rates, dedicated to short news stories and miscellaneous items, which are distributed on weekday mornings at the entrances to the subway train: *La Hora*, owned by COPESA (with a circulation of almost 100,000 in 2010) and *Publímometro* (circulation down from 2009's 137,290 copies to 91,333 copies in 2010). The national evening newspaper *La Segunda*, owned by El Mercurio SAP, also circulates on Mondays to Fridays. This is a highly influential medium in politics and is an occasional important agenda setter for the central TV newscasts at 9 p.m. and for papers circulating the next morning. In 2010, during the January–June period, *La Segunda* printed a weekly average of 30,021 copies.

Table 5.
Main newspapers' weekly average readership rates, 2005–2010

	2005	2006	2007	2008	2009	2010
<i>El Mercurio</i> (El Mercurio SAP)	379,057	386,277	364,089	383,489	361,766	382,165
<i>Las Últimas Noticias</i> (El Mercurio SAP)	419,029	389,965	405,542	368,600	360,240	334,867
<i>La Tercera</i> (COPESA)	351,917	324,663	348,200	319,817	300,078	312,849
<i>La Cuarta</i> (COPESA)	448,353	470,862	517,408	533,042	527,090	397,363

Source: *Asociación Nacional de la Prensa* (ANP)

29. See <http://www.anp.cl/estudios/svcl> (accessed on 15 March 2012).

News Website

If these print media readership rates are compared with the ranking of internet visits to news sites discussed earlier, there is a high correlation between the largest print media readership rates and the highest number of visits to their corresponding digital platforms. According to 2010 Alexa.com data, the most visited news media sites are those of the popular newspaper *Las Últimas Noticias*, Lun.com (average 14 percent of visits), the digital newspaper of El Mercurio SAP, Emol.com (average 14 percent), and the digital newspaper of *La Tercera*, Latercera.com (average 13 percent). Alexa.com ranks *El Mercurio*'s multimedia site (Emol.com), in place 12, among the most visited internet sites (the three top places are Google Sites, including YouTube and Facebook, and Microsoft sites, including MSN). *La Tercera* (Latercera.cl), the *El Mercurio*'s traditional rival, is in place 16, *La Cuarta* (Lacuarta.cl) in 41st place, and *El Mercurio* (Mercurio.cl), the paper's online version, in place 49.

The Chilean print press's landscape has expanded, and has thus become somewhat more diversified, thanks to the print media websites and some previously mentioned online news sites such as Elmostrador.cl and Ciperchile.cl, in addition to several citizen papers or sites (see sections 3 and 4).

Television

Because television news programs are still a major part of news consumption, FTA broadcasts are the main news providers for most of the population. The four most important broadcasts are provided by the country's only public television channel (*Televisión Nacional de Chile*, TVN) and three commercial channels: Canal 13 (67 percent owned by entrepreneur Andrónico Luksic and 33 percent by Universidad Católica); Megavisión, (acquired in March 2012 by Grupo Bethia S.A. and previously family-owned by Claro); and Chilevisión (acquired in 2010 by Time Warner and previously owned by Chile's current president, Sebastián Piñera). According to 2010 statistics, 90 percent of the total FTA television consumption corresponds to programming by these four channels.³⁰

Table 6 shows the national public television channel TVN as having the highest overall audience rates during the period considered, especially from 2005–2008. UCTV, the channel owned until 2010 by Universidad Católica, experienced a severe drop in audience share from 21 percent in 2005 (the highest share that year) to 13 percent in 2010 (the lowest share). This decline can be attributed, at least partly, to the financial crisis in UCTV and the consecutive change of CEOs to attempt to prevent further increases to its heavy debts. The situation forced Universidad Católica to sell 67 percent of the channel in 2010. The reverse trend can be observed for CHV, the private channel owned by Time Warner. That broadcaster has systematically increased its audience share during the period reported here. However, among the private channels, that owned by Grupo Bethia, Mega, has consistently had the highest audience shares, close to those of the public broadcaster.

30. National Television Council (*Consejo Nacional de Televisión*, CNTV), at <http://www.cntv.cl>. The CNTV, which regulates and monitors broadcasting in Chile, carries out an annual Statistical Review of Television Broadcasting and publishes information and analysis on the changes and trends observed in television.

Table 6.

Annual audience share per broadcaster (household rating points, whole day average), 2005–2010

	2005	2006	2007	2008	2009	2010
2 Telecanal (Guillermo Cañedo, Mexico)	0.4	3.2	2.8	2.5	1.6	1.7
4 Red (Angel Gonzalez, Mexico)	10.5	8.8	8.3	6.3	4.4	4.8
5 UCV (Universidad Católica Valparaíso, Chile)	1.1	1.5	1.5	1.4	1.5	1.6
7 TVN (public, Chile)	20.7	19.9	20.6	18.9	19.1	18.4
9 Mega (Bethia Group, Chile)	19.3	17.6	18.5	20.7	18.3	17.6
11 CHV (Time Warner, USA)	12.6	14.8	14.6	16.7	16.5	17.1
13 UCTV (Universidad Católica/Luksic group, Chile)	21	17.1	17.6	18.1	17.1	13
All broadcast channels	85.6	82.9	83.9	84.5	78.5	74.2
All pay-TV channels	14.4	17.1	16.1	15.5	21.5	25.8

Source: Time-Ibope

Table 7.

Programming space occupied by newscasts and information in the four most watched FTA channels (%), 2006–2009

Channel	2006	2007	2008	2009
TVN	20.5	20.4	20.0*	19.0*
Mega	20.6	19.9	20.0*	19.0*
CHV	23.7	25.9	28.0	26.1
Canal 13	25.1	19.6	20.0*	19.0*

Note: * Average percentage

Source: CNTV

The CNTV statistics show a couple of significant changes to the space devoted to news and information among some of the four main channels in the 2006–2010 period. In 2006, Canal 13 (at that time still owned by Universidad Católica) offered the highest share of this kind of programming. However, after 2006 and until 2010, as a result of the uncontrollably high debt levels of the channel, that percentage share dropped by several points. The trend reversed in 2010, when 67 percent of Canal 13 was sold to a Chilean entrepreneur (Andrónico Luksic). In the meantime, the commercial television channel Chilevisión made the editorial decision to widen the space devoted to news and information programs, and to include plenty of news stories about crime and sport. In 2010 there was a general rise in the four major broadcasters' supply of information programming. The high costs of advertising aired during news programs even led broadcasters to extend the main newscasts from 60 minutes to 90 minutes—from 9 p.m. to 10.30 p.m.—in order to increase their revenues.

The opening in 2008 of two 24-hour/7-day news and information cable channels—24 Horas Noticias and CNN-Chile—has contributed toward the expansion and diversification of the access to news, especially to international news, a topic to which FTA broadcasters normally only devote a few minutes in their main newscasts.

The CNTV data for 2010 show that newscasts were the most consumed television programs in Chile (23.7 percent of the entire viewing share). These were mainly followed by miscellaneous programs (19.6 percent), *telenovelas* (soap shows, 13.2 percent), talk shows (11 percent), and series and mini-series (10.2 percent).

Table 8.
TV audiences for the most viewed contents (%), 2008–2010

	2008	2009	2010
Information	25.1	36.7	40.0
Fiction	37.3	34.9	36.1
Shows	21.5	14.8	10.8

Sources: Obitel 2010, Obitel 2011

Radio

Chilean radio, although exhibiting very high audience rates, primarily assumes the function of accompaniment via music and talk radio rather than the dissemination of information, and very few stations have newscasts. Many broadcasters do not have newsrooms or a permanent staff of reporters and editors. The main radio stations that air newscasts with national reach and have newsrooms and professional staff are Radio Cooperativa, Radio Bío Bío, AND radio, and Radio Agricultura.

Only in cases of disasters, for example, do radios play an important role as a news source, as became clear during the last Chilean earthquake, in February 2010. Radio Cooperativa has retained the top audience ratings slot for several years, and according to the last Ipsos Chile survey its rating reached 5.7 rating points in 2010. After the earthquake, Radio Bío Bío reached a 3.6 rating score, and was thus the second most listened-to radio station among those that air newscasts. Radio ADN got 2.9 rating points, while Radio Agricultura is at the bottom of the stations providing news, with 2.4 points.

Table 9.

Aggregated audience reach of FM radio per operator in Santiago (% of the population)

	2004	2008
Cia Chilena Comunicaciones stations (Chile):	9.2	8.5
• Cooperativa 93.3 FM*		
• Universo FM		
COPESA stations (Chile):	8.7	7.2
• Duna 89.7 FM		
• Carolina 99.3 FM		
• Beethoven 96.5 FM		
• Zero 97.7 FM		
• Paula 106.9 FM		
• Disney 104.9 FM		
Iberoamericana stations (Spain):	41.8	43.8
• ADN Radio 91.7 FM*		
• FM Dos 98.5 FM		
• Futuro 88.9 FM		
• Imagina 88.1 FM		
• Concierto 88.5 FM		
• Pudahuel 90.5 FM		
• Radio Activa 92.5 FM		
• Rock & Pop 94.1 FM		
• Radio Uno 97.1 FM		
• Corazón 101.3 FM		
• 40 Principales 101.7 FM		
Mosciatti family station (Chile):	0.9	2.0
• Bío Bío 99.7 FM*		
Others' stations (many owners, Chile):	37.3	25.8
National Agriculture Society (<i>Sociedad Nacional de Agricultura, SNA</i>) station (Chile):	2.2	2.2
• Agricultura 92.1 FM*		
UC/Luksic group stations (Chile):	2.3	3.3
• Sonar 105.7 FM		
• Play 100.9 FM		
• Maria 89.3 FM		
• Oasis 100.1 FM		
• Horizonte 103.3 FM		

Notes: Stations are grouped by ownership as of September 2012, but some were acquired by their current owners and/or changed name prior to this date. * indicates news radio stations.

Source: Based on IPSOS/Search audience measurements

1.3.2 Television News Programs

In 2011, among the four most viewed FTA channels (law only allows one per broadcaster), Chile has only one public service television outlet, TVN. Canal 13, which until 2010 was owned by Universidad Católica, also defined itself as a public service medium, with more emphasis on hard news than on gossip and crime. However, Canal 13, Mega, and Chilevisión are today considered to be commercial television channels, as defined earlier in this section, where the type of topics included in newscasts are heavily geared toward achieving high ratings.

The newscasts from the four most viewed FTA broadcasters compete hard for audience share, and the audience ratings are considered an essential tool for deciding their news agendas, with the partial exception of TVN. The main differences in terms of news content are the quantity of news about crime, celebrities, and sports, and the sensationalism of their style.

Television news audiences have remained high. Digital media seem to be used as a complement to analog television, and there is no evidence of a significant loss of television audience share due to digitization.

Pay-TV operators that produce news content are essentially the two 24-hour/7-day news channels created in Chile in 2008 and early 2009, CNN-Chile and 24 Horas Noticias. The latter is a news broadcaster from Chile's public television channel TVN. Although these channels work seriously with news content and respond to public interest in information, they are still quite new and the audiences small and segmented, so they do not generate a significant loss of audience for the four most viewed newscasts on the FTA channels. CNN-Chile was established in December 2008, and with the support of CNN Worldwide it can draw on the output of more than 4,000 journalists around the world. 24 Horas Noticias, TVN's cable television channel, opened three months later. Both are niche channels and provide news 24 hours, 365 days a year. According to a Time-Ibope rating measurement conducted on Mondays to Sundays between 4 October 2010 and 23 January 2011, 24 Horas Noticias achieved 0.25 rating points, slightly above CNN-Chile's 0.21 points.³¹

Table 10.
Newscast ratings on Chilean FTA analog television, 2006–2010³²

Channel	2006	2007	2008	2009	2010
TVN	7.20	7.52	6.55	6.71	6.51
Mega	3.93	4.11	3.94	3.71	4.49
CHV	4.31	5.22	5.14	5.42	5.87
Canal 13	5.95	5.69	5.15	4.37	3.74

Source: Time-Ibope

Table 10 shows that TVN's newscast had the highest ratings in the period 2006–2010; however, these have decreased since 2008, when the commercial broadcaster Chilevisión's newscast began to pick up audience share. Mega's news ratings remained more or less stable. However, Canal 13, which was placed second in 2006 and 2007, fell in 2008 to the same level as Chilevisión, and from then on its news ratings continued to sink, reaching bottom place in 2010, when two-thirds of the channel was sold.

31. In Chile, one rating point corresponds to 1 percent of the measured audience (households and individuals from Santiago, Valparaíso/Viña del Mar, Antofagasta, and Temuco), including those not watching television. Thus, if a program achieves an average of 1 point, it means an estimated 40,000 households out of the 4 million measured tuned in on average for every minute of the duration of the program.

32. Includes all the news programs defined as such by each channel: TVN, "24 Horas," "24 Horas Central," "24 Horas Domingo"; Mega: "Meganoticias," "Meganoticias Síntesis Domingo"; CHV: "Chilevisión Noticias Central"; Canal 13: "Telediario," "Telediario Central," "Telenoche," "Teletrece," "Teletrece a la Hora."

Even though FTA newscasts are popular with comparatively large audiences, they are increasingly criticized in media reviews. For example, Jimena Villegas, a television critic at *El Mercurio*, has argued that the most serious criticisms of Chilean television were related to the newscasts, specifically sensationalism and lack of pluralism—in terms of the agenda, diversity of viewpoints, and groups represented.³³ By comparing the main newscasts of the four broadcasters described above she noted that in one day of a week chosen at random 80 percent of the news were the same; all newscasts included self-promotion of other programs from their own channel; all of them used music to dramatize information; and none, except for one short minute on TVN, aired international news. This sort of analysis has been confirmed by other authors.³⁴

In 2011, the Chilean National Television Council (*Consejo Nacional de Televisión*, CNTV) evaluated the same main newscasts and highlighted the audiences' perception that these programs systematically use human suffering to increase the emotional impact of the news and the ratings.³⁵ Furthermore, its surveys also reveal the evident lack of diversity in the topics covered and in the sources used. Newscasts, the CNTV concludes, have become infotainment programs rather than informative products.

1.3.3 Impact of Digital Media on Good-quality News

At this time of writing, the digitization of FTA broadcasting has not commenced except for temporary, renewable concessions in television for demonstration and experimental purposes. In the meantime, news quality influenced both by online media and pay television, which is also digitized.

In terms of the audiences, readership, and ratings for conventional (offline) media platforms, no changes have occurred in news content production, media consumption, or the news media landscape that can be attributed with any confidence to digital migration. However, in terms of the quality of reporting and news, digitization allows the improvement of published information thanks to the accumulation of data that can be accessed at any time via online media, and also because it has permitted some diversification of topics and sources (see section 4). Furthermore, it has accelerated the publication of information, and social networking has proved to be especially useful for the real-time dissemination of data about news stories that are in a process of development, and news about disasters. Accuracy is also improving, albeit not consistently, mainly thanks to intervention by audiences asking for corrections or providing background information.

Alternative online media—such as citizen newspapers and community radios—contribute with more information, mostly from outside the capital. However, the numbers of people who participate in and access these media outlets searching for information are still very small.³⁶ This is sometimes due to lack of connectivity, but mainly because most people still prefer to get information from television (see section 3).

33. Jimena Villegas, “El liviano ritmo de las noticias en TV” (Light rhythm of TV news), *El Mercurio*, 13 June 2011.

34. W. Porath, C. Mujica; F. Maldonado: *Procesos de producción, emisión y recepción de las noticias extranjeras en la TV chilena* (Production, broadcast, and reception processes of foreign news in Chile), *Estudios sobre el Mensaje Periodístico* 353, Vol. 18 Núm. 1, (2012) 353-370

35. See CNTV, at http://www.cntv.cl/prontus_cntv/site/artic/20110411/asocfile/20110411104142/noticiarios_posici__n_cntv_2011.pdf (accessed 27 June 2011).

36. See, for example, [Elmorrocotudo.cl](http://www.elmorrocotudo.cl) and [Elrancahuaso.cl](http://www.elrancahuaso.cl), both linked to the *Diarios Ciudadanos* network of citizen newspapers, at <http://www.diariosciudadanos.cl/> (see section 3).

2011 research into digital consumer behavior, based on a representative sample of internet users (51 percent of respondents lived in Santiago) provides some data on the use of new media and technological devices.³⁷ For example, 30 percent reported that they access the internet via their mobile phones. Of this proportion, 45 percent said they used their phones to search the net for information (weather, news, etc.). The two top uses are checking and sending emails (59 percent) and reviewing social networking sites (56 percent). Mobile internet is mainly used in dead time slots, such as while people are travelling (40 percent) or at home (37 percent), and when they have something important to say or check (34 percent).

Furthermore, when people are asked what they do on the internet, no less than 68 percent of the sample used the internet to read news on online newspapers, a proportion surpassed only by activities such as checking emails (87 percent), searching for information (Google, Yahoo!, Bing) (87 percent), and socializing (71 percent).

When asked about significant news events and the main media outlets used to access information and to be kept informed in a more effective way, FTA television ranked first with 75 percent, followed by radio (54 percent), and online newspapers (53 percent). Social networks (Twitter and Facebook) still ranked high, at 43 percent, but traditional newspapers and official government online media are considered less effective, with 26 percent and 16 percent usage, respectively. On the same topic, the 2011 report projects the results of the study describing the present and future behavior of users (see Table 11).

Table 11.

Considering some important events in 2010 (earthquake, miners' rescue), which of these media helped to keep you informed in a more effective way? (% of respondents)

Media	2011	Media	Future behavior of internet users
Television	75	Social networks (Twitter, Facebook)	84
Radio	54	Radio	53
Online newspapers	53	Online newspapers	49
Social networks (Twitter, Facebook)	43	Television	38
Traditional newspapers	26	Blogs	11
Online official media of the government	16	Traditional newspapers	9
Blogs	6	Online official media of the government	9
None	1	None	1

Source: Nativo Digital

37. Nativo Digital, "I'm Digital 2011: Consumer Behaviour Experience Report in Chile," AyerViernes S.A., at <http://www.nativodigital.cl/2011/01/soy-digital-2011-reporte-de-experiencia-de-consumo-en-chile> (accessed 21 October 2011).

1.4 Assessments

Chileans still get information mainly from FTA broadcasts and radio. If they had the required technological devices and financial resources, which is not the case for the majority of the Chilean population, audiences may widen the range of sources of access to media content. Among these sources are cable television (CNN-Chile and TVN's 24 Horas Noticias), social networking (Twitter and Facebook), and online media, meaning the websites of offline media outlets, the two digital news media that have become relevant agenda setters (Elmostrador.cl and Ciperchile.cl), and perhaps some citizen papers.

In fact, digitization is improving in some sense the quantity and quality of the information published in conventional media and their corresponding websites, thanks to the accumulation of data that can be accessed at any time online, and also because it has permitted a diversification of topics and sources. It encourages timely information, correction of errors, and continuous updating (see section 4). Social networking is especially useful for the real-time propagation of data concerning emerging news stories and news about disasters.

Furthermore, the digital newspaper Elmostrador.cl and the investigative journalism site Ciperchile.cl have become relevant agenda setters, thereby widening the topics covered in conventional media and the sources considered in them. For example, Ciperchile.cl has researched and published investigations on senators' assets, on the system that allows senators to supplement their salaries, and on the private security industry—three issues that were also subsequently covered by conventional media.³⁸ Elmostrador.cl set the agenda for many media outlets when it published in 2010, for example, news linking the newly appointed Governor of the Province of Bío Bío, Jose Miguel Steigmeier, with the inner circle of Paul Schäfer, former head of Villa Baviera, who was convicted of child abuse, and alleged involvement in money laundering cases. "Citizen journalism" enriches the news and information landscape, mostly from outside the capital, even if its outcomes are not always particularly valuable. However, the audiences of these media are still very small.

38. Guillermo Franco, "The impact of digital technology on journalism and democracy in Latin America and the Caribbean," Knight Center for Journalism in the Americas at the University of Texas, Open Society Foundations Media Program Austin, Texas, September 2009, at <http://knightcenter.utexas.edu/node/1011> (accessed 22 October 2012) (hereafter Knight Center, 2009).

2. Digital Media and Public or State-administered Broadcasters

2.1 Public Service and State Institutions

2.1.1 Overview of Public Service Media; News and Current Affairs Output

State operation of media has historically only been associated with television and newspaper publishing, namely by the public broadcaster *Televisión Nacional de Chile* (TVN) and the daily *La Nación*, respectively. Radio has been a private and entertainment medium, with the exception of Radio Nacional AM created by the military dictatorship of General Pinochet (1973–1990) from confiscated leftist stations. During the 1980s the dictatorship also created a populist entertainment-only network, Radio Colo Colo AM.³⁹ Both were privatized after the return to democracy in 1990.⁴⁰ Since then, the two chambers of Congress have also created their own respective television channels. They are distributed through pay-TV systems only (no terrestrial franchises were available) and have very low ratings.

Thus, among the state media only TVN has played a truly influential role and been subject to public service considerations: both *La Nación* and Radio Nacional were not only mostly government propaganda outlets, but they also had lower impact, although both enjoyed some periods of relatively high ratings and circulation rates before their decline. Radio Nacional was fully privatized in 1995⁴¹ and *La Nación* (a government paper since 1927, when it was expropriated from its founder Eliodoro Yañez, a liberal politician) terminated its print edition in November 2010; since then it is only available online.

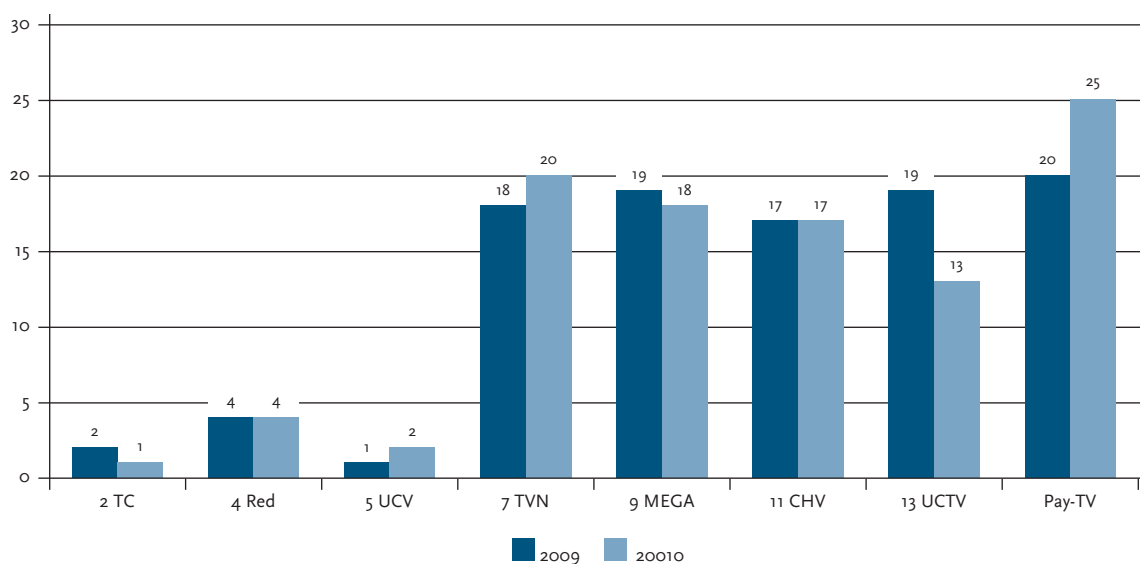
39. M. Lasagni, P. Edwards, and J. Bonnefoy, *La Radio en Chile*, 3rd edn. CENECA: Santiago, 1988 (hereafter Lasagni et al., *La Radio en Chile*, 1988); E. Tironi and G. Sunckel, “Modernización de las Comunicaciones Y Democratización De La Política. Los Medios En La Transición A La Democracia En Chile” (The Modernization of Communications and the Democratization of Politics. Media in the Transition to Democracy in Chile), *Estudios Públicos*, 52 (spring), 1993, pp. 215–246 (hereafter Tironi and Sunckel, “Modernización de las Comunicaciones.” 1993).

40. Ministry of Communication and Culture (*Secretaría de Comunicación y Cultura*, SECC), *Reseña de Medios N° 32: Perspectivas de la Radio en Chile* (Media Report N°32: Perspectives on Radio in Chile), Santiago: SECC, 1996; Lasagni et al., *La Radio en Chile*, 1988.

41. S. Godoy, *An Unlikely Mixture. An Evaluation of Chile’s Market-Oriented Model of Public Television*. Köln: Lambert Academic Publishing, 2009 (hereafter S. Godoy, *An Unlikely Mixture*, 2009).

From its beginnings in 1969, TVN has been among the top media in the country in terms of coverage and audience. Today, TVN is a multi-platform public broadcaster: the main national terrestrial channel Canal 7 TVN, the regional network (eleven production centers across Chile, which produce local news inserted in the main newscast), the all-news channel Canal 24 Horas, and its international signal (both distributed through pay-TV systems; see Tvn.cl). TVN’s prevalence is still valid, even after private channels appeared in the 1990s (channels 2 TC, Telecanal; 4 La Red; 9 Mega; and 11 CHV, Chilevisión) and after pay-TV has reached nearly 40 percent of households. Figure 5 shows the average audience of all terrestrial broadcasters between the first half of 2009 and 2010. TVN has stayed ahead in terms of viewership figures and profitability. As pay-TV includes all terrestrial channels in its basic package, its growth does not necessarily mean decreased viewership for TVN and the rest of its kin, but a shift in the way Chileans access these contents. (The implications are discussed in sections 5 and 6.)

Figure 5.
Broadcasters’ audience share (%)*, 2009–2010



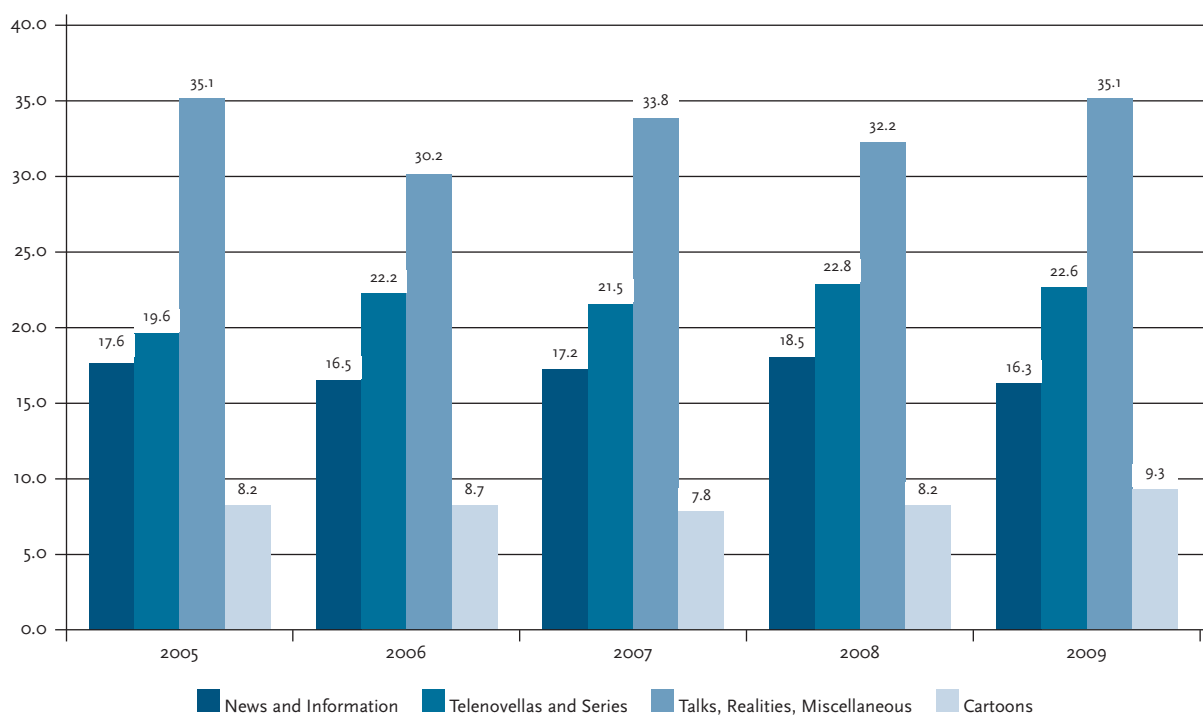
Note: * Compared audience share of broadcasters in the first half of 2009 and 2010. Average between 06.00 hours to 01.00 hours the next day, audiences aged 5–99. Pay-TV includes all terrestrial channels

Source: Reporters’ own calculations based on data from Time-Ibope

News and information is one of the most popular program genres, amounting to 16 or 17 percent of the total yearly broadcasts in the system as a whole since 2005 (see Figure 6). The proportion is even higher in prime time, reaching nearly a fifth of the programming supply. Looking at prime time across the whole system, the supply of news and information amounted to nearly 20 percent of airtime in the same period.

Showing news and information is not specific to the state operator. Between 2005 and 2009, the private channel Chilevisión (CHV) aired more of this genre than any other channel, except for 2006, when Universidad Católica de Chile’s UCTV led the way (see Figure 4). All through this period TVN showed around 20 percent of all news and information content in the system annually.

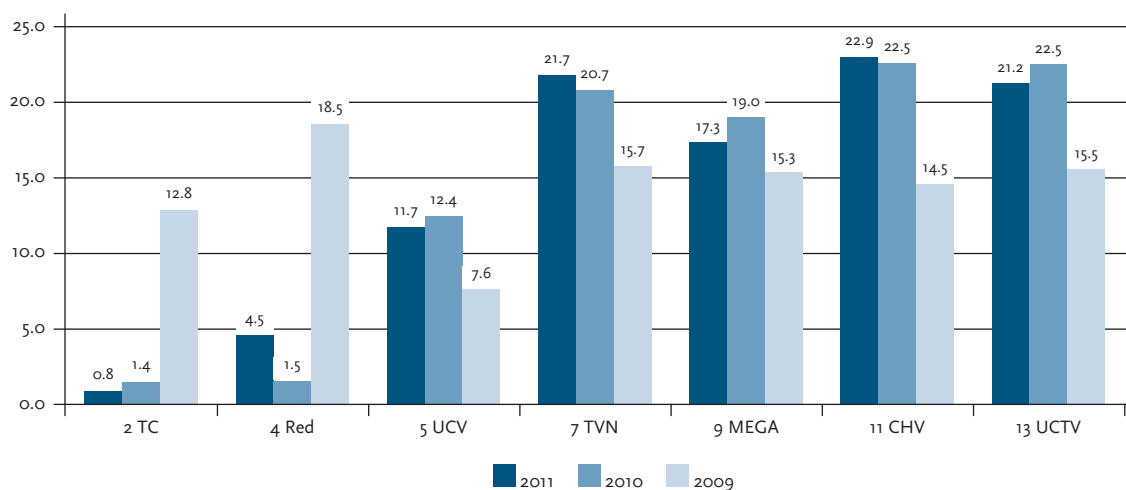
Figure 6.
Distribution of the most popular program genres (%), 2005–2009



Note: Percentage of total terrestrial television airtime per year

Source: CNTV

Figure 7.
Annual airtime devoted to news and information per broadcaster (%), 2009–2011



Note: Each year adds up to 100 percent

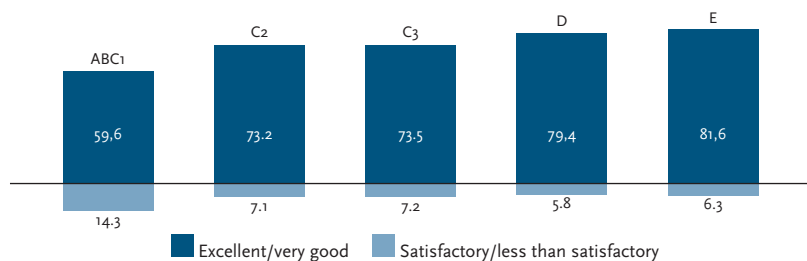
Source: CNTV's Statistical Reports 2011, 2010, 2009; reporters' calculations based on CNTV data

According to the industry regulator, the National Television Council (*Consejo Nacional de Televisión*, CNTV), terrestrial prime time newscasts are watched by an average 74 percent of Chileans every day, and their appreciation for this genre has grown from 69.3 percent to 74.4 percent of “excellent/very good” qualifications between 2002 and 2008, especially among the poor.⁴²

Terrestrial newscasts are especially relevant for lower-income groups (70 percent of the population in Santiago and 78 percent nationwide)⁴³ because they enjoy very few other opportunities for free entertainment and information aside from radio and television. In contrast, the richest ABC1 group (10 percent in Santiago and 7 percent nationwide) enjoys full access to pay-TV, broadband internet, and the best opportunities for leisure and information. Thus they assess terrestrial television’s newscasts much more critically—perhaps unsurprisingly, as the average ABC1 head of household has 18.5 years of formal education in contrast to less than 5 years among the poorest group (E) (see Figure 8). Furthermore, qualitative reception studies of television discovered throughout the late 1980s and 1990s that lower-income, less-educated audiences preferred programs based on personal testimonies over the academic, impersonal explanations preferred by the higher-income groups about social phenomena such as crime or work conditions. The poorer audiences even felt themselves educated by testimonial programs such as TVN’s “*Mea Culpa*” (a 1990’s *docu-reality* series about real-life repentant criminals), while richer groups found them sensationalistic.⁴⁴ Thus, a suggestion of the growing “vulgarization” of television has a bright side: that the prevalence of personal, anecdotal histories or situations in television programming is related to the fast upsurge of formerly poor groups throughout the 1990s and 2000s, who nowadays belong to the C3 and D income brackets.

Figure 8.

Audience appreciation of newscasts according to income level,* 2008



Note: * Percentage of answers in each category

Source: CNTV

42. Consejo Nacional de Televisión (CNTV), *Estudio estadístico de televisión abierta 2008* (Statistical Study of FTA Television 2008), Departamento de Supervisión CNTV, Santiago, 2009; *Programación en televisión abierta: oferta y tendencias 2009* (FTA Programming: Supply and Trends 2009), Departamento de Supervisión CNTV, Santiago, 2010.

43. Chilean media use the marketing and advertising classification of the different socio-economic groups to analyze their behavior as consumers. ABC1 represents the high income groups (10 percent of the population in Santiago); C2 and C3 the middle and lower-middle income groups (20 percent and 25 percent, respectively), D the lower income (35 percent), and the E group of extreme poverty (10 percent in the capital, but 20 percent nationwide), which is not considered by market studies because of its inability to buy consumer products. See *Asociación Chilena de Empresas de Investigación de Mercado* (AIM), *Grupos Socioeconómicos 2008* (Socio-Economic Groups 2008), AIM Chile, Santiago, 2009, available at <http://www.aimchile.cl> (accessed 21 October 2011).

44. V. Fuenzalida, *Televisión pública en América Latina. Reforma o Privatización* (Public Television in Latin America. Reform or Privatization), Fondo de Cultura Económica, Santiago, 2000.

In its latest corporate report (2010), TVN proudly points out that apart from its high profitability in a difficult year, of the 20 most viewed programs on Chilean television in 2009, 60 percent were TVN's (including the top four), more than double the next most popular channel. In news, TVN was leader with an average 16.4 rating points for its main prime time newscast and 6.7 for its morning newscast throughout 2009. In the previous years, TVN came second, very close behind the declining leader, UCTV.⁴⁵

After the restoration of democracy in 1990, TVN was defined by a new law as an autonomous public enterprise, both administratively and financially: it cannot receive public subsidies, and the government has no direct say over its main governing body, the Board of Directors.⁴⁶ Since then it has been successful in terms of audience and profitability. Yet TVN has been criticized for having a very limited public service mandate (see section 2.2.1) as well as an offer rather indistinguishable from its private and university rivals,⁴⁷ a known effect of advertising-based broadcasting systems.⁴⁸

Indeed, a recent study which compared news coverage in 30 countries⁴⁹ found that Chilean newscasts were not only the longest (one hour at prime time, which is optimal for selling advertising but entails spinning out stories unduly),⁵⁰ but also emphasized sports (notably football) and crime, regardless of the fact that Chile often fares poorly in soccer and is among the safest countries in Latin America. International coverage was scarce and parochial, focused on stories where Chileans were mentioned (very often football-related figures). TVN was no better than its benchmark in this study, the for-profit private channel Mega.

Another research project which examined the quality of journalism of the four main television newscasts also confirmed TVN's similarity with the other providers (Mega, CHV, and UCTV), all of whom privileged testimonial, anecdotal stories; relied on few relevant sources; omitted most implications and consequences; and generally used a populist focus inconsistent with the "notarial function" and sense of purpose that reference journalism should have, according to the authors.⁵¹ Experts and practitioners have blamed the increasing competition in the industry, fuelled by the instant, online audience measurements provided by Time-Ibope since 1992.⁵²

45. TVN. *Memoria 2009* (Annual Report 2009), 2010, at <http://www.tvn.cl/corporativo/documentos/Memoria2009a.pdf>, and <http://www.tvn.cl/corporativo/documentos/Memoria2009b.pdf> (accessed on 15 February 2011).

46. *Ley que Crea la Empresa Televisión Nacional de Chile* (Law Which Creates Television Nacional de Chile), No. 19,131 of 1992.

47. S. Godoy, "Propuesta UC, propuesta pública. Propuesta de proyecto de acuerdo para TVN" (Proposal UC, Public Proposal. Proposal of Legislative Agreement for TVN), *Cuadernos de Información*, No. 16–17, 2004, pp. 135–140; "Una medida de calidad: diversidad programática en la TV chilena" (A Measure of Quality: Program Diversity in Chilean TV), *Cuadernos de Información*, No. 13, 1999, pp. 75–88.

48. E. Noam, *Television In Europe*. New York and Oxford: Oxford University Press, 1991; E. Noam (ed.) *Video Media Competition. Regulation, Economics, And Technology*. New York: Columbia University Press, 1985; S. Godoy, *Gestión de Radio y TV*. Santiago: Ediciones Universidad Católica de Chile, 1999.

49. W. Porath and C. Mujica, "Foreign news on Chilean Television and the emotion of watching national sports' performance," paper presented at the Foreign TV News Around the World conference organized by the Graduate Institute of Journalism at National Taiwan University and the Public Television Service Foundation (PTS) in Taiwan. Taipei, 26–27 June, 2009.

50. S. Godoy, *An Unlikely Mixture*, 2009.

51. S. Pellegrini, "Análisis en los noticieros de televisión chilenos: La pauta como factor de calidad y perfil editorial" (Analysis of Chilean Newscasts: Quality and Editorial Profile), *Cuadernos de Información*, No. 27, 2010-II (julio–diciembre), pp. 25–42.

52. S. Godoy, *An Unlikely Mixture*, 2009.

TVN's lack of overall program differentiation should nevertheless be treated with care. First, advertising-based broadcasting implies that a market leader such as TVN is imitated by other broadcasters as much as TVN replicates the winning program formulas of its rivals, which include highly valued genres such as newscasts, current affairs, well-produced drama, documentaries as well as the inevitable *telenovelas* (soaps), light entertainment, and reality shows.

Second, and regardless of imitation, there are significant differences in terms of the almost unique “public service” provision that TVN offered during the 1990s and part of the 2000s, yet is nowadays replicated by other operators: *Señal Internacional S.A.* (SISA), an international channel distributed through pay-TV operators worldwide (most in Latin America), a regional network of production centers (until recently most other national broadcasters merely transmitted their output from Santiago, the capital),⁵³ and, since 2009, a 24-hour news channel (Canal 24 horas),⁵⁴ also distributed by pay-TV as current legislation does not allow more than one FTA channel per operator.⁵⁵ So legislation assumes, perhaps naïvely, that TVN will generate public service effects by competing against the other operators, shielded by its autonomy from government and guided by its non-profit—yet commercially funded—nationwide character.

2.1.2 Digitization and Services

The impact of digitization has had different connotations for the two main state media discussed in this section, TVN and the newspaper *La Nación*. But digitization is not necessarily the main cause of the changes that have occurred.

La Nación, an ailing publication, closed its print version in November 2010 and went on only online (Lanacion.cl) until September 2012 when it was finally shut down after 95 years of operation.⁵⁶ Critics suspected an ideological attack by the new center-right president Sebastian Piñera, who had personally deplored *La Nación's* biased coverage against his campaign the previous year.⁵⁷ The paper's directors spoke of low readership figures and financial losses, compensated by cross-subsidization from the profitable *Diario Oficial* (Official Gazette), which publishes laws and other legal documents. Some media analysts and organizations, partly from the political left, supported the overtly anti-right focus of *La Nación*, since all mainstream media, including TVN, operate under market principles introduced by Pinochet after 1973.

53. S. Godoy, *An Unlikely Mixture*, 2009.

54. TVN. *Memoria 2009* (Annual Report 2009), 2010.

55. *Ley del Consejo Nacional de Televisión* (Law on the National Television Council), No. 18,838 of 1989, modified by *Ley que Modifica la Ley del Consejo Nacional de Televisión* (Law Which Modifies the Law on the National Television Council), No. 19,132 of 1992.

56. Terra.cl: *Oficialismo apoya el cierre del diario La Nación*, (Government supports closure of daily La Nación), <http://noticias.terra.cl/nacional/politica/oficialismo-apoya-el-cierre-del-diario-la-nacion,6367f14320af9310VgnVCM10000098cceb0aRCRD.html>, 24 September 2012 (accessed 23 October 2012)

57. Terra.cl, *Accionistas aprueban cierre del diario La Nación* (Shareholders approve the closure of daily La Nación), 12 November 2010, at http://www.terra.cl/actualidad/index.cfm?id_cat=302&id_reg=1535329 (accessed 1 December 2010); *Parlamentarios evalúan Comisión Investigadora por cierre de diario La Nación* (Congress Evaluates Committee inquiring the closure of daily La Nación), *El Mostrador*, 23 November 2010, at <http://www.elmostrador.cl/noticias/pais/2010/11/23/parlamentarios-evaluan-comision-investigadora-por-cierre-de-diario-la-nacion/> (accessed 1 December 2010).

Despite the paper's bias—so goes the argument—at least it provided an alternative editorial view as well as work for journalists. From that perspective, the end of the print version of *La Nación* was negative, and the internet a lifeline, although weak because of Chileans' unequal access to cyberspace.⁵⁸ But digitization was not the cause of this change.

In the case of TVN, digitization allowed new services even before the internet appeared in Chile. In the late 1980s, national transmission was changed from traditional analog microwave relay towers operated by Entel (now one of the three main telecoms providers, privatized in the last years of the dictatorship) to the more cost-effective satellite digital distribution. This had two effects: first, TVN's regional production centers were shut down, and subsequently local production was dropped as the other networks did the same—local television production outside Santiago was often related to the networks' regional offices. The democratic administration of 1990 partly reinstated TVN's regional centers as a contribution to its very limited legal public service mandate, as well as a way to sell local advertising in the regions (which probably diverted resources away from local media). Nowadays, these regional centers (TVN has nine) produce nearly 10 minutes of the main newscast daily, and act as correspondents for the central studio if a high-impact story takes place in their region.⁵⁹

The second effect proved more positive: TVN's new satellite digital signal—initially unscrambled—was illegally downloaded and redistributed by cable operators in neighboring Argentina. For legal, technical, and geographical reasons, cable penetration in that country was the highest in Latin America and, furthermore, 450,000 Chileans lived and worked there. Copyright owners of films and series—mostly from the United States—complained, and TVN subsequently scrambled its satellite broadcast, which generated complaints from viewers and cable distributors outside Chile. The event demonstrated the demand for TVN's content abroad, and, after three experimental years, TVN's International Signal (SISA) was created as a self-financed venture in 1995.⁶⁰ TVN claims this service reaches a potential public of 10 million pay-TV subscribers worldwide.⁶¹

After this, the most relevant changes in service provision has been TVN's corporate website, *Tvn.cl*, which reached 18.5 percent of internet users in August 2011,⁶² and the news channel Canal 24 Horas, set up in 2009.⁶³ In the same year, CNN started operations in Chile with a network of local journalists in agreement with Radio Bío Bío, one of the most appreciated information sources in contemporary Chilean radio. Thus

58. Claudia Lagos, coordinator of the Freedom of Expression Program, Communication and Image Institute, Universidad de Chile, interviewed on 8 January 2011.

59. F. Fernández, S. Godoy, D. Grassau, P. Julio, S. Pellegrini, S. Puente, and J. Soto, *Ventanas y Espejos; televisión local en red* (Windows and Mirrors: Local Networked Television), *El Mercurio/Aguilar*, Santiago, 2009.

60. S. Godoy, *An Unlikely Mixture*, 2009.

61. TVN. *Memoria 2009* (Annual Report 2009), 2010.

62. International Advertising Bureau—Chile, *Reporte de Entidades Asociadas a IAB en Chile: agosto de 2011* (IAB Associates in Chile: August 2011 Report), IAB—Chile, Santiago, 2011, at <http://www.iab.cl/estadisticas-generales/estadisticas-generales-2011.html> (accessed 1 November 2011).

63. TVN. *Memoria 2009* (Annual Report 2009), 2010.

digitization seems to be a facilitating factor (both Señal 24 Horas and CNN-Chile are distributed by pay-TV operators and achieved average ratings of nearly 0.2 points each in 2009 according to Time-Ibope), but competition seems to be the main underlying motivation.

TVN nowadays defines itself as “multi-platform” in fashionable, digitally inspired jargon, and was one of the most valued among the “old” media by the local branch of the International Advertising Bureau (IAB). Among other things, it created TVN-lab, a laboratory dedicated to test different digital formats enabling users to become producers, it had almost 9,000 followers on Twitter, and until recently it was the only broadcaster that had set up a video channel in YouTube associated to its main newscast, “24 Horas.”⁶⁴ Yet these activities are now totally financed by the terrestrial operation, as is the case with all the other broadcasters who are carrying out similar experiments. They currently generate only marginal audiences (although some of them are influential, such as opinion leaders who are active on Twitter), and therefore do appear to be viable on their own in the short and medium term, according to some executives.⁶⁵

Indirectly, digitization has also facilitated—though it did not cause—the emergence of television channels operated by the Senate⁶⁶ and the Chamber of Deputies,⁶⁷ created after the re-establishment of democracy in 1990. These low-impact outlets do not have a terrestrial television franchise and are distributed via pay-TV operators (which enjoy more channel capacity thanks to digitization) and after 2000 through the internet as well.

2.1.3 Government Support

According to the most restrictive definition of public service media, TVN is the only public service outlet. The only state-level support for its digitization is a draft amending TVN Law No. 19,131 sent to Congress in October 2008 by the government of Michelle Bachelet (2006–2010).⁶⁸ That proposal is *still* under discussion together with a complementary bill reforming the whole television system (Law No. 18,838 on the National Television Council).⁶⁹ Unless and until these are both approved, they can still be modified; and Congress seems in no hurry.

The draft modifying Law No. 19,131 on TVN focuses on four points, all of which are theoretically favorable to the network's independence and diversity of output. First, it expands TVN's remit (currently limited to

64. International Advertising Bureau-Chile (IAB.cl), *Redes sociales y Medios de Comunicación en Chile* (Social Media and Mass Media in Chile), IAB-Chile, Santiago, at <http://www.iab.cl/columnas-de-opinion/redes-sociales-y-medios-de-comunicacion-en-chile.html> (accessed 1 February 2011).

65. Eliana Rozas, former CEO of UCTV and CNN-Chile, interviewed on 22 December 2010.

66. *Canal del Senado*, at http://www.senado.cl/prontus_senado/site/edic/base/port/tvsenado.html.

67. *Canal de la Cámara de Diputados*, at <http://www.cdtv.cl/>.

68. Presidency of the Republic, *Mensaje de S.E. la Presidenta de la Republica con el que inicia un proyecto de ley que modifica la ley N° 19.132 de Televisión Nacional de Chile* (Message from Her Excellency the President of the Republic Modifying Law No.19,132 of National Television of Chile), Mensaje N° 943-356, Santiago, 27 October 2008.

69. Presidency of the Republic, *Mensaje de S.E. la Presidenta de la Republica, con el que inicia un proyecto de ley que permite la introducción de la televisión digital terrestre* (Message from Her Excellency the President of the Republic Initiating a Draft for the Introduction of DTT), Mensaje N° 942-356, Santiago, 24 October 2008.

terrestrial broadcasting) to include any media in a digital scenario—just like a private company, with the same rights, duties, and obligations. The second expands TVN’s public service mission to explicitly foster culture, pluralism, democracy, ethnic groups, integrate the nation, and develop the Chilean audio-visual industry, as well as allowing public access to TVN’s archives for educational purposes.

Third, it enhances the corporation’s governance and accountability by expanding the board of directors from seven to nine (thereby increasing diversity); by tightening the requirements to integrate the board (an explicit commitment to pluralism and TVN’s mission are needed, among other things); and by setting stricter rules to avoid conflicts of interest for those appointed to the post; ensuring pay levels and performance bonuses are comparable with those of the private sector; and reporting TVN’s state of affairs to the Senate twice a year.

Finally, in financial terms, it relaxes the current prohibition on receiving state funding by allowing TVN to be paid by public institutions when participating in campaigns on behalf of the “common good” which are open to any broadcaster. The Minister of Telecommunications Rene Cortazar—who promoted the draft—assured that this clause would not erode TVN’s independence, as the CNTV would determine such “common good” campaigns according to specific conditions. The draft also allows TVN to obtain loans with the authorization of the Ministry of Finance.

Without explicitly stating it, this proposal assumes TVN’s role will remain valid in perpetuity. There is no reference to any periodical revision of its mandate in contrast to its historical referent, the BBC, whose Charter is revised and renewed each decade by Parliament. The broadcaster is further favored by the draft modification of current Law No. 18,838, since all existing terrestrial operators are to receive automatically (and for free) a 6 MHz slot in the UHF band for digital transmissions; the digital franchise lasts 20 renewable years (No. 15, No. 31A). The 6 MHz slots are equivalent to those currently used by the seven terrestrial broadcasters in the VHF band (analog). The ISDB Japanese/Brazilian technical standard adopted in 2008 allows up to seven standard-definition (SD) channels or one in high definition (HD), as well as a lower resolution channel for mobile receivers without need of a separate franchise. Until the new law is promulgated, only temporary, experimental broadcasts are allowed; this situation amounts, in a sense, to the “incumbent capture” of digital terrestrial television (DTT), because current operators are the ones making these digital broadcasts (which are simulcasts of their analog programming using a single HD channel). Analog-digital simulcast is likely to last five years, after which it is not clear who will keep the disused VHF 6 MHz franchise (see section 5).

This second draft modifying Law No. 18,838 mostly refines the status quo, so there are no changes to the details discussed elsewhere in this section: the CNTV remains the industry regulator, following the principles of “correct operation” of the system (which means broadcasters should observe some well-intentioned content guidelines, and avoid undesirable ones such as obscenity and violence), administering a competitive fund for high-quality, cultural programs open to anyone, including TVN.⁷⁰ Although the new digital franchises are defined at national, regional, local, and community levels, there are no provisions for any kind of subsidy for new entrants, or for TVN.

70. See <http://www.cntv.cl>.

2.1.4 Public Service Media and Digital Switch-over

Digitization has helped the existing public media to increase their reach and influence, and engage with their audience—although not sufficiently to generate a viable alternative source of revenue, or increase their audience dramatically in the short term.

In the case of the daily *La Nación*, as mentioned above, the end of the paper edition in 2010—and the subsequent downsizing of its staff⁷¹—was partly compensated for by the retention of the online version. In August 2011, this website ranked at the bottom of comparable news media sites together with *La Segunda*, an evening paper oriented to higher-income groups in Santiago. Except for Terra, the other outlets considered were related to a prominent offline operation. Anyway, *La Nación* online was finally shut down in September 2012.

In the case of TVN, the most relevant change caused by digitization (in satellite broadcasting, not the internet) was created in 1995 with SISA, the international channel sold to pay-TV operators mostly but not only in Latin America. This self-financed service is low-cost (less than US\$500,000 per year), relying on pre-existing material generated by TVN's terrestrial channel and a few buy-ins from external providers. SISA only produces the continuity between the different programs.⁷² On the other hand, TVN's website, *Tvn.cl*, was visited by 1.6 million users in 2009 and had almost half a million Facebook followers in 2011,⁷³ and is also a comparatively low-cost venture, based mostly on interactive applications related to the main terrestrial output.

Thus public service outlets, particularly TVN, appear able to renew themselves on digital platforms. But their success in this endeavor depends ultimately on non-technological factors such as market dynamics, TVN's reputation, and a wide audience appeal. If these factors are favorable, the transition to digital may result in TVN surviving and even flourishing. The prohibition on TVN's receipt of direct public subsidies may become problematic if the outlet makes constant losses.

2.2 Public Service Provision

2.2.1 Perception of Public Service Media

There have been very few studies analyzing the concept of public service broadcasting (PSB) in Chile. Historically, however, PSB has been both an influential and a vague concept from the beginning of television broadcasting in 1958. Indeed, the first proper Law on Television from 1970 copied the old slogan of “educate,

71. *Lo que está detrás del fin de la edición en papel del matutino: La estrategia del gobierno para sacar a los accionistas privados de La Nación* (What lies behind the closure of the paper edition of *La Nación*: the government's strategy to fire the daily's private shareholders), *El Mostrador*, 18 October 2010, at <http://www.elmostrador.cl/noticias/pais/2010/10/18/la-estrategia-del-gobierno-para-sacar-a-los-accionistas-privados-de-la-nacion/> (accessed 15 December 2010).

72. S. Godoy, 2009, *An Unlikely Mixture*, 2009.

73. TVN, *Memoria 2011* (Annual Report 2011), 2012, at <http://www.tvn.cl/corporativo/documentos/Memoria2011.pdf> (accessed 23 October 2012).

inform, and entertain” (in that order) as the main functions of broadcasting from the famous BBC formula, which dates back to the 1920s.⁷⁴ Radio was always a private, entertainment medium around which the State merely reacted,⁷⁵ so the concept has been restricted to television alone. More recently, the concept reappeared in 1990 when TVN was rescued from bankruptcy after the Pinochet regime’s misuse of the network; again in 1992 when the current TVN law was promulgated; and yet again after 2005, when discussions around digitization of television began.

Nowadays PSB is frequently interpreted by the public, politicians, and journalists as “state-owned television,”⁷⁶ which means TVN alone (the two television channels of Congress are largely ignored due to their limited impact and low appeal). But other authors *also* interpret PSB as TVN plus the not-for-profit university channels that have an academic and/or social welfare inspiration, i.e. the university-owned UCTV plus the much smaller UCV Television from Valparaíso (and, until 1992, Universidad de Chile’s Channel 11, sold to private investors as explained below).⁷⁷ Yet this vision has been considerably weakened after Universidad Católica de Chile sold 67 percent of UCTV in August 2010 to businessman Andrónico Luksic, following growing financial losses.⁷⁸

However, in strict legal terms *all* broadcasters—terrestrial and subscription-based—as well as private, state-owned, and university-owned (regardless of whether analog or digital) can also be considered to come under the public service umbrella, given that all should “permanently respect” a set of well-intentioned principles constituting the “correct operation” of the system and overseen by the regulator, the CNTV.⁷⁹ This came about mostly by chance, as those who wrote the current television Law No. 18,838 in 1989 did not envisage digitization, convergence, or multi-channel television, so its Article 1 subsequently embraced *all* kinds of television:

By correct operation will be understood permanent respect, through [the channels’] programming, for the Nation’s moral and cultural values; for the dignity of persons and the protection of the family; for pluralism; for democracy; for peace; for the protection of the environment; and for the spiritual and intellectual formation of children and the youth within the said value framework.⁸⁰

74. M.L. Hurtado, *Historia de la Televisión en Chile 1959–1973* (History of Television in Chile 1959–1973), DOCUMENTAS/CENECA, Santiago, 1988; S. Godoy, *An Unlikely Mixture*, 2009.

75. Lasagni et al., *La Radio en Chile*, 1988; Tironi and Sunckel, “Modernización de las Comunicaciones.” 1993

76. Ministerio Secretaría General de Gobierno, *La Función Política de la Televisión. Tendencias, Contenidos y Desafíos en el Chile de Hoy* (The Political Function of Television. Trends, Contents, and Challenges in Contemporary Chile), Ministry of Communication, Santiago, 2007.

77. V. Fuenzalida, *Televisión pública en América Latina. Reforma o Privatización* (Public Television in Latin America. Reform of Privatization), Fondo de Cultura Económica, Santiago, 2000.

78. “La televisión chilena ad portas de su mayor cambio en las últimas tres décadas” (Chilean television on the cusp of greatest change in three decades), suplemento Negocios, *La Tercera*, 15 August 2010, pp. 10–11.

79. Law No. 18,838, *Ley del Consejo Nacional de Televisión* (Law on the National Television Council) of 1989, modified by No. 19,132, *Modifica la Ley del Consejo Nacional de Televisión* (Modifies the Law on the National Television Council) of 1992. The concept of “correct operation” is defined in Article 1.

80. Article 1, Law No. 18,838.

This list of desirable and perhaps naïve values is quite revealing of Chile's negotiated transition to democracy and its underlying republican tradition: national values, personal dignity, protection of the family, and the spiritual formation of youngsters were included in the first version of the law drafted by the Pinochet regime in 1989. The remaining principles of pluralism, democracy, and protection of the environment were proposed by the new democratic government when the law was slightly modified in 1992.

The origins of this vague yet pervasive public service ethos lie in the university and state monopoly of the medium which prevailed from the early broadcasts in 1958 until the first private channels appeared in 1990, fostered by the Pinochet regime. Even today, the state network TVN and the main university outlet, UCTV (although partially sold in 2010), are important actors in the industry, while the smaller UCV of Valparaíso survives quite well using a strategy of counter-programming that fills the gaps left by the industry leaders.⁸¹

Public service principles were formalized in the first proper Law on Television from 1970.⁸² Before this, there was a 1958 decree authorizing universities to operate educational and cultural channels yet forbidding them to sell advertising. The 1970 law defined four elements:

- a set of principles for all the existing operators (educate, inform, and entertain as well as ideological neutrality, taken verbatim from the BBC's early origins in the 1920s);
- a mixed system of funding, comprising regulated advertising as well as state funding (a license fee was deemed impractical);
- a rigid set of only four authorized operators (TVN with a national reach, plus three local university channels by Universidad de Chile, Universidad Católica de Chile in Santiago, and Universidad Católica de Valparaíso); and
- a regulatory body for the whole industry, the CNTV. There was a wide political consensus that private television should not be allowed on the grounds that this new, powerful medium should be used for education and culture, not for commercial or ideological interests as in the press and radio.⁸³

After the 1973 coup which overthrew socialist president Salvador Allende, the military junta revised the 1970 law to ensure its control of television: TVN's pluralist board of directors was eliminated and its Director General (a name borrowed from the BBC) was directly appointed by the regime with full powers over the corporation, while *rectores delegados* (delegated principals) were appointed at universities. Public funding for television was severely cut in 1975, and all broadcasters were forced to rely exclusively on advertising (in compensation, the CNTV's competitive fund for high-quality programs was created together with a "cultural segment" or slot: see section 2.2.2). Yet aside from securing control of news coverage, the regime was not interested in interfering with the cultural role allotted to TVN and the university channels, so the public service ethos managed to persist.

81. Enrique Aimone, CEO of UCV and former Secretary General of TVN, interviewed on 27 December 2010.

82. *Ley General de Televisión* (General Law on Television), No. 17,377 of 1970.

83. M.L. Hurtado, *Historia de la Televisión en Chile 1959–1973* (History of Television in Chile 1959–1973). Santiago: DOCUMENTAS/CEN-ECA, 1988.

A new Law for the Creation of *Televisión Nacional de Chile* No. 19,132 was enacted in 1992, with a market-oriented approach. This law is still fully valid. TVN was to be politically independent from government in two ways: first, its operation would only depend on a very powerful and politically diverse Board of Directors jointly appointed by the President and the Senate (which is entitled to reject the presidential proposal, and has done so in the past); and, second, total financial autonomy by prohibiting state subsidies for TVN in exchange for the freedom to behave as a private corporation in all aspects not expressly mentioned in the new law. TVN's only particular public service mandate is as follows: "[TVN] must demonstrate pluralism and objectivity across its whole programming schedule and, very specially, in the newscasts, [and in the] programs of political analysis or debate" (Art. 3, Law No. 19,132). This is deemed insufficient by many commentators and critics.⁸⁴

According to TVN's former executives, a more specific public service mandate would require significant public funding for TVN, which is not allowed under current legislation. It is currently assumed that TVN will fulfill a (limited) public service role by competing in the television market and thus providing a benchmark for the rest of the industry.⁸⁵

2.2.2 Public Service Provision in Commercial Media

As already mentioned, the principle of "correct operation" defined by Law No. 18,838 of 1989 and its subsequent modifications applies to all television operators, regardless of whether they are terrestrial, subscription-based, or other, and all of which are regulated by the CNTV. In practice, the council focuses more on terrestrial television due its universal availability and also because it is more feasible to oversee the seven existing operators, who broadcast together some 50,000 hours per year in contrast to nearly 1.5 million hours offered by each cable and satellite distributor. In any case, the only regulations applicable to terrestrial television are the electoral segment (*franja electoral*) during election times and a cultural one (*franja cultural*) reinstated in 2009 after almost 20 years.

The CNTV enforces its supervisory mandate by reprimands, fines, or suspension of the franchise (which can be either temporary or definite); the state-owned TVN is regarded as just another operator. In practice no franchise has ever been suspended, however briefly, despite the occasionally challenging attitude of broadcasters and pay-TV operators who prefer to pay fines (which are capped, and can be contested at the Appeals Court) rather than obey CNTV criteria,⁸⁶ which are sometimes considered as too restrictive or openly absurd.⁸⁷

84. L. Donoso (ed.) *TV Digital. Manual para el uso de legisladores* (Digital TV: Handbook for Legislators), Friedrich-Ebert-Stiftung/Observatorio FUCATEL, Santiago, 2008; J.C. Altamirano, *Una vez más TVN* (TVN, once again), 26 November 2008, quoted by Observatorio FUCATEL, Santiago, at <http://www.observatoriofucatel.cl/una-vez-mas-tvn/> (accessed 15 January 2011); E. Abbagliati, "¿Es TVN el canal de todos los chilenos?" (Is TVN the network of all Chileans?), *El Mostrador*, 29 June 2010, at <http://www.elmostrador.cl/opinion/2010/06/29/%C2%B4Fes-tvn-el-canal-de-todos-los-chilenos> (accessed 1 February 2011).

85. Interviews with Jorge Navarrete and Rene Cortazar, former CEOs of TVN, in S. Godoy, *An Unlikely Mixture*, 2009.

86. Enrique Aimone, CEO of UCV and former Secretary General of TVN, interviewed on 27 December 2010.

87. Angela Vivanco, legal advisor to the National Association of Broadcasters ANATEL and professor of Constitutional Law, interviewed on 21 December 2010 and 8 January 2011 (hereafter Angela Vivanco, interviewed 21 December 2010 and 8 January 2011).

Furthermore, as it is difficult to enforce the “positive” yet vague values inherent in the “correct operation” principle, CNTV has been more effective at punishing broadcasters who put out negative contents—defined in a separate directive related to obscenity (which seemed to embarrass the lawyers who wrote it, as the wording is notably indirect) and excessive violence. However, the ambiguity of that directive has led CNTV to tolerate increasing violence and sex on the screen.⁸⁸

Less controversially, the CNTV also monitors all operators’ respect for the times designated for contents suitable for all audiences (from 6 a.m. to 10 p.m. daily), as well as restrictions on advertising tobacco, alcohol, and pharmaceuticals (advertising drugs). Yet the most highly regarded instrument applied by the CNTV on behalf of the whole system is the yearly competitive fund for high-quality, cultural programs available to any producer with a broadcasting contract with any existing terrestrial operator, a device similar to that envisaged by the Peacock Committee in the United Kingdom in 1986.⁸⁹ The CNTV fund was created by Pinochet’s liberal economists in 1975 but was far too small to be of much use. In fact, the fund only exceeded the US\$1 million mark after 2000; it now amounts to approximately US\$7 million, which is enough to make a visible impact (in the form of a 13-part series, or a tele-film), but it is still less than 2 percent of the overall yearly income of terrestrial television in Chile and therefore insufficient according to European standards.⁹⁰

Since 1987, and in conjunction with a new Electoral Law regulating the end of General Pinochet’s dictatorship, the CNTV also administers the electoral segment (*franja electoral*), which obliges all terrestrial broadcasters to air 30-minute slots of daily political propaganda during the two months prior to any election. Time is shared equally among competing political groups, which are responsible for producing the contents.

This arrangement—very influential for the defeat of Pinochet in the 1988 presidential plebiscite⁹¹—has lost its appeal as audience interest in these broadcasts has diminished alongside voter participation. Operators criticize it for lost advertising revenues (slots are aired during prime time, free of charge) and, less cynically, because of the better ratings obtained by debating programs specially produced by the channels themselves (in which TVN has excelled). Furthermore, in local and parliamentary election campaigns, the total time is too short to split it effectively among all candidates, who amount to several hundred.⁹²

88. S. Godoy, *An Unlikely Mixture*, 2009.

89. The Peacock Committee appointed by Margaret Thatcher in the 1980s examined the whole British broadcasting system according to market principles (its head, Sir Allan Peacock, was an economist). Because of the public’s satisfaction with the system, Peacock did not dismiss the BBC as the government wanted but recommended its gradual substitution by a competitive fund for high-quality programs, a scheme which was already a decade old in Chile. See S. Barnett and A. Curry, *The Battle For The BBC. A British Broadcasting Conspiracy?* London: Aurum Press, 1994.

90. S. Godoy, 2009, *An Unlikely Mixture*, 2009. Details about this yearly fund as well as forms and instructions for applying are available in Spanish at <http://www.cntv.cl>.

91. Fernando Acuña (ed.), *Los primeros 50 años de la televisión en Chile* (The First 50 Years of Television in Chile), Facultad Comunicaciones UC/El Mercurio/VTR/Canal 13, Santiago, 2007 (hereafter Acuña, *Los primeros 50 años*, 2007).

92. S. Godoy, “Los medios de comunicación en las elecciones parlamentarias de 2001: ¿conspiración o simple mediocridad?” (Communication Media in the 2001 Parliamentary Elections: Conspiracy or just mediocrity?), *Cuadernos de Información*, No. 15, 2002/03, pp. 84–99.

Finally, since October 2009 all terrestrial operators have been required to broadcast one hour of “cultural programs” per week during high ratings times (18.00–00.30 hours Monday to Friday, and 16.00–00.30 hours at weekends). According to the CNTV, cultural programs are those “of high quality referred to arts and sciences, as well as those oriented to promote and disseminate the universal heritage, in particular (Chile’s) heritage and identity.”⁹³ This *franja cultural* (cultural segment) was another invention of Pinochet’s liberal economists in their aim to cut public subsidies after 1973 while retaining the “culturalist” ethos cheaply, and was applied by the CNTV until the mid-1980s. It was generally well appreciated, and the regime did not use it for political purposes.⁹⁴

Nevertheless, it still felt like an obligation imposed from above (such as the *cadena nacionales* or national addresses by the government, a 1960s norm originally designed for radio which was seldom used before the military assumed control in 1973). For this reason, successive democratic, center-left presidents were unwilling to reinstate the cultural segment, and left it to the broadcasters themselves to join the *cadena* or government addresses voluntarily (all of them did). The growing trend for “trash television,” coarse language, and sensationalism across the entire system led the CNTV to replace this cheap way of promoting higher quality programs. However, none of these developments has been linked to the process of media digitization.

2.3 Assessments

After the relative decline of university channels and the recent closure of the paper version of the daily *La Nación*, the term “public service media” is mostly understood as meaning the state-owned television network, TVN. Although the values of public service have been legislated to cover the whole television system (and the regulator, CNTV, is supposed to ensure that all operators abide by the principles of “correct operation”), digitization is still mostly a promise, as the draft laws regulating the digital scenario have been in ongoing discussions in Congress since 2008. In the case of radio—historically conceived as a private sector medium—there is not even a technical standard defined for digitization, let alone a legal proposal.

Within this scenario, TVN fares quite well, not so much due to digitization as because of brand name, good management, a favorable law, and historical significance. Perhaps the most relevant gain caused directly by digital technology—combined with satellite transmission and sound business instinct—was the creation of the international channel, SISA, in the early 1990s, which helped TVN to achieve an international reach. Nowadays, TVN defines itself as a multi-platform medium and indeed it has a good website (not, however, among the most visited sites in Chile), a 24-hour news channel (with an average viewership of 0.2 rating points), and a small digital laboratory. However, it depends completely on its main terrestrial operation.

93. CNTV, *Informe de Programación Cultural TV Abierta* (Report on Cultural Programming at FTA), Santiago, September 2010, at http://www.cntv.cl/medios/Publicaciones/2010/CULTURAL_SEPTIEMBRE_2010.pdf (accessed 20 December 2010).

94. Acuña, *Los primeros 50 años*, 2007.

If the draft new legislation for TVN and the whole television system is approved in the form it was sent to Congress in 2008, which is not yet clear, TVN would—together with the other existing broadcasters—automatically receive a free (and renewable) digital franchise for 20 years. These franchises would have national reach, which are most attractive for advertisers. It is not clear if there will be much space left for new entrants on a national scale, as the draft takes into account regional, local, and community franchises as well (which seem harder to finance). TVN’s mandate has also been set as perpetual by default, as there is no provision for a periodic revision of the corporation’s *raison d’être*.

Other broadcasters have been left to their own devices, aside from a small subsidy to help set up antennas. The so-called new media get no special public support, aside from broad policies to promote the internet and computer literacy. And *La Nación*’s two-year online-only struggle was finally terminated by the government in 2012. Therefore, the chief gains and losses mentioned in this section are only partly related to digitization, if at all. To date, the far left and community media have consistently (and unsuccessfully) called for public funding and special regulations to maintain plurality (i.e. critical voices such as their own), after the pro-market ethos pervaded the whole media system following the return to democracy in the 1990s.

In recent years, public service provisions have become more limited to apply to TVN alone (the only public funds available in television are competitively allocated by the CNTV to any applicant), despite the fact that legislation assumes all television operators should abide by the principles of “correct operation” enforced by the CNTV. This type of content regulation is prone to some degree of self-censorship due to the ambiguous definitions it contains, which is nevertheless compensated for by the relatively small fines involved (see section 5). The proposals to reform the laws covering TVN and the whole industry (under discussion since 2008) enhance and clarify some of TVN’s role as a public service broadcaster (such as fostering culture and the audiovisual industry, as well as pluralism and objectivity) while also ensuring that it can operate as a private corporation. However, in reality these are mere adjustments to outdated legislation, written in a pre-convergence context in which “television” meant terrestrial television, then the most important medium dominated by three university operators and one state operator. Even if these drafts are approved by Congress, they do not address radio (the other user of spectrum for free-access, mass information and entertainment) or telecommunications (the backbone of pay-TV and the internet). There is thus a risk that all these public service arrangements will become irrelevant if, as some predict, terrestrial television is gradually substituted by subscription-based platforms and the internet.⁹⁵

95. S. Godoy, “Televisión digital en Chile: ¿es posible más y mejor TV para los chilenos?” (Digital Television in Chile: Is it possible to have more and better TV?), *Temas de la Agenda Pública*, Año 4, No. 31, Dirección de Asuntos Públicos UC, Santiago, October 2009.

3. Digital Media and Society

3.1 User-Generated Content (UGC)

3.1.1 UGC Overview

The most popular social networks generally reflect global trends, with Facebook leading the way.⁹⁶ Although it is not even among the top 25 (it reaches 9.8 percent of internet users, in contrast to Facebook's 85 percent), Twitter is regarded as especially influential due to the high profile of its users.⁹⁷ Remarkably, although they are not social networking or UGC-related, two quite "old" media sites feature in this list: the rival newspaper conglomerates *El Mercurio* and *La Tercera*.

Table 12.

Most popular websites in Chile, April 2010

	Total unique visitors, '000s	Reach in Chile, % of internet users	Average minutes per visitor
1 Google sites (includes YouTube)	6,797	95.5	197.2
2 Facebook	6,219	87.4	274.0
3 Microsoft sites (includes MSN)	6,069	85.3	523.4
4 Terra—Telefonica	4,120	57.9	20.2
5 Yahoo! sites	3,397	47.7	19.8
6 Wikimedia Foundation sites	3,215	45.2	11.5
7 Empresa El Mercurio SAP	2,888	40.6	46.3
8 Taringa.net	2,495	35.1	11.2
9 Grupo La Tercera	2,175	30.6	19.4
10 Hi-Media Group (includes Fotolog)	2,114	29.7	50.7

Source: ComScore Media Metrix

96. Interview with Dr Francisco Fernandez, expert on social media and interactive technologies, professor at Universidad Católica de Chile's School of Communications, Santiago, 10 January 2011 (hereafter Interview with Dr Francisco Fernandez, 2011).

97. D. Gómez, "Radiografía de la Twittósfera Chilena" (X-Ray of Chilean Twittersphere), online article, Orbitando.com, Santiago, 2010, at <http://orbitando.com/twitter/> (hereafter Gómez, "Radiografía de la Twittósfera Chilena," 2010) (accessed 1 February 2011).

Even though there are no publicly available statistics about all the UGC sites used in Chile, ComScore reports that social networking sites in general have the highest reach among internet users (91.1 percent, above the Latin American average), followed by community sites (78.1 percent), instant messaging (69.8 percent), and photos (68 percent).

Meanwhile, Alexa.com generates a similar list of the top 10 most popular websites,⁹⁸ with Google Chile, Facebook, and YouTube leading the ranking.

Las Ultimas Noticias is the only “old media” website among the top 10 in Chile. This century-old tabloid belonging to the Mercurio newspaper group defines its news coverage according to the website’s audience traffic, and therefore privileges celebrity gossip and entertainment from terrestrial television content.⁹⁹ Also among the top 10 websites is Taringa!—a collaborative entertainment site built on Web 2.0 principles, the first of its type in Latin America according to its Argentinean creators. Lower down the scale but still among the top 40 most visited sites in Chile quoted by Alexa.com are other well-known UGC sites such as Wikipedia (11), Twitter (14), Megaupload (15), Conduit (17), Fotolog (24), Wordpress (28), Flickr (34), and Badoo (38). The top Chilean UGC sites in this group are Portalnet.cl (26) and Chilecomparte.cl (27).

Among the “traditional” media sites, and below *Las Ultimas Noticias*, newspapers lead the way. The list follows with *El Mercurio*’s multimedia site (Emol.com, in 12th place according to Alexa.com), its traditional rival *La Tercera* (Latercera.cl—16th), *La Cuarta* (Lacuarta.cl, a populist tabloid owned by *La Tercera*—41st), *El Mercurio* (Mercurio.cl, the paper’s online version—49th) and, further down, the news and talk radios Cooperativa (Cooperativa.cl—69th) and Bío Bío (Radiobiobio.cl—79th), followed by the only terrestrial channel included in the top 100 most visited websites: Chilevisión, CHV (Chilevision.cl—80th). Most of them have UGC applications, notably Facebook, Twitter, blogs by some commentators, and discussion boards; videos are also included but not in an interactive, file-sharing mode.

Thus, “old” media, and particularly newspapers, are still important actors in the sphere of online news provision. It should be remembered that, as in the offline world, these companies own several outlets. When all their sites are grouped together, traditional newspaper consortia, El Mercurio and Grupo COPESA, rank well together with “new” actors such as Microsoft, Google, Facebook, and Telefonica (see section 2.1.4).

Most Chilean media sites do not embrace UGC. They look like online versions of their particular broadcasting business and communication models with a relatively passive audience to be entertained and informed, and with limited space for participation aside from letters to the editor (by email); news and content updating by RSS; or circulating content on the currently fashionable Facebook and Twitter (useful for reinforcing reach and getting feedback about current events and trends). Some media executives interviewed for this study were not particularly enthusiastic about this feature of digitization, although they were concerned about audience

98. See <http://www.alexa.com> (accessed 10 February 2011).

99. Interview with Agustin Edwards del R., director of *Las Ultimas Noticias*, Santiago, 15 July 2010.

fragmentation in the long term.¹⁰⁰ This sounds similar to the findings of a case study about online retail in Chile, where the web-based service is regarded as an *additional* physical store with its own personnel and logistics rather than a completely new business or communication model.¹⁰¹

For instance, the public network TVN (Tvn.cl) prides itself for having a section devoted to citizen reporting through Twitter (*Reportuiteros*), where users are asked to tell the corporation about any newsworthy story they may have heard of. Similarly, most mainstream media websites provide space for commenting on news stories and editorials in blog-like fashion. Yet it is significant that users are allowed to generate content only on the scale of a few written words. This may be caused by the practical difficulty of handling citizens' contributions within existing media business models, as suggested by recent research on online Chilean citizen journalism in UGC sites, such as Elmorrocotudo.cl or Elrancahuaso.cl, both linked to the *Diarios Ciudadanos* network of citizen newspapers, Diariosciudadanos.cl.¹⁰² The study found mostly anecdotal, very local, and/or personal stories that often lack the context-setting that characterizes traditional news media stories, notwithstanding occasional scoops and coverage of a wide range of specific local issues. An additional problem was the reliance on unpaid, unsolicited collaborations, which may not be consistent over time.

Far more participatory and active—although unrelated to digitization and more linked to the medium's instant, flexible, and non-visual nature—are the accounts by listeners of Radio Bío Bío, one of Chile's most respected news sources, which relies heavily on live phone calls from the audience with traffic and accident reports, or citizen complaints. These are integrated almost daily into the newscasts under the skillful guidance of professional journalists in the studio, who extract relevant data from callers and keep up a regular flow of incoming calls.

3.1.2 Social Networks

Although there are no publicly available data about the ratio between active and registered users of social networking sites in Chile, both ComScore and Alexa.com provide other relevant indicators concerning the popularity of these sites. Figure 9 ranks them according to the latest figures of audience reach, measured by ComScore: Facebook leads the way with 85 percent, followed at a distance by Fotolog and Windows Live Profile.

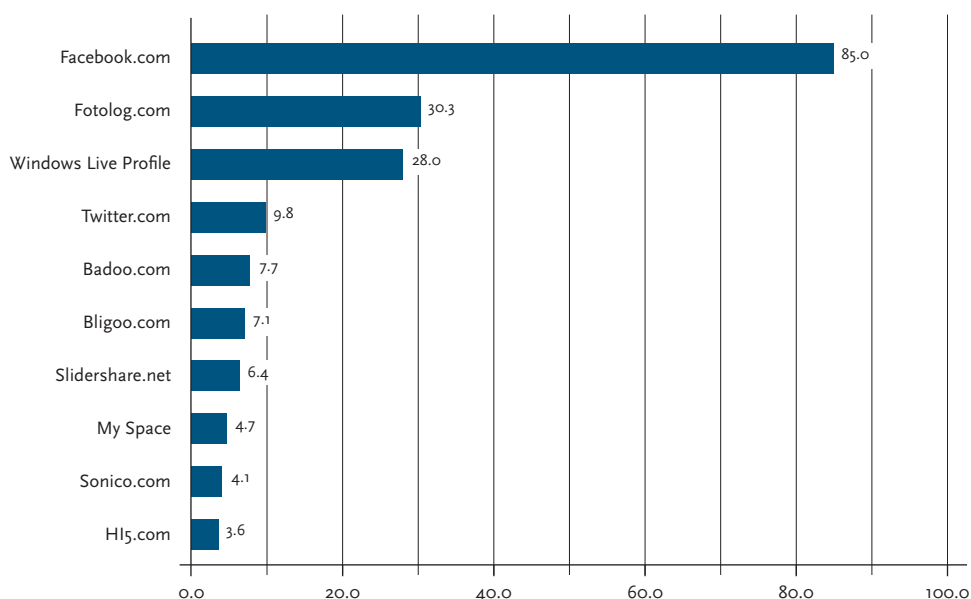
100. Interviews with E. Rozas, former CEO of UCTV Canal 13 and CNN-Chile, Santiago, 22 December 2010; and with E. Aimone, CEO of UCV and former Secretary General of TVN, Santiago, 27 December 2010.

101. J.C. Arriagada, *Uso de Tecnologías de la Información en el sector retail en Chile: el caso de Paris.cl, Estudio de caso adscrito al proyecto Business and Information Technology* (BIT-Chile. Business and Information Technologies (BIT) Project—Chile) (Proyecto Fondecyt N° 1050769), Facultad de Comunicaciones UC/Instituto de Sociología UC/Escuela de Ingeniería UC-CETIUC/Centro de Estudios de la Economía Digital CC, Santiago, 2007.

102. S. Puente, S. Pellegrini, and G. Saavedra, *Periodismo ciudadano* (Citizen Journalism), Fondecyt research project No. 1080049, National Science and Technology Fund/Facultad Comunicaciones UC, Santiago, 2008–2010. Unpublished results (hereafter Puente et al., *Periodismo ciudadano*, 2008–2010).

In 2010, Facebook equaled Fotolog's 7.5 million accounts,¹⁰³ which represents 44 percent of the Chilean population and almost all internet users. Facebook had only had 39,000 accounts in 2007. Fotolog was until recently the fastest growing social networking site.¹⁰⁴ The success of these two sites seems related to the public's appetite for self-expression and peer recognition. On the other hand, Twitter has grown rapidly among adult opinion leaders, such as high-level professionals and journalists. In this case, usage seems more related to information needs as well as socializing in terms of (virtual) shoulder-rubbing with politically influential people.

Figure 9.
Top social networking sites (% reach of internet users), Chile, 2010



Source: ComScore Media Metrix

ComScore points out that both Chile and Colombia have the highest percentage of Facebook users in Latin America, with four out of five internet users using the site. In contrast, Twitter is not so widespread: its reach of almost 10 percent in Chile in 2010 was nearly half of that of Venezuela and Brazil, the two countries of the region where this site has grown the most. Yet Twitter is regarded as especially influential due to the profile of its followers, who include politicians, journalists, and high-profile professionals, many of them commentators on news and current affairs.¹⁰⁵ Indeed, President Sebastian Piñera's entire cabinet opened Twitter accounts

103. See <http://www.socialbreakers.com>, <http://www.socialbakers.com/facebook-statistics/chile/last-3-months#chart-intervals> (accessed 3 February 2011).

104. Gómez, "Radiografía de la Twittósfera Chilena," 2010; M. Arias, "Evolución y revolución de las Redes Sociales Online en Chile del 2007 al 2010. Caso Fotolog" (Evolution and revolution of online social media in Chile 2007-2010: the Fotolog case), at <http://www.serdigital.cl/Observatorio-del-Usuario-OdU/Equipo-I+D-Generación-Ser-Digital>, Santiago, 2010; <http://www.serdigital.cl/2010/05/16/evolucion-y-revolucion-de-las-redes-sociales-online-en-chile-del-2007-al-2010-caso-fotolog/> (accessed 1 February 2011).

105. Interview with Dr Francisco Fernandez, 2011; Gómez, "Radiografía de la Twittósfera Chilena," 2010.

expressly to be more in touch with citizens.¹⁰⁶ Applications rose sharply from 95,012 accounts in 2009 to 206,197 immediately after the earthquake of 27 February 2010, as reported by *El Mercurio* from industry reports on existing accounts.¹⁰⁷

3.1.3 News in Social Media

To a great extent the usage of social networks is shaped by the profile of their users. For instance, Twitter users in Chile are predominantly professionals. According to experts, making a compelling statement in Spanish within the 140-character limit provided by that site is not an easy task. Therefore a subtle, yet definite “cultural entry barrier” exists.¹⁰⁸ Thus, the most followed and commented on figures are prominent journalists and opinion leaders able to post updated comments about ongoing matters of political and/or social relevance such as the earthquake of 27 February 2011.¹⁰⁹ Many followers belong to this same sphere of interests.

In contrast, Facebook is a place where matters of personal and private interest are shared: photos, thoughts, or remembrances, where gatherings and parties are organized, and people “meet” using many different tools aside writing texts, sometimes after many years of physical distance. Emotions are especially important here. In turn, successful blogs—another widespread social networking mechanism, dispersed over many different sites—require a defined subject, a well-defined public, and a differentiated content proposal, often about socially relevant matters and/or niche interests, such as Fayerwayer.com, Zancada.cl, Plataformaurbana.com, or Archdaily.com. Some of them have become almost professional media, with newsrooms and paid journalists.¹¹⁰

An updated profile of web usage in Chile developed by the WIP Chile project in 2011 reveals five types of online activities.¹¹¹ Each type combines a longer list of specific tasks. Reading news is included under “search for pragmatic information” (averaging 37 percent), in which reading news reaches 70 percent of web users. Yet this figure is weighed down by the lower prevalence of comparable activities, such as information about products, health, travel, and/or consulting corporate and institutional websites.

106. “Chile and social media: Does Twitter promote democracy?” *The Economist*, 1 April 2010, at http://www.economist.com/blogs/babbage/2010/04/chile_and_social_media (accessed 1 February 2011).

107. Emol.com, “Usuarios de Twitter crecieron un 190% en Chile después del terremoto” (Users of Twitter grew 190% after the earthquake), 17 March 2010, at <http://www.emol.com/noticias/todas/detalle/detallenoticias.asp?idnoticia=403847> (accessed 1 February 2011).

108. Interview with Dr Francisco Fernandez, 2011.

109. Emol.com, *Terremoto de Chile es lo más comentado en Twitter* (Earthquake in Chile is most commented topic in Twitter), 28 February 2010, at <http://www.emol.com/noticias/tecnología/detalle/detallenoticias.asp?idnoticia=400884> (accessed 1 February 2011).

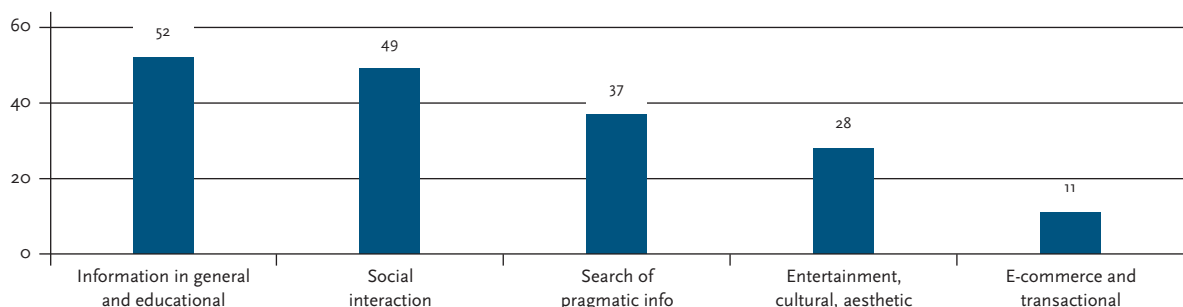
110. Interview with Dr Francisco Fernandez, 2011.

111. WIP Chile, *Usos Y Prácticas En El Mundo De Internet* (Usages and practices in the Internet World) (Proyecto Fodecyt N° 1110098), Facultad de Comunicaciones/Instituto de Sociología/Cámara de Comercio de Santiago; Santiago, 2011, at <http://www.wipchile.cl/http://www.ccs.cl> (accessed 1 July 2011); see also WIP Chile, 2009, *Los internautas chilenos y sus similares en el resto del mundo: resultados del estudio WIP-Chile 2008* (Chilean web users and their likes worldwide: results from the WIP Chile 2008 study) (Proyecto Fondecyt N° 1050769), Facultad de Comunicaciones UC/Instituto de Sociología UC/Escuela de Ingeniería UC-CETUC/Cámara de Comercio de Santiago, Santiago de Chile, 2009.

Each of the five types of web usage in Figure 10 has a different user profile. Youngsters prevail in three: researching general (e.g. via email) and educational information (for homework and similar school-related tasks), social networking, and entertainment. In contrast, those who seek practical information and do transactional/e-commerce activities are predominately adult web users aged 25 years and older; youngsters engage less in these two types of activity. In all cases, web usage is related to high levels of technologization (i.e. access and usage of different technological gadgets); income level is only relevant for transactional activities.

Figure 10.

Percentage of web users who perform different types of online activities at least once a month



Source: WIP Chile project 2011

3.2 Digital Activism

3.2.1 Digital Platforms and Civil Society Activism

There have been a small number of significant examples of citizen mobilization using digital platforms which have made breakthroughs into the mainstream media and influenced policymaking.¹¹² These have not been studied in detail, so the underlying reasons for their success or failure are not well understood. The following accounts therefore only present the most well-known cases where online tools—mostly social media and mobile phones—have contributed directly to citizen action.

112. For a list of Chilean examples and from other countries, see the Meta-Activism Project, at <http://www.meta-activism.org/> (accessed 12 December 2010). Twelve relatively minor cases are quoted for Chile, none of them related to those described above, and there is no information about their relative success or failure.

Penguin Revolution

One of the most notorious mobilizations was the so-called “Penguin Revolution” by secondary school students during the first year of Michelle Bachelet’s socialist government (2006–2010), in which 15-year-olds in school uniforms (“penguins”), mobilized by mobile phone and Facebook, took to the streets nationwide to demand better state-supported education.¹¹³

Previous demonstrations and strikes by teachers had proved ineffective. This time, the scale of the movement provoked a thorough revision of public schooling by the government.

After politicians failed to carry out the reforms, frustrated students acted again in May 2011 with unexpected force and kept up their protests for most of the year. Although “new” media are used by students to mobilize, it is difficult to distinguish their specific contribution because the protests became a mainstream issue across the mass media and the public agenda.¹¹⁴

In 2010, citizens also used digital platforms such as mobile phones, Facebook, and Twitter to get information about loved ones in the areas worst affected by the earthquake and tsunami of 27 February, a few days before the new right-wing president Sebastian Piñera took office. For many days, the internet and mobile telephony were the only ways to contact families and friends. Admittedly, old-fashioned radio played a unique role in the first 48 hours when telecommunications and power networks failed. Suddenly there were 16 million Chileans clinging to their mobiles (by far the most used means of communication, according to a survey by Serdigital.cl)¹¹⁵ and fixed-line telephones and connectivity suffered. There were also cases of panic induced by false reports about looting in some cities, which spread through social networking sites and were amplified by television newscasts.

Later in 2010, an unexpected protest activated through mobile phones, Twitter, Facebook, and similar websites succeeded in forcing the government, in less than 24 hours, to stop the construction of a coal-powered plant in Barrancones, on the northern coast of Huasco, near a nature reserve. The facility had already been authorized under the (much criticized) current environmental legislation.¹¹⁶

Before the end of the year, spontaneous protesters were also successful in reversing the election of an unpopular new president of the National Football Association (*Asociación Nacional de Fútbol*, ANFP) despite being a private matter among football clubs.

113. R. Condeza, “Las estrategias de comunicación utilizadas por los adolescentes” (Communications strategies used by adolescents), *Cuadernos de Información*, No. 24-I, Enero-Junio 2009, pp. 67–78.

114. “Education in Chile. The fraught politics of the classroom,” *The Economist*, 29 October 2011, at <http://www.economist.com/node/21534785> (accessed 1 November 2011). According to this publication, “there is no sign of settling what has turned into the most serious political conflict for two decades in Latin America’s most successful country.”

115. See <http://www.serdigital.cl> and <http://www.divergente.cl>: Chilen@s 2.0. *Radiografía al Chile Digital 2.0 en el Bicentenario* (X-ray of Digital Chile 2.0 at the bicentenary), Generación Ser Digital 2.0, Santiago, 2011, at <http://www.serdigital.cl> (accessed 1 September 2011).

116. “Central termoeléctrica Barrancones no se construirá en Punta de Choros” (Barrancones power station won’t be built at Punta de Choros), *La Nación.cl*, 26 August 2010, at <http://www.lanacion.cl/central-termoelectrica-barrancones-no-se-construira-en-punta-de-choros/noticias/2010-08-26/113013.html> (accessed 1 February 2011).

The new year 2011 was hailed by another successful and spontaneous mobilization through social media sites and mobile phones, this time against increases in the price of petrol in Punta Arenas,¹¹⁷ forcing President Piñera to make his first cabinet reshuffle in January.¹¹⁸ Subsidized gas is essential for heating in this southernmost city facing the Strait of Magellan, which has no road connection with the rest of the territory. In all these cases, mass media attention followed these examples of grassroots activism.

Many other initiatives failed or had uncertain outcomes. The reasons are not completely clear. For example, the email boycott by frustrated consumers against the oligopoly of chemist chains charged with forming a cartel to increase the cost of medicines in 2009 (the case is still going through the courts).¹¹⁹ Viral messages encouraging people to buy in small, geographically scattered stores did not prosper, and neither politicians nor the media confronted these large chains—which also happen to be important advertisers in the media system, notably newscasts. The relative failure of this initiative may be related not only to the means used (mostly email) but to the lack of consumer alternatives and lax legislation on cartels and monopolies, as well as to the pharmacies' power as advertisers. (Due to consolidation, there are fewer and more powerful retailers, banks, telecoms, and similar companies that hire advertising space, making the communications media comparatively weaker.)

In fact, in early 2011, an anonymous citizen complained to CNTV that the main television networks—including TVN, the public broadcaster—had systematically failed to inform the public about a strike in one of these pharmacy chains, FASA. (The small university-owned channel UCV was the exception.) Although the regulator agreed there had been a deliberate omission (the CNTV carefully avoided the term “self-censorship”), it took no action against the broadcasters because it deemed that omitting information was part of the editorial freedom to which the broadcasters were constitutionally entitled.¹²⁰

During 2010, mobilizations on behalf of 38 Mapuche natives jailed in recent years under an anti-terrorist law promulgated by the Pinochet regime also faltered.¹²¹ The defendants had been accused of destroying *haciendas*, blocking roads, and attacking the police while claiming their ancestral land rights in the Araucanía region. A hunger strike by imprisoned indigenous leaders followed, but it coincided with the spectacular rescue of 33 miners trapped 700 meters underground, which became a worldwide television hit. The strike ended after the government promised to suggest that the judiciary should prosecute according to normal

117. “Con barricadas terminó protesta del gas en Punta Arenas” (Protest in Punta Arenas ends with barricades), Terra.cl, 9 January 2011, at http://megagalerias.terra.cl/galerias/actualidad/galeria.cfm?id_galeria=55811 (accessed 1 February 2011).

118. “Primer cambio de gabinete: Entran senadores Allamand y Matthei” (First cabinet reshuffle: Senators Allamand and Matthei step in), *Diario Financiero* Online, 14 January 2011, at http://w2.df.cl/primer-cambio-de-gabinete-entran-senadores-allamand-y-matthei/prontus_df/2011-01-14/190140.html (accessed 1 February 2011).

119. “Ejecutivos de farmacias formalizados por colusión y Consejo Nacional de Televisión acusa a canales de no informar sobre huelga de Fasa” (Pharmacy executives prosecuted for collusion and National Television Council accuses broadcasters of not informing about strike in Fasa), *El Ciudadano*.cl, at <http://www.elciudadano.cl/2011/02/09/ejecutivos-de-farmacias-formalizados-por-colusion-y-consejo-nacional-de-television-acusa-a-canales-de-no-informar-sobre-huelga-de-fasa/> (accessed 1 February 2011).

120. “La pugna en el CNTV por Farmacias Ahumada” (CNTV struggle over Farmacias Ahumada), *El Mostrador*, 31 January 2011, at <http://www.elmostrador.cl/sin-editar/2011/01/31/la-pugna-el-el-cntv-por-farmacias-ahumada/> (accessed 5 February 2011).

121. See the Facebook campaign at <http://es-la.facebook.com/pages/Libertad-a-los-presos-politicos-mapaches/155342614499208?v=info>.

criminal law, which imposes much lower penalties for the same misdemeanors. Activists did not get a direct solution, as in the Barrancones case, where the President of the Republic personally called the CEO of the multinational energy firm involved to persuade him not to build the plant. Furthermore, a request to CNTV to punish the broadcasters for “censoring” news coverage of this strike did not prosper.¹²²

Another unclear case was the boycott against Pascua Lama,¹²³ a gold mining project in the Andes at the northern border between Chile and Argentina. The company claimed that the region’s glaciers would not be affected and that some 6,500 jobs would be created, while protestors denied this and emphasized the dangers of polluting farmland in the agricultural valleys of Huasco. As in the previous unsuccessful examples, the mass media and television newscasts in particular did not provide extensive coverage of this issue. It is not clear why, but plausible explanations can be related to the difficulties the media had in building an attractive story involving accessible and appealing images: the glacier itself is high in the Andes in a desert region, the affected areas lower down are not as visually engaging as others mentioned here, and they do not have great masses of people marching in the streets.

Patagonia Sin Represas

Until recently, the Patagonia Sin Represas (No Dams in Patagonia) campaign also seemed to be a failure.¹²⁴ It opposed Hidroaysén, a huge hydroelectric project requiring a dam across the Baker, Chile’s biggest river, in the pristine region of Aysen in Patagonia, which, in contrast to the rather barren Argentinian side, consists of fjords, islands, virgin forests, deep rivers, snow-capped mountains, and glaciers. (It also has a much smaller population.)

The multinational company in charge of the project was keen to point out that the protesters were backed by powerful northern-hemisphere NGOs and philanthropists who do not apply the same standards (especially in terms of electricity consumption) to their own countries.¹²⁵ Although the project was already under discussion for government approval (a long and complex process in itself), the campaign against it received considerable media attention as well as direct support from many renowned figures in television and entertainment. In June 2012, the Hydroaysén project was unexpectedly cancelled.

122. “CNTV rechaza aplicar sanciones contra canales de TV que censuraron huelga de hambre de Presos Políticos Mapuche” (CNTV refuses to punish TV channels that censored hunger strike by Mapuche political prisoners), Agencia de Noticias—Medio a Medio, 13 December 2010, at <http://www.agenciadenoticias.org/?p=10260> (accessed 5 February 2011).

123. See <http://www.noapascalama.org>.

124. “Dams off Patagonia,” at <http://www.patagoniasinrepresas.cl/final>.

125. For cases of popular and indigenous mobilization, see the NGO Educación y Comunicaciones (ECO) at <http://www.ongeco.cl> and its related news agency, at <http://www.agenciadenoticias.org> (accessed 21 October 2011).

3.2.2 The Importance of Digital Mobilizations

As mentioned above, there have been some successful mobilizations in recent years that are relevant to mainstream society. But there have also been failures. So it is possible to mobilize people over socially sensitive issues thanks to digital technologies, but mass media diffusion is still important for generating more widespread support. As there are no records of failed mobilizations or detailed studies of their causes, it is hard to know why some succeed while others do not, despite being apparently no less worthwhile or attractive. Factors such as timing (as the simultaneous occurrence of the Mapuche hunger strike and the miners' rescue suggests), the need for government to secure popular support, media coverage (more likely as long as protests are not directed against a powerful advertiser), and public response are all relevant, but to what degree and how remain unknown variables.

3.3 Assessments

Established, traditional media use some social networking applications as well as a few UGC ones on their websites to their advantage. In general, user participation is limited to text, but this is not the only way: in radio, “interactivity” with the public using the phone was already a hot word in the early 1990s,¹²⁶ and aside from entertainment talk programs there are valuable cases of newscasts which integrate quite effectively the reports and testimonies of listeners using this medium. But news media are increasingly scanning social networks as well, notably Twitter (used by many high-profile professionals and opinion leaders, including journalists), to keep in touch with “what is going on.”

Citizens are taking advantage of the opportunities offered by new media for activism, sometimes very successfully, thereby provoking a wide-reaching and positive impact. There are some limited, specific examples that would not have been possible before the existence of mobile phones and social networking sites. Some social mobilizations orchestrated through social networking sites have indeed become breaking news and spread accordingly, yet it is not clear if they became major social events because of the media. In other cases, equally relevant issues also circulating in cyberspace failed to attract media coverage. More data and studies are needed to clarify the matter, because media silence may be related to the excessive power of advertisers (e.g. the workers' strike at FASA), racism (e.g. the Mapuche hunger strike), and other factors.

With respect to so-called citizen journalism, there are many websites dedicated to gathering stories reported by citizens who happen to find themselves close to everyday events unnoticed by professional journalists. However, a recent study found that these sites are dominated by rather irrelevant, anecdotal personal stories which often lacked the perspective and context provided by news professionals; in fact, the contents seemed to satisfy the contributors' need for self-expression and recognition rather than the social need for information required for better decision-making.¹²⁷ This said, “citizen journalism” does enrich the news and information landscape, even if its outcomes are not always particularly worthwhile.

126. R. Marchant, *La radio en Chile: A todo volumen. En sintonía con los nuevos tiempos* (Radio in Chile at full volume. In line with new times), self-edition, Santiago, 2001; SECC, *Reseña de Medios N°32: Perspectivas de la Radio en Chile*. Santiago: SECC, 1996.

127. Puente et al., *Periodismo ciudadano*, 2008–2010.

In addition, there is the issue of the digital divide: half of the Chilean population does not have internet access.¹²⁸ However, almost everybody has a mobile phone. It follows that society is probably better off now than before the appearance of these means of communication and mobilization. The political, institutional, and economic context is also more favorable than in the past two decades, and this should also be considered a facilitating factor.

128. Interview with Claudia Lagos, coordinator of the Freedom of Expression Program, Institute of Communication and Image, Universidad de Chile, 8 December 2010.

4. Digital Media and Journalism

4.1 Impact on Journalists and Newsrooms

4.1.1 Journalists

Over the last three decades the Chilean media landscape and the work of journalists have undergone several significant changes. Some of the more recent ones are digitization-related, but others are mainly due to political and economic factors.

Since Chile returned to democracy in 1990, the country has made efforts to recover and strengthen an open and adequately regulated media system, ensuring legal protection for freedom of the press. One proof of this is that, since 2005, the annual Barometer of Access to Information survey, conducted by the Press Foundation, has shown a steady increase in journalists' perception that the transparency of information is improving.¹²⁹ However, according to Olivia Mönckeberg's in-depth analysis, some major problems remain, such as the concentration in media ownership¹³⁰ and—related to digitization—the digital divide. Furthermore, even though the economy has remained essentially stable in regional terms, the worldwide financial crisis has had a significant impact on the media and the work of journalists, due to the loss of advertising revenue.¹³¹

While struggling for economic recovery, the traditional media have had to strive in recent years against an increasingly stronger rival, the internet, with which they have to compete for a share of the advertising pie. Against this background, the news media market has been looking for new business models, while journalists have had to adapt to a new scenario dominated by a now lower-income industry and the heavy use of new technologies—resulting in relevant changes to their work routines.

In the meantime, all traditional media have developed web versions of their output, new online-only media are being published, citizen journalism has become a familiar concept among more socially engaged individuals,

129. VII Barómetro de Acceso a Información 2010 (Barometer of Access to Information 2010), Fundación de la Prensa (Press Foundation), Santiago, Chile (accessed 3 March 2011).

130. M.O. Mönckeberg, *Los magnates de la prensa: concentración de los medios de comunicación en Chile* (The media moguls: concentration of the media in Chile), Debate, Santiago de Chile, 2009.

131. Chilean Association of Advertising Agencies (*Asociación Chilena de Agencias de Publicidad*, ACHAP), at <http://www.achap.cl> (accessed 3 March 2011).

countless personal and professional blogs have been consolidated, and social networks (e.g. Facebook, Twitter) are being heavily used. Access to almost all the Chilean online sites is free.

Interviews conducted for this study,¹³² together with several academic studies, indicate the main changes that journalism is undergoing in Chile, what has already been achieved, and what future challenges are likely to arise. To summarize, news professionals agree that although advanced technology has already been introduced in the newsrooms, especially the internet, journalists are still discovering the tools and beginning to take advantage of some of the options that technology delivers. One of the experts interviewed, who has been working with new media for 16 years, said, “Chilean online journalists are still at a stage where the only thing that changes is the use of the web instead of paper as a support. The reasons are a matter of training, business model and time.”

However, opinions on this issue differ significantly between journalists working in traditional media or their web versions, and news people working in online-only media. The latter often hire younger professionals used to dealing with technology and in these media, digitization-related changes are more apparent.

Among the most visible changes, news journalists and media experts highlighted the following:

- **Social networking:** The most frequently mentioned change introduced by digitization in journalism and the work of journalists is the increasing use of social networking. However, according to a 2010 study by the Press Foundation, only 20.2 percent of journalists said they frequently use social networks (Facebook, Twitter, or others) to get information.¹³³ This percentage varies depending on whether respondents work in Santiago (23.4 percent) or in other regions (15.2 percent), showing how the impact of digitization differs when comparing the capital with the rest of the country, a further proof of the digital divide. The two most frequently used forms of access to information remain formal interviews with official sources (56.2 percent) and informal personal contacts (50.4 percent).

Nevertheless, journalists do say their use of social networks is increasing, which is important because although only 50,000 people in Chile are active Tweeters, they represent an informed elite.¹³⁴ In this way, social networking has begun to change the way journalists work. Some media outlets now permanently monitor platforms such as Twitter; they even hire staff to do this, and they have incorporated Twitter accounts in the media’s online sites—for example, in countless television and radio programs’ websites. A professional who heads up a citizen newspaper said, “Today there are news [stories] completely constructed from a tweet.”

132. Interviews were conducted during a Research Seminar at the School of Journalism, Universidad Católica, Santiago de Chile, September–November 2010, under the direction of the researcher Maria-Elena Gronemeyer (hereafter Research Seminar interviews).

133. VII Barómetro de Acceso a Información 2010 (Barometer of Access to Information 2010), Fundación de la Prensa (Press Foundation), Santiago, Chile, at http://www.fundaciondelaprensa.cl/prontus_fundacion/site/artic/20101130/asocfile/resultados_barometro_2010.pdf (accessed 3 March 2011).

134. A. Azócar, former director of the School of Journalism, Universidad Diego Portales, during the presentation of the report “Barómetro de acceso a información pública 2010” (Barometer of Access to Public Information 2010), Santiago, Chile, November 2010.

Social networks are used to access information provided by audiences, contributions of data, testimonies, commentaries, opinions, and corrections, thereby diversifying news sources and topics (sometimes even affecting the mainstream media agenda). Furthermore, news professionals stressed that social networks allow instant feedback and public control. Journalists also see social networks as a way to reach wider audiences because good journalism can be recommended to others through them. At times journalists tweet information, acting as the first source when they seek to virally replicate data—for example, in cases of accidents or election results—or to corroborate information.

This exchange in newsrooms between news professionals and audiences through social networks is mainly what Chilean journalists practice and understand as interactivity. Social networking has thereby allowed timely information gathering and has proved especially useful for the real-time propagation of data for stories that are under development and news regarding disasters and ongoing crises.

On the other hand, journalists recognize the problems linked to social networking. “The internet requires a greater ability to distinguish relevant topics from those that are not. News from social networks arise every minute and journalists are often tempted to publish a story without corroboration. From that point it has been a very bad influence,” said a mainstream newspaper editor.¹³⁵

- **Knowledge and use of technology:** Chilean journalists’ need for greater technology-related knowledge—together with the increasing use of technological tools and devices—are considered as the most significant impacts of digitization on journalism. The first thing journalists say when asked about the changes in their work routines over the past five years refers to the intensive use of new technological devices as reporting tools, and the internet. One of the digital media experts interviewed stressed that the wider technological knowledge of a journalist “is a differentiator and an essential added value in professional training.”¹³⁶

All but a few conventional outlets now expect their journalists to carry a camera to later upload the content onto the internet in addition to doing their reporting. Radios, for example, now publish videos, images, and texts in addition to audio broadcasts, all of which the same journalist may be expected to provide. Convergence is thus becoming a more familiar practice in some traditional news media, albeit slowly. Journalists do not work regularly for different platforms and converged newsrooms are still exceptional. Experts say that media professionals still need to learn and apply more sophisticated uses of the digital tools available.

However, several journalists working in digital-only media have a different view. According to the editor of an online news site, “digital media have forced us to be ‘multipurpose,’ i.e. we have to be able to do reporting, writing, take photos, record video, edit video and upload it all to a website. Before that [it] was unthinkable for a single person to do [all that]. Now it is a minimum requirement to work in online journalism.”

135. Research Seminar interview with newspaper editor.

136. Research Seminar interview with digital media expert.

The internet is the main tool currently used by Chilean journalists in addition to devices such as cell phones, iPhones, or BlackBerries. The endless possibilities afforded by the internet lead journalists to use it increasingly as a reporting tool. Most of the news professionals interviewed for this report agreed that internet use has diminished the use of traditional reporting routines and there is less on-the-ground coverage. A mainstream newspaper editor with 13 years of experience described the consequences he attributes to these new routines: “Information has been dehumanized. Now the reporting occurs in front of a computer instead of going on the ground and in this way the stories have lost atmosphere and context.”¹³⁷ However, according to data from 2009, 67.8 percent of surveyed journalists and editors in Santiago consider that what journalism does well today is use websites and the internet (33.7 percent), and new technologies (34.1 percent).¹³⁸

- **Immediacy and in-depth reporting:** News professionals also stress as a main change in newsrooms and in journalists’ and editors’ work the acceleration in the news cycle to respond to a constant demand from audiences for immediate and updated information. According to one expert in digital media, “The web 2.0 phenomenon allows to have a barometer of what people think and what is happening every minute.”¹³⁹ In an October 2009 survey, 83.9 percent of respondents (journalists and editors in Santiago) even recognized that Chilean journalism’s main strength is its immediacy.¹⁴⁰ A digital television expert remarked, “immediacy is the permanent struggle. Being first is the incentive. Media managers consider these rankings as very important.”¹⁴¹

In the same 2009 study, 61.2 percent of those surveyed said that the internet has increased pressure on newsroom deadlines, while 33.3 percent said it has remained the same, and only 3.7 percent considered it has diminished. Some journalists interviewed for this research complained that they are now expected to be connected 24 hours a day, to be ready to react to any event and to update information. In fact, one news site editor claimed that “the speed of the information flow exceeds one’s ability to react when working on the web.” However, the online television expert introduced a nuance: “The site publishes news and data that meet the timing and immediacy standards, i.e. shallow news stories, but it also uploads programs and forums for debate and discussion in which the issues are deepened from different angles. The advantage of the internet is that it lets us simultaneously keep contents dealing with the same story but in different ways.”¹⁴²

In the study mentioned above, 57.5 percent of the surveyed news professionals also believe that the publication of wrong or false information has increased (57.5 percent), while only 10.4 percent think it has decreased.¹⁴³ Furthermore, journalists agree that digital journalism stands out for providing very fast

137. Research Seminar interview with newspaper editor.

138. Survey, *Encuesta Estado del Periodismo Nacional 2009*, Informe de Resultados, Universidad Alberto Hurtado, Programa de Investigación de Medios, Escuela de Periodismo, 2010. Based on the State of The News Media 2009 survey (hereafter Survey, *Encuesta Estado del Periodismo Nacional 2009*).

139. Research Seminar interview with digital media expert.

140. Survey, *Encuesta Estado del Periodismo Nacional 2009*.

141. Research Seminar interview with digital television expert.

142. Research Seminar interview with online television expert.

143. Survey, *Encuesta Estado del Periodismo Nacional 2009*.

coverage of breaking news, but only 2.6 percent of respondents considered that journalism is doing a good job nowadays of covering specific topics in-depth.

- **Sources/topic diversification:** News professionals highlight, as an outcome of greater access to information through the internet and audience participation, a diversification of sources in their reporting and also, although less significantly, a diversification of topics covered. The editor of a mainstream newspaper said about covering international news, “Your sources used to be one or two news agencies. Today, in addition to the agencies, there is a range of 10 to 20 sites that offer versions on the same news.”¹⁴⁴ Considering the diversification of topics, a radio editor added: “The diversity responds to information that comes from social networks. Through them we learn about the topics of interest to specific groups, and if they fit our editorial line, we report them.”¹⁴⁵

Furthermore, one online radio editor recognized that: “Audiences have definitely changed the agenda. The good thing about online media is that there is space for every important topic. Even if it does not become a front page headline, people will find it somehow and thereby the audiences are better served.”¹⁴⁶ A press journalist added: “The selection of topics has changed because sometimes there are events that we think are important to be reported, but through Twitter we realize there is news that needs more space because of audience interest in that particular issue.”¹⁴⁷

Although editors and journalists often recognize that these digital-related diversifications do favor the democratization of media content, several professionals also consider that information is becoming more homogeneous because they all have access to the same information, and because they all try to respond to audience interests as expressed through social networks. “Scoops have lost value,”¹⁴⁸ an online news editor complained, and the editor-in-chief of a citizen journalism newspaper agreed: “Information has been homogenized. ... Exclusives no longer exist, or very briefly—for 10 minutes at most.”¹⁴⁹ The current trend in journalism results in more contextualization and occasional in-depth reporting on media websites, but this is not necessarily due to better reporting by journalists but to audience contributions interacting with the newsrooms and, especially, to hyperlinked information.

- **Audience control and self-regulation:** Editors and journalists perceive that audiences are increasingly controlling journalistic work, demanding corrections and more complete information, thanks to online publication and the ease of reacting to it. In turn, perceptions of self-regulatory efforts among media professionals are divided between those who think they have remained the same and those who perceive there is more self-regulation. A conventional newspaper editor representing the first group stressed: “Journalists’ self-regulation will remain the same forever because it is a pillar of our profession.”¹⁵⁰ However,

144. Research Seminar interview with newspaper editor.

145. Research Seminar interview with radio editor.

146. Research Seminar interview with online radio editor.

147. Research Seminar interview with press journalist.

148. Research Seminar interview with online news editor.

149. Research Seminar interview with editor-in-chief of a citizen journalism newspaper.

150. Research Seminar interview with newspaper editor.

other interviewees talked about the greater care they now put into self-regulation. An experienced press editor recognized that: “Immediacy affects and weakens ethical discernment at work even if we try to avoid it.”¹⁵¹

- **Information overflow, workload, and payment:** Chilean journalists say they have to deal with an excess of information and work, in exchange for the same payment as before.¹⁵² In online media, the need not only to cover a news story but also to update it immediately and continuously (in this context, a new category of staff has come into existence: “updaters”), and to link it to other related or complementary sites, has increased journalists’ workload over the past five years.

This new work routine—requiring media professionals to be mentally prepared for permanent change, demands, and corrections from audiences—also implies a cultural change that happens more slowly than the technological innovations in a newsroom. One of the interviewed experts said: “Journalists have more verification work in this new context because they get much more data of potential interest that have to be analyzed to determine whether they can be used.”¹⁵³ A news agency editor explained: “The audience is hungry for instant information and, therefore, work is very dynamic in the sense that journalists must be constantly informed of the latest developments. In addition, because people have access to many sources of information, communicators need to study the issues in-depth to be able to deliver a different approach to the facts, especially for the print version of the newspaper delivered the next day.”¹⁵⁴ A radio editor added: “The work load also increases because there is more awareness of audience interests, which means that more news has to be reported,”¹⁵⁵ while a journalist with an online news site said: “The working day lasts as long as the situation demands. If there is a developing news story you may even work double shifts.”¹⁵⁶

Furthermore, according to news professionals interviewed for this research, in conventional media, such as newspapers, there is more interdisciplinary work, where journalists, photographers, designers, and computer graphics artists collaborate, even during the journalists’ field reporting. Online journalists tend to assume a more multi-tasking role. Their staff numbers also tend to be small and journalists have to cover several news fronts and topics.

Under these circumstances, many journalists consider that news content in Chile has become more homogeneous and more superficial.

151. Research Seminar interview with press editor.

152. The majority of Chilean journalists’ gross income falls into the following groups: 31.5 percent, 500,000 pesos or less; 39.3 percent, 500,001 to 1,000,000 pesos; 16.3 percent, 1,000,001 to 1,500,000 pesos (1 US\$ = \$475, 22 October 2012). In C. Mellado et al. (2010), “Estudio comparativo de cuatro regiones: Mercado laboral y perfil del periodista” (A comparative study in four regions: Labor market and profile of the Chilean journalist), in *Cuadernos de Información* N° 26, p.45-64 (hereafter Mellado et al., “Estudio comparativo,” 2010).

153. Research Seminar interview with online expert.

154. Research Seminar interview with news agency editor.

155. Research Seminar interview with radio editor.

156. Research Seminar interview with online news site journalist.

- **Editor–journalist relationship:** Print press journalists in traditional media say the editor–reporter relationship has not changed much over the last five years. Online journalists, however, say the relationship has become more horizontal and less controlling: these journalists have more independence in their choice of topic and how they write. About the new role of the editors, an online television reporter said, “Today the editor is a broker, not a gatekeeper. He or she analyzes the information and helps to send signals; their task is to channel the flow.”¹⁵⁷
- **Citizen journalism online:** Another change in Chile’s news media landscape related to digitization is the appearance of several citizen journalism online papers. Although most of the editors and journalists interviewed for this report acknowledge the existence of this sort of journalism, others insist that such outlets cannot be considered as journalism, but rather as the expression of opinions. They claim that some so-called citizen media carrying serious information actually have professional editors, and the best of them even have advertising; this means they are a business and are subordinated to advertising pressures, like other professional outlets. As such, they can no longer claim to be independent, i.e. with the freedom to offer significant information not covered by traditional media.

However, those who value citizen media argue that they have introduced new voices from social groups that were seldom, if ever, covered by the mainstream media. Although not all the interviewed professionals consider that the coverage of marginalized groups has significantly increased, several claimed it is expanding, especially in alternative media and thanks to pressure exerted through social networks. The publisher of a citizen news site shared his experience: “As far as I can see, daily citizen papers have kept a space open for new ideas, and have even supported alternative enterprise networks.”¹⁵⁸ The editor of another citizen site suggested that: “Citizen journalism has complied by far with the purposes of not having commercial purposes, of not constituting monopolies nor defending the market or the system. They take a critical attitude, give voice and access to traditionally marginalized sectors of society, show the other side of the facts, work with socially sensitive content, and pursue the democratization of communication.”¹⁵⁹

The same individual added: “We don’t stop carrying the official version, we don’t make it invisible, but we believe there are certain debates that affect Chile and are not reported elsewhere. We try to cover the diversity of views on a subject, which means the views of ordinary people, the common citizen, the person who has studied the issue in an NGO, environmentalists, and also the official version.”¹⁶⁰

4.1.2 Ethics

In a 2009 survey of journalists from Santiago, 63.3 percent of the respondents said that the fundamental values of journalism had been transferred to the internet, while 33.3 percent claimed the opposite and

157. Research Seminar interview with online television reporter.

158. Research Seminar interview with publisher of a citizen news site.

159. Research Seminar interview with editor of citizen journalism website.

160. Research Seminar interview with editor of citizen journalism website.

thought that the internet had changed those values for the worse.¹⁶¹ The latter consider that mainly “the loss of high standards/less care/everybody can be an online journalist” criteria are affecting journalism, along with the emphasis on speed.

However, Chilean journalists reported to the authors of this study that digitization has had no consequences for their ethical behavior, and that ethical standards have not changed. Nor do they see a significant impact on editorial policies. They even said that the uncertainty over the accuracy of online information and the reliability of online sources has made them *more* careful in checking data and sources, and in taking care over the presentation of stories. Editors and reporters agreed that self-regulation has not changed, although greater control is now exercised by audiences reacting immediately and demanding a correction when something wrong has been published. The perception of one radio editor is as follows: “We are more controlled. We work with internal emails that replicate the reader’s comments, which have complete freedom to comment on the quality of the news.”¹⁶² Another online radio journalist agreed: “There is greater scrutiny from the audience and from the sources. The web has changed things for radio reporters. In the past, after a reporter aired some news, it dissolved in space. Now that report, and the spot or quote, remains tied to its headline forever. The source usually calls and asks for a correction. The issue of permanence and the opportunities for participation make people look harder at us.”¹⁶³

With regard to ethical standards, our interviewees considered that journalism education should aim at strengthening existing principles before addressing new ones, and that this is more important than teaching the use of new technologies, which are constantly changing.

4.2 Investigative Journalism

4.2.1 Opportunities

Investigative journalism has a short tradition in Chile. During the military regime this kind of journalism was not possible. After the restoration of democracy in 1990, investigative journalism became more significant, uncovering many topics for the first time. Two television programs—“*Informe Especial*” (Special Report) on TVN, and “*Contacto*” (Contact) on Channel 13 from Universidad Católica—had a major impact in the 1990s and early 2000s. They still exist today, although they are less relevant in terms of ratings. CNN-Chile sometimes includes investigative items in its newscasts in connection with CIPER-Chile (see below).

Because it requires abundant time and resources, investigative reporting was reduced or cancelled as soon as the media began having financial problems. Additionally, coupled with a lack of experience and sometimes of

161. Survey, *Encuesta Estado del Periodismo Nacional 2009*.

162. Research Seminar interview with radio editor.

163. Research Seminar interview with online radio journalist.

motivation to do in-depth research,¹⁶⁴ there is a certain cultural tendency to avoid conflict.¹⁶⁵ Further factors are the small size of the population and the concentrated media ownership, leading to conflicts of interests that may often stop an investigation.

In a late 2009 survey, news journalists from Santiago assessed investigative journalism and journalism's watchdog function as the weakest aspects of Chilean journalism.¹⁶⁶ This was despite the result of another national 2009 survey where journalists considered the supervisory role of journalism controlling government, financial elites, and political parties as very or extremely important.¹⁶⁷ In the interviews with more than 20 editors or reporters carried out for this research, no one spoke about whether they were involved in investigative journalism or about how digitization was helping in this task, although they were asked directly about it.

However, there exists one relatively new and exclusively online site in Chile that only publishes investigative journalism and this has become a reference point, setting the agenda for other media on topics of public interest: CIPER-Chile (Ciperchile.cl). The Center for Journalistic Investigation and Information (*Centro de Investigación e Información Periodística*, CIPER) was co-founded in 2008 by John Dinges and journalist Mónica González, who leads the Center. Nowadays, in addition to its staff of six, the website also draws on a team of journalists who teach investigative journalism workshops in journalism schools and thereby involve students in the investigations.¹⁶⁸

In November 2010, CIPER-Chile published a book, *El periodismo que remece a Chile* (Journalism that shakes Chile) containing 12 major investigations carried out by the Center over the past three years. Considering the reach and impact of the internet in Chile and her type of journalism, González says she knows that she works for a reflective minority in the country.¹⁶⁹ CIPER-Chile has no advertising. The project has received financial support from the Open Society Institute and currently from COPESA, one of the two main Chilean private print media enterprises, which publishes the mainstream paper *La Tercera*, the tabloid paper with the highest sales *La Cuarta*, and the news magazine *Qué Pasa*.

4.2.2 Threats

The main threat facing investigative journalism in Chile is the lack of resources. Other threats mentioned by journalists are the influences exerted by audiences, media owners, and advertisers.

164. Mónica González says that “To television, a lot of times it’s not important that the product that is airing be completely proven; what they’re interested in is ratings.” Knight Center, 2009, p. 42.

165. Cristián Warnken, “En el principio era la verdad” (In the beginning it was the truth). (Or is not calling things by their name, to avoid addressing problems head-on, a cultural phenomenon and our dialect, in a country where you never say “no” when you mean “no?”), *El Mercurio*, opinion column, 3 March 2011, p. 3.

166. Survey, *Encuesta Estado del Periodismo Nacional 2009*.

167. Mellado et al., “Estudio comparativo,” 2010.

168. Universidad Diego Portales and Universidad Alberto Hurtado, Santiago, Chile.

169. Knight Center, 2009.

In the Press Freedom Index 2010, Chile ranks 33rd of 178, with Costa Rica being the only country in Latin America ranked higher (29).¹⁷⁰ Also as a support for journalistic reporting, the Chilean Law on the Press 19,733 (2001) guarantees journalists' rights to protect their sources by establishing that directors and editors of social media, journalists and journalism students doing internships, and foreign correspondents active in the country, have the right not to reveal their sources even when requested by the courts.

Additionally, and following the example and model of other countries such as Mexico, Chile has a Transparency Act (2009), which is an excellent tool for investigative journalism. However, journalists have not made much use of this legislation. Research in 2010 showed that only 9.8 percent of journalists made frequent use of the Transparency Act to get information about public and private institutions.¹⁷¹ And this use has even decreased over time (12 percent in 2009). There was a clear difference between the numbers who used the Act in Santiago (12.4 percent) and those who used it in the rest of the country (5.8 percent). Because requests for information can be made online, the low use in the regions is also, according to the head of the Transparency Board, Raúl Urrutia, proof of the Chilean digital divide.¹⁷² He also recognized that after their initial enthusiasm for the tool, when journalists asked for more sensational data, such as public officials' incomes, they began to realize that institutional turnaround time is very different from media timing, and that the provision of information to journalists needs to be accelerated and expanded. But journalists also have to become more active and capable of searching and using the increasing amount of information that the Board discloses.

Threats to investigative journalism may actually come from those who support the media. A 2009 national study revealed that journalists perceive as extremely influential pressures on their work those coming mainly from the market and audiences (31.8 percent). Furthermore, pressures originated in advertising interests from the medium (29.3 percent), owners of the enterprise (28.2 percent), profit expectations of the company (27 percent), scarcity of resources (26.5 percent), news sources (26 percent), executives of the company (23.2 percent), and advertisers (20.5 percent).¹⁷³

However, another study of journalists from Santiago, late in 2009, found the vast majority (76.6 percent) denying that they were criticized or pressured by their bosses after publishing news that conflicted with the owners' financial interests. The remaining 18.7 percent said they were and 4.7% did not answer.¹⁷⁴

170. Reporters Without Borders, at <http://en.rsf.org/press-freedom-index-2010,1034.html> (accessed 22 October 2012).

171. Informe, Barómetro de Acceso a Información 2010 (Barometer of Access to Information 2010), November 2010, Fundación de la Prensa (Press Foundation), at www.fundaciondelaprensa.cl.

172. R. Urrutia, head of the Transparency Board, during the presentation of the report "Barómetro de acceso a información pública 2010" (Barometer of Access to Public Information 2010), Santiago, Chile, November 2010.

173. Mellado et al., *Encuesta de Periodistas de Prensa, Medios de Comunicación*, 2010. http://www.periodistasycomunicadoresdechile.cl/descargas/Encuesta_prensa.pdf (accessed 22 October 2012).

174. Survey, *Encuesta Estado del Periodismo Nacional 2009*,

4.2.3 New Platforms

Given the scenario described above, there are no statistical data on how much investigative journalism is being done in Chile. The only online platform known for its investigative journalism is CIPER-Chile.

Examples of CIPER's publications were provided by Ms Mónica González: "Chile's Center for Investigation and Journalistic Information (CIPER) published a piece using text and interactive maps called 'To Live and/or Die in an Occupied Zone of Santiago.' It was the culmination of a three-month project that demonstrated the existence of isolated zones in the Chilean capital. In these areas, there was no state presence and sometimes the de facto rulers were drug traffickers and other criminals." And, she continued, "CIPER has also published investigations on the senators' assets—what was declared versus what they actually have; on the system that allows senators to increase their salaries; and on the private security industry, among other topics."¹⁷⁵

4.2.4 Dissemination and Impact

As mentioned above, the opportunities to disseminate investigative reporting are present in the Chilean media landscape and in online platforms. However, the digital divide and sometimes the media's own hesitation have limited the opportunities for dissemination. Ms González, director of CIPER in Chile, says that she influences the public opinion agenda at least once a month. "I have to do an investigative report that would be impossible for other media to carry. They cannot ignore me. I am betting on this."¹⁷⁶ "For her, it is clear that, taking into account the statistics of internet penetration in her country, she works for a rational minority," concludes a 2009 Knight Center document on the impact of technology on journalism and democracy.¹⁷⁷

4.3 Social and Cultural Diversity

4.3.1 Sensitive Issues

Every year since 2005, the Pontificia Universidad Católica de Chile and the market research and public opinion agency Adimark¹⁷⁸ have conducted a national survey to draw a picture of the Chilean population and of the issues it cares about.¹⁷⁹ In 2010, Chile's bicentennial year, this survey found the following topics especially relevant in terms of social and cultural diversity:

- **General perception:** Chileans feel very proud of their country; there is a strong sense of belonging to this land and, in 2006, 74 percent of respondents believed Chile was the best Latin American country to live in (this question was not included in the 2010 survey).

175. Knight Center, 2009.

176. Knight Center, 2009, p. 36.

177. Knight Center, 2009, p. 36.

178. Adimark, at <http://www.adimark.cl/es/index.asp>.

179. Survey, *Encuesta Nacional Bicentenario Universidad Católica-Adimark*, at <http://www.uc.cl/encuestabicentenario/encuestas/2010/index.html> (accessed 22 October 2012).

- **Relationship with neighboring countries and migrants:** Chile has quite a distant relationship with other countries in the region, especially with its direct neighbors. For example, the 2010 survey shows a hardening of opinion against the option of giving Bolivia sovereign access to the Pacific Ocean (43 percent of respondents in the UC-Adimark 2010 survey said Chile should not give Bolivia sovereign access to the sea, nor economic benefits to allow Bolivia to export its goods; this percentage was 33 in 2006), and a refusal to cede maritime territory to Peru in the case that the court in The Hague decides it (73 percent of the respondents would deny it). Chileans need to develop a more open attitude to enable a greater interaction between countries of the Southern Cone. This would also avoid some discriminating attitudes that Chileans sometimes have toward migrants from neighboring countries—especially Peru and Bolivia—who come to Chile looking for better working conditions.
- **Women:** Another sensitive issue in Chile is the women–home–workplace relationship. Women still do most of the housework in the home. In recent years, Chile has experienced a sharp drop in the birthrate which already constitutes a population deficit. In the 2009 survey, respondents argued that financial difficulties and the problems women have to face to go to work are the two main reasons for not having more children. Despite the fact that in recent years the percentage of Chilean women in the paid workforce has increased—from 38.5 percent to 43 percent in 2010—this country continues to have one of the lowest rates of women doing paid work in Latin America (53 percent).¹⁸⁰
- **Indigenous peoples:** The UC-Adimark 2010 survey shows an increasing perception in the past four years of “a big conflict” in the relationship between Mapuche Indians and the Chilean state. In 2007, 66 percent of respondents considered it “a big problem,” and in 2010, the number was 72 percent. The conflict has become acute during these years because of the Mapuches’ historical socioeconomic and cultural exclusion, and because of the current growing and stronger demands that Mapuches are making to recover their land in Chile’s south and to govern themselves independently.
- **Income gap:** In terms of inequalities, the topic of greatest concern is the wealth and wage gap between the upper and lower income brackets. This gap widened from 2006 to 2009, when the percentage of national income concentrated in the richest 10 percent of the population rose from 38.1 percent to 39.2 percent.¹⁸¹ Chile has one of the highest income gaps in Latin America, despite its social and economic development. The UC-Adimark survey in 2010 showed that 58 percent of respondents perceived the consequences of this income gap as causing “a big conflict” in Chile of social discontent. And 59 percent also considered that there was “a big conflict” between workers and employers. The Chilean non-profit organization Communication and Poverty (*Comunicación y Pobreza*)¹⁸² calls for the media not to perpetuate the common prejudice that the poor are lazy and passive.

180. Gobierno de Chile, in “Ministra Schmidt manifestó preocupación por baja inserción laboral femenina en el mundo” (Minister Schmidt expressed concern about the low share of females in the labor force worldwide), at <http://www.gobiernodechile.cl/informa/2010/05/20/ministra-schmidt-manifesto-preocupacion-por-baja-insercion-laboral-femenina-en-el-mundo.htm> (accessed 22 October 2012).

181. CASEN Survey, “Encuesta de Caracterización Socioeconómica Nacional” (National Socioeconomic Survey), at <http://www.mideplan.cl/casen/> (accessed 22 October 2012).

182. See <http://www.comunicacionypobreza.cl>.

- **Sexual minorities:** In Chile, sexual minorities are an increasingly sensitive topic. Following the model of movements in other countries, Chilean homosexuals have organized themselves in several ways, such as the Movement for Homosexual Integration and Liberation (*Movimiento de Integración y Liberación Homosexual*, MOVILH) and Gay Action: Chilean Association to Prevent AIDS (*Acción Gay: Corporación Chilena de Prevención del SIDA*). They have directly promoted actions—supported by some parliamentary and a few government officials—against discrimination and for greater equality for lesbian, gay, bisexual, and transgender people.
- **Environment:** Although environmental damage is a sensitive issue for small groups of Chileans, there has been growing awareness through the actions of organizations and environmental groups supported by NGOs. International trade has had a strong influence on environmental policy, since Chile exports mainly to OECD countries and there is some recognition that there is still a gap compared to the environmental standards of the other members.¹⁸³

4.3.2 Coverage of Sensitive Issues

Chile's Constitution guarantees absolute equality among all peoples; it is thus against the Constitution to practice any discrimination in favor of or against individuals. In May 2012, anti-discrimination legislation was passed containing three main elements: the State's duty to implement policies in favor of non-discrimination, legal proceedings to support victims of discrimination, and more severe punishment for criminal offenses committed with discriminatory intent.¹⁸⁴ Furthermore, the Constitution guarantees freedom of the press. In this context, there are no regulations or specific standards in Chile for media coverage of minorities, for positive discrimination (affirmative action), quotas, or special programming in favor of any one group.

Only Law No. 19,132 (1992) regulating the public broadcaster (*Televisión Nacional de Chile*, TVN) explicitly requires this medium to be pluralist in its editorial approach and represent all groups in the Chilean population. While criticized in many aspects (see section 2) TVN is in also sometimes regarded as an example of quality television, and the Law establishes as a main principle that pluralism and objectivity must be clearly visible in all of its programming, particularly in newscasts, political analysis, and debate.¹⁸⁵ Despite this, the law sets no quotas or requirements for affirmative action in terms of minority coverage.

TVN's own editorial line states that TVN is committed to promote the integration of the nation with respect to diversity and pluralism.¹⁸⁶ TVN's programming guidelines understand pluralism as a democratic activity that ensures opportunities, equal access to TVN, and respect for all groups in society.¹⁸⁷ It stipulates an open-minded and fair attitude when facing diverse opinions and values all options that may arise in society

183. Centro de Estudios de Opinión Ciudadana (CEOC), "La OCDE y el Medio Ambiente en Chile" (The OECD and the Media Environment in Chile), August 2010, Universidad de Talca, at http://www.ceoc.cl/pdf/Boletines_Economia/2010/08-agosto-2010.pdf (accessed 22 October 2012).

184. Biblioteca del Congreso Nacional de Chile (BCN), at http://www.bcn.cl/carpeta_temas_profundidad/ley-antidiscriminacion-fue-aprobada-por-el-congreso-nacional (accessed 31 May 2012).

185. *Televisión Nacional de Chile* (TVN), Law No. 19,132, at <http://www.tvn.cl/corporativo/2010/documentos/Ley19132.pdf> (accessed 22 October 2012).

186. TVN Editorial Line, at <http://www.tvn.cl/corporativo/2010/lineaeditorial.html> (accessed 22 October 2012).

187. TVN Programming Guidelines, at <http://www.tvn.cl/corporativo/2010/orientaciones.html> (accessed 22 October 2012).

as long as they are within the law. The principle of pluralism requires all workers in the broadcast channel to be receptive to facts, people, and groups without exclusion or intolerance; and it forbids any discrimination against individuals or groups on the grounds of sex, ethnicity, religion, social origin, age, or other personal or group characteristics.

Concerning minorities, TVN is required to take special care to include in its information and programs the opinions of minority groups, at the same time avoiding their over-representation in the sense of showing these groups as representing more people than those who effectively are part of them. In addressing issues related to minorities, the channel has to avoid stereotypes based on ethnicity, nationality, religion, or other social groups. No unjustified reference to racial or ethnic origin of individuals or groups is permissible, cultural identity has to be respected, minorities' problems and needs have to be exposed with sensitivity, the facts that involve them need to be placed in the proper context, adjectives or offensive words must be omitted as well as the use of derogatory or ironic terms, and any stereotypical images.

TVN adheres to the principle of equal rights and opportunities between men and women. Therefore, it has to seek and promote a culture of non-discrimination and full inclusion of women in the various responsibilities and activities within society. In addressing issues related to women, the channel should avoid stereotypes and prejudices that undermine their status, the representation of certain activities as being exclusively male or female, sexist language and condescending treatment, derogatory expressions, or the use of stereotypical language offensive to women.

Apart from TVN, there is no explicit media regulation guiding broadcast coverage of sensitive topics or minorities. Moreover, little research has been done on media coverage related to the topics mentioned above.

The income gap in Chile has had an impact on mainstream media coverage of poverty and the issues related to it. Jorge Díaz,¹⁸⁸ in a 2008 study on the treatment of “the popular” in the Chilean press, found that newspapers tend to make poor people invisible as news subjects, confining them to news on crime and picturesque or exotic issues. On the other hand, the two most important print media in terms of readership in the country—and therefore also most consumed by the popular classes—are tabloids or celebrity papers: *Las Últimas Noticias* and *La Cuarta*. This, states Díaz, reduces the chances of these readers to access information relevant to popular classes covered according to proper journalistic standards instead of the standards of the spectacle. Most Latin American migrants and indigenous people are part of these popular classes in Chile.

Media coverage of women, sexual minorities, and religious minorities is also still perceived as unbalanced.¹⁸⁹ Although Catholicism is fairly well represented in the media, news from Evangelical and Protestant churches

188. J. Díaz, “Entre la farándula y el duopolio: tratamiento a ‘lo popular’ y configuración de ideario en la prensa diaria en Chile (1960–2008). Una aproximación hasta (hacia) el presente” (Between celebrities and the duopoly: treatment of the “popular” and configuration of an ideology in the daily press in Chile (1960-2008). An approach to (towards) the present.), *Revista F@ro N° 7 Monográfico*, 1° semestre 2008, at http://web.upla.cl/revistafaro/02_monografico/pdf/07_monografico_diaz.pdf (accessed 22 October 2012).

189. In 2005, lawyer Alicia Barrera sued TVN over a particular program; she argued: “Generally, mass media have a very stereotypical image of women, which does not necessarily respect their dignity.” Alicia Barrera, “Reivindican imagen de la mujer en medios chilenos,” in *Periodismo Global*, 31 January 2005, at <http://www.periodismoglobal.cl/2005/01/reivindican-imagen-de-la-mujer-en.html> (accessed 13 October 2011).

is often omitted from the mainstream media, as recognized by the ombudsman from *La Tercera* newspaper, Joaquín Villarino, on 10 December 2010.¹⁹⁰

4.3.3 Space for Public Expression

Individuals who create, produce, and manage alternative digital media, such as citizen newspapers or blogs, or are well-known Tweeters, form a small but active and socially committed elite which uses digital media to expose sensitive topics, comment on them, promote public debate and, hopefully, get mainstream media to incorporate the issues and discussions in their agendas and achieve a real impact on wider audiences and opinion leaders. However, our interviewees argued that lack of connectivity prevents alternative media from achieving real impact with their coverage of sensitive social issues.

A digital media expert considered that,

We still depend on sponsors who obstruct the coverage of minorities. Online media should be more like social networks, where there is freedom to tell the truth more than to defend the preferences of a few. We are tied to the old business. Chile still has a long way to go to fully recognize the advantages offered by digitization.¹⁹¹

Furthermore, news professionals agree that new groups have created alternative digital media, such as citizen journalism sites and online community radio stations, as new spaces of expression. Representative examples are Elmorrocotudo.cl and Elrancahuaso.cl, which are listed in the *Diarios Ciudadanos* network of citizen newspapers, Diariosciudadanos.cl.¹⁹² Community radio stations are grouped in the National Association of Community and Citizen Radio in Chile (*Asociación Nacional de Radios Comunitarias y Ciudadanas de Chile*, ANARCICH).¹⁹³

However, there is no consensus on whether these outlets have succeeded in democratizing the space for public expression online and setting the agenda for coverage of sensitive issues neglected by the mainstream media. While those working in citizen media consider their contribution as fundamental, people working in mainstream media tend to consider such journalism as hyper-local, and therefore only a complement to traditional media.

The editor of a citizen journalism news site in Santiago stated that this kind of outlet “has covered groups that often had no way of making their problems known. The more massive and accessible the internet becomes, the greater the range of marginalized groups that have the opportunity to make themselves known, through online or traditional media.”

190. J. Villarino, “Discriminación” (Discrimination), *La Tercera*, Santiago, Chile, 10 December 2010.

191. Research Seminar interview with digital media expert.

192. Puente et al., *Periodismo ciudadano*, 2008–2010.

193. See <http://www.radioscomunitariaschile.cl> (accessed 2 March 2012).

According to these citizen journalists, even though the internet has increased democratization in the media, the mainstream coverage of marginalized groups has not yet improved significantly. A journalist from a traditional outlet commented: “Perhaps some groups that were not considered previously now have the opportunity to be heard. For example, anarchists are more likely to publish their ideas, as they have introduced topics that previously were not known.”

Within this digital context, the internet has allowed the creation of some significant digital platforms that deal specifically with some of the issues mentioned above. For example, sexual minorities have their digital portal *Opusgay.cl*, Chile’s first gay site, with links to national institutional sites: *Movimiento de Integración y Liberación Homosexual* (MOVILH); *Afirmación-Chile*; *Corporación Chilena de Prevención del Sida*; *Vivo Positivo*; *Gay Chile*; *Santiago Gay*; *Rompiendo el Silencio* (magazine focused on lesbians); *Lesbianas*; *Orgullo Gay*; and *Punto Gay*. Indigenous groups, such as the Mapuche people, also have their own sites to publicize their views and proposals, and to inform the general public about their culture and events. They include: *Azkintuwe.org*, *Mapuexpress.net*, *Meli.mapuches.org*, and *Werken.williche.org*.

Finally, there are some digital-only news outlets that produce serious journalism and—as opposed to citizen journalism outlets—have professional staff and include advertising, but they often cover issues that are not treated in the mainstream media because their editorial line is different, and they use this to set the agenda in some socially sensitive topics that are later incorporated into conventional media coverage, such as financial abuses by big companies or official corruption. Leading examples of these media are the CIPER-Chile site (see section 4.2.1) and *El Mostrador*, a digital newspaper staffed by professionals linked to the Radical Party, in contrast with the right-wing owners of Chile’s mainstream papers, *El Mercurio* and *La Tercera*.

4.4 Political Diversity

4.4.1 Elections and Political Coverage

Digitization has not changed the regulation of media in elections. However, an official election website has been established as a consequence of digitization: *Servicio Electoral* (Electoral Service) carries updated information and statistics on electoral processes.¹⁹⁴ At its peak, in December 2009, the site received 926,000 unique visitors, reaching 13.8 percent of Chile’s online population.¹⁹⁵ *Servel.cl* was the most visited government site and the 27th most visited internet location in Chile in December 2009.

4.4.2 Digital Political Communications

Although almost nobody denies that digitization and the internet multiply the spaces for political communication, it is also true that Chileans still do not depend on them to access a greater diversity of voices or political information. The digital divide, as well as ingrained habits of passivity, both contribute toward a delay in the development of digital political communication.

194. *Servicio Electoral*, at <http://www.servel.cl/SERVEL/index.aspx?channel=324>.

195. See comScore World Metrix (2010) “Nearly 15 Percent of Chile’s Online Population Visited *Servel.cl*, Official Election Website in December,” at http://comscore.com/index.php/Press_Events/Press_Releases/2010/2/Nearly_15_Percent_of_Chile_Online_Population_Visited_Servel.cl (accessed 4 March 2011).

More critical approaches argue that new sorts of pressures and censorship exist, partly due to limited access to internet connections but also because of technical restrictions to access and the persecution of administrators and bloggers. In their analysis of the freedom of expression and journalism in Chile, Cristián Cabalin-Quijada and Claudia Lagos-Lira say that “This has created a new subject and a new strategy of resistance to the powerful, such as cyber-dissidents.”¹⁹⁶ Others take advantage of websites to promote participation, express their complaints, and even call to boycott products or denounce actions they consider abusive. Examples are Muevetechile (a movement that promotes youth participation in the public sphere), Aciprensa (an evangelical Catholic information agency), HazteOir (aiming to reconnect people with their politicians), and ELDínamo (an independent news site).

For Felipe Heusser, director of the Votainteligente site, from the Smart Citizen Foundation (*Fundación Ciudadano Inteligente*), a group that promotes transparency and accountability in Latin American politics, the information that is currently available online is not good enough to promote accountability. According to Mr Heusser, much of the digital information deals with “political celebrity:”

We do not precisely know, however, what the policy positions of the different parties and candidates are on several key issues. We do not have a connection between electoral promises and their implementation. We do not have much information on the relationship between money and politics in Latin America, or on the relationship between parties’ finances and candidates and their legislative behavior. In practice, we do not know much about the actual work of our representatives: what committees are they on, are they in the Senate or in the House? In short, citizens do not have enough information to differentiate between who is doing their job well and who is not. Citizens do not have any information to differentiate, especially in an electoral context.¹⁹⁷

Even Chilean news professionals recognize that they have to improve the representativeness of the information they are providing to audiences. A 2009 research shows that only 2.2 percent of the surveyed editors and journalists in Santiago believe the media are doing very well in expressing a diversity of viewpoints.¹⁹⁸

Television is by far the most used medium for political information, ahead of cable television and the internet.¹⁹⁹ However, a recent study among the minority that uses the internet to access information shows that people using online media every day tend to be more critical of the president’s performance than audiences who never or almost never get information from digital media. The research identified a relation between

196. C. Cabalin-Quijada and C. Lagos-Lira, “Libertad de expresión y periodismo en Chile: presiones y mordazas” (Freedom of expression and journalism in Chile: pressures and gags), in *Palabra Clave*, vol. 12, No. 1, Bogotá, Colombia, 2009.

197. Knight Center, 2009.

198. Survey, *Encuesta Estado del Periodismo Nacional 2009*.

199. A. Arraigada et al., “¿Creer para ver o ver para creer? Consumo de medios y aprobación presidencial en Chile” (Believe to see or see to believe? Media consumption and presidential approval in Chile), *Observatorio (OBS) Journal*, vol. 4, No. 1 (2010), at <http://obs.obercom.pt/index.php/obs/article/viewArticle/316> (accessed 22 October 2012).

higher internet consumption and more criticism of government.²⁰⁰ This might also be related to the situation described earlier in this section—that in Chile digital news media and social networks are employed by more active and participatory citizens when it comes to being informed or commenting on social or political issues.

A 2008 study on Media Consumption and Participation of Young Chileans²⁰¹ shows that young people tend to participate through the new media, using them as spaces for expression more than to access information. The research concludes that in Chile neither the new media nor those considered traditional seem to influence youth participation, which is generally low. Furthermore, young people—as is the case for other audience groups—get their information mainly from television. Those more interested in participation as citizens combine media, accessing information from both traditional and digital media. The heavy use of social networks seems to show, according to the study, that the young are employing new platforms to interact, although not necessarily to get political information.

On the other hand, as expected, the use of social networks for political purposes becomes very visible in Chile when related to politicians. A December 2010 report in the press states that Twitter has captivated the cabinet, analysts, and parliamentarians.²⁰² Since the presidential campaign in 2009 Twitter has been institutionalized as a new forum to inform, discuss, and debate on politics and social issues. Some politicians have even have received awards for being Tweepers, like the former senator Nelson Ávila who received the Web Awards Chile 2010 (WAW), with more than 181,000 voters. Chile's President Sebastián Piñera leads the Twitter ranking with over 290,000 followers.

In a 2008 publication by Taylor C. Boas on the use of internet and politics in Chile, the author argues that the internet is becoming an increasingly important medium for establishing new forms of linkage between politicians and the public. Candidates use their blogs during campaigns for interactive communication on their websites, and employ the web and email to recruit, organize, and mobilize campaign volunteers. However, Boas concludes: “While the rise of the internet in Chilean politics is able to further an existing trend toward the promotion of direct personal ties between candidates and supporters, it does not appear capable of countering the trend toward soundbite-centered campaigns.”²⁰³

200. A. Arriagada et al. (2010) “¿Cree para ver o ver para creer? Consumo de medios y aprobación presidencial en Chile” (Believe to see or see to believe? Media consumption and presidential approval in Chile), *Observatorio (OBS) Journal*, vol. 4, No. 1 (2010), at <http://obs.obercom.pt/index.php/obs/article/viewArticle/316> (accessed 22 October 2012).

201. A. Arriagada and M. Schuster, “Consumo de medios y participación ciudadana de los jóvenes chilenos” (Media consumption and civic participation of young Chileans), in *Cuadernos de Información*, No. 22, Facultad de Comunicaciones UC, Santiago, Chile, 2008.

202. “La red social online cautivó al gabinete, analistas y parlamentarios: Cómo usan Twitter los políticos” (The online social network captivated the cabinet, analysts and parliamentarians: How politicians use Twitter), *El Mercurio*, 12 December 2010, Santiago, Chile, at http://diario.elmercurio.com/2010/12/12/reportajes/_portada/noticias/AA8A78AE-A05B-4C6D-B1CE-1D30BCD7B4FF.htm?id={AA8A78AE-A05B-4C6D-B1CE-1D30BCD7B4FF} (accessed 22 October 2012)

203. T.C. Boas, “Chile: Promoting the Personal Connection—The Internet and Presidential Election Campaigns.” In Richard Davis, Diana Owen, David Taras, and Stephen Ward (eds), *Making a Difference: The Internet and Elections in Comparative Perspective*. Lanham, MD: Lexington Books, 2008.

In his analysis, Boas says that while the internet has become an increasingly important medium of campaign communication in Chile, it still lags far behind in comparison to the attention that campaign teams pay to press coverage or to radio and television advertising.

4.5 Assessments

Digitization has an increasing impact on the work of journalists. In the first instance it has mainly enabled professionals to be in tune with their audiences. The next logical step would be to use the advantages of digitization to really improve the quality and accuracy of journalistic work by doing in-depth reporting, widening the issues covered, and giving them a more rigorous and more inclusive treatment.

Digitization has allowed for wider coverage of elections (e.g. through the official election website, *Servicio Electoral*) and marginalized groups (especially in alternative online media, like citizen newspapers and community radios, mostly outside the capital). However, the numbers of people who participate in and who access these media for information are still very small in Chile. This is sometimes due to limitations in connectivity, but it is mainly because most people still prefer to get information from television.

Furthermore, mainstream media are often reluctant to incorporate in their agendas information published in alternative media. They mostly react to the issues treated in those media only when authorities address them and they then become official news.

Only one digital site has become really important for investigative journalism: CIPER-Chile. This platform also creates synergies by working with journalists from traditional media, such as CNN-Chile, or with schools of journalism, for example, at the Universidad Diego Portales and the Universidad Alberto Hurtado, thereby ensuring more possibilities for setting the agenda for other media.

5. Digital Media and Technology

5.1 Broadcasting Spectrum

5.1.1 Spectrum Allocation Policy

In general, incumbent broadcasters are favored by the current broadcasting spectrum policy in Chile, in particular because of the long time period of the franchises (25 renewable years) and the legal preference of a franchisee over any other applicant when renewing a franchise. Most broadcasters are private, commercial organizations yet there are a few significant exceptions—the public television network TVN and the university channels, of which only one remains completely in university hands (5 UCV from Universidad Católica de Valparaíso). In fact—and particularly in the case of radio—spectrum management looks very much like a private enterprise rather than a temporary public franchise.

In any case, since the 1992 reforms of the laws on television and telecommunications the procedure to allocate spectrum has become considerably more transparent, de-personalized, and less arbitrary than in the past. First, the President of the Republic ceased to be the one to decide who was given a franchise or not. Historically, no political sector has been completely unbiased: apart from General Pinochet, who refused to renew the franchises of critical radio networks in the late 1970s, using arguments similar to those of Venezuela’s Hugo Chavez against RCTV in 2007,²⁰⁴ democratic presidents Alessandri (1958–1964) and Frei (1964–1970) both refused to grant television licenses on political or personal grounds.²⁰⁵

Second, open calls to apply for franchises each trimester are envisaged—provided there is spectrum available. Third, the criterion for frequency allocation is clear, technical, and without any partisan, religious, or ideological interference. The real problem lay in the fact that there were almost no really valuable franchises available in 1992, and existing ones blocked the spectrum for lengthy (25 years) and even “indefinite” periods of time.

204. S. Godoy, “Sobre el cierre de RCTV en Venezuela” (The closure of RCTV in Venezuela), *El Mercurio*, Letters to the editor, 29 May 2007, reproduced at <http://www.blogsuc.cl/sgodoy/medios/radio/sobre-el-cierre-de-rctv-en-venezuela/#more-438> (accessed 30 May 2007) (hereafter Godoy, “Sobre el cierre de RCTV en Venezuela,” 2007).

205. Conservative Jorge Alessandri personally deplored television as unnecessary and too wasteful for a poor country like Chile, whereas Christian-Democrat Eduardo Frei rejected all other requests for television franchises except for its own creation, the nationwide public broadcaster TVN. Godoy, “Sobre el cierre de RCTV en Venezuela,” 2007; M.L. Hurtado: *Historia de la Televisión en Chile 1959–1973* (History of Television in Chile 1959–1973). Santiago: DOCUMENTAS/CENECA, 1988.

There are important differences between radio and television franchises to consider as well. In contrast to television, radio is not subject to content regulation by the National Television Council (*Consejo Nacional de Televisión*, CNTV): radio broadcasters had discretely lobbied the Pinochet regime to be excluded from content regulation during the writing of the current Law on Television No. 18,838 of 1989 (the 1980 Constitution had originally envisaged a future National *Radio and Television* Council). There are no real restrictions on radio regarding the selling, leasing, or concentrating of more than one channel per operator. In theory, selling, leasing, acquiring, or concentrating radio franchises require authorization from the spectrum regulator SUBTEL (*Subsecretaría de Telecomunicaciones*), which can only reject a request based on technical reasons, yet this request for authorization is in practice a mere formality.

During the post-dictatorship period, engineering and economic criteria (i.e. maximum strength of the signal and financial viability) were considered to be ideologically neutral within a competitive market, so no content requirements were taken into account when granting a radio or television franchise. Legislators considered discerning between “good” and “bad” programs was vulnerable to partisan and/or subjective considerations, and still this is still largely the case. Recently, some critics²⁰⁶ and the CNTV itself²⁰⁷ have favored content criteria to help allocate future digital franchises, yet the future law on digital television (under discussion in Congress since 2008)²⁰⁸ does not consider the issue.

In 2009, economic criteria to allocate radio franchises were discarded, and the draft legislation for digital television does not consider them either. From 1992–2009, the way to resolve a draw between two or more applicants for the same radio license—something likely to occur if everybody presented an engineering project in paper—was by a confidential money bid to SUBTEL in a closed envelope; thus an applicant would not know rival offers. As this procedure ultimately favored the wealthiest and most powerful applicants, it was terminated by the previous government of Michelle Bachelet (2006–2010).²⁰⁹

There is no proposal concerning digitization for radio. As in the past, operators have taken advantage of the public’s focus on television and have discretely persuaded the authorities—in this case the spectrum administrator, SUBTEL—to grant them automatic renewals for their analog franchises on the grounds of the need to keep up uninterrupted transmission while decisions about the technology are settled. But this has led

206. FUCATEL, *TV digital: los peligros de una ley que no considera las propuestas ciudadanas y multiplica los privilegios de los actuales operadores* (Digital TV: the dangers of a law which does not consider citizens’ proposals and multiplies the privileges of incumbent operators), 28 March 2011, at <http://www.observatoriofucatel.cl/propuestas-ciudadanas-y-multiplica-los-privilegios-de-los-actuales-operadores/> (accessed 31 March 2011) (hereafter FUCATEL, *TV digital*, 2011).

207. CNTV, *El Consejo Nacional De Televisión Y Los Cambios En La Regulación Televisiva. Posición sobre algunas de las principales materias en relación con el proyecto de ley actualmente en trámite en el H. Congreso Nacional* (National Television Council’s position on some essential matters concerning the legal draft currently debated in the Honorable National Congress), CNTV: Santiago de Chile, 20 July 2009.

208. Presidency of the Republic, *Mensaje de S.E. la Presidenta de la República, con el que inicia un proyecto de ley que permite la introducción de la televisión digital terrestre* (Message from Her Excellency the President of the Republic Initiating a Draft for the Introduction of Digital Terrestrial Television), Mensaje N° 942-356, Santiago, 24 October 2008.

209. Radioscomunitariaschile.cl, *Congreso Aprueba Nueva Ley De Radios Que Limita La Concentración Y Elimina La Oferta Económica Para Asignar Concesiones* (Congress approves a New Radio Law that limits ownership concentration and ends money offers for allocating concessions), 6 February 2009, at http://www.radioscomunitariaschile.cl/index.php?option=com_content&view=article&id=82:congreso-aprueba-nueva-ley-de-radios-que-limita-la-concentracion-y-elimina-la-oferta-economica-para-asignar-concesiones&catid=37:publicaciones&Itemid=59 (accessed 1 February 2011).

to a delay in policy decisions regarding the digitization of radio and a de facto extension of the analog status quo, which is convenient for most established operators.

Current legislation contemplates 25 years for radio and television franchises, with the exception of some television channels and community radio.²¹⁰ Community radio was legally authorized in 1992 when the telecommunications law was amended. 1992 also saw the modification of the current Law on Television No. 18,838 and the creation of TVN's Law No. 19,132. All these analog, pre-convergence pieces of legislation are still fully valid at the time of writing.

During the passage of the legal reforms of 1992, the incumbent radio operators—a wide, heterogeneous collection of nearly 1,000 outlets of different sizes, character, location, and ideology—lobbied to hamper the entry of community stations into their already highly competitive market. Subsequently, these new entrants were given very restricted conditions to operate: only one channel at the high end of the FM band was reserved for community broadcasting; licenses would last three years; operators could neither sell advertising, make political propaganda, nor form networks; and their transmitting power was limited to one watt,²¹¹ which is even lower than a light bulb or a cell phone. The legislation referred to them as “minimum coverage radios” since coverage would be limited to a small borough, or *comuna*. A proposal to end these discriminatory conditions is being discussed in Congress at this time of writing; among other things it proposes increasing transmission power up to 25 watts in urban areas; however, the outcome is not yet clear.²¹²

In the 1992 reforms, franchises for terrestrial television were set for 25 renewable years for *new* franchises. This meant that all existing broadcasters would enjoy “indefinite” ones—which they interpreted as “perpetual.”²¹³ Six of the seven terrestrial VHF channels available in Santiago fall into this category (see section 2), and most of them have national or multi-regional coverage: the public broadcaster 7 TVN, the private channels 9 Mega and 4 La Red, the university-owned UCV, and the hybrid university-private 11 Chilevisión and 13 UCTV. What will happen to this arrangement is not clear, as the digitization of terrestrial television is likely to occur before the 25-year renewal in 2017, and many legislators are resisting the notion of “indefinite” franchises (applied, in any case, to existing analog franchises in VHF), so a judicial dispute may emerge with current broadcasters. In contrast, cable operators also enjoy indefinite licenses to operate, but they do not occupy electromagnetic space.²¹⁴

210. *Ley General de Telecomunicaciones* (General Law on Telecommunications) No. 18,168, 1982 (hereafter Telecoms Law 1982), Article 8, paragraph 3.

211. Article 3 of the Telecoms Law 1982.

212. See Chilean National Association of Community Radios (ANARCICH), *Ley de Radios Comunitarias* (Law on Community Radio), ANARCICH, Santiago, 4 September 2009, at http://www.radioscomunitariaschile.cl/index.php?option=com_content&view=article&id=86:tatocanci-no-&catid=35:columnas&Itemid=55 (accessed 5 February 2011); World Association of Community Radios (AMARC), *Vicepresidente Nacional de ARCHI se refiere a cambio de legislación* (Vice-president of ARCHI refers to legislative change), AMARC—Programa de Legislaciones y Derecho a la Comunicación, Montevideo-Uruguay, 8 February 2011, at <http://legislaciones.item.org.uy/index?q=node/2276> (accessed 10 February 2011); R. Salazar (quoted by J. Ortega), *Radios comunitarios acusan que promesa de mayor cobertura se desvanece en la nueva ley* (Community radios accuse new law of diluting the promise of wider coverage), *Agenciadenoticias.org*, Santiago, 5 January 2011, at <http://www.agenciadenoticias.org/?p=10878> (accessed 5 February 2011).

213. Interview with Angela Vivanco, Santiago, 8 January 2011.

214. *Ley del Consejo Nacional de Televisión* (Law on the National Television Council, also known as the Law on Television), No. 18,838 of 1989, reformed by Law No. 19,132 of 1992, Articles 5 and 5 bis. See also CNTV, *Televisión Por Cable En Chile* (Cable television in Chile), Division de Estudios, Supervisión y Fomento del CNTV, Santiago, 1994.

The law does not explain why these franchisees are entitled to such a privileged position.²¹⁵ Aside from the ambiguity of the term “indefinite” when referring to the length of the franchises (more recently, the CNTV has said “indefinite” merely means that the expiry date has not been defined yet). A further potential complication arises from the sale of the two most important university outlets (Universidad de Chile’s Channel 11 Chilevisión in 1992 and Universidad Católica de Chile’s Channel 13 UCTV in 2010), which went ahead despite Article 16 of the Law on Television No. 18,838 stating that a franchisee cannot transfer its rights of transmission to a third party.²¹⁶

5.1.2 Transparency

The current criteria for awarding spectrum are fairly transparent, and are based only on technical considerations. But using such criteria may be too limited, considering the influence, characteristics, and implications of radio and television broadcasting: contents, ownership, and similar factors should also be considered.

Most experts interviewed for this report agreed that spectrum allocation has not been transparent historically, despite the positive reforms to the Telecommunications Law in 1992 mentioned above. The existence of “indefinite” television franchises is particularly problematic, as well as the extreme contrast between ordinary, commercial radio franchises (which are treated almost as pieces of private property) and community ones (which are very limited in transmitting power, contents, networking, and time length of franchises) in an otherwise extremely liberal media subsector. The conditions are in themselves quite transparent, yet the criteria for setting them are not clear aside from the fact that some incumbents were favored because they were already in existence before 1992, as well as the non-community radio stations.

Neither is there clarity about how the draft for a new law on digital television will emerge from the current debates in Congress. The draft text contemplates granting an automatic, free 6 MHz digital multiplex to each incumbent broadcaster (total of six with national or multi-region reach), while reserving 40 percent of available spectrum for local and community broadcasters. SUBTEL defined 30 such multiplexes (confusingly called “channels” in Chile, which is also a synonym for “broadcaster”) that will be available between UHF channels 21 and 51 between the 502–608 MHz and the 614–806 MHz bandwidths.²¹⁷

215. S. Godoy, *An Unlikely Mixture*, 2009.

216. These two university outlets devised a way to circumvent legislation by leasing the operation of their channels to a third party, i.e. the purchaser, while retaining their formal entitlement to the franchise. It is not clear if the future digital multiplexes will be allocated to the universities or to the leasing companies. See S. Godoy, *An Unlikely Mixture*, 2009; see also “Informe critica procedimiento de la Universidad de Chile en traspaso de Canal 11 a Venevisión en 1993: Contraloría establece que CNTV deberá renovar uso de concesión de Chilevisión en 2018” (Report criticizes University of Chile’s procedure for transferring Chilevisión to Venevisión in 1993: General Controllor establishes that CNTV must renew Chilevisión’s franchise in 2018), *El Mercurio*, 17 August 2010, at <http://www.mercurio.cl/2010/08/17/nacional/politica/noticias/EE14A324-8A62-4662-A403-446220565200.htm?id={EE14A324-8A62-4662-A403-446220565200}> (accessed 1 December 2010). See also Contraloría General de la República, *Informe Final Investigación Especial Universidad de Chile* (Final Report of the University of Chile Special Inquiry), Informe 69/10, Contraloría General De La República, División Auditoría Administrativa, Unidad Auditorías Especiales, Santiago, 13 August 2010.

217. No. 84 of Section V, Article 4, Decree 127, *Aprueba Plan General de Uso del Espectro Radioeléctrico* (Approves the General Plan of Usage of the Radio Spectrum), Ministerio de Transporte y Telecomunicaciones, Subsecretaría de Telecomunicaciones (SUBTEL), Santiago, 6 March 2006. See also Presidency of the Republic, *Mensaje de S.E. la Presidenta de la Republica, con el que inicia un proyecto de ley que permite la introducción de la televisión digital terrestre* (Message from Her Excellency the President of the Republic Initiating a Draft for the Introduction of Digital Terrestrial Television), Mensaje N° 942-356, Santiago, 24 October 2008.

However, activists have criticized a recent addition to the draft which may mean that, despite the clause favoring local and community outlets in theory, the present incumbents may get preference above everybody else. This means that newcomers may only get the space left after the most powerful media have secured their new digital franchises, even if the 40 percent reserve is not met.²¹⁸ In radio, there is not even a proposal for a draft being discussed.

5.1.3 Competition for Spectrum

By occupying the spectrum with automatically granted franchises, current radio and television operators may in practice reduce spectrum availability for potential newcomers. Incumbents have strongly lobbied to automatically get digital franchises without bidding, without special content requirements, and for the longest period of time possible, even in perpetuity. The draft for the new law on digital television proposes 20 years for the new digital franchises, but at the time of writing it is not clear whether the most powerful terrestrial television operators—who already enjoy “indefinite” analog licenses in the VHF band—might also get indefinite digital ones in UHF.

Despite the criticisms, the discussion about the digitization of terrestrial television has been considerably less opaque than in the past, while in radio there has been no discussion at all. A first legal proposal for digital television was jointly published in 2000 by the television regulator CNTV and the spectrum administrator SUBTEL. The white paper replicated the U.S. regulatory formula for automatically granting 6 MHz digital franchises or multiplexes to incumbent operators in parallel to their current analog ones (also 6 MHz). The paper did not explain the reasons for this, or why an operator that was granted the right to broadcast a Standard Definition (SD) NTSC channel of 525 lines in VHF (requiring 6 MHz) was to receive a piece of spectrum able to carry up to five or more digital SD channels. Although the document mentioned the ATSC, DVB, and ISDB-T technical standards from the United States, Europe, and Japan, respectively, it implied that ATSC might be better suited to Chile. At the same time, it also proposed a calendar for technical tests to begin in 2002 (which did not happen) as well as monitoring the experience of larger Latin American countries in this respect.²¹⁹

The sluggish progress of DTT in the United States, the United Kingdom, Spain, and countries such as Brazil, Mexico, and Argentina froze the discussion until 2005, when the CNTV commissioned some new studies about the situation regarding this technology worldwide.²²⁰ An additional consideration was the weak performance of a handful of UHF analog channels, which began broadcasting after private television was authorized in 1989; their local coverage attracted neither significant audiences nor advertisers. SUBTEL

218. FUCATEL, *TV digital*, 2011.

219. CNTV, *Propuesta de un marco normativo para la introducción de la televisión digital terrestre en Chile* (Proposal for a normative framework for the introduction of DTT in Chile), Ministerio de Transportes y Telecomunicaciones/Consejo Nacional de Televisión, Santiago de Chile, 2000.

220. CNTV, *Situación de la televisión digital en el mundo y su implicancia en Chile* (Situation of DTT around the world and its implications for Chile), CNTV, Santiago, 2006, at <http://www.cntv.cl/medios/Publicaciones/TVDigitalmundo052006DEF.pdf>; S. Godoy, *Desafíos Regulatorios Para La Adopción De La Televisión Digital Terrestre En Chile* (Regulatory challenges of the adoption of DTT in Chile), CNTV, Santiago, 2005, at http://fcom.altavoz.net/prontus_fcom/site/artic/20060503/asocfile/20060503181838/ASOCFILE220060503181838.pdf (accessed 21 October 2011) (hereafter Godoy, *Desafíos Regulatorios*, 2005).

therefore unilaterally “froze” the UHF band from 2002 onwards; no further UHF franchises were awarded, and a “reservoir” of at least thirty 6 MHz-width channels were put aside for future digital transmissions. Nobody questioned this decision until later, when new local channels outside Santiago found the spectrum was blocked and therefore had to negotiate with monopolistic cable operators (see section 7).

Operators have been able to secure renewals of their current franchises, as previously explained. The only obstacle in this process was the unexpected non-renewal of the franchises controlled by Iberoamericana Radio Chile at the beginning of 2011, the most powerful radio holding in Chile owned by Spain’s PRISA. Its Chilean rivals attempted to block the renewal of the franchises, complaining to SUBTEL that Iberoamericana had breached the reciprocity clause from Article 9 of the Law on the Press, which states that a foreign broadcaster in Chile will be granted the same rights as those given to a Chilean operator in the foreigner’s country of origin.²²¹ The issue is still unresolved at the time of writing.²²²

The current government of Sebastian Piñera has announced new modifications to the Law on Telecommunications to strengthen the rather disadvantaged community radios, notably augmenting their transmission power from one to 25 watts in cities (still less than the average light bulb) and lifting the current and incongruously restrictive prohibition to sell advertising. However, practitioners and activists in this field consider these advances to be too limited, in particular the 5 percent reserve of spectrum for future digital community radios in contrast to the 40 percent mentioned in the proposal for digital television.²²³

5.2 Digital Gatekeeping

5.2.1 Technical Standards

The government of Michelle Bachelet (2006–2010), elected with the promise of wider citizen participation, facilitated an unprecedented degree of openness in debating technical standards for DTT. In the case of radio, by contrast, uncertainty and obscurity still prevail. No serious move to discuss—let alone adopt—digital terrestrial radio has been made in Chile.

Although some commentators criticized the technical discussions about DTT for being too specialized, and despite an aggressive lobby from the representatives of ATSC, DVB, and ISDB-T technical standards, the latter standard was adopted for Chile in 2009.²²⁴ During these discussions the incumbent terrestrial

221. Luis Pardo, President of the Chilean Association of Radio Broadcasters (ARCHI), Reciprocidad y Subtel, Sección Cartas al Director, *El Mercurio*, 8 January 2011, p. B2.

222. “Resurge debate sobre concesiones radiales de grupo PRISA” (Debate on PRISA group’s radio franchises resurfaces), *El Mercurio*, 12 January 2011, at <http://www.mercurio.cl/2011/01/12/espectaculos/mas/noticias/46B6E44A-2C2D-4ED1-8546-7FEC9913AC08.htm?id={46B6E44A-2C2D-4ED1-8546-7FEC9913AC08}> (accessed 15 January 2011).

223. R. Salazar, “Nueva ley de radios comunitarias no mejora la cobertura para las emisoras locales” (New law on community radio does not improve coverage of local stations), quoted by ECO Educación y Comunicaciones, 12 January 2011, at <http://www.ongeco.cl/>.

224. Decree 136 of the Ministry of Transport and Telecommunication of 14 September 2009. See also *El Mercurio Online* (EMOL), *Chile adopta norma japonesa de televisión digital* (Chile adopts Japanese standard for digital television), 14 September 2009, at <http://www.emol.com/noticias/tecnologia/detalle/detallenoticias.asp?idnoticia=375963> (accessed 15 September 2009).

broadcasters openly defended the North American ATSC, while citizen organizations and local channels favored the European DVB. Both parties somehow confused the technical standards with the regulatory framework: in the United States, existing broadcasters were automatically given 6 MHz digital franchises for free, while in many European countries both public television and new entrants—notably local and regional channels—were favored. Brazil’s previous adoption of ISDB was a powerful argument on behalf of the Japanese standard, as well as its more advanced system of video compression (MPEG-4) and the fact that it operated on a 6 MHz bandwidth that included an SD channel for mobile receivers.

The technical debates have not focused on news, media reception, or consumption. Yet some media activists and experts have pointed out that the technical discussions have been used as a pretext to secure the interest and market dominance of incumbents disguised in complex jargon by emphasizing technical features such as High Definition (HD), portability, interactivity, and multiplication of available channels.²²⁵

As previously mentioned, the first proposal for digital television in 2000 favored ATSC, yet it also made the final decision condition to a combination of technical tests and the evolution of this technology worldwide and in bigger Latin American countries such as Mexico, Brazil, and Argentina.²²⁶ After the subject taken up again in 2005, SUBTEL commissioned Universidad Católica de Chile’s School of Engineering to conduct a series of experiments and evaluations, which led to a report recommending the adoption of the European DVB standard.²²⁷ Meanwhile—and as in 2000—broadcasters openly proposed ATSC, which they thought was inextricably linked to the U.S. regulatory formula whereby which incumbents automatically received 6 MHz digital multiplexes in UHF primarily for HD broadcasts aimed at fixed receivers (analog NTSC channels are also 6 MHz). This would ensure that incumbents kept airing a single channel as in analog times, as well as limiting the number of new entrants by occupying the spectrum first.

The defenders of DVB also confused the technical arguments with some Western European regulatory frameworks in which the emphasis was on an increase in the number of available SD channels as well as broadcasts to mobile receivers; some additional confusion arose from the fact that DVB multiplexes in Europe were of 8 MHz. Thus, for a time the debate centered on the false dilemma between a supposedly North American model based on ATSC and comparatively few HD channels versus a European one relying on DVB, mobile signals, and more SD channels and operators than in the United States, where pay-TV (mostly cable) reached almost 90 percent of households.²²⁸

225. Claudia Lagos, coordinator of the Freedom of Expression Program, Institute of Communication and Image, Universidad de Chile, interviewed on 8 December 2010; see also FUCATEL, *TV digital*, 2011.

226. CNTV/SUBTEL, “Propuesta de un marco normativo para la introducción de la televisión digital terrestre en Chile” (Proposal for a normative framework for the introduction of DTT in Chile), Ministerio de Transportes y Telecomunicaciones/Consejo Nacional de Televisión, Santiago, 2000.

227. DICTUC, “Análisis de los Estándares de Transmisión de Televisión Digital Terrestre y su Aplicabilidad al Medio Nacional, Informe Final” (Analysis of DTT broadcasting standards and their applicability in the national context. Final Report), Dirección de Investigaciones Científicas y Tecnológicas (DICTUC), School of Engineering, Universidad Católica de Chile/Subsecretaría de Telecomunicaciones—Ministerio de Transporte y Telecomunicaciones, Santiago, 10 October 2006.

228. Godoy, *Desafíos Regulatorios*, 2005.

Michelle Bachelet's government finally adopted Japan's ISDB-T standard in 2009, which uses the same 6 MHz of both ATSC and the current NTSC analog broadcasts. In contrast to both ATSC and DVB, the standard allowed broadcasts to mobile receivers in parallel to SD and/or HD transmissions without the need for a separate franchise. This was possible because of a more advanced signal compression system, MPEG-4. The fact that Brazil had previously chosen this alternative was also a very important precedent.

But that was only the technical discussion. The proposed regulatory formula (i.e. a new law for digital television referred to elsewhere throughout this report; see sections 2 and 7) was sent by President Bachelet to Congress in 2008. A largely conciliatory document consisting of a patchwork of small innovations relating only to terrestrial television, the draft lacked a convergent overview consistent with digitization (see section 7). Yet for the first time in Chilean broadcasting regulation history, and following the telecommunications industry, a distinction was made between future digital terrestrial “intermediate” and “broadcasting” franchises. Intermediate franchises were conceived for operators who would only offer distribution services to third parties through a 6 MHz multiplex; these franchises would be awarded by SUBTEL to those offering the best technical standards and spectrum efficiency. The proposal stated that intermediate operators should make public, non-discriminatory calls for “broadcasting” franchisees,²²⁹ yet it did not solve the problem of how to choose among too many applicants offering the same technical features. (“Broadcasting” franchises, on the other hand, were defined as licenses to broadcast contents through a piece of spectrum, either through an external, “intermediate” multiplex operator or through the applicant's own multiplex).

Throughout this process, qualified by some analysts as “poor” and “superficial,”²³⁰ most of the emphasis was on technical aspects and relatively little attention was paid to the content and quality of news that could result from digitization. The government's draft assumed—perhaps naïvely—that technology per se and the subsequent multiplication of channels would automatically generate public satisfaction, program diversity, and a more well-informed public. The incumbent terrestrial channels questioned the economic sustainability of the digital multi-channel system implied in the draft, already put under strain with only seven operators.

5.2.2 Gatekeepers

Considering terrestrial television on its own, there are no problems with a gatekeeper in digital broadcasting because there is still no law authorizing digitization. The draft introduces the figure of an “intermediate” franchisee able to carry signals and contents generated by third parties, but within the industry the conventional, analogic view of the broadcaster/producer administering its own franchise prevails. This obsolete perspective has kept the big telecommunications firms away from terrestrial television, which is considered as a different medium.²³¹

229. Presidency of the Republic, *Mensaje N° 942-356*, 2008.

230. Interviews with Eliana Rozas, former executive director of UCTV, Santiago, 22 December 2010; Enrique Aimone, executive director of UCV, Santiago, 27 December 2010; and Jorge Navarrete, former executive director of TVN and former president of CNTV, Santiago, 8 April 2011.

231. Godoy, *Desafíos Regulatorios*, 2005.

The picture will change if telecommunications operators are included as gatekeepers. Fiber optic networks, satellite, and cable television are controlled by huge multinational companies, which dwarf existing media operations (see section 5.3). Audience migration from terrestrial to pay-TV platforms and the internet will increase their bargaining power, which has been reinforced indirectly by the delays to the new legislation on the digitization of television—consumers are switching to pay platforms, attracted by a wider selection of channels as well as internet and telephone connections. As explained in section 7, the bigger terrestrial broadcasters have tried—so far unsuccessfully—to secure copyright payments from pay-TV operators who carry their signals without paying (in contrast to HBO, Cinemax, and the like), while subscribers watch terrestrial broadcasts in significant numbers through the pay platforms. The issue will not be resolved either by the draft law on digital terrestrial television or by the current Telecommunications Law.

5.2.3 Transmission Networks

There is still no law on digital television, and it is not clear whether existing broadcasters will have to build their own digital transmission networks, thus replicating their existing analog infrastructure (a very inefficient process), or whether a new group of network administrators will emerge, separate from the incumbent broadcasters. Some commentators have argued that TVN should become the administrator of a public transmission network to carry both TVN and not-for-profit outlets, but this has not been included in the legal drafts currently being discussed in Congress.

5.3 Telecommunications

5.3.1 Telecoms and News

Cable and telecoms companies who provide pay-TV in Chile have contributed to the availability of media content in general and of news in particular, especially since the creation of the all-news television services CNN-Chile and TVN 24 Horas in 2009. These channels are only available in cable as well as CNN, BBC News, and other foreign news services. Additionally, cable carries the highbrow Canal 13 Cable (owned by 13 UCTV) and ARTV (a small, private “arty” outlet). Both TVN and UCTV are forbidden to air a second channel according to current legislation; therefore, these specialized outlets contribute to content diversity and viewer satisfaction. Furthermore, there are about 100 local channels outside Santiago that can only be distributed by cable because terrestrial franchises were unilaterally frozen by SUBTEL in 2002 to create a reserve for digital transmissions.²³²

As described in section 2, all terrestrial broadcasters (and their popular newscasts) are included in the basic packages of cable and satellite providers. This is not because of any must-carry rules, which are non-existent in Chile: it is simply because terrestrial broadcasting was considered “for free” even by the pay-TV operators, and broadcasters did not care about charging these re-distributors until the 2000s when it was too late (see

232. S. Pellegrini et al., *Ventanas y Espejos. Televisión Local en Red* (Windows and Mirrors: Local Networked Television), El Mercurio/Aguilar, Santiago, 2009.

section 7). According to the CNTV, the public's satisfaction with pay-TV grew from 59 percent to 69 percent between 2002 and 2008, while that of terrestrial television shrank from 54 percent to 42 percent due to program homogeneity and the vulgarization of contents.²³³ Indeed, except for its regressive character as a paid service, cable and satellite television could fit well into the definition of public service broadcasting as a national service offering diverse programming of high quality to citizens.²³⁴

In Latin America, Chile is second to Argentina in its penetration rates for pay-TV (see section 1). Cable is dominated by VTR Globalcom, 80 percent of which belongs to the U.S.-based Liberty Media and the remaining 20 percent belongs to the Chilean entrepreneur Alvaro Saieh. In 2009, VTR was granted a 3G license to operate mobile telephony apart from its current provision of pay-TV, fixed telephony, and wire broadband internet connections. According to the latest available statistics from SUBTEL, 46.3 percent of all pay-TV subscriptions are controlled by VTR, 19.2 percent by Mexico's Claro (a filial of Telmex), 17.5 percent by Spain's Telefonica, and 10.3 percent by DirecTV from the United States.²³⁵

Pay-TV is similar to internet provision in many aspects. First, penetration rates are similar: 36.6 percent of households had a fixed, broadband internet connection by the end of 2010,²³⁶ although nearly half of the population uses the web. Yet internet provision is also an oligopoly and is provided by almost the same operators: of the existing 1.8 million fixed, dedicated connections, 788,000 are Telefonica's, 698,000 are VTR's, and 127,000 are Claro's (smaller operators have fewer than 100,000 connections each). In mobile connections, which reached 5.8 million in December 2010, covering more than 90 percent of the population, the pie is mostly divided between Movistar's Telefonica (2.9 million), Entel PCS (1.7 million), and Claro (1.1 million); VTR's participation in this market is still marginal. IPTV is also relatively marginal. Although Telefonica started an IPTV service in 2007²³⁷ and the most important terrestrial channels appear in IPTV programming guides,²³⁸ the relative "narrowness" of available broadband in Chile (see section 3) has retarded the implementation of this technology.

5.3.2 Pressure of Telecoms on News Providers

In general, pay-TV operators in Chile are mere distributors and are neither involved nor interested in content production. There are no contemporary reports of any significant interference by these companies in news production or in hampering freedom of expression for political or ideological reasons. On the contrary: it is

233. CNTV/Adimark, *Sexta Encuesta Nacional de Television* (Sixth National Television Survey), Departamento de Estudios Consejo Nacional de Television, Santiago, 2008, at <http://www.cntv.cl> (accessed 30 December 2010).

234. S. Godoy, *An Unlikely Mixture*, 2009.

235. See SUBTEL, *Estadísticas Servicio De Acceso A Internet* (Internet access statistics), Series conexiones internet, Santiago, 9 March 2011, at http://www.subtel.cl/prontus_subtel/site/artic/20070212/pags/20070212182348.html (accessed 10 March 2011).

236. SUBTEL, *Estadísticas Servicio De Acceso A Internet* (Internet access statistics), Series conexiones internet, Santiago, 9 March 2011, at http://www.subtel.cl/prontus_subtel/site/artic/20070212/pags/20070212182348.html (accessed 10 March 2011).

237. TodoTVnews.com, "GTD analiza lanzar IPTV en Chile" (GTD considers launching IPTV in Chile), 17 June 2009, at http://www.todotvnews.com/scripts/templates/estilo_notas.asp?nota=nuevo/Newmedia/IPTV/2009/06_junio/17_gtd_estudia_lanzar_ip_tv_chile (accessed 1 March 2011); Chile TVD, "Telefonica Television Digital lanza IPTV" (TV-Online), 14 June 2007, at http://www.chiletelevisiondigital.com/telefonica-tv-digital-lanza-ip_tv-chile/ (accessed 1 March 2011).

238. See <http://www.iptv-guide.com/cbc/chl.htm>.

precisely because of cable distributors that two new 24-hour news channels are able to exist (TVN's Señal 24 Horas²³⁹ and CNN-Chile, the first of its type in Latin America),²⁴⁰ created in late 2008/early 2009.

The most notorious example dates from the 1990s, when Metropolis/Intercom (by then owned by the conservative businessman Ricardo Claro, who later sold the company to VTR) blocked films with sexual content on moral grounds. This led its main rival VTR to ridicule the case and market itself as the operator who did not “censor” contents.²⁴¹ Nowadays, most complaints about pay-TV in Chile are related to customer service issues (sudden changes of programming schedules, undue billing, or poor technical assistance), increased expansion of advertising in films,²⁴² and from CNTV's perspective, broadcasting of adult contents (including advertising of tobacco and alcohol) during the daytime.²⁴³

5.4 Assessments

Spectrum allocation is not politicized in Chile in terms of political parties or governments manipulating the process on their behalf and disregarding citizens. Instead, a market-centered perspective prevails (an ideological, and ultimately political stand in itself), in which incumbent operators are generally the first to benefit. The state plays the role of moderator in the market, which is also open to foreign investors, assuming that competition and deregulation will benefit “society,” which is often taken to mean an aggregate of individual consumers or users of technology rather than a cohesive body of citizens. The technical complexity involved in the latest advancements in digitization makes it hard for members of the public to understand what is going on and what is *really* more convenient aside from what is the best television set to buy. Almost four-fifths of Chileans inform themselves about “reality” from terrestrial television—an interested party in spectrum allocation decisions, as are radio broadcasters and telecoms companies.

Spectrum regulation is reasonably appropriate for the country, especially if one assumes a pro-market perspective. Chile ranks at the top in Latin America in terms of broadband, mobile phone, and pay-TV penetration, and it has a high number of FTA radio and television stations available nationwide. At the same time, there are significant problems, such as the high price of both broadband connection (which are less “broad” than in rich countries) and prepaid mobile telephony (the only type the poor can afford); declining satisfaction with terrestrial television's offering; weak customer satisfaction with telecoms services (which have

239. *Televisión Nacional de Chile (TVN), Memoria TVN 2009 parte 2* (Annual Report 2009 part 2). TVN, Santiago, 2010, p. 13, at <http://www.tvn.cl/corporativo/2010/documentos/Memoria2009a.pdf> (accessed 15 December 2010).

240. See <http://www.cnnchile.com/>.

241. S. Godoy, *Gestión de Radio y TV* (Management of Radio and TV), Ediciones Universidad Católica de Chile, Santiago, 1999.

242. *Cómo cambiaron las reglas de los canales tradicionales de películas* (How the rules of traditional movie channels changed), *El Mercurio*, 29 March 2011, at <http://diario.elmercurio.cl/2011/03/29/espectaculos/espectaculos/noticias/0423dbda-7b9e-4757-9414-3662b936ae93.htm> (accessed 29 March 2011).

243. CNTV, *Balance Supervisión 2003–2007. TV Abierta y Cable* (Assessment of 2003–2007 supervision of cable and terrestrial TV), Departamento de Supervisión CNTV, Santiago, 2011, at http://www.cntv.cl/balance-supervision-2003-2007-tv-abierta-y-cable/prontus_cntv/2011-03-18/145617.html (accessed 30 March 2011).

below-average corporate reputation levels); excessive market power concentration in some sectors; and weak community and not-for-profit broadcasting.

Yet it is also true that Chile has a distinct set of public policies oriented toward promoting universal access to ICTs and alleviating the digital divide. In 1992, the Ministry of Education started the “Plan Enlaces”²⁴⁴ (which can be translated as Links Plan) to ensure internet access to public schools. It has been widely recognized as an important contributor toward bridging the access gap among schoolchildren, as well as promoting digital literacy. Other instruments have been gradually developed, notably a public-private “Digital Agenda” coordinated by the Department of Economic Development since 2004, now renamed “Digital Strategy.”

Public interest is only mentioned twice in Chilean legislation, and is related neither to digitization nor to spectrum allocation:²⁴⁵ the first mention comes from the Law on the Press No. 19,733 of 2001,²⁴⁶ yet it does not define what public interest is; the second comes from Transparency Law No. 20,285 of 2008,²⁴⁷ which defines public interest in terms of making publicly available the information generated by state and public institutions.

Spectrum allocation criteria are currently mostly market-driven, except for terrestrial television, which remains separate with its own set of regulations and watchdog, CNTV. Criteria regarding eventual digital dividends are not explicitly mentioned either. As a response, some civic organizations, academic institutions, and NGOs have taken a critical stance toward this situation, which they consider to be potentially advantageous for powerful conglomerates that may dominate the digital scenario at the expense of the interests of civil society.²⁴⁸

This is ultimately a political issue, as ideology defines what the terms “public,” “public interest,” or “citizenship” mean. Not everybody in Chile is convinced that the current pro-market perspective benefits society in the same way that it currently benefits some dominant incumbents. In this context, there are doubts about the ability of the state to confront the powerful corporate interests involved, despite the alleged lack of corruption of the Chilean state (the lowest in Latin America, and lower than in countries such as Spain, South Korea, or Italy):²⁴⁹ oligopolies are already well entrenched in the telecoms, pay-TV, and radio industries. Terrestrial television may find itself in a similar position, depending on how the digital switch-over is carried out and on the draft legislation still under discussion in Congress.

244. See <http://www.enlaces.cl/index.php?t=44&i=2&cc=170&tm=2>.

245. Interviews with Angela Vivanco, 21 December 2010 and 8 January 2011.

246. *Ley sobre Libertades de Opinión e Información y Ejercicio del Periodismo* (Law on Freedom of Expression and Opinion and on the Practice of Journalism), No. 19,733, Diario Oficial de la República de Chile, 4 June 2001.

247. *Ley Sobre acceso a la Información Pública* (Law on Access to Public Information), No. 20,285, 2008.

248. V. Erazo, *Panorama De La Observación Crítica De Los Medios De Comunicación En América Latina. Visión Global y Local—Perspectiva de Género—Participación Ciudadana* (Panorama of a critical observation of communication media in Latin America—Gender and Citizen Participation), Observatorio FUCATEL/Oxfam, Santiago, 2006; A. Cerda and P. Peña, “Chile,” in *Global Information Society Watch*, Organization of American States, Washington 2009, pp. 104–105; P. Peña, “Libertad De Expresión: Acceso A La Información Y Libertad De Comunicación” (Freedom of Expression: Information Access and Freedom to Communicate), in *Informe de Libertad de Expresión 2010*, Universidad Diego Portales, Santiago, 2010, pp. 145–182.

249. Transparency International, *Annual Report 2009*, at <http://www.transparency.org>, Berlin, 2010.

6. Digital Business

6.1 Ownership

6.1.1 Legal Developments in Media Ownership

No changes in legislation have affected media ownership over the past five years in Chile. With the exception of terrestrial television (see below), ownership is quite relaxed aside from a reciprocity clause mentioned in Article 9 of the Law on the Press No. 19,733 of 2001, whereby foreigners can own more than 10 percent of a radio station provided that in their home country the same principles apply for Chilean investors. This clause was recently invoked by Chilean radio owners in 2010 to block the renewal of radio franchises controlled by Iberoamericana Radio Chile,²⁵⁰ an arm of the PRISA Spanish media conglomerate, which owns the 12 most successful radio networks of national reach, attracting 60 percent of audience share and 37 percent of advertising income (see section 5.1.3). PRISA had bought the four networks controlled by its most direct rival, Colombia's CRC, for US\$75 million in 2007.²⁵¹ The merger provoked strong allegations on behalf of media pluralism, which may explain why Iberoamericana turned one of its outlets into the country's one and only purely Chilean musical radio station, UNO 97.1 FM in Santiago,²⁵² and kept a news station inherited from CRC, ADN 91.7 FM.²⁵³

The other media sector in which some legal changes concerning ownership may emerge concerns terrestrial television. The draft for a new law on digitization mentioned throughout this report is still being debated in Congress at the time of writing, and retains the current prohibition to control more than one franchise in the same geographical zone.²⁵⁴ As explained in sections 5 and 7, this clause was originally aimed at preventing

250. "La pelea que calienta el dial" (The fight that heats the radio dial), *El Mostrador*, 1 February 2011, at <http://www.elmostrador.cl/noticias/pais/2011/02/01/la-pelea-que-calienta-el-dial/> (accessed 3 February 2011).

251. Extranoticias.cl, *Preocupa fusión de radios Iberoamerican con CRC* (Worries about Iberoamerican-CRC radio merger), 7 September 2007, at <http://www.extranoticias.cl/preocupa-fusion-de-radios-iberoamerican-con-crc/> (accessed 1 February 2011); Radio Tierra, "Grupo español PRISA concentra mercado radiofónico" (PRISA Group concentrates the radio market), 31 July 2007, at <http://www.radiotierra.cl/node/526> (accessed 1 February 2011); *El Mercurio* Online, *Corte Suprema autoriza fusión que crea al mayor grupo radial en historia de Chile* (Supreme Court authorizes merger that creates the biggest radio holding in Chilean history), 22 November 2007, at <http://www.emol.com/noticias/nacional/detalle/detallenoticias.asp?idnoticia=282784> (accessed 1 February 2011).

252. See <http://www.radiounochile.cl/>.

253. See <http://www.adnradio.cl/>. The previous news outlet owned by CRC was called W Radio and was changed into ADN in 2008.

254. Law on Television No. 18,838, Article 15.

the expansion of the public broadcaster TVN, yet it ended in preventing private ownership concentration in terrestrial television.

6.1.2 New Entrants in the News Market

The only newly launched media outlets in the past five years are marginal players. They are two recently launched online outlets formed by journalists and political commentators: *El Post* (Elpost.cl) and *El Dínamo* (Eldinamo.cl/), as well as a fiercely anti-government weekly (in paper) created by center-left opposition politicians and analysts, *Cambio 21* (Cambio21.cl).²⁵⁵

Prior to 2006 and within the last 15 years, other relevant entrants in the news business still in operation are *Publimetro* (owned by Sweden's Metro International), a free and rather successful newspaper distributed in the stations of the underground railway, whose contents come mostly from news agencies;²⁵⁶ the satirical and informative weekly *The Clinic*, formed by intellectuals, writers, and journalists (and named after the place where General Pinochet was arrested in London in 1998), now among the most widely read publications nationwide;²⁵⁷ and Chile's first online newspaper *El Mostrador*,²⁵⁸ which is often a source of scoops for mainstream media. Other less influential media created after 2000 include *Le Monde Diplomatique* (in Spanish), a highbrow, critical monthly publication related to the French newspaper of the same name;²⁵⁹ and *Mi Voz*, a network of citizen newspapers which claims to reach 2.3 million readers per month.²⁶⁰

6.1.3 Ownership Consolidation

The only significant acquisitions in the news market in Chile over the past five years have been the purchasers of two influential terrestrial television networks, Universidad Católica de Chile's Canal 13 UCTV and Channel 11 Chilevisión (CHV, technically still attached to the state-owned Universidad de Chile). The complexities involving the indirect sale of CHV are explained in section 5.1.1, and were an important precedent used by Universidad Católica to sell a 67 percent stake of UCTV in 2010 to Andrónico Luksic, one of the richest men in Chile, after high costs, declining ratings, and lack of advertising income almost bankrupted the network. Meanwhile, also in 2010, Time Warner bought CHV from the newly elected president Sebastián Piñera, a wealthy businessman who promised to sell his most notorious companies if elected. Piñera had bought CHV in 2005 for some US\$40 million from Venezuela's Venevisión and sold it five years later to the U.S.-based holding for US\$ 140 million.²⁶¹

255. Interview with Eduardo Arriagada, expert on media business, Universidad Católica de Chile's School of Communication, 14 April 2011 (hereafter Interview with Eduardo Arriagada, 14 April 2011).

256. See <http://www.publimetro.cl/>.

257. See <http://www.theclinic.cl/>.

258. See <http://www.elmostrador.cl/>.

259. See <http://www.lemondediplomatique.cl/>.

260. El Repuertero, *Nace MI Voz*, 1 March 2011, at <http://www.elrepuertero.cl/noticia/editorial/nace-mi-voz> (accessed 5 April 2010).

261. *Chilevisión ya es oficialmente de Sebastián Piñera* (Sebastian Piñera officially owns Chilevisión), *La Nación*, 15 April 2005, at http://www.lanacion.cl/prontus_noticias/site/artic/20050415/pags/20050415162651.html (accessed 1 February 2011); *Time Warner compra Chilevisión al presidente Sebastián Piñera* (Time Warner buys Chilevisión from President Piñera), *El Mundo*, 25 August 2010, at <http://www.elmundo.es/elmundo/2010/08/25/comunicacion/1282748887.html> (accessed 1 February 2011).

Aside from these examples, there have been very minor ownership changes, at least in the last five years. Also in 2010—and perhaps as a way of securing an automatic, free-of-charge digital franchise promised to existing broadcasters in the current draft legislation on digital television—two relatively minor channels were sold to newcomers: the ailing analog Channel 22 UHF was bought by Alvaro Saieh, the owner of the COPESA news conglomerate (which also controls six radio stations, the national newspapers *La Tercera* and *La Cuarta*, and the news magazine *Qué Pasa*,²⁶² as well as the investigative journalism site CIPER-Chile mentioned in section 4 of this report).²⁶³ Meanwhile, Channel 2 Telecanal (TC) was purchased by the Mexican Guillermo Cañedo, a former executive of Televisa, in November 2010 (see sections 5 and 7).²⁶⁴

It is extremely difficult to unequivocally demonstrate that consolidation of ownership in the media has affected media pluralism and diversity of voices in Chile after the end of the dictatorship in 1990. True, the newspaper market was and still is largely a duopoly split between *El Mercurio* and COPESA, but their conservative, anti-Communist stance has since moved away from Cold War logic, especially at COPESA (a fierce rival to *El Mercurio*), and they are also facing tough competition from other media. Terrestrial television, despite its public-service traits and the existence of non-commercial operators such as TVN or UCTV, operates according to market principles, which yield program homogeneity, in which most newscasts are dominated by crime, football, accidents, and visually engaging, but ultimately irrelevant anecdotes. At the same time, the law forbids any broadcaster to operate more than one television channel.

Radio, consistently one of the most respected and credible social institutions in Chile, has seen the growth of a powerful Spanish conglomerate, Iberoamericana Radio Chile, which owns the eight most listened-to entertainment networks. Yet Iberoamericana also provides the only station totally dedicated to airing Chilean music, Uno FM, as well as a respected news and talk network, ADN FM. Although Iberoamericana attracts some two-thirds of listeners and advertisers, there are also nearly 1,000 smaller outlets available to the public. Consolidation has been stronger in telecoms, which includes pay-TV, internet, and mobile phone provision, and is dominated by a handful of foreign companies. Yet there are no consistent reports of these operators interfering in freedom of expression issues.²⁶⁵

Although not directly related to media, since the 1990s there has been strong consolidation among advertisers (retailers, banks, pharmacies, airlines, pension funds, healthcare providers, food and beverage companies, and the like), which naturally reduces the bargaining power of those media competing to carry their promotional messages.

Within this context, opinions are divided in Chile. There is a group of activists, academics, politicians, NGOs, and professionals, such as the World Association of Community Radios (*Asociación Mundial de Radios*

262. See <http://www.copesa.cl/>.

263. See <http://ciperchile.cl/>.

264. Enlaeconomia.com, “Televisa compró la televisora chilena Telecanal” (Televisa bought Chilean broadcaster Telecanal), 11 November 2010, at <http://enlaeconomia.com/news/nacional/2010/11/11/355/101041> (accessed 10 January 2011).

265. Tironi and Sunckel, “Modernización de las Comunicaciones.” 1993, pp. 215–246.

Comunitarias, AMARC Chile), the National Association of Chilean Citizen Radios (*Asociación Nacional de Radios Ciudadanas de Chile*, ANARCICH), Universidad Diego Portales' Center for Human Rights (*Centro de Derechos Humanos UDP*), and Universidad de Chile's Freedom of Expression Program (*Programa de Libertad de Expresión de la Universidad de Chile*), who all argue that media concentration in Chile is on the rise, and that media diversity and pluralism are jeopardized.²⁶⁶

Arguments are quite varied, but in general stress any or all of the following points: first, that the Pinochet dictatorship gave an unfair advantage to “mainstream” media, especially to the *El Mercurio*/ COPESA newspaper duopoly;²⁶⁷ second, that the subsequent democratic governments failed to question this status quo for fear of confronting Pinochet and his followers and/or due to naïve enthusiasm for neo-liberal policies; and, finally, that all this led to an irrevocable entrenchment of a private, transnational, market-based hegemony in communications and media (qualified as “irreversible de-statization of the communication system,” according to a high government official in 1995).²⁶⁸ Many of these authors and activists belong to the political left, but not all. They are in general deeply suspicious of the supposedly conservative ideology of Chilean media owners—especially of the newspaper duopoly—and point to the fact that smaller, alternative outlets are increasingly weakened because advertising income is increasingly diverted to mainstream, dominant ones.²⁶⁹ They also point to the difficulties faced by community radio stations, which are marginalized by current legislation, and are forbidden to sell advertising and form networks, among other limitations (see section 7).

After the influence of General Pinochet had faded (he resigned from government in 1990 but remained as Commander-in-Chief of the Army until 1998, then served briefly as a non-elected Senator until his arrest in London two months later; he died back in Chile in 2006), preoccupation about media ownership shifted from the old pro-dictatorship versus pro-democracy divide to the more subtle one between commercial and non-commercial media. Those involved in this debate highlight the apparently irresistible expansion of private, for-profit, globalized media holdings combined with the decline of university television, the increased commercialization of the public broadcaster TVN, and the difficulties faced by community media, notably

266. E. Carmona, *Implicaciones éticas de la concentración de medios y sus vinculaciones políticas en América Latina* (Ethical implications of media concentration and its political links in Latin America), Presentation at the seminar “Periodismo, Ética y Democracia” (Journalism, Ethics, and Democracy), CIESPAL, Quito, Ecuador, 20–22 October 2009, linked at Fucatel.cl, at <http://www.observatoriofucatel.cl/wp-content/uploads/2010/04/Ponencia-Ernesto-Carmona-en-Ciespal.pdf> (accessed 1 March 2011) (hereafter Carmona, *Implicaciones éticas*, 2009); also interview with Claudia Lagos, coordinator of the Freedom of Expression Program, Communication and Image Institute, Universidad de Chile, 8 January 2011.

267. See for instance K. Dermota, *Chile Inédito, periodismo en democracia* (Chile Unpublished. Journalism in democracy). Barcelona: Ediciones B, 2002; M.O. Mönckeberg, *Los Magnates de la Prensa en Chile. Concentración de los Medios de Comunicación en Chile* (The Press Moguls in Chile. Media concentration in Chile). Santiago: Random House Mondadori, 2009. Author and journalist María Olivia Mönckeberg has said her book has been deliberately ignored by the mainstream media (María Olivia Mönckeberg: “En los medios no tengo la posibilidad de hacer periodismo” (I have no chance of doing journalism in the media), *El Ciudadano*, 12 November 2009, at <http://www.elciudadano.cl/2009/11/12/maria-olivia-monckeberg-%E2%80%9Cen-los-medios-no-tengo-la-posibilidad-de-hacer-periodismo%E2%80%9D/> (accessed 1 March 2011).

268. P. Halpern, *Comunicaciones: Nuevos Umbrales* (Communications: New thresholds), Secretaría de Comunicación y Cultura, Santiago, 1995, pp. 7–9.

269. S. Vera, *Concentración De La Propiedad De Los Medios De Comunicación En Chile Y Sus Efectos En El Pluralismo Informativo* (Media ownership concentration in Chile and its effect on information journalism), Memoria Para Optar Al Grado De Licenciado En Ciencias Jurídicas Y Sociales, Universidad Austral De Chile: Facultad De Ciencias Jurídicas Y Sociales, Valdivia, 2005.

radio. Commercially oriented media, say some of these critics, are not interested in genuine information and news but solely in entertainment and advertising.²⁷⁰

Most media owners and executives take the exact opposite view. They are generally grouped in associations such as ARCHI (radio), ANATEL (terrestrial television, including the public broadcaster TVN), ANP (newspapers), and ANDA (advertisers) (see section 7), as well as industry consultants and some government officials from the “technical” branches of government such as SUBTEL or the Ministry of Economic Development (which is responsible for promoting the internet for economic growth). This group, far more influential and wealthier than its critics, takes a market-oriented view of the situation and stresses the fiercely competitive nature of the Chilean media landscape and the relatively high technical quality, content diversity (at least of entertainment forms), and pluralism available to the Chilean public—especially when contrasted to other Latin American countries, where the political and economic power of conglomerates such as Brazil’s Globo, Mexico’s Televisa, or Argentina’s Clarín is considerably greater than the newspaper duopoly Mercurio/COPESA (which are irreconcilable market rivals).²⁷¹

In addition, and as explained in section 7, terrestrial television—the most powerful medium in terms of news impact—is fragmented among public, university, private, national, and multinational operators, none of whom has (at least until now) monopoly power of its own. The new entrants, Time Warner and the Luksic family, who bought CHV and Canal 13 UCTV, respectively, are not more conservative than the previous owners of these outlets.²⁷² In the case of radio, despite the recent ownership concentration described above, there are literally some 1,400 stations available nationwide. The medium is consistently evaluated as being among the most credible institutions in the country.²⁷³ Although there are only four news stations with national coverage—Cooperativa, Bío Bío, Agricultura, and ADN Radio—they are respected sources of information, while being very different from each other: Cooperativa belongs to a group of Christian-Democrat (center-left) investors; Bío Bío belongs to the fiercely independent, non-Catholic Mosciatti family from Concepción; Agricultura belongs to the National Agricultural Association (traditionally associated with the so-called landed aristocracy); and ADN Radio is owned by the Spanish holding Iberoamericana Radio Chile. Pay-TV is highly concentrated, but as described in sections 2 and 5, there are no reports of this industry putting any restrictions on news availability—quite the contrary, in fact, as cable distributors facilitated the creation in 2008/2009 of the news-only channels CNN-Chile and TVN 24 Horas.

Within this context—largely “free” from a conventional, Anglo-Saxon perspective mainly focused on undue government interference in the media—the commercial logic of the system is increasingly predominant, with no regard for the potential effects on editorial diversity. Even TVN, the public broadcaster, behaves largely

270. Carmona, *Implicaciones éticas*, 2009; Radio Tierra: *Senado aprobó concentración de propiedad radial por 25 años más* (Senate approved ownership concentration for 25 more years), 11 September 2008, at <http://www.radiotierra.cl/?q=node/969> (accessed 10 May 2011).

271. Interview with Eduardo Arriagada, 14 April 2011.

272. Interview with Eduardo Arriagada, Santiago, 14 April 2011.

273. P. Gómez, S. Godoy, and W. Pullen, “El nuevo consumidor chileno exige empresas más amigables y responsables” (New Chilean consumer demands friendlier and more responsible companies), *Qué Pasa*, No. 2073, 31 December 2010, pp. 50–67, at http://www.quepasa.cl/articulo/16_4210_9.html.

like a for-profit, private organization. However, even critics admit that the internet and new technologies at least provide a chance for non-commercial projects and initiatives to put their messages across to the public.²⁷⁴

Thus, the environment for private, commercial media companies and holdings is generally rather favorable. Nowadays, international organizations and NGOs concerned with free expression rather point to media concentration and excessive commercialism as one of the most important threats to free expression in Chile.²⁷⁵ Yet this argument should not be taken at face value. Despite the evidence of ownership concentration in newspapers, pay-TV, or even radio and telecommunications, when analyzed separately, convergence and market dynamics result in fierce competition: not only in the inter-media sense of television struggling against newspapers and pay-TV, but also shopping malls and retailers competing with the whole media industry in order to attract advertisers and people's attention. This situation may lead to cross-media and cross-industry ownership concentration in the future, but no media organization currently feels comfortably secure in its position, however temporarily successful.

6.1.4 Telecoms Business and the Media

Telecoms companies participate in the Chilean media sector mostly as distributors of pay-TV, either by cable or by satellite. Until the mid-2000s this market was dominated by VTR, but in the last five to six years its rivals have been very proactive (see section 5.3.1).²⁷⁶ All companies in this market are struggling to dominate the so-called triple-play market by offering fixed and mobile telephony, internet connections, and pay-TV. In order to attract local subscribers, cable operators include local channels in their program packages (see section 5).

In general, pay-TV does not produce content locally. The only well-known exception to this rule—although still not very significant because of the low viewing figures involved—was the creation of the news channel CNN-Chile in 2009, a joint venture between VTR and Turner Broadcasting (a filial of Time Warner, which also bought CHV from President Piñera in 2010). Newsgathering capacity across Chile was secured through an additional agreement between CNN-Chile and Radio Bío Bío,²⁷⁷ an otherwise critical and fiercely independent outlet known for attacking the powerful and the status quo whenever possible. Bío Bío has a network of 40 stations nationwide characterized by their capacity to produce news stories locally, in contrast to the majority of radio and television operators who broadcast centrally from the capital, Santiago.

274. Interview with Claudia Lagos, coordinator of the Freedom of Expression Program, Institute of Communication and Image, Universidad de Chile, 8 December 2010.

275. A. Cerda and P. Peña, "Chile," in *Global Information Society Watch 2009*, Association for Progressive Communications (APC) and Humanist Institute for Cooperation with Developing Countries (Hivos), Uruguay, 2009, pp. 104–105, at <http://www.giswatch.org/sites/default/files/GISW2009.pdf>; A. García, "Chile," in A. García (ed.) *Sistemas Informativos en América Latina* (News systems in Latin America), Universidad Católica de la Santísima Concepción/RIL Editores, Santiago, 2009, pp. 19–48 (hereafter García, *Sistemas Informativos*, 2009).

276. Source: SUBTEL, at http://www.subtel.cl/prontus_subtel/site/artic/20070212/pags/200702 (accessed 1 April 2011).

277. Piensachile.Com, *CNN Chile elige a Radio Bío-Bío y Canal 9 de Concepción en Alianza estratégica* (CNN Chile chooses Radio Bio Bio and Concepcion's Channel 9 for strategic alliance), 30 September 2008, at <http://www.piensachile.com/content/view/4645/9/> (accessed 1 March 2011).

Interestingly, the owner of COPESA, Alvaro Saieh, subsequently bought a 20 percent stake of VTR in January 2010 for US\$ 340 million as well as the rather marginal analog Chanel 22 UHF in July for a further US\$ 2.5 million.²⁷⁸ The low ratings of Channel 22 are potentially irrelevant if Congress promulgates the new law on digital television (see sections 5 and 7), in which current analog operators will automatically receive a 6 MHz franchise for free with no special content requirements attached for at least 20 years. Thus, COPESA is presently the only media consortium with a stake—although a minority one—in the far more profitable and wealthy telecommunications industry.

6.1.5 Transparency of Media Ownership

The Telecommunications Law and the Law on the Press require that all media outlets publish the name of the owner, the director, the address, and service area. However, in reality ownership details are hard to obtain. According to Chilean corporate law, only companies that trade shares in the stock exchange need to inform publicly and regularly about their ownership composition, financial situation, and similar requirements. No media company has such a structure and therefore they are not obliged to provide information about this issue to anybody.

Because of its own distinctive legislation, only terrestrial television is legally required to publish ownership information. This includes the public broadcaster TVN: according to the Law on Television No. 18,838 of 1989, franchisees must be organizations based in Chile and led by Chilean executives—even if the investment capital comes from other countries, as is the case for CHV, La Red, and Channel 2 Telecanal. Furthermore, Article 12-d states that the industry regulator, CNTV, is entitled to request from the franchisees “all the information necessary to accomplish its (regulatory) functions; those requested are obliged to present (the information asked).”

However, it is not clear whether this clause can be effectively enforced in the hypothetical situation of clarifying an operator’s corporate details (such as ownership information) unrelated to the contents it shows. There are two precedents: the first occurred during the 1990s, when UCTV consistently refused to publish its financial statements despite formal requests from the CNTV. The broadcaster was legally indistinguishable from its owner, Universidad Católica de Chile (it was like just another academic department), and therefore it presented the whole university’s consolidated balances to the CNTV.²⁷⁹ The regulator did not press the issue further. Only in 2001 did UCTV acquiesce, but only after TVN threatened to sue UCTV for unfair competition practices and misuse of public funds (there was plenty of evidence of UCTV’s financial losses, so TVN argued the university could be diverting state subsidies designated for students to finance the network).²⁸⁰

278. “Compra señal 22 en US\$ 2.5 millones: Álvaro Saieh tiene ‘mentalidad televisiva’” (US\$ 2.5 million purchase of Channel 22: Alvaro Saieh has a ‘television mind’), *El Mostrador*, 6 July 2010, at <http://www.elmostrador.cl/noticias/negocios/2010/07/06/alvaro-saieh-tiene-mentalidad-televisiva/> (accessed 1 March 2011).

279. S. Godoy, *An Unlikely Mixture*, 2009.

280. Interview with Jorge Navarrete, former director of the CNTV (2006–2010), Santiago, on 8 April 2011.

The second case is more recent (see section 7). In 2007, and after careful consideration, the CNTV decided to ask the franchisee of Channel 2 Telecanal (TC) about the rumor regarding the Mexican mogul Angel Gonzalez being the real owner of TC through a covered appointee. Gonzalez already owned Channel 4 La Red, but was forbidden by Chilean law to control more than one channel in the same geographic area. The president of the CNTV admitted this request could not be enforced if TC did not want to answer it. But the issue was finally abandoned when the mandate of the CNTV's president expired and, later in 2010, TC was sold to the Mexican Guillermo Cañedo.²⁸¹ Furthermore, TC was a very secondary player in the television market (it mostly showed non-recent Hollywood films and series), which did not really threaten media diversity and pluralism.²⁸²

Despite this, ownership composition of the most influential outlets is open knowledge throughout the media system. Broadly speaking, there are no big mysteries concerning who owns the main telecommunications companies, terrestrial channels, pay-TV operators, newspapers, or radio stations: Chilean media are relatively small companies that are a far cry from the corporate complexity of their peers in the big, industrialized countries.²⁸³ Far more difficult is finding out about the capital composition of the many hundreds of smaller media, in particular radio stations. There is a wide variety of operators of small and medium size, and they cannot be forced to publish their corporate details.

The Law on Television (No. 18,838, modified by Law No. 19,131 in 1992; see section 7) states that among all media companies only terrestrial television operators must publish their financial statements on a regular basis. They follow the standards of securities and insurance companies, which are required by their regulator, the *Superintendencia de Valores y Seguros* (Securities and Insurance Supervisor, SVS²⁸⁴), to publish a form detailing their financial and other descriptive information (Statistical Codified and Uniform File, *Ficha Estadística Codificada Uniforme*, known as FECU). After UCTV agreed to disclose its financial information in 2001, newspapers (who constantly cross-check television's operations) regularly publish the financial positions of their television rivals based on the information provided by FECUs.²⁸⁵

There is also a paid private service provided by the Santiago Chamber of Commerce (*Cámara de Comercio de Santiago*, CCS), the *Boletín Comercial* (Commercial Bulletin), where anybody can check the commercial record and solvency data of both individuals and companies by entering their VAT numbers (*Rol Unico Tributario*, RUT; unique tax role).²⁸⁶ This system has been criticized for weakening the privacy of personal data (a relatively insignificant concern for Chilean authorities in contrast to Anglo-Saxon countries), yet it simultaneously has been praised for facilitating transactions and business deals.

281. Interview with Jorge Navarrete, former director of the CNTV (2006–2010), Santiago, 8 April 2011.

282. Interview with Enrique Aimone, CEO of UCV and former Secretary General of TVN, Santiago, 27 December 2010.

283. Interview with Eduardo Arriagada, Santiago, 14 April 2011.

284. See http://www.svs.cl/sitio/english/acerca/quees_entidades.php.

285. "La televisión chilena ad portas de su mayor cambio en las últimas tres décadas" (Chilean television at the threshold of its main change in the last three decades), *La Tercera*, Suplemento Negocios, 15 August 2010, pp. 10–11.

286. See <http://www.boletincomercial.cl/>.

6.2 Media Funding

The pro-market, neo-liberal paradigm imposed in Chile since the mid-1970s by the Pinochet regime and retained by democratic governments after 1990, public funding for the media is both scarce (in accordance with the principle of a subsidiary role for the State in a mostly market-driven economy) and competitively allocated. As discussed in section 2, even the public broadcaster TVN—the only truly influential public medium—is not allowed to receive state funding and is obliged to self-finance completely from advertising. TVN is in fact a successful operator; in 2009 it was once again the market leader with an annual income equivalent to US\$158 million,²⁸⁷ a third of the overall receipts of terrestrial television that year (see Table 13). Terrestrial television relies exclusively on advertising. There is no public information about the income and expenditures of the other existing state outlets, namely the newspaper *La Nación* and the television channels of the Senate and the Chamber of Deputies, which are nevertheless much smaller and less influential than TVN (see section 2).

Table 13.
Annual advertising income of terrestrial television operators in Chile, 2009

TV station	Chilean pesos (CLP), million	US\$ million	Share of total TV advertising (%)
TVN	73,318	158.7	33
Canal 13 UCTV	63,357	137.1	28
CHV	43,026	93.1	19
Mega	37,203	80.5	17
La Red	5,578	12.1	2
UCV	2,622	5.7	1
Total	225,104	487.2	100

Note: Exchange rate US\$1 = CLP 462

Sources: SVS, *La Tercera*, 2012

Apart from these outlets, five public bodies allocate competitive funds for different media and/or culturally related activities. All these funds come from the public budget drawn from general taxation, and allocation is largely considered impartial and free from government pressure. The Chilean Economic Development Agency (*Corporación de Fomento de la Producción de Chile, CORFO*)²⁸⁸ operates a Support Program for Filmmaking and the Audio-visual Industry (*Programa de Fomento al cine y a la industria audiovisual*). Chile's

287. The figures reproduced in this section use the exchange rate of 462 pesos per US\$, valid at the time of writing.

288. The Chilean Economic Development Agency (*Corporación de Fomento de la Producción de Chile, CORFO*) was established in the 1930s to foster large-scale industrialization in Chile. During the short-lived presidency of Salvador Allende (1970–1973) CORFO housed the world's first and probably only serious attempt to manage the economy centrally using a computer system, Cybersyn, which was destroyed during the military coup of 1973 and largely forgotten afterwards. See S. Beer, *Brain of the Firm: Companion Volume to the Heart of Enterprise*. Chichester: Wiley & Sons, 1994; see also <http://www.cybersyn.cl/ingles/cybersyn/index.html> and http://www.corfo.cl/lineas_de_apoyo/programas/programa_de_fomento_al_cine_y_a_la_industria_audiovisual (accessed 4 May 2012).

spectrum administrator, the Undersecretary for Telecommunications (*Subsecretaria de Telecomunicaciones, SUBTEL*) within the Ministry of Transport and Telecommunications (see section 7), operates a Fund for the Development of Telecommunications (*Fondo De Desarrollo De Las Telecomunicaciones, FDT*). The purpose of this fund is to promote the coverage of telecommunications in poor areas, both rural and urban. The Ministry of Education's Fund for the Development of the Arts and Culture (*Fondo de Desarrollo de las Artes y la Cultura, FONDART*)²⁸⁹ supports the different stages of the filmmaking process: scriptwriting, production, exhibition and promotion of films and videos, as well as research, professional training, and technological innovation.

The other two funds are directly concerned with media content. The National Television Council (*Consejo Nacional de Televisión, CNTV*) funds high-quality programs and antenna coverage in remote areas.²⁹⁰ The competitive fund for high-quality programs devised by the pro-market economists of the Pinochet dictatorship in 1975 was the first of its kind and is widely regarded as the best public instrument for fostering high-quality media content, yet it has only generated a visible impact during the last decade (see sections 2 and 7). In 2011, the Fund disposed of US\$ 9.3 million to support the production and/or broadcast of television programs “of high cultural level and/or national or regional interest.”²⁹¹ In addition, the CNTV administers a smaller fund of US\$ 411,000 to support regional production and antenna coverage in isolated, borderline areas.

Finally, the Media Fund of the Ministry of Communications (*Fondo De Medios del Ministerio Secretaría General del Gobierno*)²⁹² was created together with the Law on the Press No. 19,733 of 2001 (see section 7). This aims to foster regional and local media. The money (US\$817,000 in 2010) is used for content creation and includes welfare campaigns, stories, series, documentaries, screenplays, micro-programs for local radio or television, newspaper supplements, local advertising spots, and features.

In the last decade, these competitive public funds have increased considerably in relation to GDP, yet they are still far from European levels, and are even below some other Latin American countries. At the time of writing, there was no evidence of very substantial increases in the near future.

Something similar happened to levels of government advertising expenditure, which reached its highest levels (i.e. around 1 percent of GDP) in the late 1980s and has remained largely stagnant in relation to the size of the economy. Advertising expenditures amounted to US\$ 1,117 million in 2010 (see Table 14).

289. See http://www.consejodelacultura.cl/fondosdecultura/Fondo_Audiovisual.html (accessed 15 April 2011).

290. See http://www.cntv.cl/prontus_cntv/site/artic/20110304/asocfile/20110304114154/basesfondo_cntv2011.pdf (accessed 15 April 2011).

291. Article 12^ob of the Law on Television No. 18,838 of 1989.

292. See <http://www.gob.cl/fondo-de-medios/> and <http://www.participemos.gob.cl/index.php/region-de-coquimbo/281-consejo-regional-aprueba-las-bases-del-fondo-de-medios-2010> (accessed 15 April 2011).

Table 14.

Advertising expenditure in Chilean media (US\$ million at 2009 values), 2000–2010

	2000	2005	2010
Television	323.8	348.4	539
Newspapers	261.0	215.7	302
Radio	79.7	60.5	76
Magazines	38.1	23.5	24
Street	50.8	61.8	84
Cinema	3.2	2.3	4
Cable TV	0.0	12.6	43
Online	0.0	8.0	46
Total	756.6	732.8	1,117

Note: Exchange rate US\$ 1 = CLP 560; US\$ 1 = CLP 510 for 2010

Sources: ACHAR, *La Tercera*²⁹³

The share of terrestrial television has actually grown to take up to half of the advertising pie, while the share for newspapers, magazines, and radio shrank. The share of online and pay-TV is still marginal, but growing fast (see Table 15). Thus the struggle for revenues has turned into cannibalism among different media and advertising windows; the pie is not expected to grow as a share of GDP except for circumstantial peaks of expenditure related to specific campaigns or special events.²⁹⁴

Table 15.

Advertising expenditure in Chilean media, share of media segments in total advertising spending (%), 2000–2009

Segment	2000	2005	2009
Television	42.8	47.5	51.5
Newspapers	34.5	29.4	25.9
Radio	10.5	8.3	7.5
Magazines	5.0	3.2	2.3
Street	6.7	8.4	7.6
Cinema	0.4	0.3	0.3
Cable TV	0.0	1.7	2.0
Online	0.0	1.1	2.8
Total	100.0	100.0	100.0

Note: Exchange rate US\$1 = CLP 560

Sources: ACHAR, *La Tercera*

293. “La television chilena ad portas de su mayor cambio en las últimas tres décadas” (Chilean TV on the cusp of greatest change in three decades), *La Tercera*, Suplemento Negocios, 15 August 2010, pp. 10–11.

294. Interview with Pablo Julio, expert on media economics from Universidad Católica de Chile’s School of Communication and former Head of the Department of Studies of BBDO advertising, Santiago, 1 April 2011.

The third source of media funding comes from direct payments or subscriptions. This area is growing fast and is the most important one at the time of writing, although there are no public data on the exact figures involved—cinema tickets excepted, of which 14.4 million were sold in 2009, the latest figure available²⁹⁵ (which can be calculated to generate nearly US\$90 million of income for exhibitors).

However, by and large the most important figures in this category relate to pay-TV, which totalled 1.9 million subscribers by early 2011. Depending on the average subscription rate considered, the total yearly revenue of the industry may range from US\$921.6 million to US\$ 803.9 million, which is at least twice as much as all terrestrial broadcasting put together. The importance of pay-TV is inextricably related to the growing importance of the telecommunications industry as a whole, which grew from US\$ 2.1 billion in 1999 to US\$ 5.8 billion in 2008.²⁹⁶

Table 16.
Pay-TV industry revenues in Chile, 2011

	Average monthly subscription rate in US\$	No. of subscribers ('000)	Estimated yearly income in CLP million	Estimated yearly income in US\$ million*
All published prices	40	1,923.7	425,779.94	921.6
Average of cheapest rates only**	35	1,923.7	371,380.67	803.9

Notes: * Exchange rate used: US\$ 1 = CLP 462

Subscription monthly rates considered are: VTR hogar US\$43.3**; VTR full US\$ 56.3; DirecTV bronce** US\$ 34.6; VTR plata US\$ 34.6; VTR oro US\$ 49.7; Movistar basico** US\$ 23.8; Movistar preferido US\$ 34.6; Movistar top US\$ 56.3; Claro entretenido** US\$ 33.5; Claro sport US\$ 46.5; and Claro prepago (not a monthly rate) US\$ 21.6

** Lowest rates

Source: reporters' own calculations based on rates advertised on each provider's website

6.2.2 Other Sources of Funding

There are no other major sources of private funding in the media.

6.3 Media Business Models

Executives and specialists from traditional media companies in Chile interviewed for this study do not think there have been any significant challenges to their business models, which rely heavily on advertising.²⁹⁷ In terms of business models, the Chilean media landscape is still comparable to that of Western Europe or

295. CAEM, *El Cine en Chile en el 2009* (Chilean Cinema in 2009), Cámara de Exhibidores Multisalas de Chile A.G., Santiago, March 2010, at <http://www.apct.cl/descargas/El.cine.en.Chile.en.el.2009-Marzo2010.pdf> (accessed 1 April 2011).

296. CCS, *Economía Digital en Chile 2009* (The Digital Economy in Chile 2009), Centro de Estudios de la Economía Digital, Cámara de Comercio de Santiago, Santiago, 2010.

297. Interviews with Enrique Aimone, CEO of UCV and former Secretary General of TVN, Santiago, 27 December 2010; Eliana Rozas, former CEO of Canal 13 UCTV and CNN-Chile, Santiago, 22 December 2010; Jorge Navarrete, former president of the CNTV, former CEO and President of the Board of Directors of TVN, former CEO of VTR, Santiago, on 8 April 2011; Eduardo Arriagada, 14 April 2011.

the United States in the early 1990s, when digital media began to take off and traditional, analog media were still dominant: nearly 80 percent of advertising expenditures are still absorbed by terrestrial television, newspapers, and radio, although each medium's share has changed and their own need for marketing has increased notably.²⁹⁸

But despite the lack of truly revolutionary business models for the media—including digital ones—within the industry everybody agrees that there is increasing dynamism, competitiveness, and innovation within the given framework. Many of these changes have been evolving since the 1990s and can only be partially attributed to digitization. Perhaps the most conspicuous development is the increasing pervasiveness of advertising, which was formerly distinct and separate from news and other content.

In television, there has been a big rise in product placement and on-screen messages within programs to compensate for growing rates of channel-hopping during ad breaks (digitization also facilitates the insertion of brands and logos into television images); the specificity of this type of advertising has led to the employment of special sales teams. This practice has even extended into newscasts, with presenters mentioning sponsors (a frequent practice in radio newscasts), and some news presenters even becoming “stars” of advertising campaigns in order to transfer their journalistic credibility to the brands involved. In the case of newspapers, sponsors' logos now appear on the front pages of a few tabloids, and some have occasionally produced fake front pages with ads disguised as news, using the paper's title and typography. These practices are ethically questionable, to say the least.

Most online sites dedicated to news struggle to attract advertising revenues as subscriptions have failed as a cash generator. Table 17 shows how online advertising has been spent in 2009 and 2010, the latest figure available: display ads represent 70 percent of the total online advertising spending. Within this context, those websites belonging to a well-established news company have a better chance of attracting advertising. All the mainstream media generally have their own websites, among which *El Mercurio's* Emol.cl, and *La Tercera* Online, Latercera.com, have the highest usage figures. These newspapers also charge for their paper versions, despite the growing numbers of online, for-free readers. Yet currently, the only widespread print publication almost entirely relying on charging for its print version (as its irreverent and highly critical tone is often avoided by advertisers) is the semi-satirical weekly *The Clinic*.²⁹⁹

298. S. Godoy, “1988-1992: Los años de la siembra” (1988-1992: The Years of Seeding), in Acuña, *Los primeros 50 años*, 2007, pp. 184-211.

299. See <http://www.theclinic.cl>.

Table 17.

Online advertising spending in Chile, by type of adverts, 2009–2010

Type of online ads	2009		2010		Change (%) 2010/2009
	US\$ million	Share (%) of total online spending	US\$ million	Share (%) of total online spending	
Display advertising	20.59	69.6	26.96	70.7	30.9
Search engines and directories	8.96	30.3	11.09	29.1	23.8
Mailings/other	0.05	0.2	0.06	0.2	16.3
Total	29.60	100.0	38.11	100.0	28.7

Note: * Exchange rate US\$1 = CLP 462

Source: IAB-Chile, at <http://www.iab.cl/inversion-medios-online/inversion-de-medios-online-2010.html> (accessed 15 October 2011)

Another important change is the non-media competition for advertising revenues that formerly went to newspapers, radio, and smaller outlets. The most well-known non-media competitor for advertising pesos are the advertisers themselves, who began taking advantage of the massive presence of Chileans in shopping malls and supermarket chains to promote their wares directly there and/or with their own leaflets or events (internet advertising at a serious level is still taking off). Advertisers are becoming more powerful vis-à-vis the media due to ownership concentration in many industrial sectors that buy advertising space, such as retail, telecommunications, banking and financial services, healthcare, and consumer goods. So media face fewer but more powerful competitors.³⁰⁰ On the other hand, classified personal ads, a traditional backbone of the newspaper business which is in a state of crisis in the United States, are still relevant for Chilean papers, but there are nevertheless concerns about the steady growth of online substitutes.³⁰¹

Another phenomenon is the increasing importance of telecommunications firms and their involvement in the media business as distributors of pay-TV and internet broadband connections. Their business model has always been based on subscriptions, and only recently has it expanded into advertising. Digital technology has allowed more flexible ways of delivery and pricing since the mid-1990s, when VTR and Metropolis (later merged into a single company) upgraded their networks and established the so-called “stair of cable television” composed of differentiated basic, premium, and pay-per-view packages of increasingly expensive content customers can choose from. This requires an “intelligent” system able to discriminate between these packages and charge accordingly. Before that, subscribers paid a flat rate for all channels combined. Chile’s regulatory environment facilitated the laying of up-to-date fiber optic cable networks, far more advanced at the time than their equivalent in neighboring Argentina, where the cable television network was much more extensive.³⁰²

300. Sergio Parra, former CEO of Radio Cooperativa, lecture for the course Mass Media II-Radio (*Medios II Radio*), School of Communications, Universidad Católica de Chile, 1st semester 2006.

301. Interview with Eduardo Arriagada, 14 April 2011.

302. S. Godoy, *Gestión de Radio y TV* (Radio and Television Management). Santiago: Ediciones Universidad Católica de Chile, 1999.

The parallel boom of mobile telephony in Chile, nowadays the only technology apart from radio and terrestrial television to enjoy universal coverage, has allowed a still marginal, but nevertheless growing stream of revenue to both telecoms and television networks by promoting the public's voting in reality shows and similar programs with interactive features, some of which are completely designed to incorporate these features.³⁰³

State funding remains rather limited by European and even Latin American standards. Economic growth throughout the last decade has allowed for a significant increase in funding, but always within a relatively limited level. The model used is almost invariably that of public and competitive tenders rather than direct subsidies to a producer or distribution medium, as happens with public broadcasters in other Latin American countries. As the Constitution forbids the raising of taxes for a specific purpose (such as a license fee) for reasons of fiscal discipline, this mode of funding for broadcasting is generally considered impractical in Chile.³⁰⁴

6.4 Assessments

Digitization per se has not particularly affected monopolies and dominant positions in the media market, but competition, market conditions, and rather lax legislation concerning monopolies and foreign investments have done so. These conditions have facilitated the trend toward ownership concentration discussed throughout this section.

Among the main, national media, only the Chilevisión (CHV) terrestrial network was owned by an influential politician, the impresario and former senator, Sebastian Piñera, who was elected president in March 2010. He promised to sell his most conspicuous businesses if elected, notably CHV, and did so within the first year of his mandate. Yet the sale was delayed for many months, which caused much criticism of the president—including from the leader of his own party.³⁰⁵ The delays were caused both by the legal complications related to the unusual nature of CHV (see section 5) as well as the seller's reluctance to accept a low price (he sold CHV for US\$ 140 million to Time Warner, almost four times the price he paid four years previously). Yet Piñera was true to his word and CHV was sold. Prior to the sale, the network had operated without overt interference from its owner.

Nevertheless, there is an unknown body of small local and regional media, in particular radio stations, that are owned by local politicians (e.g. congressmen, mayors) and municipalities. The extent of this phenomenon has not been properly studied and existed prior to digitization.

303. J. Maldonado (Gerente de Endemol Andino de Colombia), "La producción televisiva para teléfonos celulares y dispositivos móviles" (Television Production for Mobile Phones and Mobile Devices), at the international seminar "La televisión de Hoy y Mañana" (Television Today and Tomorrow), Universidad San Martín de Porres, Lima, 24–26 October 2005.

304. S. Godoy, *An Unlikely Mixture*, 2009.

305. S. Godoy, "Pisándose la huasca: TV digital, Chilevisión y el Señor Presidente" (Shooting his own foot: digital TV, Chilevisión, and Mr. President), *The Clinic*, 25 July 2010, at <http://www.theclinic.cl/2010/07/25/pisandose-la-huasca-tv-digital-chilevision-y-el-senor-presidente/>.

Digitization is not really the direct cause of the ownership issues discussed here, even if one adopts the critical perspective of those authors and activists who argue that mainstream media are increasingly being concentrated in the hands of conservative sectors and/or foreign holdings. Rather, the main cause is the increasing dominance of the globalized market paradigm in communications and media imposed by the Pinochet regime (1973–1990) and retained by subsequent democratic governments. This situation also includes TVN, the market-operated public broadcaster, as well as the strategy of competitively allocated public funding for non-commercial content.

As with everything in life, the helpful or detrimental nature of sources of funding for media diversity, pluralism, and independence depends on the size of the dose: too much can be harmful, too little can be insufficient. Most traditional news media rely on advertising, and even critical, anti-commercial community radio broadcasters have struggled to end the prohibition they face to sell advertising (see sections 6.1.3 and 7). Furthermore, the public broadcaster TVN relies totally on advertising income as a way to ensure its financial independence from the government.

Advertising is indeed able to finance a media system that on the whole delivers reasonably independent, plural, and diverse content, although this normally requires the public to actively scan through different media. Passive viewers of a few news sources (notably, main terrestrial television newscasts at prime time) will probably get a distorted picture of reality in which crime, football, and celebrity gossip prevail, unless they triangulate and complement this information with other sources. Nearly 80 percent of Chileans rely on these newscasts as their main source of news, according to the CNTV.

However, the increasing pervasiveness of advertising described above can be quite harmful. One issue is the blurring of boundaries between journalism and advertising, which includes the hiring of well-known journalists by commercial campaigns as well as the appearance of ads disguised as news in the television newscasts (often lifestyle-type stories in which a brand, a product, or a service provider is the focus of the narrative).

Another issue is the eventual silencing of relevant issues by advertisers (or governments), which is normally difficult to achieve in a competitive market, where a mistake made by a company is swiftly highlighted by its rivals. But the trend toward ownership concentration in banking, retail, telecommunications, and other industries threatens to upset the balance between media and their clients, which can be aggravated if regulation is deficient. For instance, the CNTV recently rejected calls from citizen organizations to punish television channels for not reporting a strike by pharmacy workers.³⁰⁶ Pharmacy chains are a closed oligopoly and they were accused of forming a cartel to raise prices in 2009 (the trial is still ongoing); they are also powerful media sponsors.

306. “La pugna en el CNTV por Farmacias Ahumada” (The Struggle at CNTV over Farmacias Ahumada), *El Mostrador*, 31 January 2011, at <http://www.elmostrador.cl/sin-editar/2011/01/31/la-pugna-el-el-cntv-por-farmacias-ahumada/> (accessed 1 February 2011).

Another source of concern relates to public funding, which is considered insufficient to compensate for the commercial character of the media system. Terrestrial broadcasters, including the self-financed public broadcaster TVN, complain they are the only ones in the media landscape who have both content obligations (such as the cultural and electoral fringes) and restrictions (mostly about showing violence, obscenity, tobacco, and alcohol). If Chilean legislators want better content and diversity in television the state should pay for it as in Europe, say the operators, because the competitive fund for high-quality programs administered by the CNTV, which is unanimously regarded as a very valuable instrument, represents a mere 1.4 percent of the total income of terrestrial television (see section 7).

Within this context, subscription-based models, notably pay-TV (and internet connections), emerge as an important complementary source of income that helps to alleviate the lack of advertising revenues and public-based funding.

7. Policies, Laws, and Regulators

7.1 Policies and Laws

7.1.1 Digital Switch-over of Terrestrial Transmission

Access and Affordability

There are no public provisions under consideration by the Chilean state to subsidize or provide affordability for citizens with respect to digital terrestrial broadcasting. The draft for a new law on television mentioned in previous sections (referred to as the law on digital television) only sets up a time-scale for the switch-over process. In the most recent reform of the draft in Congress the switch-over period is a maximum of five years once the law comes into effect. The government has given high priority to this legislation and it may be enacted soon (it was sent with a set of minor amendments from the relevant technology commission to the lower Chamber in March 2011), but nobody really knows for certain.³⁰⁷

Subsidies for Equipment

At the time of writing, there is no initiative or scheme being considered for subsidizing the digitization of television, neither on the supply side (i.e. broadcasters, new or incumbent) nor on the demand side (i.e. aimed at those who cannot afford set-top boxes (STB) or digital television sets).

Legal Provisions on Public Interest

In accordance with Chilean legislation in general, there is no explicit mention of the public interest in this matter. As no public funding is being considered for the switch-over process, there is no special discussion of—or clause concerning transparency in relation to—public interest.

Public Consultation

As described in section 5.1.3, most citizen/civil society groups have been consulted by the relevant authorities concerning the digital switch-over of terrestrial television after 2005, although that does not necessarily mean that their observations have been incorporated in subsequent legal proposals.

307. Cámara de Diputados de Chile, “Logramos un acuerdo político transversal para que la televisión digital sea una realidad en Chile” (We reached a cross-party agreement to make digital television a reality in Chile), Noticias, Cámara de Diputados, Santiago, 10 March 2011, at http://www.camara.cl/prensa/noticias_detalle.aspx?prmId=42518 (accessed 10 March 2011).

A first legal proposal prepared jointly by the spectrum administrator, SUBTEL, and the television content watchdog, CNTV, was issued in 2000 but it was a top-down, non-participative document prepared by specialists, which nevertheless was prudent enough to consider monitoring the development of this technology elsewhere before taking definite decisions.³⁰⁸ As digital television failed to take off in Chile and Latin America, the subject was rather forgotten for a few years until the CNTV commissioned some studies to see what was going on.³⁰⁹ The new government of Michelle Bachelet (2006–2010), which came to power promising more citizen participation, organized many rounds of consultations to determine, first, the technical standard about which great confusion existed. Although these consultations have been criticized for being too academic, selective, and technical,³¹⁰ it was far more transparent and open compared to the 2000 process. Finally, in 2008 the Japanese alternative, ISDB, was adopted for Chile and the draft for the new law on television was sent to Congress.

7.1.2 The Internet

Regulation of News on the Internet

The most important law relating to journalism and the news media (referred to as the Law on the Press No. 19,733 of 2001)³¹¹ does not explicitly mention the internet: it refers to “the media” in general, including those online and presumably mobile platforms as well. This law secures the free flow of information without prior censorship, as well as leaving newsgathering activities mostly to university graduates in journalism, who enjoy an absolute right to professional secrecy for their sources.

A recent amendment to the Law on Telecommunications (known as the Law on Network Neutrality No. 20,453 of 2010) mandates network providers not to “arbitrarily” block, interfere, discriminate, hamper, or restrict the right of internet users to utilize, receive, or send any lawful content, application, or service.³¹² The providers are also obliged to preserve users’ privacy and ensure the service’s security and protection against viruses.

308. CNTV, *Propuesta de un marco normativo para la introducción de la televisión digital terrestre en Chile* (Proposal for a normative framework for the introduction of digital terrestrial television in Chile), Ministerio de Transportes y Telecomunicaciones/Consejo Nacional de Televisión, Santiago, 2000.

309. CNTV, *Situación de la televisión digital en el mundo y su implicancia en Chile* (Situation of DTTV around the world and its implications in Chile), Santiago, 2006, at <http://www.cntv.cl/medios/Publicaciones/TVDigitalmundo052006DEF.pdf>; Godoy, *Desafíos Regulatorios*, 2005.

310. Interview with Eliana Rozas, former executive director of UCTV, on 22 December 2010.

311. *Ley Sobre Libertades De Opinión E Información y Ejercicio del Periodismo* (Law on Freedom of Expression and Information and Exercise of Journalism, popularly known as the Law on the Press), No. 19,733 of 4 June 2001.

312. Article 24H-a of *Ley (Que) Consagra El Principio De Neutralidad En La Red Para Los Consumidores Y Usuarios De Internet* (Law ensuring the principle of Network Neutrality for consumers and internet users), No. 20,453 of 18 August 2010. This law is an amendment to the General Law on Telecommunications, No. 18,168.

Legal Liability for Internet Content

A 2011 report by the Open Society Foundations summarizes the situation of Chile in this respect:

On its surface, the Chilean law appears similar to the United States' DMCA. However, unlike in the United States, Chilean content hosts are not required to remove access to infringing material until notified by a court order. In requiring a court order, rather than simply a privately issued notification, to initiate a takedown, Chile's law is designed to prevent the types of abuses that are possible under more traditional notice-and-takedown regimes.³¹³

Except for the recent amendment to the Telecommunications Law and the Law Against Computing Crimes No. 19,223 of 1993, which punishes online hacking,³¹⁴ there is no specific legislation to regulate internet content in Chile. This technology is therefore regarded as just another type of media outlet in the other relevant legislation: the Law on the Press; the Law on Intellectual Property No. 17,336 of 1970—and its subsequent amendments³¹⁵—which regulates quotations, reproduction of music, and other cultural products; banking secrecy in the General Law on Banking DFL No. 252 of 1960;³¹⁶ privacy and confidentiality of personal data in the Law on Personal Data Protection No. 19,628 of 1999;³¹⁷ actions concerning trial evidence in the Code of Penal Procedure; prohibition of child pornography in the Law Against Pedophilia No. 19,927 of 2004;³¹⁸ and military secrets in the different norms related to national security and defense.³¹⁹

Normally, information-related offenses by the media are punished with fines, but more serious ones such as child pornography or disclosing military secrets in times of war carry the penalty of imprisonment. According to Chilean legislation, both author and medium (i.e. the website in the case of online media) are liable to prosecution. An illustrative case in this respect was “*Wena Naty*” (sic), a 2007 video of a 15-year-old schoolgirl performing oral sex on a boy in a park in plain daylight. The act was recorded on a mobile phone by other schoolboys, and posted the next day on a miscellaneous Chilean website, *Elantro.cl*. The video was blocked by its owners to avoid prosecution on the grounds of showing child pornography. Regardless of this prohibition, the video circulated extensively through cyberspace and became quite notorious, but nobody could be prosecuted for this.³²⁰

313. See http://www.soros.org/initiatives/media/articles_publications/publications/mapping-digital-media-liability-content-internet-20110926/mapping-digital-media-liability-content-internet-20110926.pdf. For a detailed legislative history of the law, from the perspective of intellectual property advocates, see International Intellectual Property Alliance, “Chile: International Intellectual Property Alliance 2010 Special 301 Report on Copyright Protection and Enforcement,” 18 February 2010, at <http://www.iipa.com/rbc/2010/2010SPEC301CHILE.pdf> (accessed 15 November 2010).

314. *Ley (que) Tipifica Figuras Penales Relativas a la Informática* (Law Defining Penal Forms in Informatics), No. 19,223 of 23 May 1993.

315. *Ley de Propiedad Intelectual*, No. 17,336 of 2 October 1970.

316. *Ley General de Bancos*, DFL No. 252 of 1960, plus its subsequent amendments such as the *Ley Orgánica de la Superintendencia de Bancos e Instituciones Financieras* (Organic Law on the Regulator of Banks and Financial Institutions), DL No. 1,097 of 1975, etc.

317. *Ley Sobre Protección De La Vida Privada O Protección De Datos De Carácter Personal*, No. 19,628 of 28 August 1999.

318. *Ley (que) Modifica el Código Penal, el Código De Procedimiento Penal y el Código Procesal Penal en Materia De Delitos De Pornografía Infantil*, No. 19,927 of 5 January 2004.

319. Interviews with Angela Vivanco, Santiago, 21 December 2010 and 8 January 2011.

320. “¡*Wena Naty!*, El video de sexo escolar que sacude internet” (*Wena Naty!* The high-school sex video shaking the internet), *La Nación Domingo*, 23 September 2007, at http://www.lanacion.cl/prontus_noticias_v2/site/artic/20070922/pags/20070922213627.html (accessed 1 March 2011).

7.2 Regulators

7.2.1 Changes in Content Regulation

The only media content regulator in Chile is the National Television Council (*Consejo Nacional de Televisión*, CNTV), created in 1970. The 1980 Constitution contemplated a National Radio and Television Council, yet prior to the subsequent law passed in 1989 (the current Law on Television No. 18,838), radio broadcasters lobbied discretely to leave their medium free from its mandate. They succeeded. Thus the CNTV remained a television-only watchdog. It takes a carrot and stick approach to content.

The most highly regarded incentive used by the CNTV is the competitive yearly fund for high-quality, cultural programs devised by the liberal economists of the Pinochet regime in 1975. This fund is open to any producer with a broadcasting agreement with a terrestrial channel, and is widely regarded as a very valuable mechanism, although only after 2000 did it reach an amount able to generate a visible impact, i.e. above US\$1 million. By 2010 the fund reached 3.1 billion pesos (nearly US\$ 6.4 million), but that figure still represents a mere 1.4 percent of the total income of terrestrial television. On the other hand, the regulator is entitled to reprimand, fine, or suspend (which has never been applied) those broadcasters who show tobacco and alcohol advertisements during the daytime, as well as obscenity and excessive violence.

Aside from content regulation, the CNTV is the body formally entitled to grant, renew, and terminate terrestrial television franchises after SUBTEL, the spectrum administrator, has given its technical opinion. The legislation only takes technical criteria into account to award a franchise (i.e. the best possible transmission), as well as economic feasibility. Content is not considered—it was deemed vulnerable to ideological or political bias.

For better or worse, the proposal for a new law on television currently under discussion in Congress does not change this situation. So this pre-convergence regulatory arrangement will apparently apply to the future digital scenario.

7.2.2 Regulatory Independence

The relatively small number of regulations relating to the digital environment in Chile do not threaten independence from government and political parties.

The only piece of proposed legislation which may affect this is the project for digital terrestrial television still under discussion in Congress. As previously stated, the draft keeps the main regulatory bodies from the analog era: the CNTV, in charge of content regulation, and SUBTEL, the spectrum administrator.

Institutionally, CNTV ranks higher than SUBTEL: the former is an autonomous and pluralist public body enshrined in the Constitution. Ten of the 11 CNTV councilors are appointed by the President of the Republic in agreement with the Senate, which ensures that they are politically diverse. The eleventh member, who directs the organization, is directly appointed by the presidency.

The CNTV is quite autonomous politically and there are no concerns in this respect. The criticisms against it are instead focused on its power to punish the dissemination of undesirable contents, which are particularly difficult to define. In this respect, the CNTV has been attacked both by the affected broadcasters, journalists, citizen organizations, and similar groups. Broadcasters also resent the obligation to transmit a daily 30-minute “electoral fringe” (*franja electoral*) in the 30 days prior to parliamentary and presidential elections, imposed by electoral law,³²¹ considering its dubious impact and the exclusion of other media.

Occasionally, the CNTV has also been criticized for favoring the corporate interests of broadcasters, notably when it approved the indirect sale of Universidad de Chile’s Channel 11 to Venezuela’s Venevision in 1992, or for its failure to suspend broadcasters (or even withdraw their franchise) who show forbidden content. Fines are capped at an equivalent of approximately US\$ 15,500 (200 UTMs or *Unidades Tributarias Mensuales*, a monetary unit adjusted according to monthly inflation) and can be contested in court. In fact, some operators prefer to pay the fines rather than comply with the law; critics note that the amount involved is similar to the price paid for a single advertising spot in prime time television. Another contentious issue was the control of two terrestrial channels in Santiago by the same owner, something explicitly forbidden by law. This was a “loud secret” nobody dared to mention openly, yet was widely admitted in private: the owner of Channel 4 La Red, the Mexican mogul Angel Gonzalez, was said to control Channel 2 Telecanal indirectly. The CNTV has responded that the legislation is badly written and that there is plenty of room for ambiguity.

The second regulatory body, the sub-secretariat of Telecommunications (SUBTEL), is a technical division within the Ministry of Transport and Telecommunication. It is generally regarded as a politically neutral, competent body. Criticisms against its role stem, as in the case of the CNTV, from its mandate, which is deemed to be too narrowly technical and lacking consideration for the social implications and impact of spectrum administration. On the other hand, some analysts have also pointed to its difficulties in resisting corporate pressures from the telecommunications companies, who are far more wealthy and concentrated than the terrestrial television operators (the market is dominated by Entel, Movistar/Telefonica, and Telmex/Claro, with growing participation from the biggest pay-TV operator, VTR). The technical complexity of telecommunications contributes to make these matters extremely difficult to scrutinize by the public.³²²

This panorama has not substantially changed in the last five years, and does not look likely to change, even if the draft for the new law on digital television is approved by Congress.

7.2.3 Digital Licensing

There is no system of licensing for digital franchises, either in television or in radio, so the system can neither be fair or unfair as yet. In any case, experts interviewed for this report agreed that the previous system of analog television licensing was not fair as it historically favored certain operators—TVN and the original university channels. Furthermore, from the 1920s until the reform of the Telecommunications Law in 1992

321. *Ley Orgánica Constitucional sobre Votaciones Populares y Escrutinios* (Organic Constitutional Law on Popular Votes and Scrutinies), No. 18,700 of 5 May 1988, Articles 30°, 31°, and 31° bis.

322. Interview with Hernan Streeter, former Vice-Minister of Telecommunications and entrepreneur, Santiago, 22 December 2010.

it was the President of the Republic who granted the franchises after hearing a technical report from SUBTEL (and its predecessor, the General Directorate of Electric Services, before SUBTEL's creation in the 1980s). After 1992, licensing has been much more transparent and fair, but there is little spectrum available.

The draft for a new law on digital television being debated in Congress keeps the current criteria to award a terrestrial television license based on the applicant's history (incumbents have priority over a franchise they are renewing) and technical considerations. At the time of writing, it is proposed that established broadcasters will automatically receive a 6 MHz multiplex for digital transmissions in the UHF band, which allows up to eight SD channels or, conversely, one HD channel *plus* a low definition channel for mobile phones. No content requirements or money bids to the regulator are envisaged. New entrants will be selected according to their ability to offer the best technical broadcasting conditions—signal strength, coverage, and so on. Franchises are to be awarded at national, regional, and local levels; most incumbent broadcasters have national reach and therefore are likely to receive the most lucrative national franchises. No bias in terms of political, ethnic, or religious affiliation seems likely in this process.

However, existing television franchises were not awarded in a fair, transparent way. For reasons not explained in the current Law on Television, broadcasters created before 1992 enjoy “indefinite” franchises in the VHF band, while those created after that date get 25 renewable years. The state-owned network TVN and the university channels UCV, UCTV, and Universidad de Chile have indefinite analog franchises in the VHF band. The new digital franchises are to be given in the UHF band and will last 25 years, therefore ending this awkward difference between franchisees.

In the case of radio, no proposal is being considered. Existing broadcasters have managed to persuade SUBTEL, the spectrum administrator, to renew their expiring licenses, arguing that they need to keep broadcasting without interruption until a standard for terrestrial digital radio is decided. This has not yet happened, and there is no hurry to resolve the issue among incumbents. As in television, radio franchises last 25 years and only technical criteria are considered by SUBTEL to award a franchise (the CNTV has no say in radio). There are currently no grounds for discriminating among applicants in terms of political, ethnic, or religious affiliation. Rather, most criticisms from citizen organizations and NGOs focus on the dominance of commercial, for-profit criteria in the media.³²³

7.2.4 Role of Self-regulatory Mechanisms

The current Constitution of 1980, promulgated by the Pinochet regime with a neo-liberal perspective in economic matters, establishes freedom of association in Article 19, No. 15. Since then, nobody can be forced to participate in trades unions, professional associations, and the like. These organizations have lost the power they enjoyed in the past, while companies have increased their own control over employees, both blue-collar

323. Centro de Derechos Humanos UDP, “Libertad de expresión: Acceso a la información y libertad de comunicación,” in *Informe Anual Sobre Derechos Humanos en Chile 2010* (Annual Report on Human Rights in Chile 2010), Centro de Derechos Humanos Universidad Diego Portales, Santiago, 2010, pp. 145–182, at <http://www.derechoshumanos.udp.cl/informe-anual-sobre-derechos-humanos-en-chile-2010>.

workers and professionals. This situation has not changed as a result of digitization, and there are still no relevant cases of self-regulation specifically applicable to the digital environment in Chile. The mechanisms existing today are related to the “old” media and professionals.

In the media industry, the most important constituents are organized in professional and industrial associations. Media owners’ associations are the most powerful and are organized according to media type. These include: the Radio Broadcasters Association of Chile (ARCHI), which represents “more than 1,000” stations;³²⁴ ANATEL, the National Association of Television, representing the seven terrestrial VHF channels available in Santiago; and ANP, the National Press Association, the newspaper duopoly comprising the COPESA and Mercurio holdings. These groups defend their freedom to do as they wish with no state hindrance or censorship, both as companies and as disseminators of information. They are therefore strong supporters of self-regulation, and are suspicious of government controls over content and corporate matters.

Chilean media, including the public broadcaster TVN, have no tradition of having an ombudsman, although there have been limited experiences in specific media in recent years. Nowadays, the only exception is the daily *La Tercera*, who has a “defender of the reader,” yet his resolutions are not readily available: the paper’s website has no section dedicated to this role.³²⁵ Alternatively, 20 years ago ARCHI, ANP, and ANATEL formed the Council of Media Ethics (*Consejo de Ética de los Medios de Comunicación*) as a tribunal for ethical transgressions in journalism. Cases are analyzed by a voluntary panel of distinguished professionals; at the time of writing the body had published 159 resolutions which are freely available on the Council’s website.³²⁶ These resolutions are reputed to be impartial and well founded, yet some experts complain about their low visibility—they depend on their affiliates’ goodwill in this respect and are often published in reduced, spare space.

Apart from the Council of Media Ethics there is the much older and experienced Council of Self-Regulation and Ethics in Advertising (CONAR) created in 1987. CONAR is also an “honor tribunal” to solve ethical disputes, and has produced a Chilean Code of Advertising Ethics. It is also formed by ARCHI and ANATEL, as well as by the National Association of Advertisers (*Asociación Nacional de Avisadores*, ANDA), the Chilean Association of Advertising Agencies (*Asociación Chilena de Agencias de Publicidad*, ACHAP), and the Interactive Advertising Bureau (IAB). CONAR is affiliated to the Latin American Network for Advertising Self-Regulation (*Red Latinoamericana de Organismos de Autorregulación Publicitaria*, CONARED) and EASA, the European Advertising Standards Alliance. Its resolutions are also well regarded and are freely available on its website.³²⁷ The visibility of its resolutions also depends on the goodwill of the affiliated media.

324. See ARCHI, at http://www.archi.cl/nuevo/archi_resena.php (accessed 30 March 2011).

325. See <http://www.latercera.com/> for the whole COPESA media holding and the newspaper’s specific site, <http://diario.latercera.com/> (accessed 30 March 2011).

326. See <http://www.consejodeetica.cl/index.php> (accessed 30 March 2011).

327. See <http://www.conar.cl/>.

In contrast, the professional associations grouping journalists and other media employees are considerably weaker after the Constitution of 1980 stated that nobody could be forced to belong to an association. The most relevant for this section, the Chilean Association of Journalists (*Colegio de Periodistas de Chile*), which includes press photographers, therefore has limited public influence and power despite having a Code of Journalistic Ethics, a National Ethics and Discipline Tribunal, and an important historical role defending free expression during the military dictatorship and afterwards.³²⁸ Today, it has fewer than 700 members, i.e. less than 10 percent of active journalists in the country.³²⁹ It nevertheless participated actively in the legislative discussions that led to the current Law on the Press No. 19,733 of 2001, which adopted the Association's definition of a journalist as someone with the relevant university degree as well as "those who are recognized as such by law" in its Article 5. The distinction is relevant, because Article 7 states that journalists, correspondents, and media directors have a right to professional secrecy and thus cannot be forced to disclose their sources, not even by judicial order.

7.3 Government Interference

7.3.1 The Market

There are no significant cases of interference by state authorities in Chile that distort the media market, at least not in the conventional liberal sense of a mostly privately-owned system operating according to market rules, with no special restrictions on content aside those stated in international documents such as the United Nation's Universal Declaration of Human Rights. This is particularly true following the elimination of many repressive clauses dating from the military dictatorship (1973–1990) and is in contrast with other contemporary Latin American countries, in which organized crime and (illegitimate) government intervention have been pointed out as the main current threats to free expression.³³⁰ So there are no cases of state authorities awarding preferential state funding in the form of subsidies or advertising to media outlets using criteria other than audience impact, nor are there cases of government decisions to impose new levies on the media aimed at damaging the financial independence of particular outlets. In fact, state advertising (4 percent of the advertising pie)³³¹ has been criticized by "alternative" media and related activists precisely for being allocated according to market criteria, instead of redistributing it among weaker, non-commercial outlets.³³²

328. See <http://www.colegiodeperiodistas.cl/>.

329. M. Espinoza and C. Jaramillo, *Análisis sobre la representatividad del Colegio de Periodistas de Chile entre los profesionales de la Información en Concepción* (Analysis of the representativeness of the Board of Journalists among news professionals in Concepcion), Tesis para optar al grado de Licenciada en Comunicación Social, Universidad Católica de la Santísima Concepción, Concepción, 2007. Quoted by A. García in García, *Sistemas Informativos*, 2009.

330. "Media freedom in Latin America: Shooting the Messenger," *The Economist*, 21 October 2010, at http://www.economist.com/node/17311905?story_id=17311905 (accessed 15 February 2011).

331. FUCATEL, *Análisis Distribución Avisaje Publicitario De Las Empresas Estatales, Años 2004 y 2005*, Observatorio FUCATEL, Santiago, 2006. Available at <http://www.observatoriofucatel.cl/wp-content/uploads/2008/11/proyecto-distribucion-de-avisaje-16-4-061.pdf> (accessed 1 February 2011).

332. FUCATEL, *Lucha regional por avisaje estatal*, 10 November 2010, at <http://www.observatoriofucatel.cl/index.php?s=avisaje+del+estado> (accessed 1 February 2011).

Experts and the literature consulted for this report point to three main problem areas of government interference, although they are perfectly legal. The first refers to the (a posteriori) control of content exercised by the industry's watchdog, the CNTV, which is able to define what is punishable and also fine and even suspend offending broadcasters.³³³ The current Law on Television No. 18,383 has many ambiguities which leave plenty of room for inconsistent criteria: for instance, pornography is forbidden but it is so badly defined that the CNTV does not punish programs that were prosecuted ten years ago, even though the wording of the law has remained unaltered.

The second problem is not caused by state action, but rather by the lack of it: media ownership concentration.³³⁴ Although there are laws against monopolies, some analysts think them insufficient and their enforcement questionable. Concentration is considerable in newspapers, pay-TV, and telecommunications; it is less acute in radio and advertising agencies. Terrestrial television may follow soon if the current clause forbidding a franchisee to operate more than one channel in the same geographical zone is eliminated in the future digital environment.³³⁵ Finally, the third problem area is much more specific and refers to the lack of favorable conditions for community, non-commercial broadcasters in radio and television, particularly with respect to a clause in the Telecommunications Law that incongruously punishes unauthorized transmissions with jail sentences. The draft new law on television proposes that 40 percent of new digital franchises should be given to local and community operators. These concerns are detailed further below.

7.3.2 The Regulator

As mentioned above, there are no cases of Chilean digital regulators abusing their powers. This is partly because there are no digital regulators per se (the most relevant regulators are SUBTEL and the CNTV, both pre-digital institutions), and also because there are few really relevant digital media. With a few exceptions (the online newspaper *El Mostrador* and the investigative center CIPER), the most important Chilean media outlets are all analog despite having their own websites. But the most probable reason is that successive governments since the end of the Pinochet regime (1973–1990) have maintained a strong pro-market stance and a very limited role in the media sphere for genuinely democratic reasons, in a country with Latin America's lowest levels of corruption (and lower than many European countries such as Spain or Italy). An example of this was the conversion of the state-owned network TVN into an independent, self-financed public medium, and the privatization of Radio Nacional in the early 1990s.³³⁶ As explained in section 2, the government had a newspaper, *La Nación* (closed down in 2012), but it had low readership and influence even before its print version was eliminated in 2010.

This pro-market attitude of public institutions and dominance of commercial operators has led to two main areas of criticism. First, that SUBTEL, the spectrum administrator, unilaterally decided to “freeze” the UHF band in 2000 after the weak performance of the first analog UHF channels authorized since 1990. These

333. Interviews with Angela Vivanco, Santiago, 21 December 2010 and 8 January 2011.

334. A. García, “Chile,” in García, *Sistemas Informativos*, 2009.

335. S. Godoy, *An Unlikely Mixture*, 2009.

336. S. Godoy, *An Unlikely Mixture*, 2009.

outlets, of local reach and prone to suffer signal interference from solid objects such as hills, trees, and buildings, failed to attract significant audiences and in consequence advertising funds. The few that began operating have struggled to survive, and interest in UHF analog franchises stalled, at least in Santiago, where SUBTEL has its headquarters.

The regulator said this freeze was aimed at reserving spectrum for future digital broadcasts, and therefore 30 slots of 6 MHz each (a multiplex, rather than a single channel as with analog technology) were secured in the UHF band.³³⁷ Yet SUBTEL's decision was criticized by local and regional operators on the grounds that it seriously hampered new local entrants. According to the Regional Association of Television Channels (ARETEL),³³⁸ which mobilized a surprisingly high number of followers in recent discussions about digitization (nearly 120 local channels), most of these outlets depended on the goodwill of monopolistic cable distributors for reaching their audiences and deeply resented the unilateral decision taken by SUBTEL bureaucrats based in Santiago. This issue was partly addressed in the draft for a new law on digital television, which considers national, regional, local, and community franchises.

The second criticism relates to how content regulation is carried out by the television watchdog, CNTV. This is carried out according to an extensive legal mandate deemed to be impractical and unnecessary in the digital context,³³⁹ particularly in relation to the blurry concept of "correct operation" that all television channels are supposed to observe according to Article 1 of the current Law on Television No. 18,838.³⁴⁰ Specific punishable content such as pornography, excessive violence, participation of minors in immoral acts, and content damaging to the dignity of persons are also not well defined. This has led to awkward rulings, such as CNTV's charge that Chilevisión's "*El Club de la Comedia*" (Comedy Club) weakened Chilean democracy with a humorous program ridiculing Jesus Christ in October 2010. Although the charge was dropped a month later, it revived an old debate about CNTV and the alternative of more self-censorship.³⁴¹ Similarly, critics point to the watchdog's legal directive to dictate norms restricting content, as stated in Article 12-L of the current Law on Television No. 18,838. All this raises important questions concerning the viability of a regulator like CNTV in the future digital scenario, not least because of the practical difficulties in controlling what is being aired.

337. S. Godoy, "Televisión digital en Chile: Aspectos regulatorios y modelo de negocio" (Digital television in Chile: Regulatory aspects and business models), *Cuadernos de Información*, No. 21, 2007-2, pp. 74–81.

338. "Primeros experimentos: El Bío Bío se toma el control" (First experiments: Bío Bío takes control), Ediciones Especiales, *El Mercurio* Online, 6 July 2007, at <http://www.edicionesespeciales.elmercurio.com/destacadas/detalle/index.asp?idnoticia=0106072007021X1020043&idcuervo=492> (accessed 1 January 2011); Chile Television Digital, *Aretel Biobio, El Bío Bío se toma el control* (Aretel Biobio. Biobio takes control), *Chiletelevisiondigital*, at <http://www.chiletelevisiondigital.com/aretel-biobio/> (accessed 1 March 2011).

339. L. Sierra, "Reforma legislativa de la televisión ante el futuro digital. Un paso adelante, uno atrás" (Legislative reform of television to the digital future. One step forward, one back), *Estudios Públicos*, No. 114 (otoño) 2009, pp. 127–161, at http://www.cepchile.cl/dms/lang_1/doc_4430.html (accessed 1 March 2011).

340. Interviews with Angela Vivanco, Santiago, 21 December 2010 and 8 January 2011.

341. "Cargos contra El Club de la Comedia dividen al CNTV" (CNTV divided over charges against the Comedy Club), *La Tercera*, 7 October 2010, at <http://diario.latercera.com/2010/10/07/01/contenido/cultura-entretencion/30-40822-9-cargos-contra-el-club-de-la-comedia-dividen-al-cntv.shtml> (last accessed 1 March 2011).

7.3.3 Other Forms of Interference

There are no significant cases where the state authorities have exerted extra-legal pressure on digital or analog media. Restrictive legislation with respect to media and journalists (which made pressure from different state entities such as the military, the judiciary, and the police perfectly legal in the past) has been largely replaced by more modern laws, in particular the Law on the Press No. 19,733 of 2001,³⁴² which ensures the fairly unrestricted exercise of journalism and is applicable to the future digital environment. The complementary Law on Transparency No. 20,285 of 2008³⁴³ guarantees the public's right to information generated by public entities.³⁴⁴ Before these laws were enacted, Chile was considered a rather restrictive country in terms of freedom of expression, although not in terms of illegal state intervention.³⁴⁵

These improvements, together with the institutional stability and low levels of corruption discussed in previous sections, makes Chile the second highest ranked country in Latin America after Costa Rica in terms of the Journalists Without Borders' Press Freedom Index score (33rd worldwide on a list of 178 countries).³⁴⁶ Yet a 2010 report about human rights and freedom of expression in Chile states its concerns regarding the limited and passive character of the Law on Transparency (many public institutions are not obliged to provide information, many do so only on request, and others not even that) and the lack of any legal countermeasures with respect to the de facto limitations to freedom of expression caused by the rising phenomenon of media concentration and the sorry state of alternative community media.³⁴⁷

In recent reports, the Human Rights section of the Organization of American States (OAS) has also expressed its concern on this point and called for a more egalitarian access to the broadcasting spectrum for community and not-for-profit outlets.³⁴⁸ A particularly conspicuous point is Article 36B letter A of the Telecommunications Law, which punishes with jail sentences those who broadcast without authorization from SUBTEL. Activists point out that this is the only transgression in media-related legislation involving

342. *Ley Sobre Libertades de Opinión e Información y Ejercicio del Periodismo* (Law on Freedom of Expression and Information and on the Exercise of Journalism), No. 19,733 of 4 June 2001.

343. *Ley Sobre Acceso a la Información Pública* (Law on Access to Public Information), No. 20,285 of 20 August 2008.

344. A. García, "Chile," in García, *Sistemas Informativos*, 2009.

345. *Chile. Speech unfree*, *The Economist*, 12 April 2001, at <http://www.economist.com/node/569338> (accessed 1 February 2011); Article 16, "Chile," in *Information Freedom and Censorship. World Report 1991*, Article 19. London: Library Association Publishing, 1991, pp. 88–91. The most restrictive examples included: the Law on State Security No. 12,927 of 1937 (which punished calls for public disruption as well as defamation and contempt of State authorities, both military and civilian), the Law on Publicity Abuses No. 16,643 of 1967 (which made it an offense to publish details about the private life of an individual which could cause him "moral damage" and did not admit truth as a defense), and the Code of Military Justice (which made civilians, including journalists, liable to be prosecuted by military courts when offending the Armed Forces).

346. Reporters Without Borders, *Press Freedom Index 2010*, at <http://en.rsf.org/press-freedom-index-2010,1034.html> (accessed 15 March 2011).

347. Centro de Derechos Humanos UDP, "Libertad de expresión: Acceso a la información y libertad de comunicación" (Freedom of expression: Access to information and Freedom of communication), in *Informe Anual Sobre Derechos Humanos en Chile 2010* (Annual Report on Human Rights in Chile 2010), Centro de Derechos Humanos Universidad Diego Portales, Santiago, 2010, pp. 145–182, at <http://www.derechoshumanos.udp.cl/informe-anual-sobre-derechos-humanos-en-chile-2010>; see also A. Cerda and P. Peña, "Chile," in *Global Information Society Watch*, Organization of American States, Washington 2009, pp. 104–105; A. García, "Chile," in García, *Sistemas Informativos*, 2009.

348. C. Botero, "Chile," in *Informe Anual De La Comisión Interamericana De Derechos Humanos 2009. Informe De La Relatoría Especial Para La Libertad De Expresión* (Annual Report of the Inter-American Commission on Human Rights 2009. Report by the Special Rapporteur on Freedom of Expression), Comisión Interamericana de Derechos Humanos, Organización de Estados Americanos, Washington, 2009, pp. 52–55.

imprisonment, and that it prevents legitimate efforts by citizens to access the spectrum, which is currently saturated by commercial operators.³⁴⁹

7.4 Assessments

In general, the framework of policies, laws, and regulation of the media and journalism in Chile is still largely shaped according to a pre-convergent, analog perspective. However, it already ensures economic competition, and free and independent news production and dissemination. This has been the result of a long process of gradual improvement, marked by the promulgation of a new Law on the Press in 2001, which eliminated most legal restrictions to free expression enacted by the military dictatorship (1973–1990) and before.

These features can be easily transferred to a digital environment, as Chile’s political and economic stability—as well as its legislative framework and low levels of corruption—would support this. At present, the main doubts arise from media ownership concentration, a growing phenomenon that challenges the conventional, liberal paradigm of free media in a competitive, pluralist system. It is quite possible that the future media landscape will be controlled by a few multi-channel, cross-media holdings. This is a particularly delicate issue for digital terrestrial television: despite the allocation of franchises being more transparent and open nowadays, the spectrum is already saturated by incumbent broadcasters, who enjoy long licenses—some of them “indefinite,” and which they interpret as perpetual.

The only specific legislation taking full account of digitization is the draft for a new law on (digital) television still under discussion in Congress since 2008. This mainly comprises a sum of amendments to existing legislation with a few additions, and does not have a properly convergent, integrated perspective consistent with the dynamics of digitization. It still understands “television” to be “terrestrial television,” while in the real world pay operators using telecommunications networks are expanding their operations. The draft therefore appears obsolete even before it comes into effect.

There have been no significant changes in the nature and degree of interference by state authorities in media and journalism over the past five years, aside from the promulgation of the Law on Transparency in 2008, which facilitated citizen and media access to information generated by public institutions. Digitization probably played a very important role here, as well as the government’s genuine interest in becoming more transparent and efficient—an effort that has been continuous since the return of democracy in 1990. These two factors are very probably mutually reinforced in a virtuous circle.

349. Radio Tierra, “Formalizan a cuatro comunicadores de Radio Tentación de Paine por el delito de “radiodifusión ilegal” (Four communicators from Radio Tentacion prosecuted for “illegal radio broadcasting”), 25 March 2011, at <http://www.radiotierra.cl/node/2912> (accessed 25 March 2011); ECO, *Anexo. Radiodifusión En Chile: Informe sobre la penalización de la transmisión sin licencia y cierre de radios comunitarias en Chile* (Annex. Radio in Chile: Report on the penalization of unlicensed broadcasts and the closure of community stations in Chile), ECO Educación y Comunicación, Santiago, 2009, at http://www.ongeco.cl/eco/Downloads/Situacion_radios_comunitarias_2008-2009.pdf (accessed 1 March 2011).

Despite all the shortcomings previously discussed, the preparation of the current draft for a new law on (digital) television involved an unprecedented degree of debate and openness, in which academics, experts, activists, media association, lobbyists, sellers of technology, NGOs, citizens, and politicians have all participated at different times organized by the government, Congress, academia, and other specialized meetings (see section 7.1.1.4). Although these discussions have been criticized for being too few, too technical, and too superficial, they were still far more participatory and open than in the past—including a previous legal draft for digital television published in 2000 by SUBTEL and the CNTV. This debate was probably essential for the government finally choosing the ISDB standard in 2008; incumbent broadcasters had lobbied aggressively for ATSC and were powerful enough to get their way—until discussions made it evident that the Japanese alternative was technically superior both to DVB and ATSC, and that it was not expensive.

Despite its shortcomings, the future law on digital television will secure at least 30 multiplexes in the UHF band, divided between national, regional, local, and community operators. Currently, the spectrum is limited to seven alternatives in the VHF band and very few analog UHF channels, which have been a commercial failure. Although it is not clear whether the limited Chilean market will be able to sustain so many new operators, at least there will be an opportunity for them to try. In any case, pluralism and diversity does not depend only on a technological multiplication of outlets—that is merely a prerequisite. Market dynamics and anti-monopoly regulation are also extremely relevant in this respect.

8. Conclusions

8.1 Media Today

The current situation of the news, information, and media landscape in Chile is only partly attributable to digitization, especially on the supply side of content creation. Political and economic stability, as well as the pervasiveness of a pro-market model (originally imposed by Pinochet, but later retained) and the gradual strengthening of democracy after 1990, are much more relevant. So the performance of those operators who generate and distribute news and information is not only related to the process of digitization, but also to other factors such as market dynamics (which is leaning toward ownership concentration in most industry sectors, such as telecommunications, media, and advertisers), brand name, quality of management, a favorable legal framework, historical significance, and the role of the state. The dominant ideology in Chile gives the State a subsidiary, focalized role: TVN is an exception. Public funding for non-market, high-quality content production is relatively scarce and allocated by competitive tender for specific projects, not through permanent subsidies. New digital media do not get any special public support, aside from broad policies aimed to promote the internet and computer literacy (see section 6).

Most Chilean media are today multi-platform in the sense that they have online operations alongside their conventional analog versions. But their business models have not really changed yet. Telecoms are clearly the wealthiest actors on the scene, although they are more engaged in distribution and network administration rather than in content creation. However, that may change.

In terms of the quality of reporting and news content, digitization allows the access, filing, and processing of unprecedented volumes of data and information, which can be accessed online at any time and anywhere for a timely delivery of stories. It also allows a healthy diversification of topics and sources (which immediately generates a need for extra care to verify them, which is not always possible). Furthermore, social networking has proved especially useful for the real-time propagation of data about events and news that are developing simultaneously; this has been especially valuable during disasters in Chile.

Accuracy can also be improved thanks to active audiences who require corrections or provide background information that completes the news (section 4). That is the plus side. On a less positive note, in addition to the concerns about the trivialization and commercialization of news discussed in sections 2 and 6, the

growing acceleration of the news production cycle threatens the accuracy and thoroughness of the information provided by journalists. As employees, they depend on their employer's interest in quality journalism, which is not as great as experts would like.

Digitization has made a more clear contribution on the demand side of the equation, i.e. users (also qualified as individuals, audiences, consumers, and/or citizens, depending on the parameters used to qualify people in their everyday contexts). Half of Chileans access the internet and pay for television. This is an acceptable situation for a middle-income country, but it also means that half the population is still excluded. And while almost everybody has a mobile phone, two-thirds of these are basic, prepaid devices that can mainly be used for telephone calls. But even with these limitations, society is better off than before the appearance of these technologies. The political, institutional, and economical context is also more favorable than in the past two decades, so those factors should also be considered as facilitators.

8.1.1 Positive Developments

Since Chile returned to democracy in 1990, freedom of expression and freedom of the press have greatly improved, albeit gradually. Except for the Law on TVN in 1992 (which secured its role as a powerful and independent public broadcaster), the legal and institutional changes during the 1990s were rather timid in this respect. But the subsequent reforms in the 2000s became increasingly more audacious and include: the Law on the Press No. 19,733 of 2001; the Law on Transparency No. 20,285 of 2008; the amendment to the Telecommunications Law known as the Law on Network Neutrality No. 20,453 of 2010; and other amendments, including the termination of many repressive clauses dating from the Pinochet years and before (see section 7).

A significant change that enhanced the independence of news media was the promulgation of the Law on Transparency in 2008, which facilitates citizen access to information generated by public institutions. Digitization probably played a very important role here, as well as the government's continued and genuine efforts to become more transparent and efficient since the return to democracy in 1990.

Digitization has made possible the creation of new online outlets that offer an alternative to conventional mainstream media, such as the news site *El Mostrador.cl* and *CIPER-Chile*, an investigative journalism website. This technology, paired with competitive reasons, also facilitated the creation of two 24-hour news channels distributed by pay-TV systems, *CNN-Chile* and *TVN 24 Horas* (see section 5). Additionally, several citizen news sites complement the mainstream media with hyperlocal, local, and regional topics and viewpoints. There are many websites with stories reported by "common people," who are close to everyday events at a local level, which often go unnoticed by professional journalists. However, these sites mostly carry rather anecdotal, personal stories, which often lack the perspective and context provided by news professionals (see sections 3 and 4).

Thanks to digitization, there is a wealth of user-generated content that has occasionally led to successful social activism, especially when media attention and coverage has followed the mobilizations (see section 3). Established, traditional media are using some social networking applications as well as a few UGC ones

in their websites to their advantage. But, in general, user participation is still quite limited—unsurprisingly, as UGC is not very compatible with the standards, timings, and business models of the industry. In radio, “interactivity” with the public is a long-standing tradition, and there are good examples of newscasts that integrate the reports and testimonies of listeners using the phone quite effectively. The traditional news media are increasingly scanning social networks, notably Twitter (used by many high-profile professionals and opinion leaders, including journalists themselves), in order to be in touch with “what is going on.”

Digitization has allowed a wider coverage of elections and marginalized groups, especially in alternative online media, like citizen newspapers and community radios in the regions. However, these are still quite marginal. This is sometimes due to connectivity limitations, but mainly because three-quarters of Chileans still use terrestrial television’s newscasts to get informed. Mainstream media are often reluctant to incorporate in their agendas information published by alternative outlets, except when the authorities address them and they then become “official” news.

8.1.2 Negative Developments

A major problem that threatens or diminishes the independence of news provision is the media’s dependency on advertising finance in times of increasing competition for relatively stagnant revenues. That dependency is aggravated by the consolidation of the advertisers themselves: there are now fewer and more powerful retailers, supermarkets, banks, insurance companies, pharmacy chains, and similar companies that put up most of the money that constitutes the “advertising pie” from which most media live (see section 3). Following the end of the military dictatorship and the subsequent return to democracy, media ownership concentration by pro-dictatorial owners seems less likely than in the 1980s and 1990s, despite many problems that remain in this respect.

Although there is a high degree of freedom to create print and online media, several newspapers and news magazines have gradually disappeared because they failed financially, especially after the worldwide financial crises in the last decade. As a consequence, the already concentrated media—press, radio, and television—now remain in just a few hands, and almost all are considered and treated as for-profit companies.

A liberal, pro-market ethos now dominates the news and media sphere, including the entirely market-funded public broadcaster TVN. This is the only truly influential public service medium (the daily *La Nación* and the television channels owned by Congress are rather marginal in comparison), yet one of its main problems is its similarity in behavior and content with its commercial, for-profit rivals (see sections 2 and 3). Non-commercial broadcasting is in decline after the partial sale to private investors of the channels from Universidad de Chile in 1992 (now Chilevisión) and, almost a decade later, Universidad Católica (UCTV).

Very few digital media have been able to make a consistent, recognizable breakthrough. One of them is the website daily *Elmostrador.cl*. Another is the only online provider of high-quality investigative journalism, CIPER-Chile, bought by the COPESA newspaper holding. CIPER also creates synergies by working with journalists from traditional media, such as CNN-Chile, or with schools of journalism from private universities such as Universidad Diego Portales and Universidad Alberto Hurtado (see section 4).

Concerns related to the future of pluralism arise nowadays as a result of media ownership concentration, a growing phenomenon that challenges the conventional, liberal paradigm of free media in a competitive, pluralist system. It is quite possible that the future media landscape will be controlled by a few multi-channel, cross-media holdings. This is particularly relevant for digital terrestrial television: despite the allocation of franchises becoming more transparent and open now than in the past, the spectrum is already saturated by incumbent broadcasters, who enjoy long licenses—some of them “indefinite,” which they interpret as perpetual (see sections 5 and 6).

Despite its shortcomings, the future law on digital television will probably secure 30 multiplexes in the UHF band for national, regional, local, and community operators. Each multiplex allows up to eight SD channels as well as a low-definition one for mobile phones. Although it is not clear whether the limited Chilean market will be able to sustain so many new channels and/or operators, at least there will be a chance for smaller franchisees to try. In any case, pluralism and diversity does not depend only on a technological multiplication of outlets—that is merely a prerequisite. Market dynamics and anti-monopoly regulation are also extremely relevant in this respect.

8.2 Media Tomorrow

A main change is expected soon in Chilean terrestrial television, which may also influence the other media. If the draft for the new law sent to Congress in 2008 is approved with few changes, which is uncertain, existing broadcasters will automatically get a free digital franchise for 20 renewable years. These franchises will have national reach—the most attractive for advertisers. It is not clear whether there will be enough national franchises left for new entrants; most of them will be able to apply for commercially less attractive regional, local, and community ones.

This proposal considers neither radio (the other user of spectrum for free-access, mass information, and entertainment) nor telecommunications (the backbone of pay-TV and the internet). So there is a risk of a gradual decline in conventional broadcasting if the steady growth of subscription-based platforms (pay-TV and the internet) continues to attract audiences and, subsequently, advertising income (see section 8). In fact, one theoretical future scenario is a multi-channel, multi-platform monopoly operator owned by a multinational conglomerate which ends up absorbing all of its smaller local rivals, as the experience of radio suggests today. But that evolution is not clear either.

In the news media, journalists do not yet take full advantage of the possibilities offered by digitization. But that should improve in the coming years. The internet is widely used for reporting, to access data, and for contacting sources. But there are very few examples of “web 2.0” usage of technology, such as sophisticated analyses of databases to get better and deeper insights. In future, Chilean journalists will hopefully improve their use of hyperlinks, multimedia, and interactivity to respond better to audiences’ contemporary information needs. Online spaces for public debate and online surveys should also improve, in order to provide both relevant information and sound opinions on socially sensitive issues, and to influence powerful officials and state authorities.

In the coming years, the high prices of both broadband connections (which are less “broad” than in rich countries) and prepaid mobile telephony (the only type the poor can afford) are likely to be reduced, which should favor consumer adoption of these technologies—especially mobile technologies. Other issues that are likely to be addressed are the dubious “choice” of radio and television content despite the multiplication of channels; weak customer satisfaction with telecoms services (which have below-average corporate reputation levels); excessive market power concentration in some media/communications sectors; the evolution of the advertising market; and the weakness of community and not-for-profit media.

It is also likely that the “digital divide” will lessen as access to technology continues to grow and becomes really massive (i.e. accessible to more than half of Chileans). As the problem of access gradually disappears, the problem of the quality of that access is likely to become prevalent.

List of Abbreviations, Figures, Tables, and Companies

Acronyms and Abbreviations

ACHAP	Chilean Association of Advertising Agencies (<i>Asociación Chilena de Agencias de Publicidad</i>)
AMARC	World Association of Community Radios (<i>Asociación Mundial de Radios Comunitarias</i>)
ANATEL	National Association of Television (<i>Asociación Nacional de Televisión</i>)
ANARCICH	National Association of Community and Citizen Radio in Chile (<i>Asociación Nacional de Radios Comunitarias y Ciudadanas de Chile</i>)
ANDA	National Association of Advertisers (<i>Asociación Nacional de Avisadores</i>)
ARCHI	Radio Broadcasters Association of Chile (<i>Asociación de Radiodifusores de Chile</i>)
ANFP	National Football Association (<i>Asociación Nacional de Fútbol</i>)
ANP	National Press Association (<i>Asociación Nacional de la Prensa</i>)
ATSC	Advanced Television Systems Committee
CCS	Santiago Chamber of Commerce (<i>Cámara de Comercio de Santiago</i>)
CIPER	Center for Journalistic Investigation and Information (<i>Centro de Investigación e Información Periodística</i>)
CORFO	Chilean Economic Development Agency (<i>Corporación de Fomento de la Producción de Chile</i>)
CONAR	Council of Self-Regulation and Ethics in Advertising
FDT	Fund for the Development of Telecommunications (<i>Fondo De Desarrollo De Las Telecomunicaciones</i>)
FONDART	Fund for the Development of the Arts and Culture (<i>Fondo de Desarrollo de las Artes y la Cultura</i>)
FECU	Statistical Codified and Uniform File (<i>Ficha Estadística Codificada Uniforme</i>)
FTA	free-to-air television
IAB	Interactive Advertising Bureau
INE	National Statistics Institute (<i>Instituto Nacional de Estadísticas</i>)
IPTV	internet protocol television
MOVILH	Movement for Homosexual Integration and Liberation (<i>Movimiento de Integración y Liberación Homosexual</i>)

CNTV	National Television Council (<i>Consejo Nacional de Televisión</i>)
IMF	International Monetary Fund
NTSC	National Television System Committee
OECD	Organization for Economic Cooperation and Development
PSB	public service broadcasting
RUT	value-added tax numbers (<i>Rol Unico Tributario</i>)
SNA	National Agriculture Society (<i>Sociedad Nacional de Agricultura</i>)
SUBTEL	Spectrum Regulator (<i>Subsecretaría de Telecomunicaciones</i>)
SVS	Securities and Insurance Supervisor (<i>Superintendencia de Valores y Seguros</i>)
TVN	Chilean public broadcaster (<i>Televisión Nacional de Chile</i>)
UGC	user-generated content

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Companies

Chilevisión

Claro

CNN-Chile

COPESA

DirecTV

Empresa El Mercurio SAP

Entel PCS

Grupo Bethia S.A.

Iberoamericana (PRISA)

Luksic group

Telefonica

Time Warner

TVN, the public broadcaster)

VTR Globalcom

Mapping Digital Media: Country Reports (published in English)

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16. Hungary
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21. Turkey
22. Lebanon
23. Macedonia
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28. Nigeria
29. Colombia
30. Croatia
31. Slovenia
32. China
33. Peru

Mapping Digital Media is a project of the **Open Society Media Program** and the **Open Society Information Program**.

Open Society Media Program

The Media Program works globally to support independent and professional media as crucial players for informing citizens and allowing for their democratic participation in debate. The program provides operational and developmental support to independent media outlets and networks around the world, proposes engaging media policies, and engages in efforts towards improving media laws and creating an enabling legal environment for good, brave and enterprising journalism to flourish. In order to promote transparency and accountability, and tackle issues of organized crime and corruption the Program also fosters quality investigative journalism.

Open Society Information Program

The Open Society Information Program works to increase public access to knowledge, facilitate civil society communication, and protect civil liberties and the freedom to communicate in the digital environment. The Program pays particular attention to the information needs of disadvantaged groups and people in less developed parts of the world. The Program also uses new tools and techniques to empower civil society groups in their various international, national, and local efforts to promote open society.

Open Society Foundations

The Open Society Foundations work to build vibrant and tolerant democracies whose governments are accountable to their citizens. Working with local communities in more than 70 countries, the Open Society Foundations support justice and human rights, freedom of expression, and access to public health and education.

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